CHAPTER - 3
RESEARCH METHODLOGY

This chapter covers the rationale and scope of the study, research objectives, research hypotheses, research design, universe and sample profile, data collection, data analysis, reliability of the instrument, and organization, limitations and significance of the study.

3.1 Rationale of the Study

Talent management in organizations is not limited to attracting the best people from the industry but it is a process that involves attracting, hiring, developing, retaining and promoting them while meeting the needs of organizations and employees. If an organization wants the best talent of its competitor to work with it, it needs to attract them and offer something that is far beyond his imagination to come and then bond with the organization. Only hiring him does not resolve the problem but getting the things done from him is the main task. Therefore, talent management is a full-fledged process that not only controls the entry of an employee, but also his or her exit from the organization.

Every talent is relevant to a given situation or role. Talent management means different things to different organizations. It refers to the process an organization adopts for managing those with scarce or hot skills or recognized as having exceptional technical or managerial abilities or how they manage all their human resources irrespective of the status and capabilities of each individual employee. Following a survey of 518 people and subsequent review by panel of experts, The American Society for Training and Development in collaboration with the Institute for Corporate Productivity adopted a holistic approach to optimize human capital which enables an organization to drive results by building culture, engagement and capacity through integrated talent acquisition, development and deployment processes aligned to business goals (Elegbe, 2009).

Every HR manager, in order to survive in this war for talent management, has to fight against a limited and diminishing pool of qualified available candidates to replace valuable employees when they leave. The difficulty to attract, motivate and retain the best employees of the organization, not only to fulfill employee’s needs, but also recognize their efforts and reward them accordingly. This would boost their morale and they would be partners in the progress of the organization. It is to be remembered that placing a candidate at a wrong place can multiply the problems regardless of the qualifications, skills, abilities and competency of that person. How much brilliant he or she may be, but
putting them at an inappropriate place defeats the purpose. The process of talent management is incomplete if you are unable to fit the best talent at the place where he or she should be. Need for talent is also driven by macro trend such as new cycle for business growth, changing workforce demographics with reducing labour pools, complex economic conditions which require segregated talent and talent management, emergence of new enterprises which suck talent from large organizations (Ashton and Morton, 2004).

Highly demanding business environment makes it imperative for the organizations to build competence in the form of superior intellectual capital. It is agreed by almost all CEOs of big companies that it is the talented human resource that increase internal competition. Therefore, it is the duty of human resource department to nurture a brigade of talented workforce which can win for them this war in the business field. The talent has to be spotted, carefully nurtured and most importantly honed for future use. Right person for the right job is the mantra to success (Kumar P.B.S.). But a person who was able to solve a yesterday problem may not necessarily be the right person to solve a tomorrow problem. Therefore, before recruiting or developing the existing talent, it is essential that a firm identifies the future strategy of the business and the environment in which it will be required to compete having identified the future business environment and business strategy of the firm. Hence, it is binding on the management to identify the right talent. (Meyer Terry, 2005)

Some organizations may find the whole process very disreputable especially who are at the giving end (who loses their high-worth employee). In this tough competition where existence is a big question, every organization requires the best talent to continue and remain ahead in the competition. Talent is the most important factor that pushes an organization and takes it to a higher level, therefore must be managed carefully (Behera, 2016).

In view of the above, the selection of the topic i.e. A Study of Talent Management Practices of Indian Service Sector is justified for in depth examination in the area of banking and insurance sector as the role of service sector is increasing day by day for generating employment opportunities in Indian economy.

3.2 Scope of the Study

The present study covers the analysis of talent management practices such as identification, attraction, retention and developing the talent; impact of talent
management practices on employees’ motivation, creativity, satisfaction and competency, and problems of managers related to unclear talent management practices, feeling of insecurity, human resource budgeting and scarcity of right talent in selected private sector Indian banks and insurance companies in the states of Haryana and Delhi.

3.3 Research Objectives

The main objective of the study is to analyze the talent management practices of banking and insurance sectors. In this broader framework, the following are the specific objectives of the study:

1. To examine the talent management practices of the selected organizations.
2. To identify the problems faced by the selected organizations in managing the talent.
3. To examine the impact of talent management practices on employees’ performance *i.e.* employee creativity, competency, employee motivation and job satisfaction.
4. To suggest measures for improving the talent management practices in banking and insurance sectors in particular and service sector in general.

3.4 Research Hypotheses

The following hypotheses have been formulated and tested to validate the results of the study:

**Management perception towards Talent Management Practices**

\( H_01: \) There is no significant difference in managers’ perception towards talent management practices in banking sector.

\( H_02: \) There is no significant difference in managers’ perception towards talent management practices in insurance sector.

\( H_03: \) There is no significant difference in managers’ perception towards talent management practices in banking and insurance sectors.

**Employees’ perception towards Talent Management Practices**

\( H_04: \) There is no significant difference in employees’ perception towards talent management practices in banking sector.

\( H_05: \) There is no significant difference in employees’ perception towards talent management practices in insurance sector.
**H06:** There is no significant difference in employees’ perception towards talent management practices on employees’ performance in banking and insurance sectors.

**Management perception towards Problems in Talent Management**

**H07:** There is no significant difference in manager’s perception towards problems in talent management practices in banking sector.

**H08:** There is no significant difference in managers’ perception towards problems in talent management practices in insurance sector.

**H09:** There is no significant difference in managers’ perception towards problems in talent management practices in banking and insurance sectors.

**Employees’ perception towards the Impact of Talent Management Practices on Employees’ Performance**

**H10:** There is no significant difference in employees’ perception towards the impact of talent management practices on employees’ performance in banking sector.

**H11:** There is no significant difference in employees’ perception towards the impact of talent management practices on employees’ performance in insurance sector.

**H12:** There is no significant difference in employees’ perception towards the impact of talent management practices on employees’ performance in banking and insurance sectors.

**3.5 Research Design**

The present study is exploratory-cum-descriptive in nature. A descriptive study is one in which information is collected without changing the environment. The present study is descriptive in the sense that an attempt is made to recognize the practices related to talent identification, attraction, retention and their development in banking and insurance sectors. The purpose of using the exploratory research is on the discovery of ideas and insights. This study is also exploratory as it also suggest the ways and means to improve the talent management practices in future based on the findings.

**3.6 Population and Sample Profile**

The population for the present study is the private sector banks and insurance companies working in the states of Haryana and Delhi. To achieve the objectives of the study five
different private banks i.e. AXIS, INDUSIND, KOTAK, ICICI and HDFC and five different insurance companies i.e. KOTAK, MAX, HDFC, ICICI and RELIANCE as these banks and insurance companies are having maximum number of branches in the selected area. A sample of 250 managers including branch heads (125 each in banking and insurance sector) is taken to examine the managers’ perception towards talent management practices and the problems involved in talent management. Another sample of 400 employees (200 each in banking and insurance sector) working at lower and middle level is taken to examine their perception towards talent management practices and their impact on employees’ performance.

Table 3.1: Sample Profile of the Respondents

<table>
<thead>
<tr>
<th>Demographic Factors</th>
<th>Groups</th>
<th>Banking</th>
<th>Insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Managers</td>
<td>Employees</td>
</tr>
<tr>
<td></td>
<td></td>
<td>N  P</td>
<td>N  P</td>
</tr>
<tr>
<td>Gender</td>
<td>Male</td>
<td>75 74.3</td>
<td>134 76.1</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>26 25.7</td>
<td>42 23.9</td>
</tr>
<tr>
<td>Age (years)</td>
<td>Less than 30</td>
<td>32 31.7</td>
<td>98 55.7</td>
</tr>
<tr>
<td></td>
<td>31-40</td>
<td>53 52.5</td>
<td>68 38.6</td>
</tr>
<tr>
<td></td>
<td>41-50</td>
<td>15 14.9</td>
<td>9 5.1</td>
</tr>
<tr>
<td></td>
<td>More than 50</td>
<td>1 1.0</td>
<td>1 0.6</td>
</tr>
<tr>
<td>Qualification</td>
<td>Matric</td>
<td>0 0</td>
<td>0 0</td>
</tr>
<tr>
<td></td>
<td>Secondary</td>
<td>0 0</td>
<td>1 0.6</td>
</tr>
<tr>
<td></td>
<td>Graduates</td>
<td>21 20.8</td>
<td>51 29.0</td>
</tr>
<tr>
<td></td>
<td>Postgraduates</td>
<td>78 77.2</td>
<td>123 69.9</td>
</tr>
<tr>
<td></td>
<td>Others</td>
<td>2 2.0</td>
<td>1 0.6</td>
</tr>
<tr>
<td>Experience</td>
<td>Less than 5</td>
<td>17 16.8</td>
<td>76 43.2</td>
</tr>
<tr>
<td></td>
<td>6-10</td>
<td>51 50.5</td>
<td>68 38.6</td>
</tr>
<tr>
<td></td>
<td>11-15</td>
<td>19 18.8</td>
<td>21 11.9</td>
</tr>
<tr>
<td></td>
<td>Above 15</td>
<td>14 13.9</td>
<td>11 6.3</td>
</tr>
<tr>
<td>Total</td>
<td>101 100</td>
<td>176 100</td>
<td>102 100</td>
</tr>
</tbody>
</table>

Source: Compiled from survey.

Note: N= No. of respondents, P= Percent
3.6.1 Managers’ Sample Profile

Gender-wise, 75 managers (74.3 percent) are male and 26 managers (25.7 percent) are female out of total 101 managers in banking sector, whereas 83 managers (81.4 percent) are male and 19 managers (18.6 percent) are female out of 102 managers in insurance sector. Age-wise, 32 managers (31.7 percent) are less than 30 years, 52 managers (52.5 percent) are of 31-40 years, 14 managers (14.9 percent) lies between 41-50 years and 1 managers (1 percent) are more than 50 years; whereas 30 managers (29.4 percent) are less than 30 years of age, 42 managers (41.2 percent) are of 31-40 years, 23 managers (22.5 percent) age lies between 41-50 years and 1 managers (6.9 percent) are more than 50 years of age in insurance sector. Qualification-wise, 21 managers (20.8 percent) are graduates and 78 managers (77.2 percent) are post-graduates and 2 managers (2.0 percent) are from other courses in banking sector, whereas 54 managers (52.9 percent) are graduates and 47 managers (46.1 percent) are post-graduates and 1 manager (1.0 percent) in insurance sector. Experience-wise, 17 managers (16.8 percent) have experience of less than 5 years, 51 managers (50.5 percent) have an experience of 6 to 10 years, 19 managers (18.8 percent) have 11-15 years’ experience and 14 managers (13.9 percent) have experience of above 15 years in banking sector; whereas 16 managers (15.7 percent) have an experience of less than 5 years, 33 managers (32.4 percent) have 6 to 10 years’ experience, 16 managers (15.7 percent) have 11 to 15 years’ experience and 37 managers (36.3 percent) have an experience of above 15 years.

3.6.2 Employees’ Sample Profile

Gender-wise, 134 employees (76.1 percent) are male and 42 employees (23.9 percent) are female out of total 176 employees in banking sector, whereas 131 employees (74.4 percent) are male and 45 employees (25.6 percent) are female out of 176 employees in insurance sector. Age-wise, 98 employees (55.7 percent) are less than 30 years, 68 employees (38.6 percent) lies between 31-40 years, 9 employees (5.1 percent) lies between 41-50 years and 1 employees (0.6 percent) are more than 50 years; whereas 72 employees (40.9 percent) are less than 30 years of age, 79 employees (44.9 percent) lies between 31-40 years, 23 employees (13.1 percent) age lies between 41-50 years and 2 employees (1.1 percent) are more than 50 years in insurance sector. Qualification-wise, 20 employees are having qualification of secondary level, 46 employees are graduates and 36 are post-graduates in banking sector, whereas 2 employees are matric, 49 employees have education of secondary level, 83 are graduates and 40 are post-graduates in insurance sector. Experience-wise, 76 employees (43.2 percent) have experience of less
than 5 years, 68 employees (38.6 percent) have an experience of 6 to 10 years, 21 employees (11.9 percent) have 11 to 15 years’ experience and 11 employees (6.3 percent) have experience of above 15 years in banking sector; whereas 55 employees (31.3 percent) have an experience of less than 5 years, 60 employees (34.3 percent) have 6 to 10 years’ experience, 31 employees (17.6 percent) have 11 to 15 years’ experience and 30 employees (17.0 percent) have an experience of above 15 years.

3.7 Data Collection

Both primary as well as secondary data were used in the present study. The primary data have been collected through two different questionnaires, finalized on the basis of pilot study, from selected organizations on five point Likert scale i.e. Strongly Agree (SA), Agree (A), Neutral (N), Disagree (D) and Strongly Disagree (SD). First questionnaire was administered to managers including branch heads in banking and insurance sectors) to examine the talent management practices and problems faced by them in their implementation. In private banks, 102 questionnaires i.e. AXIS (21 respondents), INDUSIND (20 respondents), KOTAK (20 respondents), HDFC (20 respondents) and ICICI (21 respondents) and 101 questionnaires in private insurance companies i.e. KOTAK (19 respondents), MAX (21 respondents), ICICI (20 respondents), HDFC (20 respondents) and RELIANCE (21 respondents) were found complete and used for further analysis. Second questionnaire was administered to employees working at lower and middle level to examine the talent management practices and their impact on employees’ performance. In private banks, 177 questionnaires i.e. AXIS (37 respondents), INDUSIND (34 respondents), KOTAK (36 respondents), ICICI (33 respondents) and HDFC (37 respondents); and 176 questionnaires in private insurance companies i.e. KOTAK (35 respondents), MAX (35 respondents), HDFC (37 respondents), ICICI (36 respondents) and RELIANCE (33 respondents) were found complete and used for further analysis. Secondary data were collected from various Journals, Magazines and Annual Reports of the selected banks/insurance companies.

3.8 Data Analysis

The collected data have been analyzed with the help of descriptive statistical techniques like frequency distribution, mean, standard deviation and ranking method through PASW (18.0 version). To validate the results of the study, t-test and ANOVA techniques were used.
3.9 Reliability of Research Instrument

The reliability coefficient called Cronbach’s alpha is used to judge the internal consistency of the research instrument. An alpha value of 0.60 or above is considered the criterion for demonstrating internal consistency of the research instrument. Table 3.2 shows the value of Cronbach’s alpha for various dimensions of the instrument used for data collection, which indicates that research instrument is considered reliable as all the values are above 0.60 (Pallant, 2011).

**Table 3.2: Reliability Indices for Research Instrument**

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Dimensions</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Management perception towards talent management practices</td>
<td>0.838</td>
</tr>
<tr>
<td>2</td>
<td>Management perception towards problems of talent management</td>
<td>0.701</td>
</tr>
<tr>
<td>3</td>
<td>Employees’ perception towards talent management practices</td>
<td>0.808</td>
</tr>
<tr>
<td>4</td>
<td>Impact of talent management practices on employees performance</td>
<td>0.743</td>
</tr>
</tbody>
</table>

Source: Compiled from Survey

3.10 Organization of the Study

The present study is divided into following eight chapters:

**Chapter I: Introduction** covers the meaning, need, history and challenges of talent management; talent retention and talent management in service sectors.

**Chapter II: Review of Literature** includes the review of literature related to the study and research gaps.

**Chapter III: Research Methodology** covers the rationale, scope, research objectives, research hypotheses, sample profile and data collection, data analysis, reliability of the scale; organization, significance and limitation of the study.

**Chapter IV: Management Perception towards Talent Management Practices** includes the analysis of respondents’ perception towards talent identification, attraction, retention and development in banking and insurance sectors.
Chapter V: Employees Perception towards Talent Management Practices includes the analysis of employees’ perception towards talent identification, attraction, retention and development in banking and insurance sectors.

Chapter VI: Management Perception towards the Problems in Talent Management includes the analysis of managers’ perception towards human resource budgeting, feeling of insecurity, unclear talent management practices and scarcity of right talent in banking and insurances sectors.

Chapter VII: Impact of Talent Management Practices on Employees’ Performance includes the analysis of employees’ perception towards employee creativity, employee competency, and employee motivation and employee satisfaction in banking and insurance sectors.

Chapter VIII: Findings and Recommendations presents the summary of findings of the study, recommendations and scope of further research in the domain of present research work.

3.11 Significance of the Study

The study will be helpful in improving the policies and practices regarding attraction, identification, retention and development of talent management in banking and insurance sectors in India. It will help the employees in their growth and development by utilizing their talent in the right direction at right time. It will also help in identifying the problems involved in the implementation of talent management practices in Indian service sector. It will also help the organization to develop the talents of his employees and enable them how to deal and handle the gap between talented and less talented employees. The study will also be helpful in resolving the issues between talented and less talented employees like groupism, gossip, politics, reward distribution, promotion and differentiation of salary.

3.12 Limitations of the Study

During survey, most of the employees of selected banks and insurance companies were hesitant in providing the desired information. The rate of response from the employees were low as some of the respondents straightforwardly refused to fill the questionnaire due to their busy work schedule. Lack of knowledge and experience of the researcher is also a major limitation of the study.
REFERENCES


• Kumar, P. B. S. (2011). An Article on Talent Management. Accessed from wenku.baidu.com/view/467c3528915f804d2b16c1ba.html on 15-5-2016 at 10:00 a.m.


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