

The Effect of Talent Management on the Performance of the Banks and the Commitment of the Employees

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Abstract: *Talent management is a ceaseless process by which it ensures that talented people are placed in the right position. In addition, they are maintained and developed effectively. The study tried to investigate the outcome of talent management on employee performance and commitment of Commercial Bank in Bangladesh. It also examines how the level of commitment of bank employees contributes to the bank's performance. At first, the independent variables were talent management and the dependent variable were optimum performance and career commitment. Secondly, the independent variable was career commitment and dependent variable was the performance of the banks. The sample for this study was 100 employees of different commercial banks. Primary data was collected in the study through the use of questionnaires. The SPSS statistical software 26.0 and Smart PLS 3.2.9 versions were used to perform these statistical analyses. The findings of this research show that there are significant relationships among talent management, the performance of the banks and the commitment of the employees.*

Key words: *Talent management, performance, commitment.*

1.0 Introduction

Commercial banks must have an arrangement for managing talent. They should focus on how the competent employees can be trained, developed, and retained. The more banks invest in the development of their employees, the more skilled, committed employees banks will get (Morton, 2005). Talent management is a logical system of different activities and managerial policies of an organization. Banks should adopt different strategies so that they can draw the attention of more people. This work should be done with extra care so that it can match with the objectives of the organization (Tarique and Schuler, 2010).

An organization must have an organized process through which it can perform various activities such as drawing the attention of candidates, selecting, training, and developing, ensuring the best performance level of top skilled employees, etc. This process is called talent management. If an organization wants to gain a competitive advantage, it should give support to its competent employees. Effective talent management is not possible without the desire and dedication of the top management of an organization (Lockwood, 2006).

According to wright(2012), organizations should try to establish a positive image in the corporate world. It should focus on the talent management process for holding unique positions in the market. Organization should work on it for being a winner in this competitive world. Organizations should

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try to keep talented employees to organizations through effective talent management. As a result, employees think that they are in important part of the organization. They try to give more efforts to achieve organizational goal. In addition, they become more experienced in their work and loyal to their organization. Managers must know the determinants of talent management. Determinants of talent management comprise talent attraction and selection, training and development, retention. To be successful, organizations must have a clear understanding of all these determinants. Apart from this, organizations must also know how to do these activities properly.

2.0 Significance of the Study

Now-a-days, the word “talent management” has drawn attention to most organizations. The competition among the organizations is rising. At present, they are competing with one another with the help of their talented human resources. Because it is known that the more the organization gives benefits to retain employees, the loyal employees will contribute more to the organization. This study also shows that proper talent management can improve the performance of the banks. If employees feel motivated, they will try to give their best for their organization. As a result, customer satisfaction can be achieved, and business performance will be better. Organization should have a fair process for the development of employees. If employees perceive that they are properly valued, they will be committed to working more. Their morale will be highly improved. The image of the organization will be increased. Thus, the organization will be able to retain talented employees in the organization and meet its organizational goals.

3.0 Literature Review

Talented and optimistic employees are needed in all organizations to remain competitive. Organizations must know the concept of proper talent management. Talent management aims at drawing attention of candidates, hiring, giving training, motivating, making them professional and loyal towards organization (Collings and Mellahi, 2009). In the present era, talent management becomes the main factor because it is directly related to the triumph of the organization (Ashton and Morton, 2005). Effective talent management has three main elements, namely 1. talent attraction and selection, 2. talent retention and 3. talent development.

Talent attraction has some important elements. These elements are recruitment and selection strategy, branding of the employer, measurement of recruitment strategy, etc. (Armstrong, 2006). According to him, organizations should come up with new and different ways to attract more eligible candidates. Organizations can use both traditional and new ways of recruitment. Attracting and selecting the right and skilled candidates is the main activity of the talent management process. Organizations should be careful so that they can select talented employees. If organization selects the wrong candidates, it will have to suffer. If organization selects talented candidates, it will get better result. For better result or output, organizations must have some competent executives who recruit better candidates. Organization can arrange a training program for executives so that they can do their work effectively.

Talent retention is one of the most important components of talent management. It is a process of keeping proficient employees in an organization for a long time. Organization should try to

reduce turnover of skilled employees. If the top management fails to do it, the organization will have to face problems. On one hand, the productivity level of organization may become lower. On the other hand, organization needs to expend more money to draw the attention of a large group of people (Echols, 2007). Top authority of an organization can be able to retain effective employees by providing intrinsic and extrinsic incentives. Non-monetary rewards are called intrinsic incentives which can satisfy the psychological needs of employee. Extrinsic rewards mean the monetary rewards that can help the employee to satisfy physiological needs (Vaiman & Vance, 2008).

Every organization must have a clear goal. Manager should assign task for employees in such a way so that the employees can have a clear knowledge of task. Organization should also match individual goals with the major goal of the organization. If employees have a clear idea of their activities and if employees can relate their working goals with organizational goals, they feel motivated. Therefore, organizations should try to make their employees to engage in their works with motivation. This will help organizations to retain talented employees (Trevor et al., 2003).

According to Armstrong (2001), career development is important to both the employees and the organization. Employees need to improve their competencies to respond properly to the changing world. An employee develops his career through the achievement of managerial skills and experience which may bring about rewards and promotion. According to Renee & Bradley, (2007), organizations should pay proper attention to the welfare of the employees so that they would contribute more for achieving the goal of the organization. Thus, the desired success can be obtained.

Talent development is a significant tool for utilizing the potential of employees. Organization should use this tool so that it can improve employees' knowledge and attitudes. Organization should arrange some learning programs for the betterment of the organization (Davis et al, 2007). Learning and development are essential parts of human resources practices. Organization should implement some indispensable learning and development programs so that it can ensure that it has talented and experienced employees when needed (Zheng et al, 2001).

Organizations should provide career management services to employees so that they can feel motivated and committed towards the organization. Organizations should also give efforts to career identity by giving employees chances for self-improvement (Dargham, 2013). Sturges et al, (2002) noticed that if top management supports career management, the employees' commitment can be improved easily. Moreover, organizations can be able to reach their destination. According to Carlucci et al. (2004), organizations should try to manage their employees carefully. If organization fails to do this job, the performance level will be lower and the desired success will not come. In this regard, the organization should be more serious.

A committed employee is a blessing for any organization. Organizational commitment means a bond that employees have with the organization. The earlier the organization integrates the goals of the employees with that of the organization, the more committed employee's the organization will have (Hall & Schneider, 1972). Organizational commitment is seen as an impassioned

connection to the organization. If organization manages employees properly, supports, gives appropriate compensation, rewards employees honestly, gives suitable working environment, then it will get more loyal, committed employees. Committed employees are needed for the success of every organization. Therefore, organizations should focus on it (Mowdey et al.,1981).

Literature on talent management supports the idea that the performance level can be improved and employees' commitment can also be achieved if the talent of the organization is properly utilized. But attracting, developing, and retaining effective and knowledgeable employee is a difficult issue. So, organizations should give more importance to all the components and processes of the talent management.

4.0 Theoretical Framework:

Based on the above literatures, a theoretical framework is developed which is shown below:

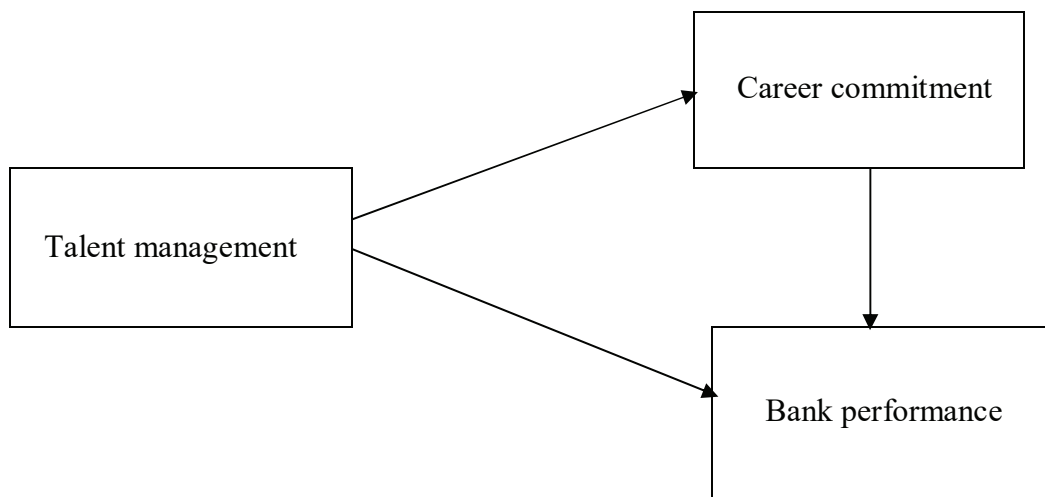


Figure 1: Conceptual framework

Hypotheses:

Based on the above literature, the following hypotheses have been formulated:

H1: Talent management has an effect on the performance of the bank.

H2: Talent management has an effect on the career commitment of employees.

H3: Career commitment has an effect on the performance of the bank.

Objective of the Study:

The prime objective of the study is to explore the relationship between talent management and employee performance in selected banks in Bangladesh. The specific objectives are:

- a) to examine the relationship between talent management and organizational performance.
- b) to determine the relationship between talent management and employee commitment in selected banks in Bangladesh.
- c) to determine the relationship between career commitment and organizational performance.

5.0 Methodologies of the Study

5.1 Research Design

Quantitative research design was used for this research.

5.2 Sampling area and sample selection

The survey covered 100 employees of different private banks. The convenient sampling method was used to choose the respondents. Both male and female respondents were taken for the study. The areas of sampling mainly covered Dhaka in Bangladesh.

5.3 Sources of data

Both the primary and secondary data were used in this study. Secondary data and information were assembled from the existing literature and different published reports in the said field and the primary data was collected through a comprehensive questionnaire survey.

5.4 Questionnaire design

Questionnaire design may be the most important part of any survey process. A structured questionnaire was used for collecting primary data. In this questionnaire, closed ended questions were given. For the closed ended questions five-point Likert scale was used, where 1=strongly agree, 2 =agree, 3= neutral (neither agree nor disagree), 4= disagree, and 5= strongly disagree.

5.5 Tools and techniques used

To test the hypotheses of the study some statistical analyses were performed. The SPSS statistical software 26.0, Smart PLS 3.2.9 versions were used to perform these statistical analyses.

6.0 ANALYSIS OF THE STUDY

6.1 Demographic information of the respondents

Analyzing the collected data after survey following rate of the respondents are found based on their different demographic characteristics:

Table 1: Demographic information of the respondents

Particulars	Percentage	Particulars	Percentage
AGE		Gender	
25-30years	24.0	male	72.0
31-35years	38.0	female	28.0
36-40years	20.0	Total	100.0
41-45years	14.0		
above 45 years	4.0	EXPERIANCE	
Total	100.0	less than a year	4.0
JOB TITLE		1-2years	16.0
junior officer	12.0	3-5years	32.0
officer	34.0	6-10years	34.0
senior officer	14.0	above 10years	14.0
senior executive officer	14.0	Total	100.0
others	26.0	MARITAL STATUS	
Total	100.0	Unmarried	20
		Married	80
		Total	100

From the above table (table 1) it is seen that 24% of the respondents were in the age of 25-30, 38% of the respondents were in the age of 31-35, 20% of the respondents were in the age of 36-40, 14% of the respondents were in the age of 41-45, and 4% of the respondents were in the age of above 45years. In the job title area, 12% of the respondents are junior officer, 34% of the respondents are officer, 14% of the respondents are senior officer, 14% of the respondents are senior executive officer, and 26% of the respondents are from different positions of the banks. Here, majority (80%) of the respondents were married and 20% of the respondents were unmarried. In this research, there are differences in the length of time .4% of the respondents in the category of “less than one year”, 16% of the respondents in the category of “1-2 years”, 32% of the respondents in the category of “3-5years”, 34% of the respondents in the category of “6-10 years” and 14% of the respondents in the category of “above 10 years”.

6.2 Reliability and Validity of data

Table 2 reports the values of several reliability measures for three constructs: Bank Performance, Career Commitment, and Talent Management. The reliability measures reported are Cronbach's alpha, rho_A, composite reliability, and average variance extracted (AVE).

Table 2: Reliability and validity statistics of the constructs

Constructs	Cronbach's Alpha	rho_A	Composite Reliability	Average Extracted (AVE)	Variance
Bank Performance	0.716	0.764	0.805	0.587	
Career Commitment	0.783	0.789	0.873	0.697	
Talent Management	0.881	0.884	0.903	0.561	

Cronbach's alpha is a measure of internal consistency reliability, which indicates how well the items in a construct measure the same underlying construct (Saunders et al., 2016). The values reported for Cronbach's alpha are 0.716 for Bank Performance, 0.783 for Career Commitment, and 0.881 for Talent Management. All three scores are more than 0.7, the generally recognized cutoff for internal consistency dependability, showing that the constructs are trustworthy.

Rho_A is a measure of composite reliability, which is like Cronbach's alpha but takes into account the correlations between items. The values reported for Rho_A are 0.764 for Bank Performance, 0.789 for Career Commitment, and 0.884 for Talent Management. The three values surpass the commonly accepted threshold of 0.7, signifying that the constructs exhibit commendable composite reliability.

Hereby, the values reported for composite reliability are 0.805 for Bank Performance, 0.873 for Career Commitment, and 0.903 for Talent Management. The constructs have dependable composite reliability as evidenced by all three values exceeding the commonly recognized threshold of 0.7.

Convergent validity is assessed by AVE, which gauges the level of relatedness between a construct's items. The values of AVE reported for Bank Performance, Career Commitment, and Talent Management are 0.587, 0.697, and 0.561, respectively, and all surpass the commonly established threshold of 0.5, indicating that the constructs possess strong convergent validity. Overall, the values reported for each reliability measure suggest that the three constructs (Bank Performance, Career Commitment, and Talent Management) have good internal consistency reliability and convergent validity. Figure 2 illustrates the measurement model:

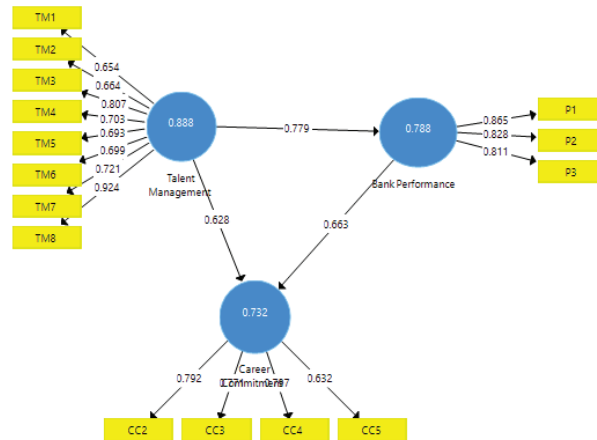


Figure 9: Results of the measurement model

Table 3: Discriminant Validity

Constructs	Bank Performance	CareerCommitment	Talent Management
Bank Performance	0.766		
Career Commitment	0.621	0.835	
Talent Management	0.684	0.83	0.749

Table 3 displays the correlation coefficients between the constructs on the off-diagonal cells and the square root of the Average Variance Extracted (AVE) on the diagonal. Discriminant validity can be assessed by comparing the diagonal values with the correlation coefficients (Hair et al., 2019). If the diagonal values are greater than the correlation coefficients, then we can infer that the constructs have discriminant validity.

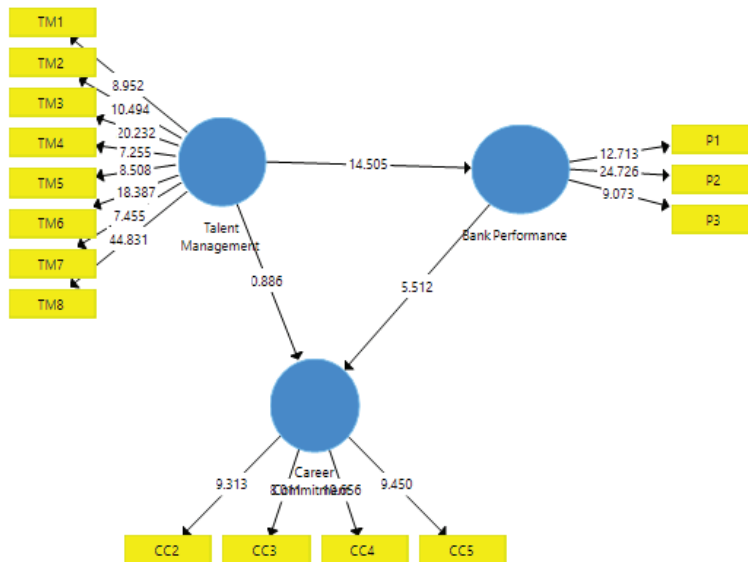
As per the table, each diagonal value is greater than the corresponding correlation coefficients, indicating that the constructs (Bank Performance, Career Commitment, and Talent Management) have discriminant validity. This implies that the constructs are not highly correlated (Zikmund et al., 2013) and represent unique constructs that can be differentiated from each other.

6.3 Test of the hypotheses using the bootstrapping method

For testing the validity of a research model's inter-construct interactions, bootstrapping is an effective method. Researchers may get several independent samples from the original dataset, which can improve the precision of their estimations of the correlations between variables (Saunders et al., 2016; Hair et al., 2017). For this research having a sample size of 100, data has been resampled using the bootstrapping technique using a pool of 5000 bootstrapping samples. The following table and figure show the results obtained from bootstrapping analysis.

Table 4: Hypotheses testing results.

Hypothesis	Relations	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics	P Values	Results
H1	Talent Management -> Bank Performance	0.779	0.775	0.053	14.801	0.000	Supported
H2	Talent Management -> Career Commitment	0.628	0.612	0.11	4.883	0.002	Supported
H3	Bank Performance -> Career Commitment	0.663	0.648	0.12	5.518	0.000	Supported

**Figure 10: Bootstrapping Results**

From table 4, it can be figured out that the p values of all the relations are less than 0.05. Therefore, we may reject null hypotheses and accept that the relationship among all the constructs is statistically significant. Therefore, our hypotheses for this study are supported by the bootstrapping result.

7.0 Limitations of the Study and Future Directions for Future Research Works

The researchers faced a lot of hardships throughout the period of conducting the research from various aspects. Sometimes people were not willing to share information freely. Time constraints are another reason for which researchers can't use large sample size. The result would be better if the researcher could use large sample size. This study has a few limitations that can be overcome and solved through future studies. In this study, a small sample size was taken. It is recommended that future research can be conducted with a large sample size. The study was conducted only

in the Dhaka city. Therefore, it is also suggested that future research can be done on the whole of Bangladesh to get more accurate results. Besides these, future research can concentrate on different types of banks working in Bangladesh.

8.0 Conclusion

In this research it is found that proper talent management increases the performance of the bank. It also increases the commitment level of the employees. Moreover, it is also seen that committed employees contribute to increasing the performance of the banks. So, it can be said that organizations should have the power and ability to recognize talented people, motivate them and maintain them with care so that they can work harder and with more perfection. Thus, organizations can reach their destination and achieve their success.

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