

Impact Of Talent Management Practices On Employees' Emotional Intelligence In A Banking Sector Khyber Pakhtunkhwa Pakistan

Dr. Badshah Hussain

Assistant Professor, Center for Management and Commerce, University of Swat
Email: badshah12@gmail.com

Yasir Muhammad Amin Khan

MS Management Science, University of Swat Email: yasiramin865@gmail.com

Dr. Abdul Mateen (Corresponding Author)

Lecturer, Center for Management & Commerce, University of Swat
Email: abdulmateenuos@yahoo.com

Abstract

This study examine the direct link amongst TM practices and employees' emotional intelligence in Khyber Pakhtunkhwa's (KP) province Pakistan in private banking sector. In this study a cross-sectional, survey-based descriptive research design was used, targeting managers, senior officers, and officers. For Sampling Using Taro Yamane's formula, a sample size of 341 employees were selected. Data was analyzed via SPSS 21 and SmartPLS 3. Measurement items were adapted from validated constructs, with expert-validated questionnaires (Cronbach's alpha: talent management practices (0.956), and emotional intelligence (0.906) shows high reliability of the questionnaires. Results indicated a significant positive relationship among TM practices & workers emotional intelligence. Effective TM techniques (e.g., talent strategy, workforce planning, retention policies etc) can enhance employees' emotional intelligence, leading to desirable organizational outcomes. Thus, if talent management practices are effectively managed and successfully deployed, it could indeed result in the enhancement of employee's emotional intelligence between different ranks of employees.

Keywords: TM Program, Social Exchange Theory, Emotional Intelligence, Banking Sector

Introduction

Talent management (TM) is a key research area and hot topic in academia and organizations, gaining momentum since McKinsey's 1998 report "The War for Talent". In current globalized and competitive business environment, effective talent management is very important for organizations success, especially in the case of banking sector where human capital drives innovation and customer satisfaction

(Armstrong, 2016; Mathew, 2015). In developing countries like Pakistan the banking sector faces intense competition, making it crucial to understand how talent management techniques impact employees' emotional intelligence (EI) is a key factor in navigating complex customer relationships and achieving sales targets.

Despite its importance, there is still little research done on emotional intelligence and talent management in Pakistan's banking industry (Khan et al., 2020). By investigating the relationship between talent management strategies and EI in the KPK banking industry while taking the local cultural context into account, this study seeks to close the gap. It investigates the effects on EI of talent management techniques such as acquisition, development, and retention tactics. Although TM methods are being adopted by Pakistani banks, the idea is still unclear. This study fills a significant information gap by evaluating the efficacy of TM techniques and their effect on workers' emotional intelligence.

Problem statement

Because of the fierce competition in Khyber Pakhtunkhwa (KP), Pakistan's banking industry, successful talent management program is essential. However, there is currently a scarcity of study on talent management strategies and how they affect workers' emotional intelligence (EI) in this area. While some Pakistani banks have already incorporated talent management activities, which helps them draw in and nurture outstanding personnel, others fall behind. Retaining talented workers is difficult because they frequently depart for greater opportunities. This study examines the ambiguous concept of talent management activities in Pakistan and how it relates to workers' emotional intelligence in KP's banking industry. The results will improve employee performance, guide HR policies, and propel industry expansion. Therefore, this study is motivated by the fact that despite talent management's growing popularity, its concept and techniques remains unclear in Pakistan. Thus, this study aims to address this ambiguity and contribute to the existing knowledge gap.

LITERATURE REVIEW

Talent Management:

Talent management gained attention from McKinsey's 1998 book "The War for Talent" (Collings & Mellahi, 2009) and has since drawn increasing consideration from both academics and HR practitioners (Al Ariss et al., 2014; Iles et al., 2010). HRM has evolved through many stages like from personnel management to strategic HRM, and now talent management, driven by talent competition and knowledge intensity (Jia & Zhang, 2011).

Different HR practitioner define talent management differently according (Collings & Mellahi, 2009) talent management is a strategic approach to attracting, developing, retaining, and motivating skilled employees throughout their organizational journey. While, (Cappelli, 2008) defined that talent management is the process of finding, attracting, developing, keeping, and connecting with employees to meet business goals now and in the future.

Employees can better themselves through an effective talent management program, which will strengthen their commitment to the organization and want to stay (Gümüş et al., 2013). There are various facets of talent management. Some contend that it is essentially a repackaging of previous HR concepts under a different name, or "mean old wine in a new bottle" (Adamsky, 2003). TM techniques like career and succession planning, career assessment centers, 360-degree feedback appraisal are out-of-date ideas (Cappelli, 2008). While, others argued that talent management is distinct from traditional HRM, focusing on business success and driven by a unique mindset (Chuai et al., 2008; Duttagupta, 2005; Moran, 2005). It's not just a trendy HR label, but a fundamentally different approach.

Emotional Intelligence:

Emotional intelligence (EI) is a key factor in workplace performance, leadership, and relationships (Goleman, 1995; Dulewicz & Higgs, 2000). Employees with high EI tend to excel in job performance, leadership, and teamwork (Carmeli, 2003; Jordan & Troth, 2004).

Furthermore, Emotional intelligence (EI) is recognizing and managing emotions (Goleman, 1995) which is crucial for workplace interactions and performance. Similarly, Emotional intelligence is a set of emotional and social competencies that influence an individual's ability to cope with environmental demands and pressures, and to effectively manage their relationships and emotions in the organizations (Bar-On, 2006). Furthermore, organizations can boost outcomes by leveraging EI which is a key driver of success (Dulewicz & Higgs, 2000).

Previous studies highlight the link between talent management practices and employees' emotional intelligence, crucial for workplace performance. TM Practices like recruitment, training, and development can enhanced EI (Carmeli, 2003; Becker & Huselid, 2006). Similarly, previous studies indicate that talent management practices significantly impact employees' emotional intelligence, boosting job performance and organizational commitment (Mubahsir et al., 2023). Similarly, a Pakistani banking industry study found leaders' emotional intelligence and career growth opportunities boost employee commitment, with talent-proactive behavior strengthening this link. Further previous studies also shows that in Pakistan's private and foreign banks, emotional intelligence predicts better service quality (Drigas & Papoutsis, 2019), underscoring the need to develop EI among banking professionals for improved customer satisfaction.

Conceptual Research Framework

The following conceptual model showed the direct link between talent management practices and employees' emotional intelligence.



Methodology

Measurement

For this study validated constructs measured the variables and Smart PLS version 3.0 analyzed the measurement and structural model.

Reliability and Validity

Cronbach's alpha coefficients for TM practices (.956) and emotional intelligence (.906) showed high survey consistency. Composite reliability exceeded 0.7 (Hair et al., 2011), confirming internal consistency reliability as shown in Table-1.

Convergent validity

For convergent validity average variance extracted values for all constructs exceeded 0.5 (Fornell & Larcker, 1981; Hair et al., 2011), establishing convergent validity as displayed in Table-1.

Table-1 Reliability scores

Variables	AVE	Cronbach's Alpha	Composite Reliability
employees emotional intelligence	0.501	0.906	0.925
Talent Management practices	0.530	0.956	0.960

Discriminant validity

The Fornell-Larcker Criterion rules confirm discriminant validity, as displayed in Table 2.

Table-2: Fornell-Larcker Criterion

	EI	TMP
employees emotional intelligence	0.388	
TM practices	0.854	0.728
		.708

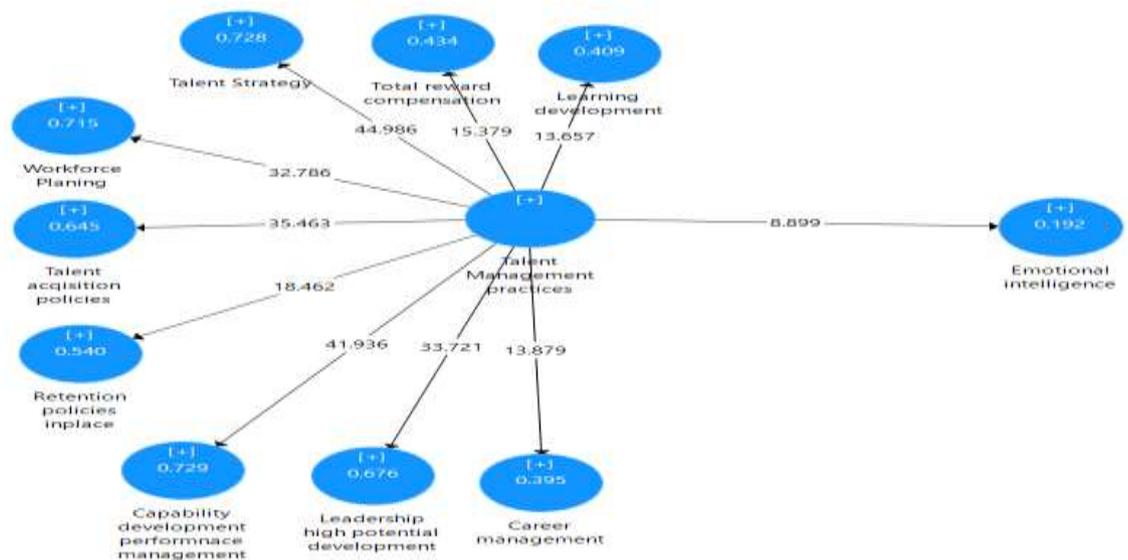
Structural Model

The results shown in Table 3 & Figure 2 show talent management practices positively impact employees' emotional intelligence (beta=0.438, t-value=5.049, p<0.000). Further, the R2 value (0.191) indicates a 19% change in EI due to TMP.

Table 3: Structural Model Outcomes

	Original Sample	Standard Deviation	T Statistics	P Values	Decision
Talent management practices > EI	0.438	0.049	8.899	0.000	Accepted

Fig-2 Structure Model



Discussion

Hypotheses 1: There is a significant positive link amongst TM practices & employees emotional intelligence

Finding of this study showed significant positive link amongst talent management activities & employee’s emotional intelligence. These outcomes upheld investigation of Previous studies that highlight the link between talent management practices and employees' emotional intelligence, crucial for workplace performance. TM Practices like recruitment, training, and development can enhanced EI (Carmeli, 2003; Becker & Huselid, 2006). Similarly, emotional intelligence, boosting job performance and organizational commitment (Mubahsir et al., 2023). Similarly, a Pakistani banking industry study found leaders' emotional intelligence and career growth opportunities boost employee commitment, with talent-proactive behavior strengthening this link. Further previous studies also shows that in Pakistan's private and foreign banks, emotional intelligence predicts better service quality (Drigas & Papoutsis, 2019),

underscoring the need to develop EI among banking professionals for improved customer satisfaction.

CONCLUSION

This study examined talent management practices and emotional intelligence in KPK banking sector, Pakistan. Findings show effective talent management boosts employee emotional intelligence. Overall findings suggest that effective talent management practices, such as career growth opportunities, talent strategy, talent acquisition policies, retention policies, leadership development, career management, capacity development program etc enhanced emotional intelligence positively. Overall, given the intense competition in KPK banking sector, these results have significant implications for HR strategies and organizational growth. This study main aimed was to explore the direct relationship between Talent Management (TM) practices and workers Emotional Intelligence (EI) in the private banking sector of Khyber Pakhtunkhwa, Pakistan. Using a cross-sectional, quantitative survey approach, the results revealed a significant positive link between TM practices and EI.

Theoretical Implication

This study contributes to TM and emotional intelligence literature, providing Pakistan's banking sector insights. It supports theories like social exchange and human capital, suggesting their applicability to TM activities with various factors.

Practical implications

The results provide managers and individuals with useful information about emotional intelligence and talent management. Administrations, HR managers and policy makers can gain from effective TM techniques that increase employees' emotional intelligence.

Recommendations for future research

Future studies in this research area should be conducted by using a longitudinal study that addresses changes in the factors over time. This analysis should also be carried out at the national level in order to see the components of these aspects at the public and global levels. It is also suggested to assess other aspects as mediating or moderating variables. The researcher also suggests a mixed-method study approach for future research. This research should be investigated in other fields as well such as healthcare.

References

- Adamsky, H. (2003). Talent management: Something productive this way comes.
- Armstrong, M. (2024). Armstrong's handbook of strategic human resource management: Improve business performance through strategic people management. Kogan Page Publishers.
- Bar-On, R. (2006). The Bar-On model of emotional-social intelligence (ESI). *Psicothema*, 18, 13-25

- Blass, E. (2007), Talent Management: Maximising Talent for Business Performance, Chartered Management Institute and Ashridge Consulting, London. Bhatnagar, J. (2007). Talent management strategy of employee engagement in Indian ITES employees: key to retention. *Employee relations*, 29(6), 640-663.
- Cappelli, P. (2008). Talent management for the twenty-first century. *Harvard Business Review*, 86(3), 74-81.
- Collings, D. G., & Mellahi, K. (2009). Strategic talent management: A review and research agenda. *Human Resource Management Review*, 19(4), 210-223.
- Collings, D. G., & Mellahi, K. (2009). Strategic talent management: A review and research agenda. *Human Resource Management Review*, 19(4), 304-313.
- Papoutsis, C., Drigas, A., & Skianis, C. (2019). Emotional intelligence as an important asset for HR in organizations: Attitudes and working variables. *International Journal of Advanced Corporate Learning*, 12(2), 21.
- Mathew, A. (2015). Talent management practices in select organizations in India. *Global Business Review*, 16(1), 137-150.
- Kahn, W. A. (1990). Psychological conditions of personal engagement and disengagement at work. *Academy of management journal*, 33(4), 692-724
- Iles, P., Chuai, X., & Preece, D. (2010). Talent management and HRM in multinational companies in Beijing: Definitions, differences and drivers. *Journal of World Business*, 45(2), 179-189.
- Iqbal, S., Qureshi, T. M., Khan, M. A., & Hijazi, S. T. (2013). Talent management is not an old wine in a new bottle. *African Journal of Business Management*, 7(35), 3609-3619.
- Gümüş, S., Apak, S., Gümüş, H. G., & Kurban, Z. (2013). An application in human resources Management for meeting differentiation and innovativeness requirements of business: talent management. *Procedia-Social and Behavioral Sciences*, 99, 794-808.
- Khan, M. M. Q., & Mubashir, S. (2023). PERFORMANCE EVALUATION OF BOARD OF DIRECTORS PSYCHOLOGICAL PERSPECTIVE. *Journal for Business Education and Management*, 3(2), 19-34.
- Hair, J. F., Ringle, C. M., & Sarstedt, M. (2011). PLS-SEM: Indeed a silver bullet. *Journal of Marketing Theory and Practice*, 19(2), 139-152
- Fornell, C., & Larcker, D. F. (1981). *Structural equation models with unobservable variables and measurement error: Algebra and statistics*: SAGE Publications Sage CA: Los Angeles, CA
- Phillips, D. R., & Roper, K. O. (2009). A framework for talent management in real estate. *Journal of Corporate Real Estate*, 11(1), 7-16.