



Examining the Influence of Talent Management Practices on Organizational Performance in Private Sector Banks

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Abstract

In the current competitive corporate world, human resources are considered the most essential capital for organizational performance, especially in high competitiveness and private banking-related industries. This study aims to explore the impact of talent management (TM) practices on measuring organizational performance in Indian private sector banks. Aim and Objective the research employs a descriptive and quantitative methodologies utilizing 100 respondents, senior HR executives as well as department staff within some banks for instance ICICI and HDFC in Jaipur and SPSS 22.0 was used to perform statistical analyses. Data was collected through a 5-point Likert scale questionnaire measuring organizational performance and TM practices. TM practices were positively correlated ($r = 0.983$, $p = 0.000$) with employee engagement, attraction, development, motivation, retention and succession planning, leading to improved organizational performance, and using TM practices can be beneficial in improving organizational outcomes. Though talent retention had a detrimental impact, underlining the importance of improved retention actions, talent development emerged as the foremost factor. It highlights how beneficial thought-through TM practices may be to promoting organizational success. To maximize performance, private banks need to prioritize personnel management efforts, devote resources to these practices, and include leadership in strategic planning, the study noted. Banks should also keep evaluating and improving their TM initiatives in order to better engage and retain employees and adjust to shifting business needs.

Keywords: Talent management, Organizational performance, banks, private



1. Introduction

The growing significance of long-term talent management (TM) as a component of strategic management techniques has gained significant emphasis in recent years. As a result, businesses all around the world have started using this strategy to improve their overall performance. These companies are implementing inclusive or exclusive strategies that prioritize employee engagement, motivation, development, and retention, using a talent management model (Collin & Mellani, 2009).

TM is a dynamic idea that comes from strategic human resource management. It is constantly being evolved to manage employees in a business. In order to guarantee the organization's continuous growth, it emphasizes long-term human resource development, regeneration, and rejuvenation. Additionally, the goal of TM is to improve team performance, the organization overall, and individual engagement, satisfaction, and commitment. One of the biggest issues facing human resource professionals around the world is the lack of qualified workers. The consequences of globalization, the digitization of numerous businesses, and the quick advancement of technology have made this deficit more noticeable in recent years (Dalal & Akdere, 2018).

Talent management is a method for systematically finding, attracting, developing, engaging, and deploying high-potential employees who will be an asset to a company. When a company focuses on talent management, it means it actively seeks out, evaluates, develops, and keeps its most valuable personnel. "Talent management is defined as "the application of integrated strategies or systems intended to enhance workplace productivity by creating better procedures for luring, nurturing, keeping, and employing individuals with the necessary aptitude and skills to satisfy present and future business demands." Talent management is a comprehensive approach to human resource management that aims to "find, hire, train, and retain employees who have the right mix of skills" to meet the company's present and future needs. Talent Management's overarching goal is to fill critical roles that significantly impact an organization's ability to maintain a competitive advantage by the systematic recruitment, evaluation, development, engagement, and deployment of high-potential, high-performing individuals. Attracting, developing, and maintaining a company's talent pool is the first step in talent management (Agrawal, 2021).

Talent in the 21st century has grown in both supply and demand, and in the face of intense competition, it has become a crucial component for companies and organisations to reach their long-term objectives. Organisations can maintain their performance for improvement and



transformation with the support of talent management techniques, which offer essential knowledge and solutions. When a position opens up, it helps companies find the most qualified workers who could be leaders of the future and promote them. Talent management isn't only about identifying and retaining top performers; it's also about helping those employees grow professionally so that the company can achieve its objectives and maintain a competitive edge. In their investigations, most academics have found that this factor significantly affects the long-term viability of organisational performance (**Priya, 2020**). Looking at the literature on TM and its long-term effects on organizational performance, several studies have consistently shown that the two are positively correlated. The improvement of business growth and competitive advantage is what defines this positive link (Collin & Mellani, 2009). According to research by Mahato (2018) and Gautam (2022), there is a positive correlation between TM and organizational performance in the Nepalese business sector.

South Asian nations including India, Bangladesh, and Pakistan are gaining attention, while studies have mostly concentrated on developed nations. Empirical research on TM practices in developing nations like Nepal is lacking, nevertheless. More research is need to fully understand the relationship between TM, commitment, and performance in Nepalese situations. (Gautam, 2022).

2. Literature review

With a focus on the mediating function of organizational commitment, **Gautam (2024)** investigated the effects of talent management (TM) practices on organizational performance in Nepalese banks. The study discovered that by encouraging employee engagement and emotional attachment, TM practices—such as luring, nurturing, and keeping talent—improve organizational performance. This study emphasizes the strategic value of TM in increasing commitment and output, providing insightful information for related research in other sectors.

Okeke (2023) investigated how talent management affected the organizational performance of pharmaceutical enterprises in the Niger Delta region of Nigeria. The study, which was founded on the Human Capital Theory, emphasized the importance of attracting, developing, and retaining talent. According to the study, which used a survey with 332 respondents, talent management—in particular, hiring and training—significantly enhances organizational performance. The results highlight how crucial staff retention is to long-term performance. To maintain growth and competitiveness, pharmaceutical businesses are recommended to give top talent recruitment and retention top priority.



Nosike (2022) investigated how talent management affected Enugu State institutions' performance. According to the study, which used a descriptive survey with 350 employees, talent management greatly improves institutional performance. In order to enhance operations and preserve a competitive edge, the study suggested that colleges put plans in place to draw in, hire, and keep top people.

Although talent management (TM) is gaining popularity, **Sharma and Rathore (2020)** point out that it's unclear if TM is a novel idea or a repackaging of conventional HRM techniques. They make the case that TM practices are different from HRM and offer a thorough model that takes into account every facet of TM. Future empirical testing of the study's hypotheses is encouraged. The effect of TM on worker performance in Vietnamese banks was investigated by **Dang et al. (2020)**. According to their research, which was based on a survey of 375 workers, TM practices decrease unproductive behaviors while enhancing task, contextual, and adaptive performance. Effective TM tactics can improve staff commitment and productivity in banks, according to the study, which also shows that affective commitment mediates the relationship between TM and performance.

With an emphasis on the moderating influence of transformational leadership and the mediating role of organizational commitment, **Almaaitah et al. (2020)** investigated how talent management (TM) in HR improves organizational performance. According to the study, which used structural equation modeling and involved employees in Jordan, successful TM raises commitment, retention, and performance. Furthermore, transformational leadership has a favorable impact on organizational performance as well as TM. The report emphasizes how crucial company-wide support is to reaching HR performance targets.

Wadhwa and Tripathi (2018) investigated the effects of talent management procedures on worker performance in commercial banks located in Haryana, India. With a statistically significant F-statistic of 226.311 ($p < 0.001$), the study, which surveyed 600 employees from six banks (three public and three private), discovered that talent management considerably improves employee performance.

Augustine (2018) investigated the relationship between organizational performance and talent management tactics, including hiring, training, retention, and career planning. According to the study, these methods have a favorable effect on organizational success, especially when applied to operations, leadership, and service delivery.



3. Objectives of the study

- To analyse of the effects of talent management practices on organizational performance in private sector banks.
- To find relationship between talent management practices and organizational performance.

4. Hypothesis

Ho: There is no significant effect of talent management practices on organizational performance in private sector banks.

Hi: There is significant effect of talent management practices on organizational performance in private sector banks.

Ho: There is no significant relationship between talent management practices and organizational performance.

Ha: There is significant relationship between talent management practices and organizational performance.

5. Research Methodology

In order to assess the degree of TM practices and organizational performance used in India's private banking sector, this study used a descriptive research design. The effect of TM activities on organizational performance is also examined using a correlational research approach. The study's participants included private banks that were active in Jaipur, India, including ICICI and HDFC. Using a simple method of convenient sampling, 100 respondents from two distinct private banks made up the sample size. Since it is

assumed that senior-level personnel in other departments and those in the HR department have a greater understanding of TM activities and organizational performance than their junior-level counterparts, they were specifically selected as the sample. A standardized 5-point Likert scale questionnaire was given to the chosen personnel both in person and online in order to gather data in accordance with the study's goals. 100 responses in all were collected. The questionnaire's first section asked respondents for demographic data, including age and number of years they had worked at their present bank. The questionnaire's last component included questions about organizational performance, while the second section sought to investigate sustainable TM practices. Information was gathered using self-administered questionnaires, one created by Lee and Chooi (2003) to measure organizational performance and another by Mohammed (2018) to

measure TM practices. Similar to this, the participants were given the option to answer each item in this study using a five-point Likert scale, with 1 indicating "strongly disagree" and 5 meaning "strongly agree." Regression and inferential statistical analysis methods were used to investigate the hypotheses that were put forth. The information was processed using structural equation modelling methods and confirmatory factor analysis.

6. Results

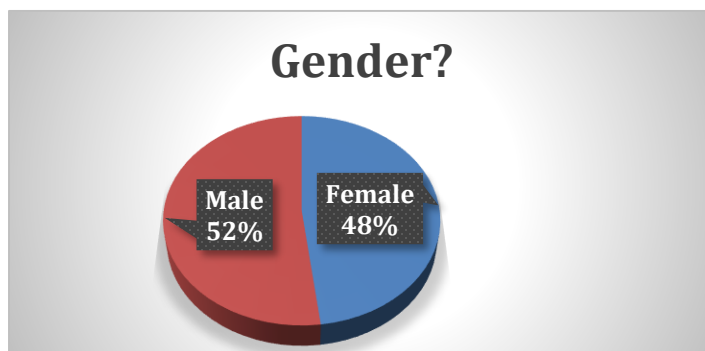
6.1 Demographic profile of respondents

This section provides a summary of the results and respondent demographics for the private sector banking industry's talent management practices and their effect on organizational performance.

Table- 6.1 Gender wise distribution of respondents

Gender		
	Frequency	Percent
Male	52	52.0
Female	48	48.0
Total	100	100.0

Chart- 6.1 Graphical representation of gender wise distribution of respondents



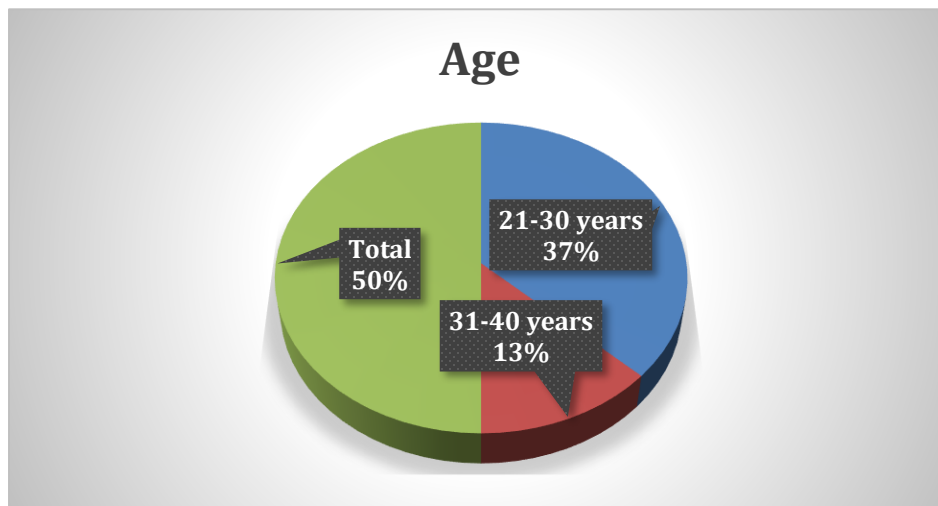
Interpretation

Males (52%) and females (48%) have approximately equal shares, as seen in the above table and pie graphic 6.1. The balanced gender composition of respondents is confirmed by the table and pie chart 6.1, guaranteeing a range of perspectives from both genders when examining talent management procedures.

Table- 6.2 Age wise distribution of respondents

Age		
	Frequency	Percent
21-30 years	74	74.0
31-40 years	26	26.0
Total	100	100.0

Chart- 6.2 Graphical representation of age wise distribution of respondents



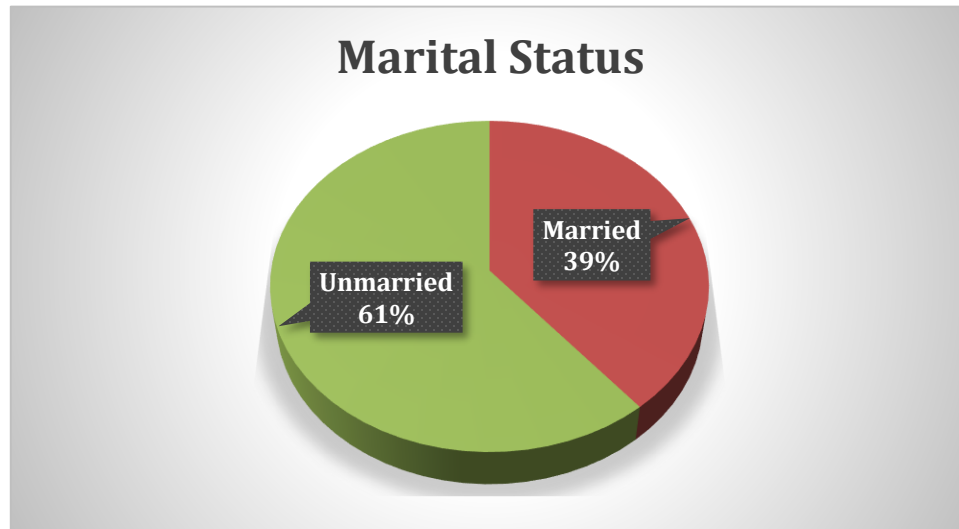
Interpretation

A larger portion (74%) of respondents is between the ages of 21 and 30 in the above table and pie chart 6.2, but a smaller segment (26%) is for respondents between the ages of 31 and 40. The chart and table emphasize that young professionals make up the majority of responders, which is consistent with the trend of private banks hiring younger employees.

Table - 6.3 Marital Status wise distribution of respondents

Marital Status		
	Frequency	Percent
Married	39	39.0
Unmarried	61	61.0
Total	100	100.0

Chart-6.3 Graphical representation of Marital Status wise distribution of respondents



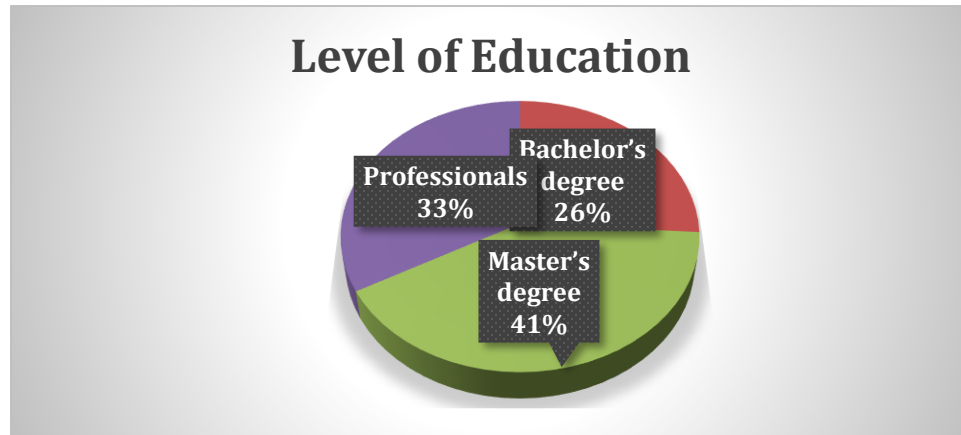
Interpretation

The unmarried respondents (61%) outnumber the married group (39%), as seen graphically in table 6.3 above. A comparatively younger demography in private sector banks is reflected in the higher percentage of unmarried respondents.

Table- 6.4 Education wise distribution of respondents

Level of Education		
	Frequency	Percent
Bachelor's degree	26	26.0
Master's degree	41	41.0
Professionals	33	33.0
Total	100	100.0

Chart-6.4 Graphical representation of education wise distribution of respondents



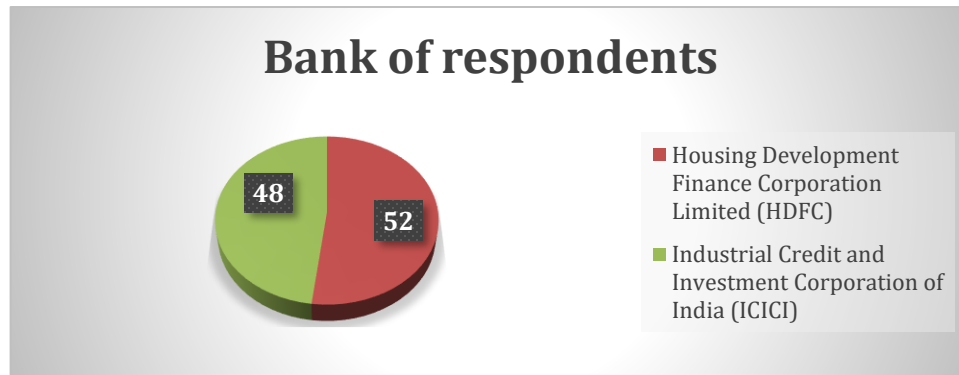
Interpretation

Master's degree holders make up the largest category (41%), followed by professionals (33%), and bachelor's degree holders (26%), according to the above table and pie graphic 6.4. The majority of responders have advanced degrees, suggesting that private banks prioritize training and professional development when hiring highly educated people.

Table- 6.5 Bank wise distribution of respondents

Bank of respondents		
	Frequency	Percent
Housing Development Finance Corporation Limited (HDFC)	52	52.0
Industrial Credit and Investment Corporation of India (ICICI)	48	48.0
Total	100	100.0

Chart-6.5 Graphical representation of bank wise distribution of respondents



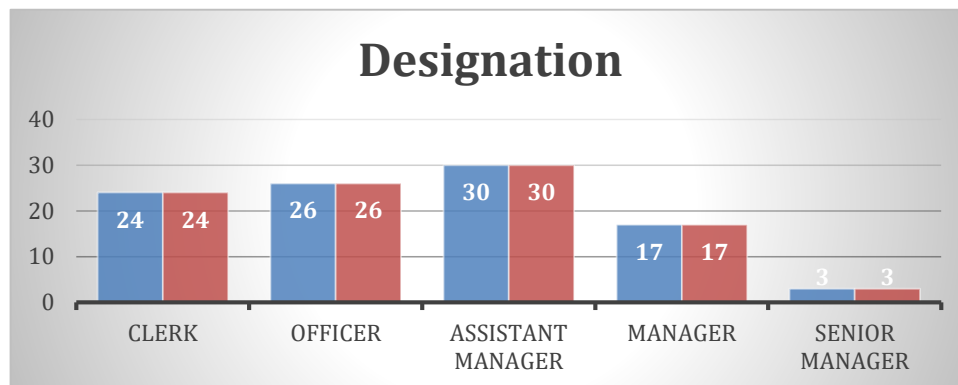
Interpretation

Nearly similar amounts are shown in the above table and pie chart 6.5, with HDFC (52%) somewhat outperforming ICICI (48%). Because HDFC and ICICI respondents are almost equally represented, the data intake is balanced, bias is reduced, and the results are applicable to both institutions.

Table- 6.6 Designation wise distribution of respondents

Designation		
	Frequency	Percent
Clerk	24	24.0
Officer	26	26.0
Assistant Manager	30	30.0
Manager	17	17.0
Senior Manager	3	3.0
Total	100	100.0

Chart-6.6 Graphical representation of designation wise distribution of respondents



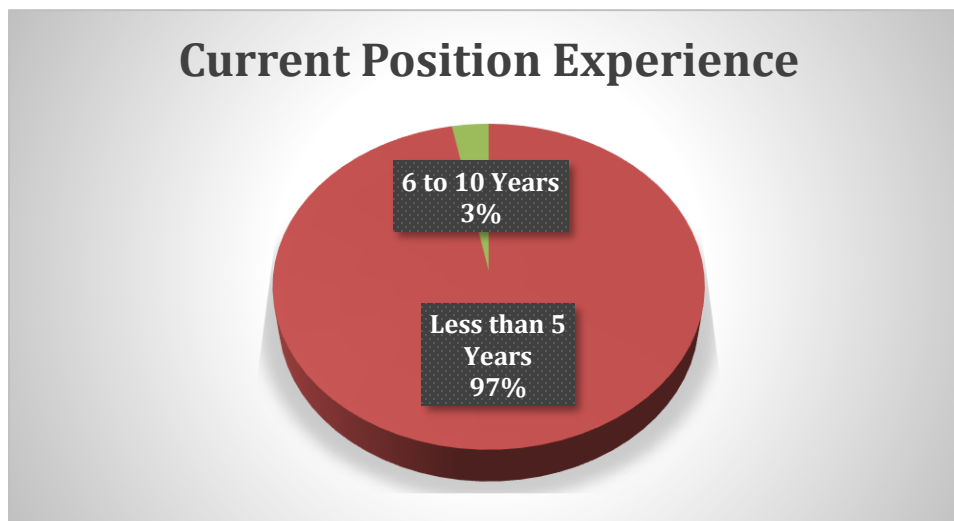
Interpretation

According to the above table and pie graphic 6.6, senior managers make up a smaller percentage of the workforce than assistant managers (30%), officers (26%), and clerks (24%). According to the distribution, most respondents have mid-level roles, such as officers and assistant managers, which may be the focus of talent management strategies.

Table- 6.7 Current Position Experience of respondents

Current Position Experience		
	Frequency	Percent
Less than 5 Years	97	97.0
6 to 10 Years	3	3.0
Total	100	100.0

Chart-6.7 Graphical representation of Current Position Experience of respondents



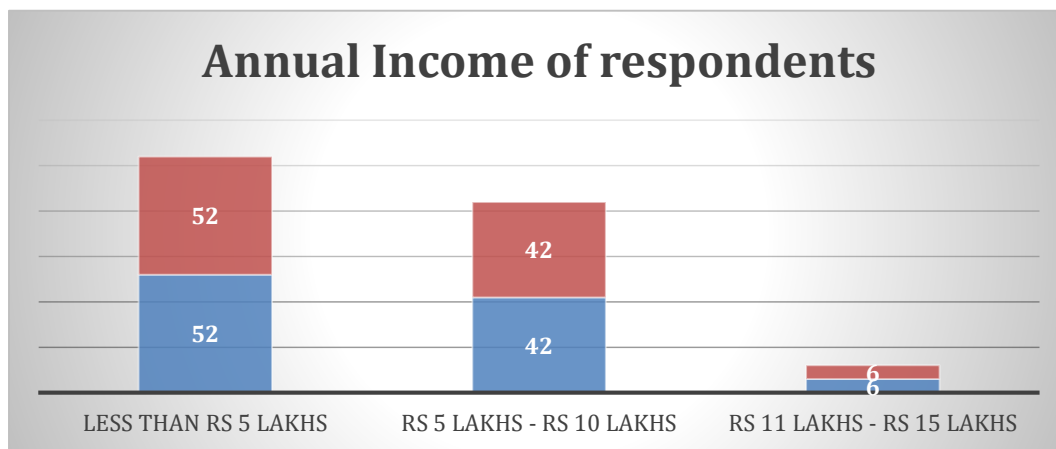
Interpretation

A very tiny percentage (3%) of respondents have 6–10 years of experience in their current positions, whereas the vast majority (97%) have fewer than 5 years, as seen in the above table and pie chart 6.7.

Table- 6.8 Annual Income of respondents

Annual Income of respondents		
	Frequency	Percent
Less than Rs 5 Lakhs	52	52.0
Rs 5 Lakhs - Rs 10 Lakhs	42	42.0
Rs 11 Lakhs - Rs 15 Lakhs	6	6.0
Total	100	100.0

Chart-6.8 Graphical representation of annual Income of respondents



Interpretation

The majority of respondents (52%), followed by those earning ₹5–10 Lakhs (42%), and those earning ₹11–15 Lakhs (6%), are in the ₹5 Lakhs or less group, according to the above table and pie graphic 6.8. The majority of responders fall into the lower-to-middle income range, which highlights the need for motivational techniques to improve performance and job satisfaction in these populations.

6.2 Hypothesis testing

Hypothesis 1: There is no significant effect of talent management practices on organizational performance in private sector banks.

Table- 6.9 Regression Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.993 ^a	.987	.986	.096502447384852
a. Predictors: (Constant), Employee Engagement, Talent Attraction, Talent Motivation, Succession Planning, Talent development, Talent Retention				
b. Dependent Variable: Organizational Performance				

Interpretation:

The Model Summary provides light on the regression model's strength. Organizational performance and talent management methods have a very significant positive correlation, as indicated by the **R-value of 0.9993**. The independent variables of talent attraction, development, motivation, retention, succession planning, and employee engagement account for **98.7%** of the variance in organizational performance, according to the **R Square (0.987)**. Even after controlling for the number of predictors, the model's strong and dependable predictive capacity is confirmed by the **Adjusted R Square (0.986)**, which is extremely near to the R Square. The model's predictions are accurate and closely match the real data, as seen by the minimal **standard error of the estimate (0.097)**.

All things considered, the regression model provides a great job of highlighting the relationship between organizational performance and talent management practices.

Table- 6.10 Regression Model Significance

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	63.774	6	10.629	1141.345	.000 ^b
	Residual	.866	93	.009		
	Total	64.640	99			
a. Dependent Variable: Organizational Performance						
b. Predictors: (Constant), Employee Engagement, Talent Attraction, Talent Motivation, Succession Planning, Talent development, Talent Retention						

Interpretation:

The regression model's overall significance is evaluated in the **ANOVA table**. The model fits the data very well, as evidenced by the extraordinarily high **F-value (1141.345)**. The statistical significance of the regression model is confirmed by the **p-value (0.000), which is less than 0.05**. This indicates that the dependent variable (organizational performance) is significantly impacted by the independent variables (talent management practices) taken together. The null hypothesis (H_0), according to which talent management practices have a small effect on organizational performance, is significantly supported by the results.

Table- 6.11 Regression Coefficients

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.160	.054		2.994	.004
	Talent Attraction	.083	.024	.093	3.499	.001
	Talent development	.695	.036	.737	19.497	.000
	Talent Motivation	.124	.025	.130	5.044	.000
	Talent Retention	-.159	.050	-.159	-3.196	.002
	Succession Planning	.103	.020	.128	5.148	.000
	Employee Engagement	.120	.032	.123	3.706	.000
a. Dependent Variable: Organizational Performance						

Interpretation:

Each independent variable's individual contribution to the organization's performance is assessed in the Regression Coefficients Table 6.11.

- The greatest positive affect is seen in talent development (**Beta = 0.737, p = 0.000**), which highlights how important it is for improving organizational performance.
- The significance of employee motivation is demonstrated by the significant impact of talent **motivation (Beta = 0.130, p = 0.000)** to performance.
- Both employee engagement (**Beta = 0.123, p = 0.000**) and succession planning (Beta = 0.128, p = 0.000) have favourable and significant effects.

- Though its impact is less pronounced than that of other variables, talent attraction has a positive impact on performance (**Beta = 0.093, p = 0.001**).
- Talent Retention: This connection is negative (**Beta = -0.159, p = 0.002**), indicating that the organization's success may be hampered by ineffective retention strategies.

According to these findings, every independent variable has a positive impact on organizational performance, with the exception of talent retention. The results show that while talent retention tactics need to be reevaluated to lessen their negative impacts, talent development has the greatest benefit.

Hypothesis 2: There is no significant relationship between talent management practices and organizational performance.

Table- 6.12 Correlations

Correlations			
		Organizational Performance	Talent Management Practices
Organizational Performance	Pearson Correlation	1	.983**
	Sig. (2-tailed)		.000
	N	100	100
Talent Management Practices	Pearson Correlation	.983**	1
	Sig. (2-tailed)	.000	
	N	100	100
**. Correlation is significant at the 0.01 level (2-tailed).			

Interpretation:

The relationship between two factors—organizational performance and talent management practices—is displayed in the table. The **Table- 6.12** value of **0.983**** indicates that these two variables have a very strong relationship. This implies that organizational performance typically improves along with improvements in talent management practices. This link is of statistical significance, which means it is highly unlikely that it developed by error, according to the **value 0.000**, also known as the "**Sig.**" value.



The hypothesis stated that there is no significant relationship between organizational performance and talent management practices. The table's results, however, disprove this. It is clear from the statistical significance and the significant positive relationship that there is a significant connection between organizational performance and talent management practices.

7.1 Conclusion

The analysis reveals that talent management practices significantly and favourably impact organizational performance in private sector banks. According to regression results, essential variables such as employee engagement, succession planning, motivation, retention, and talent development explain 98.7% of the variation in organizational performance, with talent development having the biggest impact. However, there is a negative effect on talent retention, which highlights the importance of strategic improvements in this area. The results of the correlation study show an impressive and statistically significant association between organizational performance and talent management practices ($r = 0.983$, $p = 0.000$). These results reject the null hypothesis, highlighting how important good talent management is to the success of an organization.

7.2 Implications

- Private sector banks should prioritize the development and implementation of strong talent management processes in order to improve their organizational performance. This entails the process of recognizing, enticing, nurturing, and retaining exceptional people who possess the potential to propel the firm towards success.
- It is important for banks to dedicate adequate resources to talent management initiatives, as these expenditures are expected to result in significant improvements in organizational performance.
- Senior executives must exhibit a strong dedication to talent management by including it into the broader strategic planning process

7.3 Suggestions

- Banks must consistently assess and enhance their personnel management strategies in order to adapt to changing business requirements and improvements in technology. It is important to utilize regular feedback and performance indicators to evaluate the efficiency of these activities.



- Designing and implementing customized training and development programs that are specifically targeted to the unique requirements of the firm and its personnel can significantly improve skill sets and boost productivity.
- Creating efficient retention techniques is essential to reduce the turnover rates of top performing personnel. Offering competitive remuneration, opportunities for professional growth, and fostering a nice workplace atmosphere can aid in retaining exceptional employees.
- Cultivating a stimulating work environment that fosters a sense of appreciation and motivation among employees can significantly improve their dedication and productivity. Utilizing employee engagement surveys and feedback channels can effectively pinpoint areas in need of improvement.

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