



A critical exploration of talent management strategy and practice  
within Pakistani banking organisations

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## **DEDICATION**

Dedicated to my parents, Mohammad Sadique and Aziz Khatoon for their everlasting affection, support and prayers that enabled me to accomplish this endeavour. This thesis somewhat repays for the efforts they invested in me.

My gratefulness is extended to my elder brother, Ali Asghar, for recognising my abilities and his champion role for family prosperity. My younger brother Ameer Ali and my wife Mahjabeen whose sincerity and endurance have been indispensable during my hard days of this journey, and also to my children (Sohni-tooba, Salar-Imdad and my youngest lovely Princess-Zahra). I am also grateful to my sisters and brothers, nephews and nieces for their continuous prayers and encouragements.

## **ABSTRACT**

Talent management (TM) has been defined as a systematic and strategic approach to the management, development and retention of human resources. Talent management proposes that people represent a source of competitive advantage for organisations. However, talent management is relatively a new concept in the field of Human Resource Management (HRM) both as an academic discipline and in practice. As a result, it lacks a definite conceptual foundation in the academic literature which hampers understanding of talent management and its implications. Talent management thus presents a topical and challenging area of enquiry. Moreover, although talent management as a concept and as a set of management practice is established within Western organisations, it is a new and under-researched area within developing economies. Accordingly, the overall aim of this research was to investigate talent management strategy both conceptually and practically within the unique context of a developing economy. This research has focused on the banking sector in Pakistan which is seen as a key driver of macroeconomic development and key to the wider development and sustainability of the economy. Following increased foreign investment in Pakistan, a substantial number of multinational corporations (MNCs) are contributing to the economic and business advancement and development of the country, and MNCs are implementing dramatic changes in HRM policies and practices within Pakistani organisations. Notwithstanding, the implementation of HRM policies and practices in MNCs, there is continuing evidence that contextual factors remain major obstacles to the adoption of strategic HRM policy and practice in Pakistani organisations both public and private. This picture is reflected in the Pakistani banking industry. Talent management is an emerging concept in the West but under developed in Pakistan, hence the current research was timely, appropriate and relevant. This empirical research was based on case study research within Pakistani banks and contributes to knowledge and understanding in four significant ways. Firstly, understanding of HRM policy and practice within a developing economy addressed a gap in the literature on the specific topic of talent management. Second, the research contributed methodologically through novel adoption of a mixed method approach. Existing research in the area of HRM in Pakistan tended to focus on survey and quantitative data whereas this research incorporated a qualitative aspect. Third, this research contributed conceptually to the holistic understanding of talent management with special reference to the banking sector of Pakistan. It explored the applicability of Western models of people management within the unique context of developing economy and identified contextual factors affecting

talent management within Pakistani banks. Lastly, this research contributed practically to policymaking and the development of effective talent management strategies for Pakistani organisations.

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# **RESEARCH DISSEMINATION**

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## **ACRONYMS**

AEPAM	Academy of Educational Planning and Management
AMO	Ability Motivation Opportunity
BBC	British Broadcasting Corporation
CEO	Chief Executive Officer
CIPD	Chartered Institute of Personnel and Development
CSP	Civil Service of Pakistan
DMG	District Management Group
EC	Environmental catalyst
ET	Employee Turnover
FBISE	Federal Board of Intermediate and Secondary Education
FDI	Foreign Direct Investment
FY	Financial Year
GDP	Grass Domestic Product
HBL	Habib Bank Limited
HRM	Human Resource Management
HRP	Human Resource Planning
IC	Interpersonal catalyst
ICS	Indian Civil Service
IES	Institute of Employment Studies

ILO	International Labour Organisation
KSE	Karachi Stock Exchange
LP	Learning Practice
MCB	Muslim Commercial Bank
MOU	Memorandum of Understanding
MQM	Muhajir Quami Movement (Political Party at Pakistan)
MNC	Multinational Corporation
NBP	National Bank of Pakistan
NBS	Northampton Business School
NCGR	National Commission for Government Reforms
NAVTEC	National Vocational and Technical Education Commission
NCB	National Commercial Bank
NHS	National Health Service
NIP	National Internship Program
OB	Organisational Behaviour
OCB	Organisational Citizenship Behaviour
OC	Organisational Commitment
P&G	Proctor and Gamble
PML-N	Pakistan Muslim League Nawaz
PMS	Perceived Managerial Support
POS	Perceived Organisational Support
PSE	Public Service Enterprises

RBV	Resource-Based View
SAC	South Asian Countries
SBP	State Bank of Pakistan
SER	Social Exchange Relationship
TM	Talent Management
UAE	United Arab Emirates
UBL	United Bank Limited
UK	United Kingdom
USA	United States of America
ZA	Zulfqar Ali Bhutto

# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 Introduction**

This chapter presents the research rationale, informs the research context and the theoretical basis, states the research aims and objectives, and identifies the contribution made to knowledge and understanding.

Talent management is an established concept within Western management literature and forms part of a significant body of research focused on demonstrating the contribution of people management practices to organisational performance (Huselid, 1995; Purcell and Kinnie, 2007; Theriou and Chatzoglou, 2008). The notion that HR strategy and practice impacts on organisational performance from Barney's (1991) Resource-Based-View (RBV) and has been expanded by many authors such as Collings and Mellahi (2009); Lepak and Snell (1999); Soane *et al.* (2012); Wright *et al.*, (1994). This body of literature argues that HRM impacts on organisational performance because an organisation's human resources have the potential to satisfy RBV resource criteria of being valuable, inimitable, rare, and not easily substitutable. Also, implementing strategies that exploit their internal strengths (i.e. looking at internal strengths and weaknesses), and responding to external opportunities and threats (i.e. neutralising external threats and avoiding internal weaknesses (Barney, 1991). It is the presence and effective deployment of these resources that creates a competitive advantage and, in turn, underscores the importance of a strategic approach to HRM. Collings and Mellahi (2009) argue that talent management is a strategic aspect of human resource management and has positive impact on individual and organisational performance. They emphasised the importance of employee commitment, engagement and motivation as mediating variables between talent management programmes and organisational out-comes and stressed to need to understand the antecedents and consequences of the factors that bridge the relationship between effective talent management and overall organisational performance (Collings and Mellahi, 2009).

The extant literature demonstrates the relationship between HR-related talent management constructs and organisational performance, and highlights the importance of these practices in building discretionary behaviour and effort (Gelens *et al.*, 2013; Hutchinson, 2013; Saks, 2006). However, the literature fails to adequately consider

employee perceptions of HR and talent management practices and the role of managers in implementing these practices. Typically, the HR literature focuses on intended and actual practice rather than on perceived HRM practices.

Dries (2013b) argues that talent management is typically approached from an HRM (e.g. resource-based view) and sees talent as an organisational commodity. However, the psychological literature emphasis viewing talent management from a psychological point of view in which employee perceptions and attitudes are seen as crucial mediators of the performance relationship. This study informs this tension in the literature by exploring the concept of talent management from both HRM and a psychological perspective. This study uses the Ability Motivation Opportunity (AMO) model (Purcell, 2003) as an analytical tool to evaluate the features of talent management strategies within case study banks and how these are interpreted and mediated by management. In addition, the model was broadened in two significant ways; firstly, by drawing on Blau's (1964) Social Exchange Theory (SET) and the talent management model by Collings and Mellahi (2009) incorporating specific variables relating to employee engagement, and secondly by considering the effects of contextual factors on the employment relationship.

This research used a convergent mixed methods approach<sup>1</sup>, drawing on both qualitative and quantitative sources, to explore the concept of talent management and the specific organisational processes used within Pakistani banking organisations. It also explored the subjective perceptions of employees in terms of HR policy and practice at work. Semi-structured interviews with senior managers were used to explore the conceptualisation and operationalisation of talent management within the banks. Concomitantly, a questionnaire survey was conducted to assess employee perceptions of the effects of HR practices and their interpretation and implementation by managers. The main concern was to develop an in-depth analysis of talent management strategy and practice and how this practice was experienced by those employees to whom it applied. This empirical study presents the first critical investigation into the conceptualisation and operationalisation of talent management within the Pakistani banking organisations and how it is experienced by employees. Specific variables were identified and measured, i.e. perceived organisational and supervisor support, perceived organisational justice, and job attributes and correlated with employee commitment to the organisation, satisfaction at work and engagement. These variables were tested in various studies (Gruman and Saks,

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<sup>1</sup> The convergent design involves the separate collection and analysis of qualitative and quantitative data. The intent is to merge the results of both qualitative and quantitative data sets (Creswell, 2014 p.36).

2011; Robinson *et al.*, 2004; Saks, 2006) and were found to be predicative determinants of employee engagement and their motivation for performance. In service sectors such as banking, employee motivation and engagement at work has an impact on the service provided to customers and, in turn, on organisational performance (Bhatti *et al.*, 2011; Donavan *et al.*, 2004). Therefore, it is very important for HR managers to keep employees motivated and engaged at the workplace. Previous research has emphasised the need to examine the link between people and organisational performance through talent management constructs, e.g. employee commitment and engagement, and the importance of quality management style that influences employee attitude at work (Hutchinson, 2013; Purcell, 2003; Purcell and Hutchinson, 2007). However, all of these studies examined and analysed determinants of employee attitudes at work in a Western organisational context.

Talent management has been defined as a strategic and holistic approach of people management that improves the potential and performance of the people to satisfy current and future business needs of the organisation (Ashton and Morton, 2005; Ulrich and Smallwood, 2012). In literature, the concept of talent management is often divided into two broad categories such as inclusive (e.g. talent as all employees of the organisation) and exclusive (e.g. talent as high potential and high performers) of talent management (Dries, 2013; Gallardo-Gallardo *et al.*, 2013). This research conceptualises talent as a resource and a valuable asset of the organisation with the potential to create a competitive advantage, particularly the critical component of talent management, e.g. talent as commitment that is predominantly related to organisational performance and the contributor of discretionary behaviour of the employees.

Talent management is an established concept in Western management orthodoxy but is relatively under-developed and under-researched in Pakistani organisations hence this research is topical and timely. Talent management philosophy and practice is relatively new in the developing context of Pakistan (Abbasi *et al.*, 2010) and there is a lack of methodologically robust case material concerning Pakistani organisations and talent management strategy and practice within those organisations. This research contributes to a greater understanding of this under-researched field. In particular, this research focused on the banking sector which is recognised as being a key driver of economic development.

The banking sector of Pakistan plays an important role in the development of Small- and Medium-sized Enterprises (SMEs) which represent the main source of job creation and the backbone of economic development in the country (Ahmadani *et al.*, 2012; Jasra *et al.*, 2011). Economic development and improving the living standards of its population is not possible in the absence of a well-functioning and efficient financial sector, and an established and healthy banking sector is directly linked to economic growth and development in Pakistan (Husain, 2005). Pakistan is one of the few developing economies where public- sector banks were privatised, and this has resulted in mergers and the consolidation of many financial institutions and a weeding-out of several weaker banks. Currently, 80 per cent of the banks' assets are in the private sector (Husain, 2005; Shah *et al.*, 2012). However, there is tough competition among commercial banks to market their financial products and services and expand their customer base. Privatisation and reforms of financial institutions has, in turn, encouraged Foreign Direct Investment (FDI) in the Pakistani banking sector which has contributed to increased levels of competition in the sector. The economic importance of the financial services sector combined with increased levels of competition have put the spotlight on the sourcing and management of talent. Sourcing and managing talent represents the process through which organisation can fulfil its current and future business needs. However, as stated above, talent management practice has been newly introduced into the developing context of Pakistan (Abbasi *et al.*, 2010) and there is a lack of any literature in this area. Previously, no study has examined the impact of HR practice in relation to talent management practice within the developing context of Pakistan. This empirical study presents the first critical investigation into how employees perceive HR and talent management practice within Pakistani banks. The extant literature suggests that Pakistani organisations are facing major challenges due to contextual factors (e.g. a legacy of bureaucracy and militarism) that affect HRM policy and practice within Pakistani organisations (Ali, 2012; Mangi *et al.*, 2012), and there is a high power distance between employee and management staff. So, it is a challenging task to retain talent and keep them motivated to enhance organisational performance (Bhatti *et al.*, 2011). Accordingly, the following aim and objectives were designed to this study.

## 1.2 Research Aim

The overall aim of this research was to investigate a talent management strategy both conceptually and practically within the Pakistani banking sector.

### **1.3 Objectives of the study**

- To investigate and critically evaluate how talent is conceptualised and managed within Pakistani banks and to identify contextual factors influencing the conceptualisation and operationalisation of talent management
- To examine the relationship between organisational work attributes (i.e. job dimensions, perceived organisational and supervisor support, perceived organisational justice) and employee attitudes and level of engagement
- To extend the AMO model of talent management to determine the application and acceptability of AMO in the developing context of Pakistan.

### **1.4 The research questions**

Key Question: I. How is talent management conceptualised, operationalised and experienced within selected Pakistani banking organisations?

Sub-question: II How do contextual factors affect the conceptualisation, operationalisation and experience of talent management processes and practices within selected Pakistani banking organisations?

The next chapter presents the contextual literature both macro the wider Pakistani context influencing HR policy and practices and micro in terms of the organisation context to inform the research questions.

**Table 1. 1 Structure of the thesis**

<b>Chapter 1: Introduction</b>	
<ul style="list-style-type: none"> <li>▪ Introduction</li> <li>▪ Research aim</li> </ul>	<ul style="list-style-type: none"> <li>▪ Objectives of the study</li> <li>▪ Research questions</li> <li>▪ Structure of the thesis</li> </ul>
<b>Chapter 2-3: Literature review</b>	
Contextual literature	Talent management literature
<ul style="list-style-type: none"> <li>▪ Introduction</li> <li>▪ Research context and its implications for organisations and HR practice</li> <li>▪ The notion of legacy and path dependency in post-colonial Pakistan</li> <li>▪ The institutional decay and structure of Pakistan economy</li> <li>▪ The economic development and business context of Pakistan</li> <li>▪ The banking sector of Pakistan</li> <li>▪ Organisational culture of Pakistan</li> <li>▪ HRM in Pakistani organisations</li> <li>▪ Talent management research in Pakistan.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Introduction</li> <li>▪ Talent management conceptualisations</li> <li>▪ AMO as a theoretical and conceptual framework</li> <li>▪ Differentiating between talent management and HR management</li> <li>▪ Operationalisation of talent management</li> <li>▪ Theoretical propositions</li> <li>▪ Concluding thoughts</li> </ul>
<b>Chapter 4: Methodology</b>	
<ul style="list-style-type: none"> <li>▪ Introduction</li> <li>▪ Philosophical underpinnings of the study</li> <li>▪ Research strategy, study questions, case selection and unit of analysis, logic of linking qualitative and quantitative data, and criteria for interpreting findings.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Designing interview questions</li> <li>▪ Designing survey questionnaire</li> <li>▪ Case study designs</li> <li>▪ Data collection, interview data thematic analysis, survey quantitative data analysis, and ethical considerations.</li> </ul>
<b>Chapter 5-6: Data analysis</b>	
Qualitative data analysis	Quantitative data analysis
<ul style="list-style-type: none"> <li>▪ Introduction</li> <li>▪ Brief history of case study organisations</li> <li>▪ Developing themes</li> <li>▪ Theme-1</li> <li>▪ Theme-2</li> <li>▪ Theme-3</li> <li>▪ Empirical findings.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Introduction</li> <li>▪ Data collection procedure</li> <li>▪ Demographic information</li> <li>▪ Data screening</li> <li>▪ Missing data</li> <li>▪ Normality</li> <li>▪ Correlation</li> <li>▪ Multiple regression analysis</li> <li>▪ The overall findings</li> <li>▪ Summary of results.</li> </ul>
<b>Chapter 7: Discussion and integration of findings</b>	
<ul style="list-style-type: none"> <li>▪ Introduction</li> <li>▪ Talent management process in the Pakistani banks</li> <li>▪ Integrating qualitative and quantitative findings</li> <li>▪ Levels of integration.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Expended coverage of empirical findings</li> <li>▪ Extended talent management AMO model</li> <li>▪ Conclusion.</li> </ul>
<b>Chapter 8: Research Conclusions</b>	

<ul style="list-style-type: none"> <li>▪ Introduction</li> <li>▪ The achievement of research objectives</li> <li>▪ Research contribution</li> <li>▪ Suggestions for practicing managers</li> <li>▪ Study limitations and future research.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ethical considerations</li> <li>▪ Personal motivation and reflections</li> <li>▪ Chapter summary</li> <li>▪ References and Appendices.</li> </ul>
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**Chapter one** gives the thesis introduction, and explains the research rationale and importance including theoretical and conceptual basis of the study, research aims, objectives and research questions: ‘How is talent management conceptualised, operationalised and experienced within selected Pakistani banking organisations? How do contextual factors affect the conceptualisation, operationalisation and experience of talent management processes and practices within selected Pakistani banking organisations?

**Chapters two and three** have been devoted for a comprehensive literature review on historical and cultural issues related to HR policy and practice in the Pakistani context and the role of the banking sector in the development of the Pakistani economy. Chapter two discovers the contextual factors contributing to a continuing legacy and underscores their importance in the role of HRM and talent management strategies within Pakistani organisations in postcolonial Pakistan. Discussion is built on the path dependent on traditional social, cultural and work-related values that are experienced by employees in the Pakistani context in the case study organisations. This review covers an in-depth analysis of talent management literature to find research gaps and to develop research propositions. In addition, chapter three discusses the underpinning theory of AMO that was adapted for this investigation. The theoretical framework is based on Collings and Mellahi (2009); Guest and Conway (2002); and Blau's (1964) social exchange theory which embraces the concept of a two-way relationship and maintaining a psychological contract between employee and employer for performance output.

**Chapter four** discusses and justifies the research philosophy (an interpretive and social constructionist approach) that the researcher adapted for this study. It evocatively explains the ontological and epistemological assumptions. The chapter continues to discuss the research strategy, the findings of the pilot study, the components of the case study design, the mixed methods data collection approaches and the research design for this study.

**Chapters five and six** outline the history of the case study organisations and highlight the results, findings and procedure of data transcriptions and the thematic analysis based on the conceptual framework.

**Chapter seven** presents the discussion and integration of findings and focuses the talent management process in the case study organisations. It discusses the similarities and differences of talent conceptualisation between Western management orthodoxy and Pakistani banking organisations, and the process taking place to support talent management strategy and practice to achieve organisational objectives. This chapter continues to explain the way how talent management is conceptualised, operationalised and experienced in the Pakistani banking organisations.

**Chapter eight** offers theoretical, methodological and empirical contribution in knowledge and understanding of talent management strategy and practice and how talent management is conceptualised, operationalised and experienced in the developing context of Pakistan. The chapter continues by outlining the achievement of research objectives, research contribution and suggestions for practicing managers, study limitations and indications for future research, personal motivation and reflections on the PhD journey.

## **CHAPTER TWO**

### **LITERATURE REVIEW: P-I RESEARCH CONTEXT**

#### **2.1 Introduction**

The purpose of this chapter is to analyse and evaluate a wider Pakistani context in terms of the organisation context of the case study companies to inform the research questions. The research context is important because it contributes to a legacy of Path Dependency which shapes organisational practice in diverse but enduring ways. The concept of Path Dependency falls broadly under the umbrella of institutional theory and emphasises an evolutionary approach to economic change and development (David, 1994; Martin and Sunley, 2006). Many evolutionary economist scholars have raised the concept of Path Dependency as an important feature of the economic landscape, and as the first principle for positive feedback in the evolutionary economy (Arthur, 1994; Arthur *et al.*, 1987; David, 1994, 2007; Hall, 1994). Evolutionary approaches emphasise the role of social processes and embedded social, historical and institutional legacies in shaping organisational change and development. This implies that the concept of organisational change is an ongoing process of structural, institutional and attitudinal change which is complex, multi-dimensional and contingency constrained and which envisages different outcomes. According to Sewell (1996, pp.262-3), path dependence is ‘that what happened at an earlier point in time will affect the possible outcomes of a sequence of events occurring at a later in time.’ This means history matters in causal relevance of proceeding stages in a consecutive sequence. In this connection, Pakistan’s development reflects specific historical, institutional, cultural and political legacies which shape its economic development at the macro level that creates path dependency. Path dependency can operate at the micro level as well as at macro level (i.e. at the level of organisations as well as nationally) and can be looked at from the perspective of the organisation. Organisations do not operate in a vacuum and reflect the wider contextual and situational influences of the environment in which they operate. In this way, organisational development can also be said to be path dependent, which can be reflected in organisational approaches to talent management and development. The in-depth analysis of these aspects of path dependency in the Pakistani context have been discussed in the following sub-sections. These sections highlight how the historical and geographical

backgrounds of the country created a legacy of path dependency which continues to shape institutional functioning.

## **2.2 The historical, geographical and cultural context and its implications for organisations and HR practice.**

Pakistan is situated in south Asia, bordering India and China on the east, Iran on the southwest and Afghanistan to the north and west as illustrated in Figure 2.1 p.27 (Info Pak, 2013). The total area of Pakistan is 796,095 sq. km, about four times larger than the size of the United Kingdom (Info Pak, 2013). Pakistan is divided into four provinces, i.e. Punjab, Sindh, Khyber Pakhtunkhwa (previously known as NWFP<sup>2</sup>) and Baluchistan. This study focuses on the Sindh region, specifically on Karachi which is the largest city of the country, the capital of Sindh province and the financial centre of Pakistan. Karachi is also the location of Pakistan's largest corporations including textiles, shipping, motorised industry, entertainment, fashion and designing, arts, publishing and advertising, software developing and medical research (History Pak, 2015). The estimated population of Karachi is twenty-one million in April 2012 and it is the third largest city in terms of population. The city credits its growth to a mixed population of economic and political migrants, and refugees from different national provincial, linguistic and religious origins who have settled there permanently and is a melting-pot of many flavours giving it a cosmopolitan touch. Karachi is locally termed as the 'City of Lights' for its liveliness and being a city of Quaid-e-Azam Muhammad Ali Jinnah, the founder of Pakistan.

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<sup>2</sup> During the time of colonial rule in India, it was called as North West Frontier Province-NWFP. When Pakistan came into being on 14 August 1947, it continued with the same legacy. However, all other provinces of Pakistan represent the ethnic origin except NWFP. The inhabitants of NWFP are mainly Pashto-speaking. After their arduous struggle under a number of political parties, they achieved in getting their ethnic identity in 2007 and officially it was declared as Pahtunkhwa (land of Pashto-speaking people), like Sindh (Sindhi-speaking province), Punjab (Punjabi-speaking) and Baluchistan (Baluchi-speaking province).



Figure 2. 1 Map of Pakistan adapted from Khan (2016).

The total population of Pakistan according to the latest survey has reached 184.35 million (Economic survey, 2012) with a population growth rate during 2012 of 2.0%. The average estimated age of the working population is under 22 years of age which means that Pakistan is a young country with a valuable asset of human resources with a mostly young population. Currently, the total working population is 110 million which is 60% of the total population. This figure suggests that Pakistan has economically abundant resources of active human capital (Economic survey, 2012).

Pakistan has, on average, a population density of 251 persons for per square kilometre of land area and 6<sup>th</sup> largest populated country of the world (World Bank, 2016). In 1994, the estimated population of Pakistan was 126 million and was ninth most populous country in the world, while its land area is ranked as thirty-second among the nations. In this way, Pakistan, has approximately 2% of the world's population who are living on less than 0.7% of the world's land. Moreover, its rapidly growing population rate was amongst the world's highest at 3.3%. Thus, it is expected that the population of Pakistan will be doubled by the year 2022 in comparison to 1994 (US Library, 2013). Moreover, it is also expected that in terms of population, Pakistan will be in fifth position in the world by the

year 2050 (Economic survey, 2012). An increasing growth rate can have a negative impact on the country and can be problematic to manage resources and infrastructure due to changing needs of people such as food, water, shelter, schools, hospitals and roads. Likewise, the economic survey of Pakistan (Economic survey, 2012) declared that although the adult population can be considered as assets of the country and are economically productive, the rapid growth of this age group can be problematic for the nation if they are unable to find employment. Moreover, the economically unproductive age groups who depend on the working population, i.e. children between 0 to 14 years of age, are growing from 62.36 million in 2011 to 62.83 million in 2013. They need food, medical care, clothing and education; hence, this structure of population also affects socio-economic issues of the nation (Economic survey, 2012). These problems of Pakistan have a long history and are associated with imperial rule in the form of bureaucratic and military organisations inherited at the time of partition between India and Pakistan (Hafeez, 2012) that created a specific path dependency that arises in all circumstances and continues to shape the country's development both at macro and micro level. As Malik (2003) stated, Pakistan has a largely illiterate population and extremely poor health conditions, human rights violations, lawlessness, corruption and unpredictable socio-economic circumstances. The question arises here why Pakistan after seventy years of independence is still facing such type of problems and is being considered amongst the list of poorest countries of the world. To answer this question, the following sections briefly evaluate the history of Pakistan that highlight how wider contextual factors (e.g. military rule, legacy of post- partition colonialism, religion as a legitimising influence, social relationships shaped by familial ties, patriarchal society) are reflected in organisational approaches to talent management and development. In other words, under what historical circumstances a path dependency arises and a persistent feature of Pakistani organisations.

The British crown ruled over the Indian sub-continent for some 200 years (1756-1947); first through the British East India Company which was given a monopoly of all English trade to Asia by Royal warrant and then its successor the British-Raj (Metcalf and Metcalf, 2006). The eighteenth century was a remarkable period in the history of the British-Indian sub-continent and heralded drastic changes that affected the country politically, economically and socially. As the Mughal Empire was weakened by internal conflicts and rivalries, regional states turned to European nations for support (Dawn, 2011). As India was becoming more fragile, England was experiencing an industrial

revolution and the emergence of mercantile capitalism resulted in massive technological developments which changed the whole structure of English society. The main objective of industrial capitalism was to obtain raw materials, trained manpower and to find markets to sell manufactured products. That was the reason English merchants targeted the Indian market and other Asian countries. So, in order to obtain and secure supplies of raw materials, the East India Company became involved in the internal affairs of the Indian states and gradually acquired political power (Dawn, 2011). The Indian mutiny of 1857-1859 marked a rebellion against the East Indian company and led to its dissolution in 1858 and the establishment of the British-Raj. Notwithstanding, the first period of British domination was through the trade and occupation and second was to control Indian society under the domination of the crown (Hafeez, 2012). The colonial masters established exploitative and repressive system that was highly centralised and discriminatory to the communities. Societal identities were instigated to promote division among different classes on the basis of cast, creeds and religion and that was the dominant colonial principle to divide natives and rule. The British-Raj initiated administrative, financial and political reforms that radically transformed society mainly in education, employment and economic incentive policies. More specifically, the education policy was aimed at developing a class of Indian cohorts to interpret between the British rulers and the millions they governed. This class was Indian in colour and blood but English in perception, intellectuality, standards and opinions that remained dominant in Hindu and Muslim societies (Hafeez, 2012). This change resulted in the emergence of three distinct classes of people, such as political elites which cooperated and showed their loyalty to the crown, government officials both civil and military particularly those who maintained their contacts with British rulers, and the general public that was under the direct manipulation of the British rule through loyal servants, tribal heads, princes, leaders and nawabs on the authority of the British-Raj. The reforms included the freedom to form political parties. Two political parties were formed initially; the Indian National Congress<sup>3</sup> established in 1885 representing the Hindu community and the Muslim League founded in 1906 to represent Indian Muslims. The Muslims in British India were in the minority and showed separatist tendencies because they found their status being reduced as the power of Hindus rose, so they started a Pakistan political movement. Subsequently,

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<sup>3</sup> The National Congress party rallied behind Gandhi's 'Quit India movement' in which British arrested all the major figures of the Congress. The Muslim League also offered wide support for the resistance. As a result, the war concluded in an allied victory, the British-Raj freed the leaders of the Congress and agreed for transfer of power with further negotiations (Jalal, 1985; Metcalf and Metcalf, 2006).

in the early twentieth century, the British Empire enhanced the power and status of India's provincial government in order to undermine the drive for national politics. Nevertheless, strong provincial politics could not prevent a national revolution and after the Second World War, the British-Raj transferred power to Pakistan and India on the 14 and 15<sup>th</sup> of August 1947. The Indian Independence Act 1947 partitioned India into two independent countries of India and Pakistan and established the office of Governor-General in each as a representative of the British crown.

### **2.3 The notion of legacy and path dependency in post-colonial Pakistan**

Pakistan geographically came into being in two wings; namely, West-wing Pakistan which exists within the current boundaries and stretches from Himalayas down to the Arabian Sea, and the East-wing of Pakistan is now Bangladesh on the Bay of Bengal bordering India and Burma (BBC, 2017). At the time of independence, several million people were dislocated across the borders. Nearly, 5 million Muslims<sup>4</sup> were moved from India to Pakistan and about 3.5 million Hindus and Sikhs migrated from Pakistan to India (Jalal, 1985). In this division, nearly 562 widely scattered states joined either Pakistan or India. However, some states such as Hyderabad, Junagadh and Kashmir did not join either country and this resulted in the bloody Indo-Pak wars in 1965 and 1971 and the separation of East-wing Pakistan. The unresolved issue of Kashmir is still a bone of contention between India and Pakistan. The history of partition has created an institutional legacy which can be described as the triumvirate of administrative institutions (Islam, 1989).

- Administrative secretariat
- The district administration
- The Indian Civil Service which constituted the key elements of the post-colonial legacy for Pakistan.

*Administrative secretariat:* The sultans of Delhi (Mughal emperors) had an effective administration system in medieval India. The British actually took over the Mughal's system of administration and modified it to suit their needs (Islam, 1989). The administrative system was known as the 'Vice-regal system' with a Viceroy representing the British crown in India and given responsibility to govern huge territories of a large and hostile population (Goodnow, 1964; Islam, 1989). Viceroys carried out imperial

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<sup>4</sup> Currently known as refugees-Muhajars under the separate political party, e.g. Muhajar-Qumi-Movement (MQM).

policies through a system of secretaries at the headquarters and provincial governors in the regions. According to Tinker (1966 cited by Islam, 1989), the Viceroy held the most dynamic and sensitive portfolios, but he followed an autocratic administrative style in the decision-making process. Whereby, the decisions were not necessarily discussed and debated with the governors-members of the Executive Council. Islam (1989) links this precedent to the Pakistani Cabinet and the way it functions is same as the Viceroy did and argues that it has influenced the way in post-colonial history of Pakistan. This implies a legacy of autocratic management style that continues to exist in many public and private Pakistani organisations (Ali, 2012; Memon, 2015), and, in turn, affects employee attitudes and organisational performance.

*District administration:* The district administration has a long history and has influence in the evolution and nature of bureaucracy even before the partition of India and Pakistan (Islam, 1989). The emphasis was on fast, decisive and forceful action and the role of the Collector/Deputy Commissioner was predominantly autocratic, with little or no consultation or involvement of subordinate workers. Such autocratic style can be attributed with an effective military commander in the field (Braibanti, 1963; Islam, 1989). Hence, the forceful actions and autocratic management style seems to be a path dependent pattern of the Pakistani organisational culture that may be effective in the institutions such as militaries, army or bureaucracy but arguably such an approach can have negative effects in the service sectors like banking organisations.

*The Indian Civil Service:* The Indian Civil Service (ICS) has remarkable importance in the history of the British and Indian sub-continent. The ICS was comprised of the most powerful officials of the empire ruling more than 300 million Indians and directed all the activities of the Anglo-Indian state to the Civilians (Dewey, 1993). Typically, each civilian had 300,000 subjects in which they penetrated and collected revenue, allocated rights in land, relieved scarcities, improved agriculture, constructed public works, drafted laws, investigated crimes, judged lawsuits, inspected municipalities, schools and hospitals. Islam (1989) argues that the ICS introduced a hierarchical chain of command based on a rigorous reporting system (Dewey, 1993), which reduced discretion and initiative in the implementation of the policies and procedures approved by senior authorities. The ICS has been described as paternalistic, authoritarian and intolerant of outside interference even from native politicians (Dube, 1971; Islam, 1989). The ICS in India operated as a supreme authority within the vice-regal system and did not work in

co-ordination and co-operation with politicians (Ahmad, 1964; Islam, 1989). The triumvirate of administrative institutions of the secretariat, district administration and ICS contributed to a colonial legacy in Pakistan which continues to be reflected in a widespread bureaucracy, a rigid hierarchical structure within organisations and an autocratic management style. The colonial civil service legacy is also reflected in enduring patterns of recruitment and selection into senior positions within organisations. For example, at the time of Independence, Indians were steadily allowed to enter the ICS and entry was regulated through a selective examination system which allowed individuals with a higher English qualification to get through and thus preserved the elite characteristics of the cadre (Islam, 1989; Jones, 1997). This exclusivity was further increased by reserving all key positions in the government secretariat and field administration for ICS employees, and special exclusive training created a strong *esprit de corps*<sup>5</sup> among elite groups but restricted entry for those from less privileged and connected backgrounds. This path dependent resourcing pattern has implications for contemporary approaches to talent management within Pakistani organisations and was a key aspect of the research undertaken in this thesis. Other aspects of Pakistan's history, culture geography and socio-economic development have also contributed to an enduring legacy and these issues are explored more fully in the next section.

### **2.3.1 The legacy of bureaucracy and militarism in post-colonial Pakistan**

There are a number of post-colonial issues such as administrative issues, political instability, Islamisation of institutions, external influence on Pakistan the effects of which continue to shape contemporary organisations.

*Administrative issues:* Pakistan at the time of independence faced an acute shortage of technocrats and senior administrators because of the leaving of Hindu and British administrators (Islam, 1989). Karachi was selected to establish an entire new set-up for the central government but continuing civil unrest and population shifts created a gigantic task of re-settling millions of refugees. The aftermath of independence in Pakistan was a weak civil society, a political system based on social elites, the fragmentation of political power and social divisions based on communities and religion. Islam (1989) argues that the political system of Pakistan has been dominated by an elite group of senior officers

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<sup>5</sup> Esprit de corps is a French phrase that interprets into 'group spirit'. This phrase is one of the Henri Fayol's 14 administrative principles. The principle states that an organisation must make every effort to maintain group cohesion in the organisation.

such as army and civil service and that political power in Pakistan continues to manifest itself through administrative elites, institutions and structure. The dominance of military over civilian rule in Pakistan began shortly after independence in 1947 and stems from the unresolved issue of Kashmir and the leadership crisis that occurred soon after independence with the demise of Mohammad Ali Jinnah (Founder of Pakistan in 1948) and his Lieutenant Liaquat Ali Khan (First Prime Minister of Pakistan 1947-51). The Pakistan military was viewed as a shield against India and more recently from security pressures from Afghanistan. Its direct involvement in counter-terrorism and counter-insurgency operations against the Taliban and other militant groups has strengthened its position (Islam, 1989). In recent years, the military's role in rescue and relief work for people affected by floods in 2010 enhanced its credibility as being capable to cope with emergency situations and has improved the image of the military in society. The Pakistan army in particular is regarded as the custodian of national borders and continues to be the most powerful institution of the country (Jalal, 1985; Jones, 2003). Arguably, the Pakistan army is not only the custodian of national borders but also the custodian of Pakistani politics as the Army time and again dissolves the civilian government. According to Rizvi (2011), although the Pakistan army repeatedly states that it has no desire to be involved in politics, yet Pakistan has experienced 30 years of military rule by army chiefs (e.g. 1958-1971, 1977-88, 1999-2008). Rizvi (2011) argues that '...these rulers were able to civilianise their military rule by taking measured steps that include co-option of a section of the political elite; constitutional changes to ensure the primacy of the ruling generals after the end of direct military rule; exclusion of the political leaders and parties that questioned the civilianisation process; and the holding of carefully managed elections' (p.121). Pakistan has thus remained a militarised state with a consequent failure in the development of democracy and civil society.

### **2.3.2 Administrative issues and reforms**

Administrative reforms were attempted but have been largely ineffective and a post-colonial path dependency of bureaucracy continues to shape and influence the Pakistani administrative machinery.

Following partition, the Pakistani government formed the Pakistan Administrative Service (that was renamed as the Civil Service of Pakistan or CSP). There were 157 officers in total in the CSP cadre, 99 former ICS Muslims who were opted for Pakistan and 50 British ICS officers were hired on contract. Hence, the CSP is the lineal descendent of ICS tradition in Pakistan (Braibanti, 1963; Islam, 1989). Similarly, the

central secretariat and the district administration system were also borrowed from the British period. Islam (1989) argues that even Quaid-e-Azam Mohammad Ali Jinnah preferred to be the Governor-General of Pakistan instead of the Prime Minister. So, the highly centralised government was enacted by choosing the Indian-Act of 1935 as the first constitution of Pakistan. The three out of four provincial governors were ICS officers who were direct advisers of Jinnah. Moreover, the key positions were filled with British ICS officers in order to control the administrative system (Braibanti, 1963; Islam, 1989). So, the highly centralised colonial mechanism operated by Pakistani and British officers set the tone and tenor of the Pakistani Public Administration in its evolving years. Islam further argues that though the physical presence and influence of the British administrative leadership could not be sustained, their legacy persisted for decades and laid down the foundations of Pakistan's administrative system.

According to Islam (1989), the public service structure, the secretariat and district administration are the important pillars of Pakistan administrative system. The public service structure was based on rankings and classifications such as Class-I, II, III and IV. These classes were organised into cadres i.e. the Central Superior Services (CSS), the Civil Service of Pakistan (CSP) and the Police Service of Pakistan (PSP). The members of these services could be posted to key positions at different levels of the government sector. This service classification was elitist in character and restricted entry via a rigorous assessment of competitive examination, keeping the limited cadre strength and reserving key senior positions for the CSP. The flexible movement of CSPs in provincial and federal government state enterprises, their quick promotions, higher pay scales and perquisites categorisation for senior positions conferred a distinct status on the CSP. By contrast, the special/functional cadre officers felt as in sub-standard positions because of their limited mobility and reservation of key positions for the generalists. Ahmad (1974) cited by Islam (1989) reported this classification created serious morale problems among the professional/specialist public servants. Although such practice still persists in the public sector Pakistani organisations but in terms of talent management practice the classification is based on high potential and high performers can have similar inferences for Pakistani banking organisations.

After the Second World War, south Asian nations were the first among the developing countries to get independence from British rule. South Asian countries (SAC) such as Pakistan, India, Bangladesh and Sri Lanka, and Nepal shared the same administrative

style and bureaucratic culture as part of their imperial British legacy (Dwivedi *et al.*, 1989). Although, Nepal was not under the colonial rule but could not escape from the influence of British conventions and traditions and adopted the same administrative structure. According to Dwivedi *et al.* (1989), after independence the development administration was the main concern of SAC in order to expend the economic base, develop skilled manpower, cultural secularisation, a relatively open society and a strong political structure. However, in order to achieve those objectives, the mutation and adoption of a colonial administration system was the main strategy. So, the administration emphasised the formal and technical aspects of government machinery for the purpose of nation building and socio-economic development. Here, path dependency emphasised institution building and planning. The view was that institutional imitation was sure to produce similar results to those obtained in the West such as efficiency, increased rationality and productivity. However, ‘the perfect imitation’ for bringing about change overlooked the persistence of embedded social, economic, cultural and political factors as barriers to change. As a result, the emergent administrative system of south Asia tended to be imitative of the West (Dwivedi *et al.*, 1989) but failed to take account of indigenous cultural traditions and practices. In terms of Pakistani organisations, the administrative system continued as the strong steel frame structure in all departments with the same titles, rules and regulations as created by the British-Raj (Hafeez, 2012) that is path dependent. This means that after the partition, the spirit of administration was not changed and the administrative machinery worked with the same structure in Pakistani organisations. Notwithstanding, the only thing that was changed was the name of the country and flag (Hafeez, 2012). Following this point, it can be reasoned that although Pakistan is unique in its context and got independence on these grounds (e.g. two nations theory<sup>6</sup>) but could not be independent in the true sense and continued as a descendent of British imperial rule. Hafeez (2012) argues that true independence cannot be realised until the political elites that were privileged by colonial masters are segregated from the society and bringing true representatives of the people through the electoral system.

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<sup>6</sup> Two nation theory was the central idea of the creation of Pakistan. The main argument was that Muslims and Hindus are two separate nations from every definition, therefore Muslims should have a separate homeland in the Muslim majority areas of India, where they can spend their lives according to the glorious teachings of Islam (Story, 2002).

## **2.4 The institutional decay and structure of Pakistan economy**

According to Malik (2003), institutions play a pivotal role in the development of a society as institutions are the principal instruments whereby the essential tasks of living are organised, directed and executed, and are created to provide a standardised solution to a set of problems. The primary social institutions include the government and political systems, the family, the education system, business and economics and religion whose effective functioning is critical to the existence and well-being of the society (Malik, 2003). Indeed, the main objective of these institutions should be to help societies to make the society more prosperous. The following sections examine the role of institutions in a Pakistani context because institutional development likewise contributes to a cultural, social and economic legacy which endures and shapes contemporary developments and practices.

### **2.4.1 Religion**

Fundamentally, Pakistan is a Muslim country with a 95% Muslim population and 5% other minorities including Christians, Hindus and Zoroastrians (US Library, 2013).<sup>7</sup> Islam has a significant position in the social framework of Pakistan for historic and cultural reasons and is one of the main sources of morals, values and norms for Pakistani society (Malik, 2003). Equally, religious beliefs have great influence on institutions such family, education, government and politics. Although, as a religion, Islam plays a significant role in Pakistani politics and in the constitutional and legal framework of Pakistan; it has a limited role in the organisational work setting (Ali, 2012; Khilji, 2003). Unfortunately, Islam has been widely misrepresented and misinterpreted for personal and political reasons and political leaders have used religion to legitimise repressive political regimes. Many of the so-called values and norms that are supposedly rooted in Islam are actually an outcome of that misinterpretation and legitimisation process (Malik, 2003). These values and norms can be described as path dependent manifestations of Islam in the Pakistani society and can be observed in the form of extremely strict observance of dress code, forced arranged marriages, passive attitudes and limited social participation of women in education, business and other professions. Secondly, Islam has been widely politicised in the Pakistani society and is often used by politicians to legitimise their positions by giving the concept so called Islamic democracy. The slogan of Islamic

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<sup>7</sup> Pakistan came into being on the basis of the ‘Two Nation Theory’ with this fundamental stance that Muslims and Hindus are two separate nations and cannot live together due to cultural, social and religious differences.

democracy according to Hafeez (2012) is often used by Islamic and other political parties to win elections that needs to be probed. According to Malik (2003), politicisation of religion led society towards emotionalism, ignorance and intolerance both within Muslim sects and towards other religions. As a result, religion is a dysfunctional institution in Pakistan. Pakistan has a poor record of human rights and does not reflect the historical integrity of Islam as a symbol of peace, tolerance and equal rights of men and women.

#### **2.4.2 The development of governmental and Political institutions**

As stated above, a consequence of the historical legacy of independence and partition was that Pakistan inherited weak political institutions, a strong bureaucracy and strong military, and it will not be wrong to say that such legacy laid down the foundation of governmental structure which continues to shape the country's institutional functioning. For this study, the history of governmental and political power can be viewed into seven recurring civil and military periods.

*The first phase of civilian political rule lasted from 1947 to 1958 that is to be said as weak and unstable period of government.* During this period, Pakistan had seven prime ministers of whom only one (i.e. Liaquat Ali Khan: 1947 to 1951) continued for four years whilst others managed a year or less each. As a result of this political instability, Pakistan's already weak and divided civil institutions were unable to establish themselves and assert power over the military (Rizvi, 2011).

*The second phase, 1958-1969, is the strong military period and popular in the history of Pakistan for economic development.* The Muslim League party that inherited power from the British could not sustain its momentum and was unable to tackle the large scale socio-economic problems of the newly independent country. As a result of weak leadership, lack of internal coherence, factionalism and rapid degeneration of political processes, the military became an important national decision maker of the country (Rizvi, 2011). In 1954, the Constituent Assembly<sup>8</sup> was scheduled to vote on the first published draft of Pakistan's constitution approved in the previous session of the Assembly, but was aborted by Governor-General Ghulam Mohammad because he felt that the draft constitution did not suit his power interests (Hussain, 2004). Afterward, a weakened form of parliamentary democracy was established until the rule of General Ghulam Mohammad

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<sup>8</sup> The constituent assembly is the group of elected members of legislature responsible for drafting the constitution of the country. Pakistan has had three constitutions including two presented from the legislature and one from a military ruler (Hafeez, 2012).

was terminated by Ayub Khan's coup on the 7<sup>th</sup> of October 1958. General Ayub Khan abrogated the constitution and declared martial law. He assumed presidential powers, abolished the office of prime minister and established the dominance of the military in the power structure of Pakistan and ruled by martial law until 1962 (Hussain, 2004). During this period, a new constitution was introduced in June 1962 and a highly centralised and authoritarian government was established that led to autocratic rule of the president (Hafeez, 2012). Opposition in civil society was suppressed and the independence of judiciary and media undermined through military dominance. General Ayub Khan subsequently civilianised his regime by taking some politicians with him in coalition in order to legitimise his autocratic rule which lasted until 1969. He was replaced by another General Yahya Khan who, when faced with demands from East Pakistan for socio-economic justice, political participation and military operation in the Indo-Pak war, surrendered power to an elected civilian leader of the Pakistan Peoples' Party (PPP) Zulfiquar Ali Z. A. Bhutto in 1971 (Rizvi, 2011).

*The third phase, 1972-77, is a relatively stable democratic period; it was started when Z. A. Bhutto became the President of Pakistan.* In 1973, Z. A. Bhutto established a parliamentary form of government, introduced a new constitution and placed the military under the civilian control. Z. A. Bhutto was the only civilian leader who tried civilian over military primacy during his period in power but the opposition started an anti-Bhutto agitation in 1977 and opposed Bhutto's socialistic-liberal policies which resulted in General Zia-ul-Haq asserting military control and imposing martial law in 1977 (Rizvi, 2011).

*The fourth phase, 1977-88, was a long military dictatorship and included an Afghan war period.* Zia increased the powers of the president in order to allow himself to continue serving as an army chief even after the restoration of a civilian government. According to Rizvi (2011), Zia secured his rule by seeking the co-operation of orthodox and conservative Islamic parties and groups and shifted state policies decisively in their favour which is a reason for his relatively long period in office (1977-1988).<sup>9</sup> The effects of the Zia regime are still being felt in Pakistan and his period of rule as a martial law administrator left a legacy which continues to affect internal and international relationships. For example, many post-colonial writers including Rizvi (2011) argue that Zia obtained Western, especially US economic and diplomatic support, for promoting

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<sup>9</sup> As a martial law administrator in the history of Pakistan, it ended with his demise in 1988 in an air crash.

jihad (an Islamic term used for a fight in self-protection) against Soviet troops in Afghanistan and that this was the key factor in strengthening Islamic orthodoxy and militancy in Pakistan. In a similar vein, Hussain (1999) argues that the jihad against the Soviets in Afghanistan laid the foundation of an extremist religious infrastructure that not only served US strategic interests but contributed to Saudi-Iranian rivalry that caused an adverse impact on the region and on global security.

Gul (2009) suggests that following the Soviet withdrawal from Afghanistan, the Pakistani military thought that the Mujahidin (a term used for fighters in jihad) could be used for separating Kashmir from India either through militant struggle or a UN-led plebiscite. However, this proved to be a disastrous strategy as jihadists inspired by Osama-Bin-Laden and his deputy Dr Ayman al-Zawahiri denounced Pakistan as a US collaborator. Husain (2009) asserts that the military dictatorship of General Zia gave new meanings to concepts of war, conflict and jihad. Jihad was no longer defensive but became an offensive war.<sup>10</sup> Hussain further points out that after the victory over the Soviets, the US left behind a broken Afghanistan, a restive jihad and an embittered Pakistan. Here, it seems that terrorist attacks and the deterioration of law and order in Pakistan is the stark legacy of politicising religion for individual benefits.

According to Ashraf (2009), religion was the only justification given by General Zia to legitimise his dictatorship. Pakistan never experienced religious radicalism or any major instance of violence in the name of religion until 1970. Pakistan was created in the name of Islam by secular Muslim leaders<sup>11</sup> and inherited religion from the pre-independence sub-continent. Zia's Islamisation reforms completely transformed the education system of Pakistan and resulted in growth of Islamic fundamentalism which continues to shape Pakistani society. The nature and scope of Islamisation and its consequences are discussed in the next section.

#### **2.4.3 Islamisation of Institutions**

According to Hussain (2004), successive dictator regimes legitimised themselves through an explicit ideology. The Ayub regime promoted a philosophy of modernisation and

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<sup>10</sup> Original meaning of jihad (English pronunciation: /dʒɪ'hɑ:d/; Arabic: جهاد jihād [dʒi'hā:d]) is an Islamic term referring to the religious duty of Muslims to maintain and spread the religion. In Arabic, the word jihād is a noun meaning the act of "striving, applying oneself, struggling, persevering."

<sup>11</sup> Quaid-e-Azam Mohammad Ali Jinnah, 'the founder of Pakistan' said: You may belong to any religion or cast or creed that has nothing to do with the business of the state...we are starting with this fundamental principle that we all are citizens and equal citizens of one state (speech on 11 August 1947).

economic development while Z. A. Bhutto's regime promoted a philosophy of socialism and civil society. In a similar vein, Zia-ul-Haq sought to institutionalise military rule through an Islamic ideology and attempted to re-structure the state and society through two major initiatives: first, through designing measures to manipulate state institutions, e.g. the judiciary and the press to execute authority based on Islamic ideology whereby the institutional roots of Islamic fundamentalism were laid down through government funds for establishing mosques and schools (madrassas) in towns and rural areas of the country which led to rapid growth of militant religious organisations.<sup>12</sup> The second set of measures was about the theocratic state, in attempting to induce conservative views of common people to narrow their mind. Hussain (2004) argues that Zia used terror as a conscious policy of the government. He established military courts, arbitrary arrests, the amputation of hands and introduced public lashings. Individual and group behaviour was closely controlled through coercive enforcement measures.

*The fifth phase. 1988-98, started with Benazir Bhutto (daughter of Z. A. Bhutto) that was a weak democratic and unstable period.* Benazir Bhutto and Nawaz Sharif were elected as prime minister twice each during this period (e.g. 1988 to 1998). However, despite the subsequent return of civilian governance through the popular vote, three democratically elected governments were removed one after the other on account of allegations of mismanagement, corruption and misuse of powers (Hafeez, 2012; Rizvi, 2011).

*The sixth phase, 1998-2008, is the military regime known as the war on terror period.* General Pervez Musharraf, following the previous trend, displaced civilian government of Nawaz Sharif in October 1999 and once again the country returned to undeclared martial law (Rizvi, 2011). In 2007, President General Musharraf suspended the constitution twice and removed the supreme high court judges from their positions. The media were banned, journalists were persecuted, many political opponents were put behind bars and many were assassinated including the former prime minister Mohtarma Benazir Bhutto on 27<sup>th</sup> December 2007 (Ali, 2012).

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<sup>12</sup> The phenomenon of the large scale of sectarian violence in Pakistan was started from Punjab (province) in 1987 and later spread across the country with the rapid growth of Deeni-Madrassas and religious schools (Hussain, 2004). In Punjab only, there were 3,393 Deeni-Madrassas up to the end of 1998, out of which 67% emerged during the Zia regime. The students in these madrassas belonged to poor families and were given free food and other facilities during their term at madrassas. There were 306,500 Pakistani students registered in these madrassas. However, as the new kind of sectarian madrassas emerged and grew during Zia's government, so the sectarian violence increased in the country.

The Musharraf regime<sup>13</sup> increased sectarianism in the region and divided Pakistan into various communist and religious groups. According to Alavi (1972), the alliance of civil-military and landed elites in post-colonial societies further marginalised people on religious and ethnic grounds; the Indian subcontinent is the prominent example of religious, sectarian, ethno-national and caste system where such factors prevail not only in society in general but also in work settings (Ali, 2012). Subsequently, socio-economic injustice created class conflicts and ethno-political problems that caused division and intolerance in the post-colonial societies of Third World countries. Arguably, Pakistan in this regard is also an exceptional case: they have military operations, the worst law and order situation, target killing based on ethnic and religious grounds, and physical violence have affected general masses.

According to Yong (2005), British rule favoured a certain class of society while recruiting in civil-military services based on so called ‘doctrine of martial race’. The recruitment policies of the Pakistan military followed the colonial tradition opted by the East India Company and the Indian Mutiny of Bengal Army in 1857 (Ali, 2012). Consequently, the British-Raj created a doctrine of martial race in post-colonial Pakistan by recruiting and promoting military personnel from key areas, races and families. Interestingly, the majority of military personnel in Pakistan are from the single province of Punjab that is widely accused of having single ethnic groups which creates path dependency of occupational segregation. Similar instances appear to dominate HRM practices across the business sectors in the country (Ali, 2012; Waseem, 2003).<sup>14</sup> Indeed, society can be scattered on the basis of discrimination that may have negative consequences. Lieven (2011) for instance states in his book ‘*Pakistan a hard country*’ the lines of a Pakistani journalist about corruption: ‘One friend of mine, a colonial in the army, is about to retire. He has been allocated a plot of land in Islamabad (a capital city of Punjab) which he can either build a house on or sell for a big profit, and there is also a job in Fuji Foundation. So, he doesn’t need to steal. Another friend, an SSP (Senior Superintendent of Police),

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<sup>13</sup> started the number of operations in Baluchistan against Baluchi nationalist group in which many Balouch people were killed including their leader Nawab Akbar Khan Bugti ‘a very influential nationalist leader’. Moreover, he also started operations against religious leaders’ the most popular operation was against the Lal-Masjid in which many people including children were killed.

<sup>14</sup> Ashiq’s research identified the cultural factors such as collectivism, hierarchical structure, distrusting human nature and high-power distance influencing HR practice in Government, private and MNC’s in Pakistan.

will also retire soon, and he will have nothing but his miserable pension to live on, so he has to secure his retirement through corruption' (p.167).

The above passage illuminates Pakistan's patronage system. Lieven (2011) argues that the inherent tension within this system is based on three areas; namely, the appointment of retired military officers to senior jobs in the administration and state-owned corporations, the ability of officers to buy land in defence housing associations or to be allocated a free plot when retired, and a military controlled business. Lieven describes this system as part of a south Asian tradition and links it back to the British and indeed the Mughal period as it was a common practice for a grant of land to be made to wounded soldiers and the families of soldiers killed in action. Similarly, the appointment of ex-soldiers or retired officers into the bureaucracy, state-owned industrial and power companies and the administration of universities can be traced back to traditional practices. However, such practices have effects and consequences. For example, Ali (2012) found that the appoint of retired officers to senior key positions upset HR policies and practices in Pakistani organisations. Such practice may have an effect on the talent management policies and practices within many public sector Pakistani organisations.

*The last phase, 2008-16, has modern economic development policies.* After the assassination of Benazir Bhutto, a new era of democratic government began in Pakistan under the presidency of Asif Ali Zardari (husband of Benazir Bhutto) and later by Nawaz Sharif, although not many major reforms could be initiated during the initial phase of this democratic period as the government was very weak and President Zardari just wanted to complete his tenure of five years to remain in office. However, a mega strategic economic project named the China Pakistan Economic Corridor (CPEC)<sup>15</sup> was initiated that could have positive effects in the future on the Pakistan economy and labour market. This project was agreed between China and Pakistan to build an economic corridor and signed when President Zardari invited Chinese Premier Li Keqiang to Pakistan on 22 May 2013 at the President's house (Meena, 2017). The project was commenced on the 20<sup>th</sup> of April 2015 with the investment of US \$46 billion as part of the CPEC on energy and infrastructure projects in Pakistan; that is about 20% of the annual budget of GDP of Pakistan (Meena, 2017). A further \$28 billion was fast tracked: the 'Early harvest'

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<sup>15</sup> CPEC is the collection of numerous infrastructure projects that are currently under construction throughout Pakistan. The objective of CPEC is to modernise the infrastructure of Pakistan and to boost economy through modern transportation network, energy projects and developing special economic zones.

projects are to be completed by 2018, and about two million jobs will be created between 2016-2030; that is a massive support to reduce the unemployment ratio of the country.

According to Meena (2017), one of the reasons to choose Pakistan for CPEC was to procure oil and gas from Iran and other west Asian countries. For this purpose, China showed interest to join an ongoing gas line project between Iran and Pakistan by investing \$7.4 billion but faced immense opposition from the USA. In Pakistani politics, the US plays an influential role particularly after 9/11. The situation changed because the Pakistani government faced heavy international criticism on poor governance, poverty, corruption and the inefficient and corrupt public sector (Ali, 2012). The US now plays a leading role in Pakistani politics, since it needs a strategic change in Pakistani policies in order to meet US strategic interests (Hussain, 1999). Pakistan has remained an important partner of US in fighting against extremism and terrorism because Pakistan is a big victim of these incidents and has continued operations against militant groups in both military and civilian governments. In return, Pakistan receives substantial support from the US since only a stable and reformed Pakistan can be a useful friend and partner (Ali, 2012; Cohen and Chollet, 2007; Hussain, 1999). However, international influence and military involvement in Pakistani politics, and militarisation of the state and society continues to pose a challenge to democracy and has unwelcome implications and consequences for institutions.

Rizvi (2011) argues that despite moves towards a civil society and an active and alert electronic and print media, democracy in Pakistan is unstable. The military's direct involvement in policymaking on security and foreign policy issues has made it impossible for civilian leaders to function autonomously or even assert their primacy in policymaking. Rizvi further claims that the Pakistan military maintains its interest in governmental affairs in order to protect its professional and corporate interests. As a result, Pakistan remains locked in a vicious cycle of colonial legacy and path dependency which laid the foundations of organisational structure to run the administrative system of the government (Hafeez, 2012; Islam, 1989). The matter of fact is that Pakistan has emerged as a sovereign state on the world map about sixty-nine years ago but lacks in credibility to run the affairs of the government and public institutions. The political leadership cannot tackle administrative reforms because of the military intervention but the political leadership has shown itself to be lacking in efficiency and hence controlled by the military. As Lieven (2011) states, there have been times when civilian governments

themselves have asked the military to intervene in some aspects of government because of its greater efficiency and honesty. This means that political leadership relies highly on the military officials; that is the sign of incompetency and dependency. In the absence of law and order, situations in any institution cannot play its role effectively and efficiently. The role of the judiciary in Pakistan is likewise tainted. According to Malik (2003), ordinary cases take years to be settled. In many cases, involved parties are forced to settle their conflict due to the unbearable delay in settlement and/or justice. Similarly, a lack of education and a lack of awareness, long delays, huge costs of lawsuits and a bureaucratic type of system makes it extremely difficult for the common man to seek justice. The reason is corruption in the judiciary and the police. Arguably, if Pakistan continues the path dependency of the British legacy even after seventy years and is incapable or reluctant to reform its system and structure then it would have been far better to be with India; the concept of two-nation theory was just rubbish.

The discussion above has used the concept of path dependency to illustrate aspects of the post-colonial legacy of British rule in Pakistan which continues to influence the Pakistani society and social institutions.

#### **2.4.4 The family as a primary social institution**

Pakistani society revolves around the family and kinship and the family retains its significance even among members of the Westernised elite classes living in European countries. Family forms the basis of social organisation and provides identity and protection to its members. It is only in rare cases that some individuals live separately from relatives in Pakistan. In the joint family system, sons often continue to live with their parents after marriage and the basic kinship unit includes a married couple, sons, their wives, their children and unmarried offspring. Sons can establish their own house, if they wish, after their father's death. The descent of generations is calculated through male ancestors. Pakistan in this regard remains a rigidly patriarchal society structured around the so called '*biradari*' kinships which represent a significant influence on the maintenance of social relationships. Biradari refers to a group of male kin. Biradari traditionally served as a combined and mutual aid agency for the well-being and social welfare of the society by helping the poor, arranging loans to members and assisting access to employment (US Library, 2013). This implies collectivist approach of the society in which the members do not share property or earnings but rather uphold the ethical and social values of the community. Biradari members celebrate all important

social events together and there is considerable pressure on the members to maintain worthy relationships with each other. Biradari members are expected to help and contribute in the arrangement of ceremonies of marriage, birth, death and other religious and major occasions including workplace relationships and can contribute to a culture of favouritism and nepotism in the workplace and exert influence on recruitment, selection and promotion decisions. Mangi *et al.* (2012) found that cultural factors such as collectivism, and high-power distance had a strong influence on HRM practice and that *sifarish*, or social connections, were important in recruitment and selection practice within private business sectors.

Patriarchy and the biradari organisation also affects the role of women in Pakistani society. It is not uncommon in Pakistani society for women to be married within biradarries and treated as a chattel given or acquired through arranged marriages to spend their lives in the service of a male-dominated social system (Alavi, 1988). There is no female equivalent of the biradari organisation. Alavi (1988) talks about a corporate biradari that works like a *panchayat* (Hindu term) council and exerts huge control over decisions over the lives of women. No woman, even highly qualified or one with an independent career, can set-up home on her own in the city without the support or protection of a male. Widows and divorced women return to their father or brother unless they have a grownup son with whom they can live. Such practices remain widespread although economic pressures have resulted in the need for two incomes to support the family and as a result, the participation of women in the labour market has increased. Initially, only a few professions were considered as respectable for women, e.g. doctor, teacher (preferably in a girls' school or college) but now the mantle of respectability covers clerical jobs in offices where women could work with men. Today, women can be found in a wide range of occupations including, laboratory assistants, ticket clerks at railway stations and post offices, counter receptionists, lawyers, architects, engineers, journalists, broadcasters and so on, although the numbers in these categories of occupations remain small (Alavi, 1988). Women do not enjoy the same opportunities as men due to a number of discriminatory socio, cultural and traditional values (Roomi and Parrott, 2008) that are deep-rooted and path dependent factors of the society.

The education of women is also demanded by well-educated and professional men who want to marry reasonably educated wives but not highly qualified, since the concept of 'over-qualification' means that a woman should not have better qualifications than her prospective spouse. There are many examples of a break-up if the fiancée has done too

well at university or college, or if the wife's career is accelerating more rapidly than that of the husband (Alavi, 1988). In this patriarchal society of Pakistan, women pay a heavy price if they wish to pursue a professional career. This occupational segregation has mediating effects on both the Pakistani labour market and the workplace. In practice, there are many studies that show gender differences matter at the workplace. For example, gender diversity in a team helps more in decision making and innovation within a richer collection of ideas and viewpoints than can be found in a single gender team (Daily, 2010). Gender balance in a team containing men and women demonstrates greater emotional perception, joint intelligence and encouragement of ideas. This means women's participation at work can contribute more in innovation and helpful to induce team eagerness. Women in a team or a group have been linked to more engagement and effectiveness to solve difficult problems (Daily, 2010; Trainingmag, 2016). Table 2.1 p.49 shows the labour force participation in Pakistan.

#### **2.4.5 Education system of Pakistan**

Excellence in the educational institutions can be viewed as a reflection of the prosperity of a country but in Pakistan the majority of Pakistanis are illiterate and women, in particular, are disadvantaged by the education system (Malik, 2003). According to the latest survey, the literacy rate has improved from 45% in 2002, to 58% (70% male and 47% female) in 2012, with a target to improve literacy rates to 88% by the year 2015 (Economic Survey, 2012). Although these figures show some improvement in literacy rate, the target is likely to prove elusive. There is a massive gap in educational conditions between rural and urban populations.

Pakistan is a member of and signatory to the United Nations Educational, Scientific and Cultural Organisations (UNESCO) and committed to providing education for all under Article 166 of the Constitution. Nevertheless, the education system is underdeveloped and deficient. The reasons for this are numerous and pervasive. Malik (2003) points to the lack of planning, low priority to education, poor infrastructure and low paid teachers as the main contributors to the poor quality of education in Pakistan. He further highlights the fragmented nature of the educational system in Pakistan which includes: rural versus urban, English versus Urdu or regional language, private versus public, secular versus religious and interestingly, national versus Western style of education, which results in different educational approaches and a lack of standardisation, uniformity and consistency in the education policy or implementation. Malik argues that this

fragmentation and lack of consistency works against social integration and serves to divide communities and groups. For example, graduates from private institutions are likely to have better employment prospects, but private education in Pakistan is inaccessible for the majority of the population for various reasons, such as high cost, limited private institutions with regard to populations and their locations in major cities of the country, and the language barrier whereby children have little or no family support in learning education in a foreign language (English). As Pakistan is a predominantly agricultural country, the major portion of the population (62%) live in rural areas (Bank, 2014) and are prevented from access to quality education. The education system also impacts on the structure of the labour markets and the availability of talent in them.

The Pakistani government is trying to promote education and believes that economic development and poverty alleviation is only possible with education, since this is the powerful tool to develop individuals and institutional managers who can bring fundamental changes in the society. Accordingly, it was planned to achieve universal enrolment in primary education by the year 2015. A bill of compulsory and free education has also been passed in the parliament to ensure the constitutional right of education to every child between 5 to 16 years of ages. The planning commission of Pakistan<sup>16</sup> for its Vision 2030 promoted the academic environment of the country with particular attention to the quality of education, creativity, scientific knowledge and technical education. A National Educational Policy (NEP) suggested in 2009 is being implemented to improve the quality of education and the educational budget will be increased from 2.7% to 7.0% of the GDP in 2015 (Economic Survey, 2012).

The Higher Education Commission (HEC) of Pakistan is also encouraging universities to play a vital role in the economic development of the country by developing knowledge capital and expanding technology training and development. The HEC plans to promote excellence in learning and research, to develop leadership, to improve the governance and management of universities, to expand the role of universities in building economies and communities, ensure the sustainability of financial management, and promoting research, innovation and entrepreneurship (Economic Survey, 2012). Improving the knowledge capital and skills base of the population is crucial for the future economic development

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<sup>16</sup> A financial and public policy development institution of government of Pakistan.

of Pakistan. Notwithstanding these initiatives, education remains a huge challenge for Pakistan as a developing economy.

Pakistan spends 2.7% of its GDP on education which is only slightly higher than it was in early 1970. In Pakistan some 88% of children are enrolled in schools on time, with half of those dropping out before finishing primary education. So, nearly a quarter of the age group seven to sixteen have no formal education at all. There is also a significant gender gap in primary education and almost half the female population have limited access to education and a restricted participation in the labour market (Economic survey, 2012). In addition, more than 60% of the total population live in rural areas which further restricts access to quality education (World Bank, 2014).

As suggested above, the education system plays a crucial role in the skills development and knowledge base of the country and shapes the labour markets and the availability of talent in the workforce. According to the ILO (2013), even though the gender gap in employment is slowly decreasing, yet specific challenges persist for women who face considerable disparities in accessing the labour market. Likewise, the ILO (2013) found that, Pakistani youths were facing various disadvantages in accessing the labour market, including a limited expertise of job search, a mismatch between education, aspirations and employers' requirement and a lack of mobility. The features and operation of labour markets in Pakistan is explored in the next section.

#### **2.4.6 The structure of labour markets in Pakistan**

Pakistan is the 6<sup>th</sup> most populated country in the world with 179 million people, but of this aggregate figure only 64 million participate in the labour force (LMP, 2014). The labour force participation rate is a calculation of a country's working age population that participates actively in the labour market.

According to the ILO (2013), Pakistan has remained trapped in a complex set of economic, social and political challenges such as low levels of investment, high inflation, energy shortages and the damaging effect of conflict in certain provinces. As a result, the Pakistani labour market is confronted with a number of challenges such as low labour force participation (LFP), low levels of education and skills, high unemployment among educated people, predominance of an informal economy and very little female participation (PES, 2013). Table 2.1. traces aggregate labour force participation rates and factors in participation by gender.

**Table 2. 1 Labour force participation from (2001-13).**

Indicators	2001-02	2003-04	2005-06	2007-08	2009-10	2010-11	2012-13
Labour force participation							
<b>Both sexes</b>	50.5	50.7	53.0	52.5	53.5	53.4	53.1
<b>Male</b>	82.7	82.7	84.0	82.4	81.7	81.9	81.1
<b>Female</b>	16.2	18.0	21.0	21.8	24.1	24.4	24.3
Employment to population							
<b>Both sexes</b>	46.5	47.0	49.7	49.9	50.7	50.4	49.9
<b>Male</b>	77.6	77.6	79.6	79.1	78.3	78.0	77.0
<b>Female</b>	13.6	15.6	19.0	19.9	21.9	22.2	22.1
Unemployment rate							
<b>Both sexes</b>	7.8	7.4	6.1	5.0	5.3	5.7	6.0
<b>Male</b>	6.2	6.2	5.2	4.0	4.1	4.8	5.1
<b>Female</b>	16.4	12.9	9.6	8.7	9.2	9.0	9.1

Source: (PET, 2013) Pakistan employment trends labour force survey.

The above table illustrates an increase in LFP from 50.5% at the beginning of the series to 53.0% during 2005-06 with little change thereafter. Female participation in the labour force is significantly lower than the male throughout the period. According to the ILO (2013), female participation in the labour force is rising but remains low for economic and social factors including educational attainment, fertility rates and the age of marriage, economic growth/cyclical effects and urbanisation. Pakistan in this regard seems far behind in these important areas. As discussed earlier, access to quality education and attainment in Pakistan is generally low but alarmingly so for girls. Cultural and social barriers also affect the participation of women in the labour force. The fertility rate in Pakistan is 3.3 children per woman which is one of the highest rates in Asia which reduces the opportunities for women to participate in work (ILO, 2013). As previously discussed, Pakistan is endowed with rich and vast natural resources including various environmental and climatic zones; the country has the potential to produce all types of fruits, vegetables and other food commodities. The agricultural sector has an important role in generating economic growth and 67.5% of the population live in rural areas and is directly involved

in this sector. The total number of labourers engaged in agriculture is 43.7% (PES, 2013). As shown in table 2.1, the employment to population ratio has changed only slightly over the period and remains at nearly 50% since 2005. The female employment to population ratio shows some improvement but is still less than half of the total female population. According to the global gender gap index, Pakistan ranks 135 of 136 countries and is the lowest performer among Asian and Pacific countries (LMP, 2014).

Although the female unemployment rate is higher than the male aggregate, unemployment rates show a similar pattern and unemployment rates seem to be shrinking throughout the period shown in table 2.1 for the 15-24 age group which constitutes an estimated 21% of the total population. The unemployment rate has been high but has decreased and remained stable since 2006 at 44% (LMP, 2014). Females in this group have experienced a strong slowdown in unemployment from 30% in 2000 to 11% in 2012 while the corresponding figure for young males has decreased from 11% to 7%. Despite this level of youth, unemployment is worryingly high. The LMP (2014) report highlights a lack of policy to address these issues and suggests that Pakistan appears incapable of using its human resource properly. This is the reason why many skilled and unskilled Pakistani workers travel abroad to work. Nearly two and a half million workers including professionals, doctors, teachers, bankers, accountants, telecom and IT experts, engineers, and technicians went abroad during 2008-2012 (Economic survey, 2012). In 2012 alone, 261,531 skilled and 259,316 semi- or unskilled workers left the country for work. Rather than improving educational standards or setting up a universal minimum standard for schools, colleges and universities and creating job opportunities within the country, the Pakistani government actively supports the movement of labour to other countries and has signed agreements with the United Arab Emirates (UAE), Malaysia, Qatar and Saudi Arabia to export 600,000 skilled workers annually; incentives exist in order to attract and encourage Pakistani nationals to work abroad and to save and send their earnings through legal means to Pakistan and thus improve the foreign exchange earnings. Although the Pakistani government is interested in exporting its manpower in order to improve its economy through foreign exchange, this strategy is not working. Due to security issues and the continuously decreasing value of the Pak/rupee against the US \$, few professionals and the skilled workers opt to have a savings account in Pakistan. As a result, the Pakistan government is losing talent to overseas countries with no corresponding benefit.

The education system and labour markets are inextricably linked and, in turn, have an effect on business and economic institutions which exist for profit making by providing solutions to the social needs of the country. Malik (2003), for example, suggests that entrepreneurs are the product of social institutions especially of education. This implies that the education or literacy rates of a particular country can affect socio-economic development. The following section examines the economic and business context of Pakistan.

## **2.5 The economic development and business context of Pakistan**

Pakistan's economy and its growth are closely linked to its historical development. Ayub's government (1958-1962) adopted a policy of modernisation and economic development which accelerated the GDP growth. However, inter-regional economic inequalities increased class tensions in the country and resulted in civil war in West Pakistan and a war of independence in East Pakistan in the 1970s (Hussain, 2004). In this period, the reason for accelerated economic growth was the differential impact of agricultural growth, the so-called 'Green Revolution'<sup>17</sup> introduced by Ayub (Hussain, 2004). Apart from this, the government introduced a policy framework for inducing the large profits of traders in jute and raw cotton to flow in to the manufacturing sector. The highly regulated government policy incorporated tariff protection for manufacturers of consumer goods and services along with direct control on competing imports. It also introduced new incentives for exports such as easy and low interest credit, bonus voucher scheme,<sup>18</sup> tax-refunds, tax-exemptions and accelerated depreciation allowances to increase post-tax profits. This action enabled industrial elites to earn large profits from the domestic market without being involved in a competitive pressure to achieve higher efficiency and capability in the export markets. Hence, during this era, despite the availability of import substitution goods and a large volume of exports, foreign exchange shortages persisted (Rahim, 2001 cited by Hussain, 2004). In other words, the Ayub regime in the pursuit of securing its power, supported industrial elites by means of subsidies, which reinforced the traditional propensity of the economic elites for risk aversion, lack of innovation and dependency on government support. Hussain (2004)

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<sup>17</sup> Since Pakistan is an agricultural country, Ayub focused on this sector with the adoption of high yield varieties of food grain required for irrigation that resulted in a faster growth in economy, that is called the 'green revolution'.

<sup>18</sup> The bonus voucher scheme enabled exports of certain goods to receive a bonus in addition to the rupee revenue of their exports, equivalent to a particular percentage of the foreign exchange. The vouchers could be sold out in the market to the potential importers. Thus, the exporter was able to earn dual profits: the rupee revenue and the additional amount through sale of the bonus vouchers.

argues that, during the 1960s the government deliberately adopted a policy to locate national income in the hands of upper income groups. Those upper elites were essentially a small group of families who dominated industry, banking and insurance in Pakistan. The manufacturing sector contributed 46% in GDP and it originated in firms controlled by just 43 families; whilst, in banking only seven families constituted 91.6% of private domestic deposits and 84.4% earning assets. Family banks were found to provide industrial loans to the companies controlled by the same families and the major industrial and entrepreneurs' families were fairly close kinship groups. Hussain in this connection claims that, the members of the industrial family tended to sit on each other's board of directors. Moreover, these industrial families had considerable power over government agencies to sanction industrial projects. This illustrates a monopolistic and autocratic approach of the government which resulted in the failure of economic elites and increased the requirement of foreign aid from US\$337m in 1950-55 to US\$701m in 1965-70. The debit burden increased dramatically with the result of higher interest loans granted through foreign aid. However, that approach did not end but still persists as a path dependent process and almost every ruling government relied much on foreign debt through the IMF and World Bank to finance its balance of payments' deficit that increased a massive financial and economic burden on the country which impedes the economic growth of the country (Malik et al., 2010). The increasing external debt can further lead to decline in economic growth and debt serving has a significantly negative impact on GDP growth. Malik et al. (2010) stated that Pakistan was classified as a severely indebted country of south Asia by the World Bank in 2001, whilst still external debt comprises roundabout 50% of the total GDP; that is more than 100% of the foreign exchange earnings. Foreign aid may be a significant source of income for developing countries to boost the economy but excessive relying on foreign debt that is a path dependent procedure of Pakistani politicians can be uncontrollable and more challenging for the country generally and societal institutions specifically.

The structure of the Pakistan economy is characterised by a narrow and inefficient industrial base, slow export of goods and increasing foreign loan dependence. The agricultural sector remains the largest contributor of GDP in Pakistan and contributes 21.4% in GDP (Economic survey, 2012). The sector accounts for 45% of employment and provides food items, industrial raw material and market for industrial products. Besides this, it is also an important source of foreign exchange earnings. The manufacturing and service sector has been gradually developing and that is the sign of

development and modern economic infrastructure (Janjua and Sobia, 2010). Even though the GDP share of the manufacturing sector has slightly decreased from 14.4% in 2007-8 to 13.2% in 2012-13, it doesn't yet show a negative growth. The sector has 3.5 % growth compared to 2.1% in 2010-11. However, domestic and international factors, e.g. acute electricity shortage, unstable law and order situation and a campaign against terrorism have badly affected the manufacturing sector and as a result, industries are prevented from operating according to their capacity level (PES, 2013). The services sector has emerged as a critical source and driver of economic growth and has increased its contribution to GDP from 56% in 2006 to 57.7% in 2013.<sup>19</sup>

The trade sector has also shown some improvement and the trade deficit has declined by 2.5% in 2013. The reason behind this improvement was the reduction in imports and increase in exports (PES, 2013). Pakistan imports industrial equipment, vehicles, iron ore, steel, petroleum, chemicals, edible oil, and tea and exports textile goods, handicraft goods, leather, sports goods, carpets, cotton, rice, fruit and fish (Info Pak, 2013).

Pakistan holds valuable and economically exploitable reserves of onyx marble, coal, limestone, gypsum, granite, rock, salt, China clay, fire clay, dolomite, silica sand and other precious stones. But like other developing countries, the economic growth of Pakistan is characterised as consumption-led growth. The total consumption expenditure of 2013 reached at 87.66% of GDP, while it has declined at 1.2% of GDP as compared to 2010/11 (PES, 2013). Economic growth and performance can be influenced by a number of factors. Foreign Direct Investment (FDI) is considered as a significant factor for developing economies. A Nigerian study conducted by Adegbite and Ayadi (2011) suggested that FDI has a positive and beneficial impact on the economic growth of the country. Mishal and Abulaila (2007) also found positive evidence of FDI in the economic growth of Jordan. Similarly, the Pakistan government appears to be keen to attract FDI and has initiated a number of regulatory measures to attract FDI including liberalisation allowing 100% ownership of assets by foreigners (Khan and Nawaz, 2010). Janjua and Sobia (2010) suggested that Pakistan is an attractive option for foreign investors. Its strategic and central location has been of interest for international politics and foreign investors due to its potential consumer market and cheap labour force. Similarly, young educated and a competent workforce offer promising investment and growth for foreign

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<sup>19</sup> The GDP contribution of the services sector in developed countries is about 75%, while, Singapore has 73%, India 65% and Bangladesh has 54% (PES, 2013).

companies in the job market, mainly in information technology and the telecommunication sector (Janjua and Sobia, 2010).

According to Khilji (2003), Pakistan has been implementing a comprehensive programme of deregulation and fostering a climate for favourable private investment and liberalising the activities<sup>20</sup> that were previously monopolised by the public sector since the early 1990s. Measures have been taken to privatise the entire public sector in order to improve the administrative structure. The Pakistan government took serious measures to reform public sector enterprises including liberalisation, deregulation, privatisation and people-friendly policies to disburden government from large Public Sector Enterprises (PSE) (Ali, 2012). The Pakistan government introduced the National Commission for Government Reforms (NCGR) under the leadership of former Governor of the state bank of Pakistan. The aim of this institution was to improve the efficiency of the PSEs and civil services as well as to create training and development opportunities for human resources. The NCGR is to be considered as the first institution ever in the history of Pakistan to reform and improve the public sector. The priorities of the NCGR include:

- Recruitment and selection
- Training and development
- Strengthening the key public-sector institutions
- Performance appraisal
- Career development and progression
- Posting and placement
- Compensation and benefits
- Staff welfare policy.

Ali (2012) highlights that unlike previous reform organisations, the NCGR suggested remedies to improve the efficiency of the PSEs and civil services, accept the challenges to recommend an appropriate size, structure, division of work and responsibilities across the PSEs. The objective of this institution is to improve the recruitment system by assessing the wide number of candidates in order to select the best talent pool in the PSEs and civil Service through a transparent, equality and merit-based system. The commission believes that attraction, retention and motivation of employees can be facilitated by a

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<sup>20</sup> The policy measures named economic democracy and liberalisation and were introduced by Z. A. Bhutto in 1972 through the nationalisation programme in Pakistan in a vision to improve the growth of national economy of Pakistan.

more holistic approach of the HRM value chain such as recruitment, training, performance management which will create a robust business environment in the country. Notwithstanding, it is intended that the HRM practice planned by the government is to improve efficiency. This study provides an example of the holistic approach of managing human resources of the organisation.

The liberalisation of the foreign exchange system allows Pakistanis or foreigners to bring, possess and take out foreign currency, open accounts and hold certificates in foreign currency. The imports policy has also been liberalised to attract FDI; for example, the import of machinery not manufactured in the local market has been fully or partially exempted from import duties depending on whether the project is needed in rural, underdeveloped or industrial areas. Most importantly, with regard to the rate of return on FDI, Pakistan is on the highest number among the other Asian countries. The average rate of return in the world is 5.5%, and for developing countries 4.2%, China is 5.8%, Indonesia is 5.4% and Pakistan is 7.0% (UNCTAD, 2003). However, despite this high return on investment, Pakistan lags far behind China, India, Korea, Malaysia and Hong Kong in FDI. The reason is the poor law and order situation, political instability and the unpredictability of the economic and business environment.

The capital market of Pakistan is developing gradually, and the stock market gave an outstanding performance during the fiscal year of 2013 among the global stock market including China, India, Japan, Hong Kong, UK and USA. The reason behind the exceptional performance of the Karachi Stock Exchange (KSE) was the participation of foreign investment, due to a better return on Pakistani stocks. The KSE touched the highest historical level of 22000 plus points which reinforced the confidence of investors. The nominal growth of 29.7% stood at US\$ 853.5m as compared to US\$ 658.2m over the year 2010-11. The major contributors in the capital market for foreign direct inflows were from Hong Kong, UAE, UK and USA (PES, 2013). These figures speak loudly about the country's high potential of the economic market but as discussed above uncertainty, the instability of the political situation and the low levels of investment in education and human resources, compensation and benefits, career progression and retirement for providing positive reinforcement have reduced the country's ability to compete in the international market. The FDI can take many forms but a key source of FDI is through multinational corporations (MNCs) investing in a country either through greenfield or brownfield developments. Cheese *et al.* (2008) argue that MNCs impose pressure on the

country as well as on local companies to adopt technological and innovative procedures before investment. In this connection, talent management practice is a novel HRM approach that is widely applied in Western organisations to improve organisational efficiency and performance. Hence, talent management strategy within Pakistani organisations is quite relevant and timely action so far, that can have a wider and significant scope to attract FDI in the future.

This section has provided an overview of institutional decay and the role of military regimes and individual leaders who created path dependency and laid the structural basis for weakening the institutions and economy of Pakistan. The section described how the various military and elected regimes used their authority to remain in power that caused barriers within a wider economic growth. However, Pakistan and China, after signing the Memorandum of Understanding (MoU) on cooperation for a long-term economic corridor plan, has a multibillion dollar initiative that could have a positive effect on economic development of the country (Meena, 2017). Pakistan holds high economic hopes from the CPEC project because it contributes in improving the infrastructure, easing its immense energy shortages and supports the service sector in job creation. As stated above, the service sector has emerged as a critical source and driver of economic growth and has increased its contribution to GDP from 56% in 2006 to 57.7% in 2013. The banking sector of Pakistan is a significant means of revenue generation. The Pakistan (FBR, 2013) stated that the banking industry of Pakistan has developed rapidly over the last decade and has had a positive impact on revenue generation. More importantly, the FBR report revealed the critical contribution of the sector as it attracted a substantial amount of FDI during the world financial crises in 2008-09. The next section discusses the distinguishing features of the Pakistani banking sector which represents the research focus of this thesis.

## **2.6 The Banking Sector of Pakistan**

Historically, the role of the Pakistani banking sector has remained crucial for the economic development of Pakistan. According to Abbas and Malik (2008), the banking sector performs three important functions in the economy: the facilitation of the payment system, mobilisation of savings, and allocation of funds to stakeholders like the government, investors, consumers and business community. The Pakistani banking sector consists of a wide spectrum of financial institutions such as commercial banks, national saving schemes, insurance companies, specialised banks leasing companies, micro-

finance institutions and Islamic banks. These institutions offer a whole range of products and services which increases the competition in the business market. The Pakistan banking sector turned profitable in 2002 and continued to rise for the next five years and peaked to Rs. 84.1 (\$1.1) billion in 2006. The sector was valued by the Federal Bureau of Statistics in 2005 at RS. 311,741m which represents 166% growth compared to 2000 (FBR, 2013).

The role of the banking sector in the economic development of Pakistan has remained outstanding, it contributes 67.8 % within the total assets of the financial system and has 30% share within the stock market capitalisation (Memon, 2015). Moreover, this sector pays Pak Rs. 39.5 billion annual tax to the government of Pakistan, it is a large source of employment including 117,856 employees serving 26.6m populations. Currently, the sector comprises a total of 44 commercial banks with 9,399 branches throughout the country, including 23 domestic private banks, 5 public, 12 foreign and 4 specialised: ‘i.e. Industrial Development Bank of Pakistan (IDBP), Punjab Provincial Co-operative Bank, SME Bank Zarai Traqiati’ (SBP, 2011 cited by Shah *et al.*, 2012).

**Table 2. 2 The assets of the top ten commercial banks in Pakistan up to December 2009**

Ranking	Name of Bank	Assets in Pak.Rs.
1	National Bank of Pakistan (NBP)	944,232,762
2	Habib Bank Limited (HBL)	820,981,347
3	United Bank Limited (UBL)	619,744,051
4	Muslim Commercial Bank (MCB)	509,223,058
5	Allied Bank Limited (ABL)	418,374,331
6	Bank Alfaalah Limited	389,070,055
7	Standard Chartered Bank Pakistan Limited	312,874,212
8	Askari Bank Limited	254,327,466
9	Bank Al-Habib Limited	249,806,600
10	Habib Metropolitan Bank Limited	237,412,230

Source: State Bank of Pakistan cited by Shah *et al.* (2012): Journal of Contemporary Research in Business p.638-656.

The financial landscape of the country changed significantly following the nationalisation programme of Pakistani commercial banks under the Banks Nationalisation Act 1974.<sup>21</sup> However, the change in the ownership structure of domestic banks caused political and bureaucratic interference in the business affairs of the nationalised banks (Abbas and Malik, 2008). The government took over the authority to appoint Boards and presidents of the banks, and all the nationalised banks were instructed, in the first instance, to accommodate and meet the borrowing needs of the government and its institutions; whereas, the borrowing needs of the private sector which is to be considered as the engine of economic growth was either ignored or met rarely (Abbas and Malik, 2008). As a result of the above policy changes, the efficiency of the banks was severely affected and by the end of 1980s, the banking sector was poorly equipped to adequately meet the growing financial needs of the country. To respond to the factors behind poor performance, a comprehensive reform programme was initiated in the early 1990s (Abbas and Malik, 2008). The key reform agenda included the privatisation of the National Commercial Banks (NCBs), the removal of restrictions on opening-up of private banks and eliminating the subsidised and mandatory credit schemes. The Banks Nationalisation Act of 1974 was amended in 1990, which enabled the government to sell all or any part of the share capital of the nationalised banks. The financial liberalisation during the 1990s resulted in the extensive growth of the financial banks (Abbas and Malik, 2008).

The structure of the Pakistani banking sector has substantially changed, particularly after the privatisation of the state-owned banks in 1990. The Muslim Commercial Bank (MCB) and Allied Bank Limited (ABL) were privatised in 1991 and 1993 respectively, United Bank Limited (UBL) in 2002, whilst the largest state-owned bank, Habib Bank Limited (HBL) completed its privatisation process in 2004 and signalled the end of the domination of state-owned banks. Subsequently, pursuing the financial sector reform agenda, the major state-owned commercial banks were fully or partially privatised. The privatisation of nationalised commercial banks aimed to enhance the efficiency and performance of the banks, and a number of previously state-owned banks were downsized and restructured through a golden handshake scheme<sup>22</sup> and a reduction in the number of branches (Abbas and Malik, 2008). In order to strengthen the capital base of the newly privatised banks, the State Bank of Pakistan (SBP) provided equity for their respective

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<sup>21</sup> The banks were nationalised for correcting the prevailing flaws in the Pakistani banking sector (Abbas & Malik, 2008).

<sup>22</sup> Early retirement scheme, introduced by Prime Minister Nawaz Sharif.

rehabilitation plans that included a reduction in the workforce, a rationalisation of branches, controls on expenditures, transparent lending policies and intensification of a loan recovery effort.

The Central Bank SBP of Pakistan has strengthened its capacity by resourcing fresh talent, upgrading the existing human resource base and adopting new technology and re-engineering the business process (Abbas and Malik, 2008). However, despite government and central bank claims of positive outcomes and increased success of the banking sector reforms on different fronts, the efficiency of banks has generally been criticised due to low returns on deposits, costly access to banking services, and the high magnitude of non-performing loans are affecting their balance sheets from liability as well as on assets (Abbas and Malik, 2008). Arguably, organisational efficiency depends on the way the organisation uses its human resources, and an effective talent management system can contribute in higher business results. Since then, strategic implications of well-designed human resource architecture have been considered as potential drivers of organisational profitability and performance (Collings and Mellahi, 2009; Collins and Smith, 2006; Huselid, 1995). This point is more fully discussed in the next chapter's theoretical framework section 3.3.

The banking privatisation programme was initiated to restructure the bureaucratic organisational culture and to improve human resource practices (Mirza, 1995). The poor management practices such as overstaffing, high power distance<sup>23</sup>, lack of customer care have remained the characteristics of state-owned organisations of Pakistan (Shaista E Khilji, 2003). However, a recent study on the banking sector suggests that the privatisation resulted in the development of business and HR strategy and helped to improve IT systems and human resource platforms of the Pakistani banks (Memon, 2015), and subsequently strong competition among banks improved the standard of customer service. Moreover, two successive golden handshake schemes in 1999 and 2002 created a skills gap in large banks and these banks started to employ fresh talent to fill that skill gap (Memon, 2015). The new talent were academically more qualified, bearing a more modern and updated profile in their approach. However, more qualified and talented employees may have higher expectations from the employer and their level of engagement may vary depending on their job satisfaction and organisational support they

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<sup>23</sup> High power distance is a bureaucratic type of management approach that is a path dependent procedure of British legacy; it exists in most of the Pakistani public-sector organisations that keeps employees away from higher management and does not allow employees to express their views.

receive at the workplace. Therefore, the Pakistani banking sector provides an interesting opportunity for examining the impact of HR policy and practice on an employee's attitude and organisational performance. The relationship between organisational strategy, employee attitude and organisational performance can be examined through intended organisational values and actual talent management practices (Purcell and Hutchinson, 2007). This means what strategic approach an organisation has towards its talent in terms of their skills/abilities and motivational opportunities, and how realistically managerial staff support these practices in actual practice for higher performance. The organisational strategy and values can be mediated by senior leadership of the organisation whose role is to create a powerful, cohesive and motivating organisational environment to support the organisational vision, mission and values. The Pakistani context in this regard is entirely different and shapes particular organisational values and relationships that are path dependent in nature and scope. The next section covers organisational culture of Pakistani organisations.

## **2.7 Organisational culture of Pakistan**

Pakistan has cultural diversity where about 20 languages are spoken, but the most common languages are Urdu, Panjabi, Sindhi, Baluchi and Pashto.<sup>24</sup> In the effort of understanding characteristics of Pakistani organisational culture that is shaped by wider social, historical and political factors, this section first attempts to examine what is the national culture of Pakistan and how it shapes beliefs, values and organisational relationships because organisational culture and work-related values and beliefs are highly influenced by national culture (Khilji, 2003). National culture has been defined as '...culture is a product, is historical, includes ideas, patterns and values, is selective, is learned; is based upon symbols, and is an abstraction from behaviour and the products of behaviour' (Kroeber and Kluckhohn, 1952, p.157). Different scholars in cross cultural studies have suggested different cultural dimensions. For example, Hofstede (1998) suggested four cultural dimensions on the basis of his study conducted on fifty nations: power distance, individualism, masculinity and uncertainty avoidance. However, Tayeb (2001) argues that national culture cannot be just simplified and categorised into boxes covering some nations and excluding others and needs to take account of sub-cultures and different groups in the given culture. This statement seems to be true in terms of the

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<sup>24</sup> Other regular spoken languages are Brahui in Baluchistan, Hindiki in Khyber Pakhtoon Khwa, Saraiki in Panjab, and Shina in northern and tribal areas (US Library, 2013).

Pakistani context, because as discussed previously Pakistani society is based on different ethnic groups and cultures. Khilji (2001) describes Pakistani culture in the light of Hofstede's cultural dimensions and argues that it looks like the collectivist, high-power distance, high uncertainty of avoidance and in the mid of masculinity and femininity index. Arguably, it is high on the masculinity scale and these differences are path dependent learned in early childhood in the Pakistani society so that the child may learn that the female is weak and needs protection at every stage of life and that is a big psychological barrier that keeps them down in both independent professional careers and their participation in organisational business culture.

The Pakistani society also protects the path dependent principles of respect for elders and discourages children to question elders or authority. This means there is no question from elders or authority, such practice has implications at the workplace that creates high-power distance between employee and authority (Khilji, 2001). These hierachal differences indicate the colonial legacy which divided the society into various feudal lords and elite groups. In this connection, Khilji (2003) depicts the national culture of Pakistan as an amalgam of four different factors: i.e. Religion-Islam, Indian-origins, British colonial inheritance and American influences that continue to have an impact on organisational relationships and practices. Khilji describes these four factors separately as follows.

Firstly, although the attitude of Pakistanis towards Islam cannot be generalised, assumptions about religion are prominent in the minds of people due to the belief that Muslims and Indians were two separate nations based on their religion or Islamic cultural heritage. Subsequently, the initiative of Islamisation of socio and economic system by General Zia-ul-Haq has influenced the organisational culture of organisations. For example, Islamisation of macro institutions (e.g. facilitating Islamic practices within the society) extends to a certain level within the organisations such as the availability of a separate prayer room, whereby employees can pray during the office hours, an extended lunch break for Friday prayer and reducing office working hours during 'RAMADHAN' the month of fasting (Khan and Panarina, 2017; Khilji, 2003). Apart from this, many Islamic banks have been opened in the country that might be the consequence of the Islamisation programme of General Zia. Religion shapes the beliefs and values of a collective society or group that is further divided in the form of particular faith, creed or community. Arguably, these groups favour or help each other on the basis of a particular religious faith and caste in the work setting. Secondly, the people of Pakistan had been

living under Indian influence for many years and fundamental customs and traditions in Pakistani society are similar to that of the Indian culture. For example, the social set-up of the family (e.g. obligations to the family in terms of financial and normal practices and the role expected by men and women) in Pakistan is the same as in Indian culture. In this system, there is a pattern of dependence on elders which permeates all human contacts and people carry a strong need for dependence and security. For that reason, life exists within a group/community and compliance to this group has a great value (Lyon, 1993 cited by Khilji, 2003). Hence, members of the group feel obliged to look after each other. This implies a social exchange relationship within society and organisation. In the work setting, they can possibly oblige each other at the time of promotions, appointments, transfers or other incentives on the management side and overtime, extra role behaviour on the employee side, because such practice exists as a path dependent procedure in Pakistani organisational cultures. For example, Khan and Panarina (2017) describe Pakistani national culture as collectivist with extended family-centred and argues that the political or family affiliation of the person with the organisation has been used as the criteria for recruitment and selection in some organisational cultures. Thirdly, Khilji talks about the British legacy and observed that British rulers who maintained the colony on the sub-continent for more than a century are responsible for creating an elite class (feudal and civil servant) system in the society. As a result, the best schooling and other modern facilities are available only for the elite whilst, the majority of the public are still away from basic necessities of life and those in power take decisions with little or no involvement of the wider community or subordinates. The effects of such elitism may be found in organisational culture.

Lastly, American influence on Pakistani politics and their involvement in various economic and foreign policies since the creation of Pakistan creates exposure to American management ideology in the selective business schools and at the workplace. Most leading Pakistani institutes follow an American syllabus at school and university level. That is the reason graduates of these institutions have a tendency towards modern American work-related values. Pakistani managers want to follow the American management style that is perceived as more progressive and results oriented (Khilji, 1995; Zakaria, 1994). Following this background, it could be said that Pakistani national culture is the mixture of three different elements including social, religious and Western thoughts that might clash with each other in certain situations but may be considered as the dimensions of Pakistani national culture. Organisational culture has been defined in many

different ways in the literature but the most commonly used definition is the way we do things around here (Lundy and Cowling, 1996). This implies that organisational culture refers to something like values and beliefs that organisational members share with each other at the work setting. Generally, every organisation tries to develop and maintain its values for the purpose of directing and guiding the behaviour of employees in line with business plans and propositions. However, Khilji (2003) argues that neither HRM nor culture is a product of the organisation but both come from employees who are influenced by institutions such as organisations, family, education, political and economic institutions that have great influence on the psychological characteristics and personality of individuals. In a similar vein, Hofstede, Hofstede and Minkov (1991) and Tayeb (1995) argue that the effect of social exposure early in life determines the values of employees and the fundamental culture of the organisation. As a result, macro institutions systematically influence the organisational structure, hence organisational processes and practices reflect typical national pattern. Thus, success of HRM practices in a particular country is not sure in another culture (Khilji, 2003). Following this line of reasoning, it is argued that Pakistani organisational culture may be very different and it is necessary to consider what may be acceptable in that context. Accordingly, it could be argued that the concept of talent management that is based on the Western philosophy to bring up high potential candidates ahead for getting a competitive advantage might be viewed as an invitation to open disagreement in Pakistani organisational culture because, the fair recruitment and selection of high potential candidates may not serve the objectives of elite members of the society.

Khilji (2003) observed that Pakistani organisations were found to have little faith in employees' intelligence and capability, whilst employees distrust their management's promises because these are rarely implemented. Following this point, it could be said that management might keep their promise when they see any outstanding performance that is only possible when employees are skilled, committed and will demonstrate extra role behaviour in the work setting. That is why no any HR philosophy can be viewed in isolation without considering the culture of the organisation. Khilji (2003) states that due to the importance of cultural sensitivity, managers are advised to take national culture into account when developing HR policies and practices in order to ensure survival and success through social legitimacy by reflecting common cultural values and beliefs. Scholars including Ali (2012); Khilji (2001, 2003); Memon (2015) repeatedly state that Pakistan after the partition from India got a massive public sector that was a hallmark of

passive management culture borrowed from the British colonial era; that is, bureaucratic, centralised, and non-responsive to the employee needs. These cultural values system forms the path dependent foundations of organisational culture. Bos-Nehles *et al.* (2013) argue about the quality of HRM practice a company has in place that applies to take full advantage of human resources through continual improvements of skills/abilities and motivational processes will maximise the effect of organisational performance. Therefore, the following section discovers HRM in Pakistani perspective.

### **2.7.1 HRM in Pakistani organisations**

As discussed, Pakistan has a history of specific legacies inherited through the colonial era such as colonial administrative practices, military influence, social traditions which shape organisational relationships and practices. This section discusses the importance of human resources in the organisation because it is people that can plan, design, implement and sustain organisational performance (Senyucel, 2009). In this connection, a simplistic but rather vital point can be highlighted that recruitment and selection of employees is considered to be one of the most important functions of HR practice; it must be fair, impartial and unbiased (Banfield and Kay, 2012; Senyucel, 2009) for developing and maintaining employee and employer relationships within organisations. However, before looking at the concept of HRM in Pakistani organisations, it is important to understand the nature and scope of HRM and how it looks like in the Pakistani context. Although the concept of HRM has been described differently since the beginning of modern people management theories such as personnel management, industrial relations, employee relations and human resource management (Carbery and Cross, 2013). HRM in its broader sense is to highlight the importance of empowering people to assist the organisation in the achievement of its strategic objectives. In this connection, people are viewed as an asset rather than cost, and a source of competitive advantage (Carbery & Cross, 2013; Pfeffer, 1994). Many authors including Collings and Mellahi (2009); Lepak and Snell (1999); Soane *et al.* (2012); Wright *et al.* (1994) have supported and built upon Barney's (1991) resource-based-view (RBV) of the firm for competitive advantage. This means spending on skills/ability development and motivation is actually an organisational investment that can be made to satisfy current and future organisational objectives and to create a competitive advantage. In this connection, Senyucel (2009) argues that dealing with people is a most difficult thing, because people differ due to social, cultural, ethnic, political, economic and national backgrounds. These differences make them unique with different sets of values, beliefs and attitudes, and people's characteristics, values, beliefs

and attitudes have strongly influenced their choice of employment in the organisations. Here, both Barney (1991) and Senyucel (2009) are highlighting the internal and external forces affecting people and organisations. For example, Senyucel (2009) talks about competitive and social forces affecting people and organisations in practice. Figure 2.2 elaborates the factors affecting organisations.

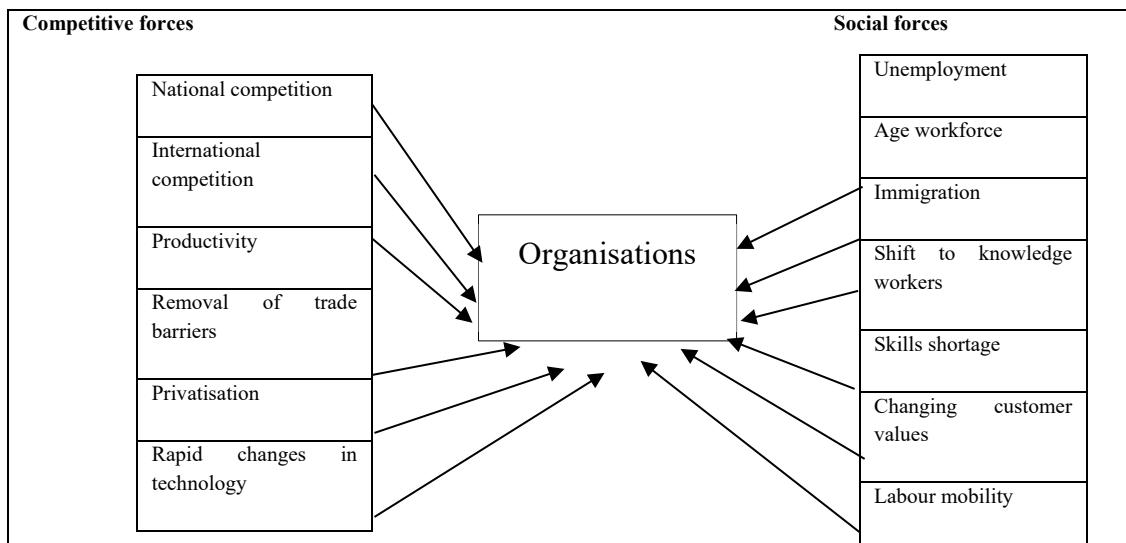


Figure 2. 2 Forces affecting organisations Sparrow and Hiltrop, 1994:91 as adapted by (Senyucel, 2009 p.10)

In terms of the Pakistani context, the effects of competitive forces can be realised after the privatisation programme introduced in 1991 to attract private investment that changed the scenario of the organisational work setting and established the concept of modern HRM practices (Ali, 2012). Similarly, the effects of the aforementioned social network and colonial legacy in Pakistani society have important linkages with institutions and HRM practices. Although Ali (2012) discusses the factors affecting organisations and highlights the major threats and business opportunities within the Pakistani context, Ali does not clearly state how organisations should respond to that situation. In this connection, Kontoghiorghe (2016) argues that the organisational effectiveness for talent management practice depends on the extent to internalise and respond to the complexity of the external environment (Kontoghiorghe, 2016). This means, if organisations have a strategic approach and flexibility to adopt to change in terms of HRM practices (e.g. advanced and progressive quality of skills/ability, transparent organisational culture to support merit in recruitment and selection, and core values of motivation and integrity), they can have a strong effect on talent attraction, retention and organisational performance.

According to Senyucel (2009), organisations are nothing without people; an organisation behaves the way its employees do, because organisations are created by the rules and resources enacted by the people. However, the success of individuals and organisations can be measured by the extent of their adaptability to change through an employment contract between the individual and the organisation. There are two sets of employment contracts, e.g. Legal and Psychological: A legal contract is a written agreement between the individual and the organisation that sets out the conditions of employment. A psychological contract in contrast is a metaphor used to describe a set of unwritten and unspoken set of expectations between the individual and the organisation (Senyucel, 2009). The fast demographic and technological changes and changing nature of jobs have led to a situation where there is no job security or jobs for life (Senyucel, 2009). This means organisations no longer give a guarantee for long-term employment contracts, and there is no guarantee that an employee will stay loyal and committed with the organisation because an employee can utilise their intellectual abilities within the competitor organisations after giving prior notice to the organisation. Hence, HRM can be a useful function in building mutual trust commitment and the bond between an individual and the organisations (Senyucel, 2009). Furthermore, Senyucel emphasises that it is absolutely necessary that organisations should consider their employees as valuable assets - not just their number written in their file. Because, employees are more fragile and conscious about their learning and development opportunities and similarly organisations expect their employees to be professionally able, innovative, creative and productive. Hence, organisations not only have to be careful about matching individual and organisational needs but also the values of its employees. The responsibility of employment of a psychological contract is mostly given to the HR function, because HRM, as a set of policies and practices, governs the nature of work and regulates the relationship between the employee and the organisation (Senyucel, 2009). This means that people have a dynamic importance in the organisations because they plan and implement strategies; however, the most important function of the organisation is the management of human resources of the organisations.

The importance of people in the Pakistani context as vital assets is largely overlooked, whereby political and military elites have remained very influential in the way they make decisions on economic, social and legal affairs (Ali, 2012). The concept of HRM in Pakistan can be observed through business trends in the Pakistani context. The concept of HRM was started through multinational corporations that was further progressed by

the Pakistan Industrial and Development Corporation (PIDC) with the mandate of speeding up of industrialisation (Akbar, 2013). The popularity of the concept further strengthened through the Pakistan Institute of Management (PIM) which emerged as a leading institute in the 1960s in the field of human resource development (HRD) (Akbar, 2013; Jamil, 2005). Subsequently, the State Bank of Pakistan and other commercial banks, insurance and private companies started to set-up in-house training and development programmes to increase organisational efficiency. As a result, the setting up of a separate HRM department was the main concern of not only the leading organisations but also for the smaller ones to bring professionalism in the management operations (Akbar, 2013). Gradually, leading universities started to teach HRM courses.

According to Akbar (2013), HRM in Pakistan was adopted in response to the new trends of globalisation and to increase the pace of economic and business activities. Today, many small and large organisation tend to have HRM in order to manage their workforce efficiently; however, most of the organisations in Pakistan still don't have a separate HR department because sometimes developing a separate HR department with a head is to be considered as a cosmetic measure unless the company has realised and accepted the real advantage of HR development (Akbar, 2013). Still, there are many companies, even ISO-certified companies, have no HR department and are working with an outdated system of personnel management. This means most of the Pakistani organisations do not want to spend money on the department that is responsible for the strategic operations of HRM but are functioning under the old path dependent patterns of routine office practices. The reason can be the lack of HR professionals in the management side who should have the capability to design and execute HR strategies. According to Akbar (2013), many companies have transformed their procedures of HR practice yet have been lacking in inducting fresh talent and HR experts in the organisations. Most importantly, the people who are unaware even about HR basic terminologies are performing core functions of HRM. Further, (Akbar, 2013) argues that because of the managements' involvement in favouritism, the core functions of HR (e.g. recruitment and selection, training and development and performance appraisal) cannot be implemented properly.

According to Shah *et al.* (2016), fairness in recruitment and selection process in Pakistan is altered on the basis of political intervention, bureaucracy, corruption, elite class

dominance, weak judicial system, discrimination and quota system.<sup>25</sup> Every successive government has been acting as the source of employment exchanges to provide jobs to their supporters and political activists<sup>26</sup> that is path dependent violation of merit and affects the talent of the country. This is true whereby not only political activists are recruited but a large number of workforce are being recruited in different departments on the basis of elite relationships, personal connections and paying money to get a job that lets HR policy and practice down in Pakistani organisations. In this connection, Halim (2008) talks about the bureaucratic corruption that is more in the developing countries affecting recruitment and selection process. This statement is fairly true while considering the role of bureaucracy and their involvement in the recruitment and selection system in Pakistani institutions, and this involvement and dominance of bureaucrats increases the corruption (Hussain, 1999; Shah *et al.*, 2016). Bureaucratic corruption has significant influence in both public and private sector organisations but more in the public sector especially WAPD<sup>27</sup>, PIA and the Railway department in Pakistan.

Another path dependent key issue in Pakistan is discrimination in employment. Most importantly the gender discrimination, the number of women in employment at all professional levels is insufficient due to the low literacy rate in females and the male domination in the society (Alam, 2009; Shah *et al.*, 2016). This reflects a weak law enforcement and legislative system which can prevent employment discrimination. Surprisingly, even seats reserved for a quota are to be distributed on the basis of personal contacts. The elite class use their power to fill quota seats<sup>28</sup> with their own candidates rather than to give seats on a merit basis (Khilji, 2002; Syed, 2003). Hussain (1999) argues that if we compare the fairness of the judicial and legislative system of the UK (which prevent discrimination in employment) with Pakistan, then it is clear that the judicial system in Pakistan is so weak. The political intervention and elite domination is the main cause for rules' violation and not implementing laws in the society (Khilji, 2003). Such violations have effects on the organisational relationships and work settings.

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<sup>25</sup> Quota system is applied in recruitment and selection process in every public-sector organisation in Pakistan to allocate some seats in employment, i.e. disability, reserved seats for particular localities or son quota after retirement.

<sup>26</sup> Political party workers.

<sup>27</sup> Water and power development authority, PIA (Pakistan International Airline).

<sup>28</sup> i.e. positions within the organisations

## **2.7.2 The organisational relationships and practices**

In the context of employment, the trade union plays a vital role in shaping and regulating organisational relationships between employee and employer which makes an organisation effective (Banfield and Key, 2008). In Pakistan, government legislation has an important role in shaping and regulating industrial relationships under the Industrial Relations Ordinance (IRO) of 2002; it is the most important legislation for building and maintaining the employee and employer relationship (Baig, 2005; Shah *et al.*, 2016). However, due to the inconsistency in government policies pertaining to the trade unions, the elite class<sup>29</sup> use trade unions for their personal political purpose but not for the good cause of working class people. Hence, work-related relationships between employee and organisation are not that much constructive that can have an effect on their level of engagement and commitment.

Shah *et al.* (2016) argues that there are factors which are affecting employee and employer relations in Pakistani organisations: high-power distance, high unemployment, industrial tribunals, unclear contract of employment, no involvement of employees in decision making and management and employee performance. Shah further argues that the political instability and the constitutional changes by military generals on various occasions affect basic human rights. Such as: firstly, high-power distance in Pakistani society keeps working class people at the side and people usually accept this hierarchical difference (Khilji, 2003; Shah *et al.*, 2016). The hierachal difference keeps employees separated from management and this top-down approach exists in practice in most of the Pakistani organisations. Secondly, high unemployment also affects the relationship that is the imbalance of power between employee and employer, whereby employees have an unquestioning attitude towards management in the fear that they may lose the job if they negotiate with them (Shah *et al.*, 2016; Siddique *et al.*, 2006). This indicates employee pressure they experience within Pakistani organisations. Thus, psychologically, they are ready to work under the pressure of a high-power distance working environment. However, as talent management practice deals with high potential and high performers such difference may be taken as a non-supportive organisational culture and pressure for performance that can have a negative effect on employee perceptions for management and their level of engagement.

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<sup>29</sup> Military and political officials (members of the parliament - federal and provincial)

Thirdly, Shah and others in a group discussed the industrial tribunal that is available in IRO 2002 to settle industrial disputes; it is not that effective in practice due to the political and elite class involvement. This implies that laws are available in government documents but are not protecting the employees' rights. Similarly, the contractual terms and conditions are not much clearer to the employees, and often employees are unaware about their rights. According to Khilji (2003), due to high-power distance and the hierachal organisational structure, employees are kept away from management and are not involved in decision making. This statement shows that employees within Pakistani organisations have limited opportunities to discuss their problems and issues they might face in the workplace that may be essential for a healthy organisational relationship. For example, Shah *et al.* (2016), emphasises on the direct relationship between employee participation in decision making and employee relations, and argues that the more employee involvement is given in management decisions, the positive will be the effect on employee relations. Hence, employees should be given the opportunity to participate in decision making, since this act will improve a positive individual and organisational relationship.

Khilji (2004) suggests that the work-related values of Pakistani employees, particularly young cohorts, have changed so-called generational differences of modern economy and advanced HRM practices. These cohorts are aware about the modern management techniques and expect similar progress in their organisations to give outstanding results. Therefore, organisations should re-assess the values of their employees to give maximum job satisfaction (Khilji, 2004). This means that those organisations who are responding to the changing needs of employee goals and objectives can have greater HR satisfaction and experience. However, as previously discussed, path dependent cultural and political factors are affecting organisations at macro and micro levels; hence, it seems highly unlikely that they adopt an impartial and unbiased way to perform strategic HRM functions for achieving better HRM outcomes. Although some Pakistani scholars, including Abbasi *et al.* (2010); Shah *et al.* (2016), acknowledge the importance of organisational relationships and the effective management of human resources for higher organisational performance, there is limited empirical evidence for this effect particularly in the banking sector of Pakistan. The next sub-section covers talent management practice in Pakistani organisations.

### **2.7.3 Talent management research in Pakistan**

In terms of the Pakistani context, empirical research studies on the nature and scope of talent management practice within Pakistani organisations are limited both conceptually and methodologically. Iqbal *et al.* (2013 p.3609-18) carried out a quantitative analysis of talent management practices based on survey questionnaire of 150 management employees in 25 Pakistani listed companies. They focused on employee emotional stability in mediating the relationship between talent management practices and organisational performance. Their findings found talent management to be different from HR practice and to have a positive impact on the performance of the organisations studied. Their analysis did not focus on talent pool employees or consider employee perceptions and attitudes in relation to talent management practice, and they recognised the limitations of their work and the need for further research in this area.

*'The concept of TM in Pakistan is still unclear and that creates tension regarding its definition, scope and overall goal'* (Iqbal *et al.*, 2013 p.3609-18). This underpins and reinforces the need to develop a theoretical strategic talent management model that helps clarify the conceptual boundaries of talent management and to further examine the challenges in talent management.

Additional studies have also evaluated the concept of talent management within the Pakistani context (e.g. Abbasi *et al.*, 2010; Anwar *et al.*, 2014; Awan and Farhan, 2016). Abbasi *et al.* (2010) provided evidence from the pharmaceutical industry in Pakistan and examined talent management as a success factor in organisational performance. They selected four pharmaceutical firms with talent management programmes and found that talent management practices increased the performance of the organisations. However, their empirical were based on a limited sample. Data was collected by questionnaire from sixty-five people with a response rate of just 53%, and interviews were carried out with ten middle and senior level managers. The findings focused on the motives and drivers of talent management practices in the pharmaceutical industry but were limited in providing definitions of the nature and scope of talent management practices. The study highlighted the reasons for adopting talent management practice within the organisations studied but did not investigate or explain how such practices were conceptualised and operationalised to manage talent effectively in order to achieve organisational objectives.

In a further study, Anwar *et al.* (2014) researchers examined the role of talent management in overall organisational effectiveness within the banking sector in Pakistan. This study was qualitative and descriptive in nature with data collected through interviews with managerial staff. The results showed that effective talent management strategies had a significant and positive relationship with organisational performance and a positive and strong association with competitive advantage, performance and talent position within the banking sector. The study did not however consider the influence of wider contextual factors on HRM generally and talent management specifically within the Pakistani context. As the researchers themselves put it, '*This study has its limits for not considering many moderating and mediating factors which may affect TM (Anwar et al., 2014 P.1153)*'.

Awan and Farhan (2016) measured job satisfaction and turnover behaviour of employees in relation to talent management practice in the Pakistani banking sector and found a positive correlation between talent management practices and employee job satisfaction. The study was conducted in the Punjab province and used a structured questionnaire based on specific dimensions. '*We focused on three talent management practices such as selection, development and retention that have assumed to have positive impact on job satisfaction and turnover intention*'(Awan and Farhan, 2016 p1951). However, their findings did not explore employee perceptions of these practices and the impact on levels of engagement. It is not enough to understand levels of employee satisfaction as a reason for not leaving the organisation, rather it may be more important to know what makes them stay with the organisation and how they contribute more in business outputs. Moreover, these studies largely do not take in to account the nature and scope of talent management and the underpinning organisational philosophy of talent management to help understand the value and actual implementation of talent management programmes and how these are applied and perceived by employees. For example, Abbasi *et al.* (2010) claimed that talent management helped in increasing organisational performance but did not show how it increased the performance. What is important to understand is the process by which HRM and talent management inputs are converted in to positive organisational outcomes and factors mediating this process (e.g. management vision and style and employee perceptions). The Abbasi study was also based on limited empirical evidence and over looked the influence of wider contextual considerations on the nature of the employment relationship and the implementation of talent management practices.

The methodological and conceptual shortcomings of existing studies underpin the need for a comprehensive study that explores talent conceptualisation and operationalisation within the Pakistani context. This in turn requires consideration of context as the way in which talent management is viewed or perceived in the Pakistani context will have an effect on its operationalisation (Meyers *et al.*, 2014; Thunnissen and Arensbergen, 2015).

Thunnissen (2016) argue that implementing talent management practice is not so easy and that there is a discrepancy between intended and actual practice. As discussed previously, a colonial legacy has far-reaching implications on the national culture and HR practice of Pakistan, and also influences talent management practice. An organisational culture of sycophancy, flattery, nepotism and pleasing the boss evolved overtime and remains persistent feature of the local and multinational organisational culture of Pakistan and in turn an influence on HRM policy and practice (Ali, 2012; Hussain, 1999; Islam, 2004). Such an organisational culture according to Khilji (2003) serves to create a vicious circle in HRM in Pakistan where a large power distance characterised by hierarchical structures and limited top-down or bottom-up communication, results in elitism (protecting those in authority or power), limited implementation of promises (gap between words and actions) and attitudes of helplessness at lower levels in the organisation (no questioning authority) which support a ‘yes’ man culture and sifarish (i.e. connections or guanxi) which serve to reinforce favouritism and nepotism in government and private sector organisations in Pakistan. Such traits and practices represent a path dependent mixture of local and colonial artefacts (Ali, 2012) which can be difficult to eradicate and change. Following this line of reasoning, it is argued that Pakistani organisational culture may not welcome new HR policies including talent management and that culture may not be perceived as the right place for work by high potential talented employees to demonstrate outstanding performance.

Apart from this, after 9/11, Pakistan’s role and coalition with the USA against terrorism resulted in closer relationships and massive financial aid to transform institutions to combat extremism and terrorism (Ali, 2012). The post-9/11 regimes opened up investment opportunities through privatisation, deregulation and liberalisation strategies to enhance domestic and international investments with prudent regulations (Ali, 2012). As a result, the importance of HRM practice increased, since private investors wanted to downsize in overstaffed public sector organisations through the golden handshake schemes. For example, many public sector organisations, including Pakistan

telecommunication PTCL, HBL, MCB, UBL, introduced retrenchment strategies and dismissed thousands of employees after privatisation. The public sector organisations such as Pakistan Steel Mills (PSM), Pakistan Railways and Pakistan International Airline (PIA) are continuously going in to loss due to the inefficiency of the public sector organisations. That is the reason the IMF debt burden is gradually increasing on the country. There is a considerable pressure on government by the IMF and MNCs to expedite privatisation to gain efficiency and to reduce the burden on the national budget and to enhance public private partnership for the development of the country (Ali, 2012; Chaudhary, 2010). In terms of talent management practice, the overall focus on skills and human resources development is inadequate in the Pakistani context (Abbasi *et al.*, 2010), due to high unemployment; the basic functions of talent management such as attracting and retaining talent are considered as unnecessary and not much needed in most of the local private sector organisations. However, considering the dire need of efficiency in the Pakistani organisations and the growing importance of Pakistan in terms of business opportunities for local and foreign investors, it was imperative to conduct a comprehensive study which can highlight contextual factors affecting HR generally and talent management specifically within the Pakistani banking sector.

## **2.8 Chapter summary**

The chapter above discussed the contextual factors contributing to a continuing legacy and underscores their importance in the role of HRM and talent management strategies within Pakistani organisations in post-colonial Pakistan. The discussion was built on the path dependent traditional social, cultural and work-related values that are experienced by employees in the Pakistani context in which case study organisations operate. The path dependent institutions that were designed on colonial structure and hierachal lines caused a legacy of bureaucracy, militarism and elitism, and Pakistani society was segregated on ethnic and occupational values (Ali, 2012). The social and cultural context of Pakistan highlighted that social values are family-centred, and life exists within a group or community. Literally, Pakistani society is based on two main classes elite and non-elite (general public) (Khilji, 2004). The elite class controls the business of the country with power status and public money, and their control is constant because they have informal immunities to protect themselves and no rule applies to them to curb their power (Hussain, 1999; Khilji, 2004), and non-elites are fighting for basic rights including poverty elevation, justice and democracy. However, misuse of power, dominancy and breaking laws are the path dependent characteristics of the elite class people that cause

frustration in society in general. The similar values system that is typically centralised, bureaucratic and authoritative has been reflected in organisational practices and generally non-responsive to employee needs (Khilji, 2004). However, supremacy of colonial legacy is systematic in Pakistani society and organisations.

Following the privatisation programme, the new trends of the modern economy and progressive HRM practices emerged in several public and private sectors Pakistani organisations that increased competition and pressure for performance. However, in contrast to the public sector, the private sectors' Pakistani organisations are intending to use American management style. Khilji (2004) sounds it '*hard-core American management techniques*' such as management by objectives (MBO) and pay for performance. Following this statement, it can be argued that copying a few managerial techniques may give somewhat satisfaction to Pakistani managers what they do but may not add value to effective implementation of HRM practices. As Khilji and Wang (2006) noted that '...mere imitation of HRM in the hope of improving organisational performance creates no value. It is crucial that the HR department and managers remain committed and supportive to the development of effective HRM system by focusing upon actual implementation within their organisations' (p.1). This means there is substantial difference between intended and actual HRM practices. Ali (2012) found that high-power distance, managerial distrust, organisational hierarchy and collectivism in society were major cultural factors affecting Pakistani organisations. This means the more society or organisation is collectivist and on high-power distance, it is more likely to be hierachal and authoritative in structure, and there are more chances of favouritism and nepotism. These contextual factors are path dependent that contribute to an enduring involvement in organisational policies and practices. Ali (2012) argues that corruption, favouritism and nepotism (so called sifarish culture) and cronyism are the main barriers to implement modern HRM practices. As a result, Pakistani organisations are suffering from overstaffing and lack of efficiency issues that not only can affect the values and objectives of the organisations but also effective implementation of the HR/talent management system. In the case of this study, it has been argued that contextual factors affect HRM policy generally and talent management specifically within Pakistani banking organisations. The effective implementation increases employee satisfaction with HRM practice that is positively related to organisational performance (Khilji and Wang, 2006). This chapter further highlights that previously no study looked at the impact of contextual

factors on talent management strategy and practice within the Pakistani banking industry. The next section explores the literature related to talent and talent management.

# CHAPTER THREE

## LITERATURE REVIEW: P-II TALENT AND TALENT MANAGEMENT INCLUDING THEORETICAL FRAMEWORK

### 3.1 Introduction

The purpose of this section is to analyse, evaluate and synthesise the extant literature on talent management to position the research study and inform the research objectives. This section encompasses four sub-sections. The first defines the concepts of talent and talent management which informs the different talent management approaches. The second discusses the practical implications of talent management and considers the relevance of talent management in the Pakistani context. The third section identifies the research gap and presents the conceptual framework that has emerged from the literature review. The final section will describe chapter summary. The following figure 3.1 illustrates the chapter outline.

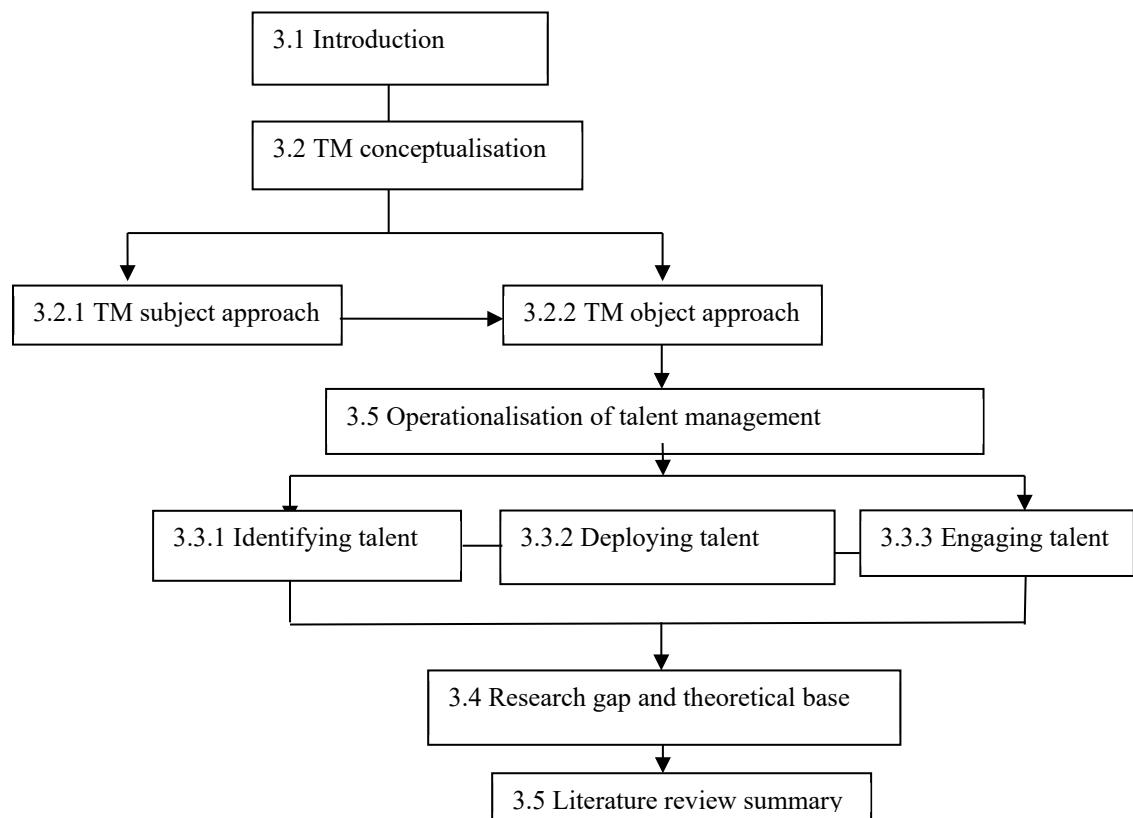


Figure 3. 1 Source: Compiled by the author for present study

This chapter investigates the nature and scope of talent management and its relevance within the Pakistani business and organisational context. This review draws upon the talent management concept, theories and contextual factors which the researcher uses to inform the research questions.

### **3.1.1 Talent Management: (theories and concepts)**

This section explores various approaches to talent and talent management. The main purpose of this section is to understand the nature of the term talent and the concept of talent management. Although talent management scholars and consultants have used the term talent for several years, the concept of war for talent was introduced by McKinsey and Company stating that ‘better talent is worth fighting for’(Chambers *et al.*, 1998). There has been a little progress in terms of reaching a conclusion in defining the concept of talent and talent management (Beechler and Woodward, 2009; Buckingham and Vosburgh, 2001; Lewis and Heckman, 2006; Meyers, *et al.*, 2013) in the literature. Scholars have proposed several definitions, but the concept still lacks a definite conceptual foundation and there is no universal definition to understand the philosophy of talent and talent management. Hence, the central focus of the current study is to evaluate the essence of talent and talent management.

### **3.1.2 Key definitions and the philosophy of talent management**

Although literature on business and human resource management has identified underlying concepts about the nature and scope of talent management, yet there is considerable tension about its definition, theoretical and conceptual foundation, lack of empirical evidence and its effectiveness in practice (Collings and Mellahi, 2009; Dries, 2013; Lewis and Heckman, 2006; Meyers *et al.*, 2014; Whelan *et al.*, 2010).

**What is talent?** According to Silzer and Dowell (2010), ‘talent is an individual’s skills and abilities (talents) and what the person is capable of doing or contributing to the organisation...A specific person (she is talent, usually implying she has specific skills and abilities in some area) or A group (the talent) in an organisation (p.13)’. Beechler and Woodward (2009, p.22, cited by Gallardo-Gallardo *et al.*, 2013) said that talent is ‘A set of competencies that being developed and applied, allow the person to perform a certain role in an excellent way.’ By contrast, Buckingham and Vosburgh (2001) propose that ‘Talent should refer to a person’s recurring patterns of thought, feeling, or behaviour that can be productively applied (p.21)’ and argues that talent is unique in its enduring capabilities so called ‘arcane neuroscience’ such as charm, strategic thinking, empathy,

focus, discretion and competitiveness that is virtually impossible to teach. Cheese *et al.* (2008, cited by Gallardo-Gallardo *et al.*, 2013, p.291) describe talent as ‘Essentially, talent means the total of all the experience, knowledge, skills and behaviours that a person has and brings to work’ (p.46). Having mentioned before that there is no clear and concise definition of talent, Ulrich and Smallwood (2012) define talent as ‘Talent = competence [knowledge, skills and values required for today’s and tomorrow’s job; right skills, right place, right job, right time] × commitment [willing to do the job] × contribution [finding meaning and purpose in their job]’ (p.60). Although there are considerable similarities in these definitions, yet it is possible to see that there are a number of disjoined features of talent such as employee ability, skills, capability, experience, performance, pattern of thought, feelings. Notwithstanding, the definition offered by Silzer and Dowell (2010) indicates the dual approach of talent management. For example, ‘in a group, talent can refer to a pool of employees who are exceptional in their skills and abilities either in a specific technical area (such as software graph skills) or a competency (such as consumer marketing talent) or general managers or high potential talents. And in some cases, the talent might refer to the entire employee population’ (pp.13-14). This means that a different conceptualisation of talent probably indicates different perspectives towards the management of talent in support to the main argument of this thesis, the conceptualisation and operationalisation of talent management. Section 3.2 reviews the literature on these specific areas.

**What is talent management?** According to Ashton and Morton (2005 p.30), ‘talent management is a strategic and holistic approach to both HR and business planning or a new route to organisational effectiveness. This improves the potential and performance of the people - the talent who can make a measurable difference to the organisation now and in future. And it aspires to yield enhanced performance among all levels in the workforce, thus allowing everyone to reach his/her potential, no matter what that might be’. Silzer and Dowell (2010, p.18) commented: ‘talent management is an integrated set of processes, programs and cultural norms in an organisation designed and implemented to attract, develop, deploy and retain talent to achieve strategic objectives and meet future business needs.’ (CIPD, 2011) defines talent management that has the following qualities:

- I) Managing talent involves the systematic attraction, identification and recruitment of talent that has implications for entire employee life cycle management.

- II) It focuses on the employee engagement and retention which arguably have the biggest impact on employee job satisfaction and performance.
- III) It considers the deployment of talent with potential to achieve strategic advantage.

It also highlights another issue of '*exclusive and inclusive talent focus*' which is literally important for the conceptualisation and operationalisation of talent management practices. The conceptualisation of talent management that this empirical study adopts is closely aligned with the notion offered by Collings and Mellahi (2009) but with crucial difference: where Collings and Mellahi seem to say that human resource architecture of the organisations should take care of just key roles to ensure their continued commitment. This study endorsed a more inclusive approach for managing talent at all organisational levels for national and multinational operations. Though, managing talent on global level may be more inspiring and challenging than to manage it at local level.

### **What is global talent management?**

Global talent management has been defined as 'A subset of IHRM activities, systematically linked to attract, develop, retain, and mobilise individuals with high levels of current and potential human capital consistent with the strategic direction of the multinational enterprise to serve the objectives of multiple stakeholders (Tarique and Schuler, 2012, P.10)'. This definition suggests two important elements of global talent management: first, that all IHRM activities can be applied on the various employee groups and can be customised to suit the needs of a specific employee group. The second element suggests that particular IHRM activities can be provided to particular employee group e.g. high potential employees for senior management positions or the use of cross-cultural training provided to individuals going on foreign assignments. Talent management is an emerging concept in the field of human resource management that creates new ways to define talent, new roles and jobs in different cultural contexts. Tarique and Schuler (2012) suggest that the drivers that shape the structure of global talent management system include shortages of talented workers, changing demographics, changing attitudes towards work and the structure of work, and cultural differences between countries. This study focused on the cultural and contextual differences to examine the impact of historical, social and institutional factors on local and global talent management operations within Pakistani banking organisations.

According to Tarique and Schuler (2010, p.124) ‘Global talent management is about systematically utilising international human resource management IHRM activities to attract, develop, and retain individuals with high levels of human capital (e.g. competency, personality, motivation) consistent with the strategic direction of the multinational enterprise in a dynamic, highly competitive and global environment’. In a similar vein, Scullion *et al.* (2010, p.106, cited by Skuza *et al.*, 2013 p.4.55) defined global talent management as: ‘...all organisational activities for the purpose of attracting, selecting, developing and retaining the best employees in the most strategic roles (those roles are necessary to achieve organisational strategic priorities) on a global scale. Global talent management takes in to account the differences across national contexts for how talent should be managed in the countries where they operate’.

This viewpoint is echoed by Collings and Mellahi (2009, p.305) who see, ‘talent management as activities and processes that involve the systematic identification of key positions which differently contribute to the organisation’s sustainable competitive advantage, the development of a talent pool of high potential and high performing incumbents to fill these roles, and the development of a differentiated human resource architecture to facilitate filling these positions with competent incumbents and to ensure their continued commitment to the organisation.’ However, despite the widespread usage of the concept of talent management and its importance there is a confusion around the conceptual and intellectual boundaries of talent management (Dries, 2013; Whelan *et al.*, 2010). According to Meyers *et al.* (2014), the conceptual ambiguities of talent management can be traced back to dissimilar interpretations of the term talent, since these interpretations are in turn interrelated with basic assumptions and beliefs about the nature, value and instrumentality of talent philosophies, and these interpretations have far-reaching consequences for talent management practices. This point is discussed more fully in Section 3.2; talent conceptualisation.

### **3.1.3 The origins of term talent**

To understand the origin of term talent becomes vital because the term is subject to numerous interpretations and uncertainties despite its constant usage for describing individuals over centuries (Meyers *et al.*, 2013). Many would consider Einstein as a talented person, but interestingly Einstein himself stated: ‘... I know quite certainly that I myself have no special talent; curiosity, obsession and dogged endurance, combined with self-criticism, have brought me to my ideas’ (Albert Einstein, cited by Meyers *et al.*,

2013, p.2). Lewis and Heckman (2006, p.141) suggest that ‘...talent is essentially a euphemism for people.’ Therefore, following historical analysis of the term talent may help to find out its authentic meaning.

### **3.1.4 Historical development of term talent**

The main inspiration behind exploring the etymology of term talent is deepening the understanding of the concept in a broader and a comprehensive meaning of the term. Tansley (2011) argues that etymologically speaking, the term talent is thousands of years old, the concept emerged through ancient people of Greek *talanton* and Latin *talenta* which refers to a denomination or a unit of weight.<sup>30</sup> According to Tansley (2011), the term talent bears a long history of varied meanings such as in the 13th century the meaning of talent was related to inclination, disposition; in the 14<sup>th</sup> century talent adapted the meaning as the special natural ability or aptitude;<sup>31</sup> and in the 15<sup>th</sup> century the meaning was viewed as a treasure, wealth and mental endowment. The meaning was further changed to an exceptional natural ability up to the 17<sup>th</sup> century. A considerable change in meaning was found in the 19<sup>th</sup> century, when talent came to be viewed as an embodied talent, i.e. a person of talent and ability.

Talent is frequently defined as a natural aptitude or skill possessed by people (Stevenson, 2010; Stevenson and Lindberg, 2010). Tansley (2011) states that there is no specific universal definition for talent but adds that talent has been described as an innate ability in all European languages including English. Most often, it is considered as an innate ability to give above average performance in a particular field without being taught (Meyers *et al.*, 2013). Meyers *et al.* (2013) argue that the parable and figurative interpretations of talent in Matthew 25:14 continue to apply. For example, if we view talent as a monetary unit or natural ability this line of thinking suggests that talent is precious and should not be wasted. Gagné (2004) suggests that talent is a remarkable ability that differentiates a person from peers within the organisation. This implies that talent is a powerful asset that can be identified and retained. Within an organisational context, talent may have a specific definition which suggests that the nature of talent can be influenced by the nature of work undertaken in organisations and how managers

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<sup>30</sup> The word talent entered into the English language via the Bible (Matthew 25:14); this verse is of the Greek version (Revised: 1979) shows the word talent whereas the New English Version of the Bible (1970) translates the ‘Greek word talent’ into ‘capital’. Similarly, the Oxford dictionary clarifies the meaning of the term talent as it was attributed as a financial unit - one talent of silver. So, it might be right to say that talent started its life with considerable importance since the beginning as a ‘unit of weight’.

<sup>31</sup> That was probably based on figurative interpretations of the parable of the talents (Matthew 25:14).

interpret exceptional knowledge and skills (Tansley, 2011). Viewing talent as organisationally specific implies a shared organisational language for talent (Tansley, 2011) and suggests that it is up to the organisation how it conceptualises talent (whether it considers talent as all human resources or particular employees having exceptional knowledge and skills in a particular role or position), and what plans it puts in place to promote and develop talent.

The term talent is not culturally neutral and may also be conceptualised differently within discrete cultural, social and institutional contexts. As the previous chapter illustrated, Pakistan has experienced a specific post-colonial, historical path which has contributed to an institutional and cultural legacy which continues to shape the development of the country and to influence the way in which organisations operate. Contextual, social and institutional factors such as the tradition of autocratic, military leadership, political instability, a highly bureaucratised civil service, patriarchal relationships have contributed to social inequalities and practices which shape society and the functioning of organisations and have an impact on how talent is conceptualised and how talent management strategies and practices are operationalised. This is the focus of this thesis and the empirical work undertaken. Before analysing more fully the extant literature relating to the conceptualisation of talent, the following section first considers how the current focus on talent and talent management came about and the wider drivers behind a preoccupation with talent and talent management in the Western academic literature.

### **3.1.5 Challenge of the war for talent**

The concept of talent management emerged in the labour market in the late 1990s, in response to the influential publication of ‘war for talent’ as a future business challenge and a significant strategic source of corporate performance through McKinsey consultants. The magnitude of war for talent was that ‘...companies are about to be engaged in a war for senior executive talent that will remain a defining characteristic of their competitive landscape for decades to come’ (Chambers *et al.* 1998, p.46). The main argument presented was that why a smart, energetic, ambitious individual would like to work with a particular organisation if he/she could be better off with the team next door. Hence, if organisations wish to win the war for talent then they must elevate the talent management programme on the burning priority to attract, develop and retain talented people. Since then, the notion of talent management became gradually popular (Beechler and Woodward, 2009; Chambers *et al.*, 1998; Michaels *et al.*, 2001). In addition, future

talent shortages may be the main reason for increasing popularity of talent management (Beechler and Woodward, 2009).

The changing demographic trends in population due to the declining birth rate are responsible for increasing the talent shortages and there is a demand supply gap of talent availability in the international labour market (Stahl *et al.*, 2012; Tarique and Schuler, 2010). For, example, McKinsey consultants forecast that the number of workers in the 35-44-year age group in the United States would decline by 15% during 2000 and 2015. Similarly, the situation will be more acute in the countries like Germany, Italy and Japan. In Japan, particularly the working population aged between 15 to 29 years has declined from 34% to 20% since 1970 due to the decreasing birth rate. However, several transformational changes in the business environment affect the quantity, abilities and characteristics of talented employees needed in the business (Beechler and Woodward, 2009; Schuler *et al.*, 2011). This means the business trends have changed from product-based to knowledge-based economies and that is the leading business transformation that impacts on the global war for talent. Moreover, Kim (2008) argues that due to increasing pressure of performance and rapidly changing circumstances around the world, old-fashioned HR practice must be transformed into new ones to win the war for talent. In this connection, Ashton and Morton (2005) note that talent management has become a strategic imperative for many organisations, it offers a prudent approach of managing talent for getting a competitive advantage. Further, talent management can differentiate an organisation in the competitive business market when its talent improves strategy execution and operational excellence. However, the right talent can play a pivotal role to make a difference in the revenues, innovation and organisational effectiveness unlike to those who operate without having key talent. Hence, the organisations without the right talent at the right time may endure the loss of opportunities; and the downtime and replacement cost of losing critical talent (Ashton and Morton, 2005). This perspective of talent relates to the resource-based view (RBV) of the firm, and talent as a component of improved organisational performance, as Wernerfelt (1984 p.171) in his study titled ‘A Resource-based View of the Firm’ argues that ‘For the firm, resources and products are two sides of the same coin. Most products require the services of several resources and most resources can be used in several products’. This means resources are the important antecedents for products that ultimately enhance organisational performance.

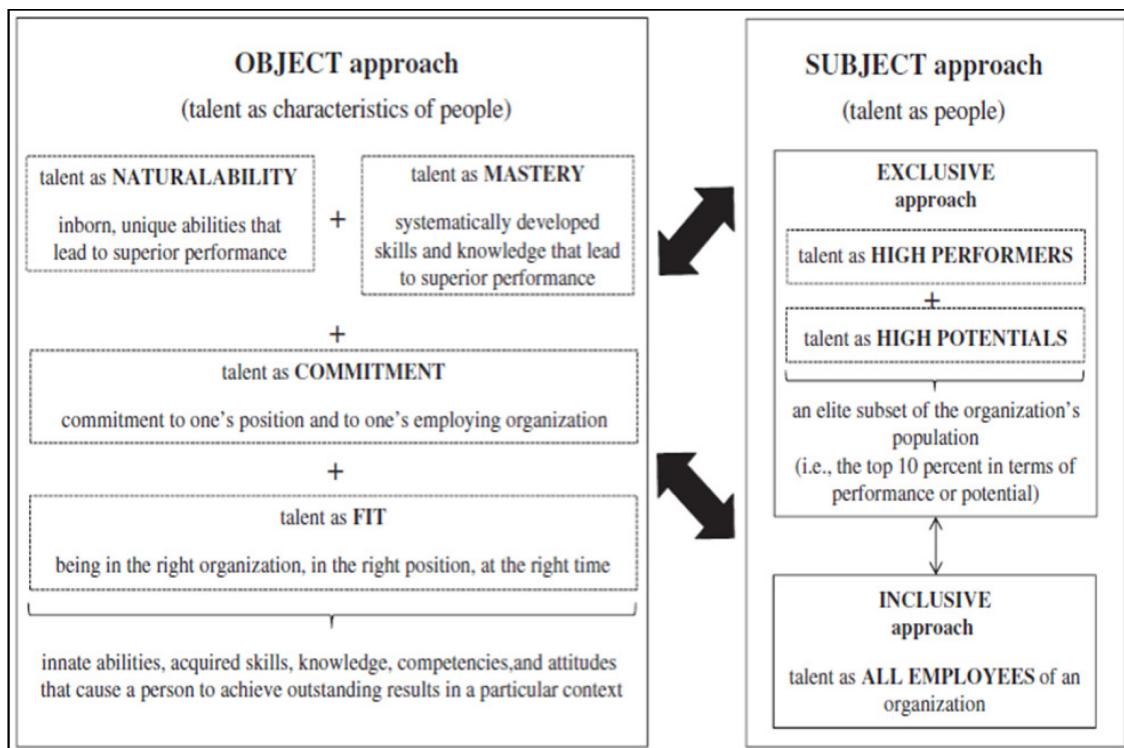
According to Dries (2013), the war for talent concept is rooted in two main assumptions; first, that human talent is more demanding in a knowledge economy than other traditional resources that can be easily copied and stolen by competitors. Secondly, attracting and retaining talented employees is becoming increasingly difficult due to specific demographic and psychological contract trends. Tucker *et al.* (2005) talk about the changing work force trends in the knowledge economy that changed employee and employer contracts and increased work force mobility at the workplace. Tucker and others in a group argue that changing demographic, economic, socio-political and technological advancement are altering the workforce; so-called the new generation talent who are more volatile, diverse, informed and in demand than ever before and most of the organisations are unprepared to manage this new generation talent. Not surprisingly, most of the Pakistani organisations are already struggling to manage the new generation talent effectively, and many of them may not have realised this reality about talent that is unstoppable and radical transformation in the developing context of the Pakistan economy. Moreover, the drivers behind the popularity of the term in the extant literature is the retirement of a large number of baby boomers, lack of knowledge and expertise in human resources in the developing nations such as India and China, and the fact that there are fewer and fewer entrants of young cohorts in the workforce (Dries, 2013; Losey *et al.*, 2007; McDonnell, 2011; Stahl *et al.*, 2012). However, following the increasing popularity of the term talent since the late 1990s, the term seems to be a hashtag of high position and high performance, e.g. it becomes a potential word for attaining key positions and for giving an outstanding performance. Hence, in order to achieve higher business outputs, organisations may look for the multi-dimensional characteristics of talent; so-called talent philosophies (e.g. exclusive versus inclusive and stable versus developable talent) associated to lead organisation (Meyers *et al.*, 2014). This means talent can be viewed/conceptualised differently in different organisations. The next subsection depicts the usage of the word talent in business and management context.

### **3.2 Talent conceptualisation**

The concept of talent has been widely used in the academic literature in different fields such as sports, music, education (Collings *et al.*, 2011; Gagné, 2000, 2004; Holden and Tansley, 2008; Kabwe, 2011; McDonnell, 2011; Nijs *et al.*, 2014; Sloboda and Howe, 1999; Trankle and Cushion, 2006) but talent in the business context can be seen as a multi-dimensional construct that consists of several interrelated innate and acquired, motivational and developmental components. These components have been

conceptualised by Gallardo-Gallardo *et al.* (2013) in their subject object model (Figure 3.2). This model denotes a clear and straightforward explanation of the term talent and its implications which can be applied in the organisational context. Additionally, this model provides an interesting and explicit description of inclusive and exclusive approaches to the talent management process. The Gallardo-Gallardo *et al.* (2013) model informed the design of the research on which this study is based. The research undertaken sought to evaluate approaches to talent management in order to determine the extent to which they were followed and practised in the case study organisations.

The framework for the conceptualisation of talent within the world of work:



**Figure 3. 2** Talent conceptualisation within the world of work. Source: Human Resource Management Review (Gallardo-Gallardo *et al.*, 2013, p.297)

In the philosophical analysis of the term talent, Holden and Tansley (2008; cited by Tansley, 2011) argue that the object approach is more relevant to the etymological meaning of talent; whereas, the subject approach reflects organisational practices (Iles *et al.*, 2010). The two approaches in the framework suggest a combination of innate and acquired capabilities (i.e. inborn unique abilities, as well as systematically developed knowledge and skills) as a prerequisite to superior performance. It further proposes the possession of additional elements of talent such as job commitment and fit with organisational values and objectives as necessary for outstanding performance.

### **3.2.1 The subject approach (talent as people)**

The subject approach presents a universal view of talent in a particular domain of performance or high potential. The subject approach is established in the extant literature suggesting that employees represent a source of competitive advantage and have potential to create value for the organisation. As Crain (2009) suggests, employees are the main determinant of performance and a source of value creation in the organisation in today's business environment. In a similar vein, Gallardo-Gallardo *et al.* (2013, p.6) stated that '...especially in the service industry, the whole business model is defined by and around the people employed, ... thus defining talent as the entire workforce is not such a far stretch.' The conceptualisation of talent management from a subjective perspective incorporates both the *exclusive approach*, i.e. focused on specific groups of individuals (e.g. high potential or high performers) identified as talented, and the *inclusive approach* i.e. focused on the entire workforce and predicated on the view that all employees represent a source of talent.

The inclusive approach encompasses all organisational employees and takes the view that every individual has the potential to create value for the organisation. It argues that talent is inherent in each person and that the most basic task for the organisation is to help each particular person to increase his or her performance to be successful in the future. This corresponds with the view of Buckingham and Vosburgh (2001, p.21) who argue that 'We must restore our focus on the unique talents of each individual employee and on the right way to transform these talents into lasting performance.' The assumption underpinning the inclusive approach is that every employee should be a part of the talent management and that the potential of every employee needs to be developed and supported through the talent management strategy and practice. The inclusive approach encompasses numerous HR activities such as recruitment and selection, training and development and succession planning and recognises that talent management practitioners may use different HR techniques for attracting and retaining talent at an organisational level depending on situational factors.

The exclusive talent management approach focuses on a specific subset of individuals within the organisational population who are considered to have talent (e.g. high potential or high performers). According to this approach, talented employees are those who have the capability to add value to the current and future organisational performance. Berger (2004) identifies such groups as '...super keepers a very small group of individuals, who

have demonstrated superior accomplishments, have inspired others to attain superior tasks, who personify core competencies and values of the organisation; their loss or absence severely retards organisational growth because of their disproportionately powerful impact on current and future organisational performance' (Berger, 2004, p.5). In a similar vein, Tansley *et al.* (2007) describe talent as those individuals who can make a difference to organisational performance, either through their immediate contribution or in the longer term by demonstrating the highest levels of potential. However, inclusive and exclusive talent management practice is one of the key debates in talent management literature asking about its suitability within various organisational contexts (Dries, 2013; Gallardo-Gallardo *et al.*, 2013; Gelens *et al.*, 2013; Meyers *et al.*, 2014). The fundamental argument about this debate is that organisations are spending high costs when they select the inclusive approach of talent management and creating unnecessary expenses to invest equally in all employees. Similarly, some scholars, including Barney (1991), argue that human resources are particularly valuable, unique and difficult to imitate and a source of long-term performance. Therefore, investment must be made in attracting, developing, engaging and retaining employees to create a competitive advantage (Ashton and Morton, 2005; Collings and Mellahi, 2009; Gelens *et al.*, 2013; Lepak and Snell, 1999). Talent in the exclusive perspective has a narrow meaning as only a few employees can be considered as talented and partial talent development may cause future talent shortages within the organisation. For example, Collings and Mellahi (2009) argue that an exclusive focus of denoting leadership positions as talented should not be limited to them but employees on other dynamic positions contributing to the business because all employees at the same time cannot be promoted or upgraded to the top-positions in the organisation. Similarly, it is impossible to recruit top performers for all positions (Collings and Mellahi, 2009). In terms of the Pakistani context, organisations may have an exclusive approach towards talent management due to cultural and socio-political differences, e.g. elitism reinforced by legacy of bureaucracy and militarism within socio- political institutions.

### **3.2.2 Object approach (characteristics of people)**

The object talent management approach relates to the exceptional abilities, skills, knowledge, competencies and distinguishing characteristics of an individual. The fundamental idea of this approach is that the potential or talent of the workforce must be developed and supported to ensure high performance working.

This approach unpacks the nature and meaning of talent and suggests that individual talent reflects both a set of individuals, innate characteristics (natural ability) which when developed and honed by organisational initiatives can lead to mastery and heightened performance. Moreover, the object approach emphasises the importance of fit as complementary measures of ability and mastery. Gallardo-Gallardo *et al.*'s (2013), model thus broadens the traditional views of talent as a natural and/or acquired ability by emphasising the importance of employee commitment and engagement to the organisation and the concept of organisation fit which informs this empirical research. This model combined with Purcell's (2003) Ability, Motivation and Opportunity (AMO) model is used as an analytical tool for the conceptualisation of talent within the case study organisations. The following sections discuss the component elements of the object approach more fully.

### **3.2.2.1 Talent as natural ability/mastery**

The literature on natural ability specifically falls under the domain of education that deals with those folks who possess extraordinary talent or gifts that allow them to demonstrate superior performance in fields such as mathematics, engineering, physics, arts, sports and music. The majority of research conducted on natural ability/giftedness is related to children or teenagers and seeks to explain how and why special abilities emerge at early ages and how the education of gifted children can be addressed (Meyers *et al.*, 2013). Gagné (2011) presents a clearer distinction between six ability constituent elements in the mental and physical domains which he terms i) intellectual (e.g. general intelligence of reasoning, verbal, numerical spatial, memory, procedural declarative); ii) creative (e.g. inventiveness, problem solving, imagination, originality-arts); iii) social (e.g. perceptiveness, manipulation, interacting social ease, tact); iv) perceptual (e.g. vision, hearing, smell, taste, touch, proprioception); v) muscular and vi) motor control (e.g. physical, power, speed, agility, coordination, balance) abilities. Gagné further argues that '...(the) term giftedness involves the possession and use of untrained and spontaneously expressed natural abilities (called outstanding aptitudes or gifts) in at least one ability domain, to a degree that places an individual at least among the top 10% of age peers' (Gagné, 2004, p.120). This means the term talent implies the outstanding mastery or systematically developed abilities or skills and knowledge in at least one field of human activity that differentiates talent with other co-workers.

In these definitions, Gagné differentiates between innate, gifted and acquired, developed talent and proposes that natural abilities (if exceptional) such as intellectuality and creativity in a particular domain are the fundamental requirements for talent development and the developmental process is necessary for both gifted and potential talents. Therefore, talent essentially emerges from the transformation of high aptitudes into systematically developed skills and characteristics in a particular field of human endeavour (Gagné, 2004). In this case, it becomes necessary even for high potential individuals to undertake systematic learning procedures to become competent (talented). However, it depends on the organisation how they conceptualise talent and that is one of the contentious issues in the extant literature that talent management is influenced by the extent to which talent is conceptualised as innate (stable entity) or an acquired construct that can be developed (Gallardo-Gallardo *et al.*, 2013; Meyers *et al.*, 2013, 2014; Nijs *et al.*, 2014; Trankle and Cushion, 2006). This means the organisations who conceptualise talent as a set of skills and abilities (both talent as natural ability or talent as mastery) are more likely to think that it can be acquired than the organisations who conceptualise talent in terms of individual cognitive abilities (employee perceptions) level of ambition or motivations (Meyers *et al.*, 2014; Silzer and Church, 2010).

Moreover, Gagné (2004) argues that measuring talent is a straightforward endeavour and that talent can be measured through an outstanding performance in any particular field. This implies that an excellent performance as compared to co-workers or peers may be the prime concern of organisations in selecting individuals for talent management programmes. Although, outstanding employee performance seems a logical goal for talent management programmes; for example, Collings and Mellahi (2009) and Gallardo-Gallardo *et al.* (2013) rank employees as high potential and high performers who have ability to make a difference to current and future organisational performance. Nevertheless, focusing on just performance through natural abilities and developed competency cannot be the only predictors for sustained performance. Instead, talent motivation and its commitment may be more productive for the organisational performance. As Silzer and Church (2010, p.248) state: ‘an individual has to be motivated to advance her career in order to effectively deal with all the challenges and setbacks along the way and still want to be in a senior leadership position.’ Thus, an individual’s motivation to advance his/her career and commitment to the company are indicators of high potential talent. Such commitment and aspiration are often reflected in the

performance (work effort) above and beyond that was expected and can be fairly linked to being highly engaged at work.

Gagné (2011) argues for environmental and interpersonal issues that need to be considered in the developmental process. This indicates the potential influence of contextual factors on employee development and their attitudes. Talent can be organisation- or context-specific and abilities and competencies will differ according to the organisational culture, type or nature of business and labour market conditions (Gallardo-Gallardo *et al.*, 2013; Lewis and Heckman, 2006; McCauley and Wakefield, 2006). In terms of different cultural contexts, previously, talent has been conceptualised as an innate ability in many Western cultural contexts that lead to a high performance in a particular domain (Tansley, 2011). By contrast, in Japan, talent signifies outstanding accomplishments that is the result of many years of training. Talent conceptualisation in a Pakistani context may be very different; such as, experience supported by elitism of bureaucracy and reciprocal networks based on kinships within society.

Talent as an individual competency takes the view that competency is a behavioural demonstration of talent that can be developed and changed in desired ways but with effort and intent (Boyatzis, 2008) and many other scholars highlight the role of learning in developing competency (Cappelli, 2008; Ericsson *et al.*, 2007; Gagné, 2004). In addition, Ulrich (2007, p.3) suggests: ‘Talent equals competence [able to do the job] times commitment [willing to do the job] times contribution [finding meaning and purpose in ...work.]’ The competency approach to talent has evidence-based implications. Hoge *et al.* (2005, p.511) for instance define competency ‘... as a measurable human capability required for effective performance.’ Campion *et al.* (2011) refer to competency as personal characteristics such as knowledge, skill or ability which are usually assessed for promotional and leadership development decisions. The behavioural indicators for competency according to Campion *et al.* (2011) should be highly specific and observable that may be demonstrated on the job: such as: i) skill level reflecting the skill proficiency or expertise that is required in a particular job, e.g. foundational, emerging, proficient, expert; b) performance level demonstrated by an individual on the job that provides clarity on what is expected, e.g. outstanding, successful, development needed. Subsequently, Campion *et al.* (2011) conclude that most people can develop knowledge and skills at a superior level but that the inherent characteristics of ability are constant. It is argued here that even though innate ability is constant it cannot work effectively

without systematic learning and motivation. For example, most people have the physical ability to run or to play but to be the best athlete, learning and practice is needed. Possibly, one individual may learn faster than other, but essentially everyone has to engage with the learning process and skills need to be practised if they are to be retained. Therefore, the innate-gifted abilities of an individual might not be fully utilised by the organisation unless learning opportunities are provided for competency development. Hence, talent as a competency approach underscores the importance of learning and development opportunities instead of focusing on the unique characteristics of talent.

Davies and Davies (2010) stated training and skills development is the most important function for talent-concentrated organisations. This implies that talent as an innate capability cannot be managed, hence organisations should focus on the enablement of talent, and its commitment that is a necessary element for inducing discretionary behaviour of employees (Gallardo-Gallardo *et al.*, 2013; Purcell, 2003). Further, Davies and Davies (2010) argue that although loyalty, commitment and retention are not guaranteed but well-established, the learning and development process (e.g. talent culture within organisation to enable talent) for the professional learning of all staff can encourage talented people to feel valued and stay on board. This means organisations can convert ability into useful talent with professional skills, ability or mastery, and, in turn, high performance if organisations are providing learning and development opportunities to the employees and keep them motivated to encourage their commitment. Ulrich and Smallwood (2012) argue that talent/competence matters but without commitment it is discounted because highly competent employees who are not committed are just smart but not engaged in work. Thus, competence and commitment are standard elements for talent. The next section describes talent as a commitment.

### **3.2.2.2 Talent as commitment**

In addition to the talent features as ability or mastery, talent as commitment has been viewed/conceptualised from two different angles: its commitment with work/organisation and its willing-behaviour (e.g. discretionary energy) that talent invest in to help organisations get a competitive advantage in the market. This means talent as commitment demonstrates two sides of one coin/talent and this approach to talent has been considered as crucial in talent management literature (Gallardo-Gallardo *et al.*, 2013; Ulrich, 2007; Ulrich and Smallwood, 2012; Uren, 2007) that not only benefits the organisation, e.g. giving one's discretionary effort to the organisation, but also prevents

the employee leaving the organisation. Thus, aligning employee goals with organisational goals is highly necessary to encourage talent commitment that is a negative predictor of employee turnover (Gallardo-Gallardo *et al.*, 2013). In addition, Ulrich and Smallwood (2012) argue that the next generation of employees may be competent and committed but may be less contributing unless they find their job meaningful and purposeful in their work, because competence is related to ability, commitment deals with engagement (e.g. being there) and contribution simply belongs to the heart and a discretionary effort. Thus, contribution occurs when an employee feels that their personal goals are being satisfied through their dynamic participation within the organisation. However, empirical evidence is very limited particularly in terms of the Pakistani context.

Discretionary behaviour refers to the degree of choice employees have over how they perform their tasks and responsibilities (Purcell *et al.*, 2003). Most importantly, it is something that can only be undertaken voluntarily and cannot be forced. So, performance is the end result of the formula where performance (P) = ability (A) + motivation (M) + opportunity (O). The assumption is that if any key element of A, M, and O is missing then the discretionary effort is unlikely to occur (Hutchinson, 2013). The extant literature suggests that organisational work attributes (e.g. task identity, task significance, autonomy and feedback) and positive perceived organisational support helps to induce the discretionary behaviour of employees (Gelens *et al.*, 2013; Hutchinson, 2013; Saks, 2006). Talented employees are in fact committed employees, as exceptional abilities cannot be separated from performance, thus for achieving an outstanding result it is critical that employees must be willing to utilise their skills and competencies in doing their jobs ( Gallardo-Gallardo *et al.*, 2012; Tansley, 2011). Gallardo-Gallardo *et al.* (2012) pointed out two facets to talent as a commitment. First, talent has been seen as the fundamental and intrinsic concern of an individual that directs his/her focus, attention and dedication to the successful completion of work (Pruis, 2011). Secondly, talent as commitment suggests the willingness of employees to invest discretionary behaviour in their work, thus personal and organisational goals should be aligned for organisational success (Ulrich, 2007). Hence, talent as commitment has twofold benefits for the organisation; first, it ensures the best efforts of employees to the achievement of organisational success and secondly, it builds loyalty and retains talent within the organisation. Following these lines of reasoning, it can be argued that talent conceptualisation for commitment can also have benefits for employees and their well-being that is one of the interesting debates and missing link in talent management

literature. For example, scholars argue that an employee's well-being, their needs and goals are underexamined in the extant talent management literature (Kabwe, 2011; Thunnissen *et al.*, 2013b).

The development and use of the internal labour markets and the creation of a talent pool from which employees are promoted can demonstrate a result in the higher levels of commitment. If the organisation prefers to hire experienced talent instead of developing and promoting internal talent, then employees may become disillusioned and less committed. The relationship between job commitment, employee engagement and performance has been widely demonstrated in the literature by several talent management scholars (e.g. Boudreau and Ramstad, 2005; Collings and Mellahi, 2009; Gallardo-Gallardo *et al.*, 2012; Martin and Schmidt, 2010; Tansley, 2011; Ulrich and Ulrich, 2010). Recognising the link between talent, discretionary effort, engagement and performance underscores the importance of measuring employee attitudes towards key aspects of managerial and organisational practice in any study of talent management strategy. It was this aspect of talent management strategy that this research sought to incorporate into the AMO model by evaluating employee perceptions and attitudes towards job dimensions (e.g. variety of skills/talents, task identity, task significance, autonomy and feedback) and perceived levels of organisational and supervisor support at the work setting.

### **3.2.2.3 Talent as fit**

This approach to talent refers to the right fit or match between employee talent and the organisational context. Silzer and Church (2010) for example, argue that every organisation has its own values and core principles, where everyone is expected to perform in a way that is consistent with organisational key values and behavioural norms. In this connection, organisations may hire the best talent from inside or outside the labour market for important positions that may be well fit or matched with the organisational culture. However, the main reason for talent mismatch within most of the organisations is when executives stick with a particular leadership and execution style (Silzer and Church, 2010). This means the management style keeps importance that mediates relationship of fit between employee talent and the organisational culture. Hence, managers need to be flexible in their style to develop positive relationship with employees. In terms of Pakistani context, managers may have an authoritative and bureaucratic management style due to legacy of bureaucracy and militarism that may be influencing employee behaviour at the case study organisations. Chuai *et al.* (2008) highlighted the

importance of organisational context in performance and suggested that employee performance is influenced by the organisational environment, the supervisory/leadership style and the nature of the team they work with within the organisation.

Groysberg *et al.* (2006) raise the issue of non-portable assets and skills which, they argue, are non-transferable from one organisation to another. They argue that every company has its own specific management system and corporate culture (e.g. informal norms, specific skills, unique routines and procedures) which star performers cannot take with them when they leave an organisation. As Coulson-Thomas (2012) suggests, individuals who shine in one context may struggle in another and an employee considered as talented within one organisation may not be viewed as such in a different organisational context. Hence, organisations might prefer to retain current staff to take full advantage of those potential candidates. Table 3.1 summarises philosophies of talents as used in this study.

**Table 3.1 Talent conceptualisation for current study**

Categories	Philosophies of term talent
Talent conceptualisation	Talent is valuable, scarce, inimitable and difficult to replace individual employees. It reflects the basic assumptions of inborn physical and mental abilities of human resources that lead to superior performance: <i>Innate abilities can be available in any human being</i> and are necessary elements for outstanding performance. Thus, organisations need to focus on identifying, developing and retaining talent.
Talent = Ability, knowledge, skills, values, mastery/competency	This talent philosophy is related to the AMO model which proposes that employee performance is the function of the employee's Ability, Motivation and Opportunity to perform. Systematically identified, developed skills and knowledge lead to superior performance: this recognises the role and significance of intended learning practice that allow employees as being capable/valuable, inimitable, rare and not easily substitutable. In practice, these valuable resources may be labelled as an elite subset of the organisation's population (i.e. talent pool in terms of

	performance, potential or achievement) in a particular domain or context as compared to peers.
Talent= Commitment	Talented employees are in fact committed employees. Talent as commitment refers to an individual's emotional attachment to the organisation that calculates advantages and disadvantages associated with an employment contract that can affect individual's feelings of obligations to invest his/her discretionary energy by aligning personal and organisational goals for achieving organisational objectives. So, <i>discretionary behaviour of an employee is conditional</i> that directs his/her attention towards dedication and commitment. This recognises the role of motivation and significance of a two-way relationship between the employee and employer. Talent as a commitment can be dealt through an inclusive or exclusive approach of talent management. For example, organisations might be focusing on just elite group of high potential and high performers to induce their organisational commitment.
Talent as a fit	Acquiring the right candidate for the right job at the right time: this implies <i>realised potential and capability</i> of individuals as fit to be attracted/hired, deployed, engaged and retained.

**Source:** (Barney, 2001; Gallardo-Gallardo *et al.*, 2013; Meyers *et al.*, 2014).

In summary, the Gallardo-Gallardo *et al.* ( 2013, p.297) model provides a useful analytical framework for the conceptualisation of talent within the organisation. The object approach is related with individual attributes that are necessary to be developed and managed in order to improve organisational performance whereas the subject approach focuses on high potential and high performers to fulfil the human resource needs of the organisation. Both approaches are highly interdependent on each other. Talent refers to those individuals who can make a difference to organisational performance, either through their immediate contribution or in the longer term by demonstrating the highest levels of potential (Tansley *et al.*, 2007). Although, considering

all employees as talented might not be feasible for all organisations but giving equal opportunities to be developed and helping them reach their full potential makes much sense. However, organisations might be concerned with superior performance either through an inclusive or exclusive talent management approach. Tansley (2011) argues that it is a tricky issue to define talent in organisations for talent management purposes but that organisations find greater value in formulating their meaning of what talent is than accepting generally prescribed definitions. In a similar vein, Michaels *et al.* (2001) suggest that organisations may differ in their approach to talent and might prefer to have specific talent definitions that best fit with their culture and values. Following the logic of this argument, talent and talent management cannot be considered as culturally neutral terms and will have a different character which reflects wider situational and contextual factors. Talent management in the Pakistani context may vary greatly (both conceptually and practically) from Western management orthodoxy. Talent management can be conceptualised from both macro and micro perspectives. The first stream of macro perspective is the conceptualisation of talent and is mediated by wider social, cultural and institutional factors. Although the concepts such as talent or talent management are gaining usage they are not culturally neutral and reflect a specific context which has, in turn, been shaped by a wider historical, political and social legacy (e.g. legacy of bureaucracy and militarism, occupational segregation, elitism reinforced by reciprocal social networks based on kinship). In this connection, talent as an ability is disproportionate because of educational traditions and the role of women in Pakistani society. Labour markets within Pakistan remain gendered and segregated that matters on the availability of talent; hence, management of talent for an organisation becomes a challenging task. This study empirically examines the interpretation of talent within Pakistani banking organisations and the nature and scope of talent management in practice. It incorporates an analysis of employee attitudes as a component element of talent management.

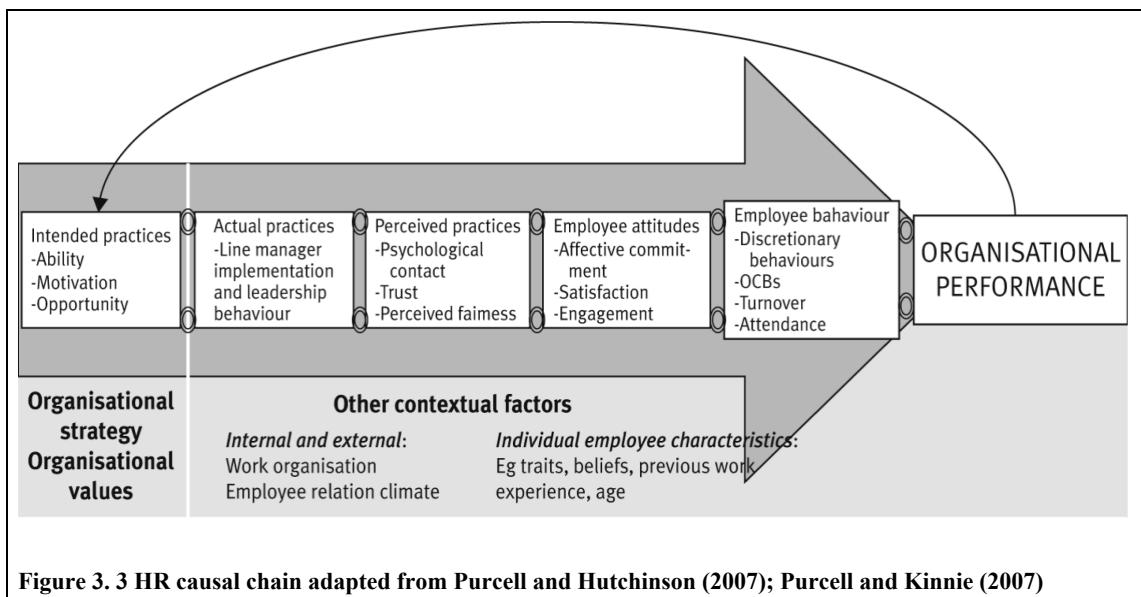
### **3.3 AMO as a theoretical and conceptual framework of the study**

As suggested earlier in this chapter, talent can be conceptualised in a number of ways; namely, talent as ability, talent as competency, talent as commitment and talent as fit between individual and organisational values and goals. AMO incorporates all of the above features of talent management and focuses on the process by which these component elements are translated in to improve the organisational performance.

Performance, according to Boxall and Purcell (2011), is the function of ability, motivation and opportunity (AMO). In this regard, Purcell (2003, p.5) observed that: ‘People perform better beyond the minimal requirements when: Firstly, they must have ability to do so because they possess the necessary knowledge and skills. Secondly, when they will be motivated to do the work, and do it well. Thirdly, when they will be given the opportunity to deploy their skills both in the job and more broadly contributing to the work group and organisational success. The AMO model underscores the importance of fit between employer and employee which ensures employee development, motivation and provides the opportunity to perform (Paauwe and Boselie, 2005). However, the concept of fit can be broadened to include broader contextual factors as well as fit with organisational goals and priorities that can have influence on employee perceptions and commitment. Conceptualising talent as commitment and fit in particular resonates with the resource-based view (RBV) of the firm which sees employees as resources with the potential to create a competitive advantage (Barney, 1991; Lepak and Snell, 1999; Wright *et al.*, 1994). The basic focus of the RBV approach is on the internal organisational resources for best fit talent, in contrast to the outside resources (Paauwe and Boselie, 2003). Truss *et al.* (2012) argue that the human resources of the organisation have potential to create a competitive advantage when they meet the RBV criteria of being valuable (the resource must be capable to add value to the organisation); rare (the capabilities of talented people are different from others and hence are rare); inimitable (the resources may not be easily copied; even the same skills, there should be differences in the way employees are managed, e.g. the way employees deploy their skills) and not-substitutable (the resources must have difficulty in substitutability with other factors). In terms of RBV, the main motive of talent management is the strategic value of the employees and their commitment at work. In this connection, Wright *et al.* (2001) talk about human resource architecture and its component elements such as a human capital pool (e.g. knowledge, skill and ability); employee relations and behaviour (e.g. psychological contract, desired job behaviour) and HR practices (e.g. staffing, training, rewards and recognition, and performance feedback) are necessary for outstanding performance. The practical application of the RBV approach is to add value to the organisation with its distinguished characteristics, e.g. being capable, rare, inimitable and not easily sustainable; such an approach has specific significance within the service sector because it incorporates the concept of discretionary effort. Discretionary behaviour according to Purcell (2003) cited by Hutchinson (2013), is the degree of choice

employees have over how they perform their job duties and responsibilities, and recognises that an employee can contribute more to the organisation than simply completing their specified tasks and jobs. The concept of discretionary effort was introduced by Bailey (1993) and reviewed by Appelbaum *et al.* (2000) suggesting that employees need motivation and skills that make their effort meaningful, and opportunities to participate in decision making so that they understand the way the work was organised and use their discretionary effort at the work place. Appelbaum *et al.* (2000) found the links between high performance work system (HPWS), (e.g. opportunity to participate, skills and incentives) and discretionary effort, and organisational performance. Hence, conceptually this thesis draws on Purcell's people and performance AMO model (Purcell and Hutchinson, 2007) which establishes a causal chain between HR practices and positive organisational performance.

In brief, the model highlights HR practices as building blocks of Ability, Motivation and Opportunity. These practices are, in turn, mediated by management; the senior management's role rests on the creation of a powerful, cohesive and motivating vision for the organisation and line management in the implementation of HR practices to support the organisational vision and values. These processes serve to create an organisational architecture and DNA which is specific to the organisation and difficult to emulate. To explain the relationship between HR and talent management practice and individual/organisational performance, several studies have been put forward to explain the process through which HRM practice impacts on organisational performance (Appelbaum *et al.*, 2000; Becker *et al.*, 1997; Boxall and Macky, 2009; Hutchinson, 2013; Paauwe and Richardson, 1997; Wright and Nishii, 2007). These authors not only focused on the effectiveness of HRM practices but also its impact on employee attitudes and behaviour in work settings. Wright and Nishii (2007) developed the HR causal chain that consists of five different critical steps starting from: i) Intended HR practices linking to ii) actual practices, linking to iii) perceived practices, linking to iv) employee attitudes-behaviours and finally to v) performance outcomes. Subsequently, this five step causal chain was further developed into a model by Purcell and Hutchinson (2007) shown in the following figure 3.3.



**Figure 3.3 HR causal chain adapted from Purcell and Hutchinson (2007); Purcell and Kinnie (2007)**

The first feature of this model is ‘intended HR practices’ in the form of HR policy and practice pertaining to the employee ability, motivation and opportunity to participate. From a talent management perspective such practices reflect policies for HRP, recruitment, selection, training, development and retention (as outlined in Section 3.4.2). According to Den Hartog *et al.* (2004), intended HR practices are the signals of the organisations’ intentions towards its employees which are interpreted as such by the employees. According to Bowen and Ostroff (2004), individual perceptions will vary depending on the expectations and evaluations of their employer, their beliefs and current and previous job experiences, e.g. effort, autonomy and stress. Employee perceptions can also be shaped by wider contextual and situational factors. However, employee interpretations at the Pakistani banking organisations may be affected by management style they receive. For instance, an authoritative management style and high power distance in Pakistani organisational culture might have an effect on employee perceptions, beliefs and hence job attitudes.

The second element of HR causal chain developed by Purcell and colleagues is ‘actual HR practices’; the practices which the organisation really applies or implements at the workplace. The literature review suggested that there is a frequent gap between intended and actual HR practices (Khilji and Wang, 2006). However, the gap between intended and implementation of HR practice can be minimised through effective line managers (Hutchinson and Purcell, 2003; Khilji and Wang, 2006). This indicates the key role line managers play in implementing talent management strategy and helping organisations in

their vision and values to achieve their objectives. Arguably, organisations may have the best talent management strategy in place but if the line management does not understand it, and are not committed to it, it will not work and their role will influence employee attitudes at the workplace. Purcell and Hutchinson (2007) found that the quality of leadership behaviour has a strong effect on employee attitudes towards their job, their organisations and employee perceptions of HR practices. However, employee perceptions about HR practices may vary due to organisational culture and employee expectations and evaluations about the employer (Hutchinson, 2013). Hence, this study evaluates the effects of HR practices on employee perceptions and their attitudes at the case study banking organisations that is the key element of the HR causal chain.

Perceived HR practices, according to Hutchinson (2013), can be judged through perceived organisational and managerial support, psychological contract, justice and fair treatment that, in turn, influences employee attitudinal and behavioural<sup>32</sup> outcomes at the workplace. Although, AMO is a compelling model it does have certain shortcomings. Principally, it fails to take sufficient account of context and the influence of wider situational factors impacting on the causal links. As it has been stated above, the Pakistani context is a unique one and the conceptualisation, and operationalisation of talent management in this context is different to that of the West. In this research, the AMO model is broadened to incorporate wider contextual influences and their impact. Talent management as an organisational and managerial practice can be viewed from both macro and micro perspective. From the macro perspective, the conceptualisation of talent is mediated by wider social, cultural and institutional factors. Hence, concepts such as talent management are not culturally natural and reflect a specific context which has, in turn, been shaped by a wider historical, political and social legacy (please see context in the second chapter). In this connection, talent management in a Pakistani context reflects: 1) a legacy of bureaucracy and militarism that can have an impact on an employee's attitude and their performance in the Pakistani banking organisations; 2) talent as ability is disproportionate because of educational traditions and the role of women in Pakistani society. The labour markets within Pakistan remain gendered and segregated and that matters on the availability of talent; hence, the management of talent for an organisation becomes a challenging task. Moreover, the relationship between talent management and

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<sup>32</sup> Attitudinal effects include job satisfaction, organisational commitment, morale. Behavioural effects include performance or job-related behaviours such as discretionary effort, citizenship and engagement behaviour that is an indicator of positive behaviour (Hutchinson, 2013).

commitment is not fully explored within the AMO model. Purcell *et al.* (2007) refer to the concept of a discretionary effort but the nature of a discretionary effort is not explored in any great depth. This research therefore uses the AMO model as a framework for analysing the nature and scope of talent management in the case study banking organisations and particularly the relationship between talent management and employee job commitment and attitudinal effects. In doing so, this research draws on the concept of social exchange theory (Blau, 1964) to more fully analyse the individual factors contributing to engagement and discretionary effort.

The concept of a social exchange relationship (SER) has emerged as an important factor in workplace relationships. Generally, a social exchange relationship is referred to as an association between two interacting parties, e.g. individuals or institutions (Cropanzano and Mitchell, 2005). The relationship evolves over time between parties into trust, loyalty and mutual commitments by abiding certain rules of exchange. The notion has been widely researched in the management sphere (e.g. Cropanzano and Mitchell, 2005; Cropanzano, *et al.*, 2001; Shore, *et al.*, 1999, 2004) and most of the authors have used Blau's (1964) social exchange theoretical framework to describe this relationship. Blau's (1964) influential work was his comparison between social and economic exchanges. He argued that:

*'The basic and most crucial distinction is that social exchange entails unspecified obligations, that involve favours which create diffuse future obligations and the nurture of return cannot be bargained'* (p.93). However, '*only social exchange tends to engender feelings of personal obligations, gratitude and trust, purely economic exchange as such does not*' (p.94). Here, Blau seems to argue that just monetary benefits such as salary or bonus is not adequate for a successful exchange relationship, instead employee well-being helps in developing trust so that employees will feel valued and obliged to reciprocate positive behaviour in the organisational work setting. Further, Blau argued that the characteristics of exchange relations between parties that might affect the process of social exchange and concurrently indicated that successful exchanges can cause individuals to be committed to one another. This implies that an unmatched exchange of resources may affect relationship. According to Cropanzano and Mitchell (2005), social exchange relationship strengthens when employers take care of employees, which thereby encourages beneficial consequences. In other words, a social exchange relationship is the mediator or intervening variable to produce effective work behaviour and positive employee attitude. Cropanzano and Mitchell (2005) talk about the

interdependent transaction that will produce a sort of interpersonal attachment and that is a fundamental notion of the social exchange concept. Here, authors suggest two main conceptualisations of workplace relationships. Firstly, a relationship might be taken as a series of interdependent exchanges. Secondly, it might be taken as the interpersonal attachments that result from a series of interdependent exchanges.

The distinction of relationships is shown in following table 3.2.

### **Types of Transaction**

Social Exchange      Economic Exchange

**Table 3.2 Transaction and relationships in social exchanges**

		Cell 1: Match	Cell 2: Mismatch
		Social transaction in a social relationship	Economic transaction in a social relationship
Social Exchange			
<b>Type of Relationships</b>	Cell 3: Mismatch	Cell 4: Match	
	Social transaction in an economic relationship	Economic transaction in an economic relationship	
Economic Exchange			

**Source: Cropanzano and Mitchell (2005)**

According to Cropanzano and Mitchell (2005), two parties (i.e. employee and employer) can exchange different things in different ways. Suppose in Cell 2 where a social exchange relationship is paired with an economic transaction; this can presumably be beneficial or risky. Since, honorary economic obligations would be a betrayal then that would result in a psychological injury and hence permanent damage to the relationship. However, careful consideration of social exchange relations can develop a greater trust and cognisant of the risk and that might be called a good deal. Similarly, Cell 3 shows another interesting aspect where parties are in an economic relationship but are engaged in a social relationship. For example, in the developing context like Pakistan where

connections and social relationships are the critical elements of the organisational culture; it might be exchanging monetary transactions such as incentives, bonus or sometimes promotions for a sort of closeness. In a similar vein, an employee in a service organisation is typically encouraged to show a friendly behaviour to the customers, so this mismatch between the monetary benefit that one might prefer to reserve for family and close friends can cause stress and burn-out perhaps engendering a stressful sense of emotional labour (Cropanzano and Mitchell, 2005; Cropanzano, et al., 2003; Grandey, 2000). Therefore, organisations should be very careful about the black box of social exchange relationships and psychological contracts to understand how employees perceive HR practices and of their reactions in terms of attitudinal and behavioural outcomes (Purcell and Hutchinson, 2007). Realistically, economic transactions must be reciprocated in such a way so that the employee may not only be satisfied but also develop a trust and belief in the organisation to demonstrate discretionary behaviour since individual beliefs are shaped by the organisation based on the terms of exchange (Rousseau, 1995). Further, Rousseau suggests HR practices give strong messages to employees what the organisation expects by them and what they can expect in return. It is argued here that talented employees, being in a category of a talent pool, may expect more by their employer. Cropanzano and Mitchell (2005) in their review of social exchange theory in organisational behaviour argue that the use of social exchange theory is based on exchange rules or principles, whilst most of the management research focuses on expectations of reciprocity. Therefore, it is necessary to recognise the principles of reciprocity in social exchange relationships and the influence of wider cultural influences.

### **3.3.1 Principles of reciprocity**

The reciprocity rules are the kind of exchange or repayment principles demonstrated in the work setting by employee and employer. The repayment or reciprocate in some way, such as demonstrating loyalty, discretionary effort or outstanding performance based on trust, may be the best principle of the exchange rule. However, Gouldner's (1960) review described the nature of reciprocity and outlined three distinguishing types of reciprocity:

- a) Reciprocity as a transactional pattern of interdependent exchanges;
- b) Reciprocity as a folk belief;
- c) Reciprocity as a moral norm.

- a) Reciprocity as an interdependent exchange: Generally, reciprocity takes place between two parties, e.g. employee and employer to exchange the monetary value of things such as cash, reward, incentives and services. According to Cropanzano

and Mitchell (2005), exchange relationship requires a bidirectional transaction; for example, giving something in the return of an obtained thing. Literally, in the work setting an employer and employees are interdependent on each other. For example, no any organisation can accomplish its mission and vision without the support of staff members. Similarly, employees need the opportunity to utilise their knowledge, skills and talents. Hence, complete independence and complete dependence do not imply in social exchange. Therefore, interdependence that involves mutual and complementary arrangements is considered as the characteristic of social exchange (Cropanzano and Mitchell, 2005; Molm, 1994).

- b) Reciprocity as a folk belief: The second reciprocity rule by Gouldner (1960) is ‘folk belief’ that involves the cultural expectations people have with each other. In this type of reciprocity trade relationships, participants accepted some combination of: a) a sense that over time all exchanges reach a fair equilibrium; b) those who are unhelpful will be punished; and c) those who are helpful will receive help in future (Malinowski, 1932 cited by Cropanzano and Mitchell, 2005). In terms of the Pakistani context, an organisation may expect more by their employees due to contextual factors (e.g. social, cultural and unemployment issue) and failure to meet high targets may result in termination or dismissal from their jobs.
- c) Reciprocity as a norm and individual orientation: A norm involves a quality or standard that describes how one should behave at the workplace, and those who follow the norms are obliged to behave reciprocally (Cropanzano and Mitchell, 2005). Many scholars including Gouldner (1960) speculate that the norm of reciprocity is a human universal principle (Gouldner, 1960; Malinowski, 2013; Tsui and Wang, 2002). However, even if reciprocity is a universal principle, all individuals may value reciprocity differently because of cultural and individual differences. For example, there is strong evidence that individuals differ in the degree they endorse reciprocity (Clark and Mills, 1979; Murstein *et al.*, 1977). According to these scholars, those who are high in exchange orientation carefully track obligations for score keeping. Those who are low in exchange orientation were found less concerned about obligations and were less likely to care if exchanges are not reciprocated. In this connection, Eisenberger *et al.* (1986, 1990, 2001) have a remarkable contribution to explore exchange ideology; in their investigations of perceived organisational support (POS) they found that the

relationship was stronger for individuals with a high exchange ideology compared with those with a low exchange ideology. Subsequently, the number of studies has suggested that exchange ideology strengthens the relationship of perceived organisational support with realised obligation (Eisenberger *et al.*, 1990, 2001; Wayne *et al.*, 1997). However, the effects of exchange ideology are not limited to perceived organisational support; instead, the literature review revealed many other antecedents such as job dimensions perceived managerial support, rewards and recognition, organisational justice and fair treatment have been found positive for developing and maintaining successful relationships with employees. Arguably, although the norms of reciprocity may be universally accepted principles as described by Gouldner (1960), yet the degree of reciprocity people demonstrate in the work setting may vary depending on the relationship between the employee and the employing organisation. For example, the highly structured hierarchical and power distance organisational culture of developing context of Pakistan may have affected the social exchange relationship and hence the engagement level of employees. Hence, this study attempts to evaluate the management approach of managing talent and employee perception towards HR practices to understand the complex relationships between organisational work attributes and the employees' attitude of feeling valued and engaged in the Pakistani banking organisations.

Therefore, this thesis draws broadly on the concept of the psychological contract that is particularly helpful to understand how employees perceive HR practices and their reactions in terms of attitudinal and behavioural outcomes (Hutchinson, 2013) and social exchange relationships (Blau, 1964) as adapted by Cropanzano and Mitchell (2005) and to integrate this with the AMO model to inform the concept of discretionary behaviour. It highlights a number of organisational work attributes which shape employee perceptions of the nature of the employment exchange relationship and, in turn, job and attitudinal effects. Figure 3.6 p.137 underscores the linkages between HR practices and employee perceptions that can be affected positively or negatively and eventually affects performance outcomes.

The previous sections have discussed the nature of talent and how talent can be conceptualised. The AMO model as the theoretical basis of the thesis has also been discussed and the proposal made that the AMO model can be broadened in two significant

ways by: 1) considering the nature and scope of employee engagement; and 2) considering the impact of contextual factors on the people performance process. The following sections move on to discuss the nature and scope of talent management and the process and activities that fall under the talent management umbrella. It is argued that the talent management strategy and practice within organisations will reflect organisational (and possibly national) conceptualisation of talent.

### **3.4 Differentiating talent management from HR management**

There is considerable tension about the nature and orientation of talent management in the academic and practitioner literature asking how talent management is different than HRM or is it rhetoric or reality (Nicky, 2013; Zesik, 2016). However, out of the number of discrepancies most debated, concern is about the differences or boundaries between talent management and HRM practice. Even though some scholars, including Meyers *et al.* (2014), argue that talent management differs from HR practice in some ways by saying that HRM focuses on the whole workforce, whereas talent management deals with the talent pool of employees who are high in potential, value and distinctiveness (Berrell *et al.*, 2008). Notwithstanding, following the close connection between HRM and talent management, Meyers *et al.* (2014, p.192) describe ‘talent management as the systematic utilisation of human resource management (HRM) activities to attract, identify, develop and retain individuals who are considered to be ‘talented (in practice, this often means the high potential employees, the strategically important employees, or employees in key positions)’ and they argue that there is the conceptual overlap between talent management and HR practices. In this connection, Lewis and Heckman (2006) identified three basic components of talent management: First, a set of typical HR functions and practices such as recruitment and selection, training and career development. Second, perception of talent management is that it predicts the role and demand of human resources or workforce planning throughout the organisation. Third is a generic view of talent management that suggests talent (high potential and high performers) must be managed on a performance basis. These approaches to talent management are discussed in the following sub-sections.

#### **3.4.1 Talent management as a typical set of HR practice**

This approach takes the view that talent management is not different from human resource management, or all those practices used to recruit, develop, deploy, consult, negotiate with, motivate and retain employees and to terminate the employment

relationship (Boxall and Macky, 2009). Some authors (Adamsky, 2003; Iles *et al.*, 2010a; Lewis and Heckman, 2006) argue that talent management is merely a label or substitute for typical HRM activities and that talent management is simply a euphemism for HRM. However, others (Ashton and Morton, 2005; Berrell *et al.*, 2008) see talent management as a holistic and strategic activity which represents a new route to organisational effectiveness. Following this point, even though talent management is integrated with HRM and may use the same tools and techniques as does HR, but talent management has a selective focus on specific activities of HRM (Iles, Chuai, *et al.*, 2010) which might be more advanced and useful for today's competitive business environment. Berrell *et al.* (2008) suggest that talent management is much different from traditional HRM, it consists of those activities which incorporate new knowledge and rationale procedures that can help in success and creating competitive advantage for the organisation. For instance, talent management practice directs and focuses on certain groups or cohorts called 'talent', which is different from traditional HR practice. Hence, talent management practice should not be seen as being simple and the repackaging of old techniques/ideas with new labels. In this regard, Ashton and Morton (2005) assert that talent management is more than a new language for old HR work or just the next 'new hot thing' for HR practitioners to get involved in, that's why talent management has become strategically imperative for many organisations. The second perception on talent management by Lewis and Heckman (2006) is human resources planning that focuses on talent pools.

### **3.4.2 Talent management as HR planning**

The concept of human resource planning HRP is an established part of HRM. In its early treatment according to Vetter (1967) cited by Jackson and Schuler (1990, p.223), human resource planning is 'the process by which management determines how the organisation should move from its current manpower position to its desired position. Through planning, management strives to have the right number and the right kinds of people, at the right places, at the right time, doing things which result in both the organisation and the individual receiving maximum long-run benefits.' In a similar vein, Lewis and Heckman (2006) observed that talent management focuses on talent pools, whereby employees would be secured and developed for current and future specific positions. Rothwell (2010) refers to this perspective of talent management as related with HR planning and development. Human resource planning has experienced a chequered past. During 1960s and 1970s, it was considered as a critical tool for successful business, and in the 1980s-1990s HRP was viewed as an appropriate tool for handling downsizing and

redundancies. However, planning has always been accused of having feasibility and implementation problems so is no longer meaningful in the age/era of discontinuous change (Torrington *et al.*, 2002).

Jackson and Schuler (1990) state that human resource planning under past conditions were used to organise the right person on the right job at the right time, where the focus remained on short-term business objectives and plans, and was dictated by line management's concern. However, rising environmental-stability, demographic-shifts, technological-changes and massive global competitions are changing the need for the landscape of human resource planning within the organisations. In this regard, Taylor (2010) points out that HR planning is an area of planning and development that has often been denigrated, as a result it has received little attention in the literature and less widely used in the organisations. Nevertheless, the techniques of HRP are most involved and complex activities and are related with resourcing and talent management professionals (Taylor, 2010). Similarly, Cappelli (2008) also relates talent management with forecasting and planning for satisfying the current and upcoming staffing needs of the organisation. So, HR planning is necessary and may be one of the significant interventions of talent management that can be used for attracting, developing and deploying high potential employees.

Talent management is the integration of different concepts or initiatives into a coherent framework of activities (Ashton and Morton, 2005). Hence, aligning human resource planning with talent management strategy may offer a more positive and focused approach of people management which may become the appropriate source of competitive advantage for the organisations. As Ashton and Morton (2005, p.30) revealed in their study 'managing talent for a competitive advantage' that by taking a systematic approach: 'components a) Ethos, imbedding values and behaviour, known as talent mindset to support the view that everyone has potential worth developing; b) Focus, knowing which jobs make a difference and making sure that the right people hold those jobs at the right time; c) Positioning, starting at the top of the organisation and cascading throughout the management levels to make this a management, not an HR initiative; d) Structure, creating tools, processes and techniques with defined accountability to ensure that the work gets done; e) System, facilitating a long-term and holistic approach to generate change' to talent management and deploying the right person on key positions at the right time should be nothing new to HR experts; however, if it is done effectively

can create a long-term organisational success. In other words, organisations should value its employees, encourage them for developing their skills and abilities, deploy them on key positions according to their potential, and facilitate them in order to get work done effectively. The last perception on talent management by Lewis and Heckman (2006) emphasises on handling high potential and high performers.

### **3.4.3 Management of high potential and high performers**

In this categorisation of talent management, authors Collings and Mellahi (2009) and (CIPD, 2011) see talent management as a systematic way of identifying, attracting, developing and deploying those individuals who have high potential. The main focus of this category is on the exceptional abilities of individuals who are particularly valuable to the organisation and so need to be managed differently compared to their peers or co-workers. Similarly, Lewis and Heckman (2006) argued for the management of talented people generically without considering specific organisational restrictions or positions. Under this perspective, there are two general opinions on talent; first, high performing talent or high potential talent must be hired and rewarded differently, also called ‘top grading’ referred to as ‘A players’ (Smart, 1999). Second, perspective of non-specific talent encourages organisations to manage performance pools of talent generally rather than succession pools for specific positions or jobs. Here, the emphasis is on the strong role of HR to manage everyone to a high-performance level or to make the talent more valuable in general.

Collings and Mellahi (2009) oppose that the literature relevant to this perspective of talent management argue that all the roles should be filled with ‘A performers’ and emphasises the management of ‘C players’ or consistently poor performers should be out of the organisation, but it is not necessary to fill all the positions with top performers within the organisations because it will increase unnecessary cost to invest in non-pivotal positions in the organisation. Arguably, every role in the organisation has its own importance that supports work, and an individual that may work solely is still a unit of a critical chain of organisational workforce. However, Collings and Mellahi (2009) recognised an additional fourth stream to talent management that emphasises the identification of key positions which have the possible impact on the competitive advantage of the organisation (Boudreau and Ramstad, 2005; Collings, 2014; Collings and Mellahi, 2009). This means that talent management needs to focus on key positions, but not all the employees within the organisation, and to identify talent pool employees to fill key

positions. Collings and Mellahi (2009) further advocate that if the talent management system is to be applied on all the organisational workers including poor and top performers then it would be difficult to distinguish talent management from traditional HRM practice. Gallardo-Gallardo *et al.* (2013, p.295) point out the tension between HRM and talent management saying that ‘the main criticism of the inclusive approach to talent is that it makes differentiation between talent management and strategic human resources management more difficult’ and suggested underlying talent management boundaries (e.g. object and subject, exclusive and inclusive). These talent management philosophies have taken much scholarly attention and there is considerable debate among scholars in terms of its effectiveness, e.g. whether exclusive or inclusive nature of talent management is better in practice. See inclusive and exclusive workforce differentiation in Dries, (2013); Gelens *et al.* (2013); and Meyers *et al.* (2014). The next section moves on to discuss the comprehensive process of talent management practice.

### **3.5 Operationalisation of talent management**

In practice, talent management focuses on achieving maximum benefit from the performance of high potential candidates. This direction indicates an inclusive approach which presumably is about getting the best out of the whole workforce. The CIPD research suggests that organisations can take a range of different approaches to talent management (CIPD, 2011). For instance, in terms of the exclusive approach of talent management, HR professionals identify strategically important talent segments and then focus on the effective recruitment, development and deployment of potential candidates within these segments. This approach can be linked with the view of Collings and Mellahi (2009) that involves the systematic identification of key positions, developing differentiated HR architecture (e.g. strategically looking at the internal and external labour market to identify talent) to fill these positions with high potential candidates and to ensure their commitment to the organisation so that they contribute differently to achieve a sustainable competitive advantage. Moreover, in terms of the inclusive approach, organisations adopt an ‘inclusive talent management focus’ that encompasses the entire workforce of the organisation, focusing on the ways to develop people’s strengths mostly using a blended learning approach in practice (CIPD, 2011). Furthermore, there are many component elements and activities of talent management that can be applied in practice. For instance, Stahl *et al.* (2012) suggest three sets of activities: recruitment-staffing and succession planning, training and development, and retention management. Similarly, the CIPD (2011) research suggests three key

interventions of talent management architecture to achieve a strategic advantage; this study has opted for this for its empirical work. This three-dimensional model serves a sound basis for operationalisation of talent management for the current study. Figure 3.4 shows talent management architecture.

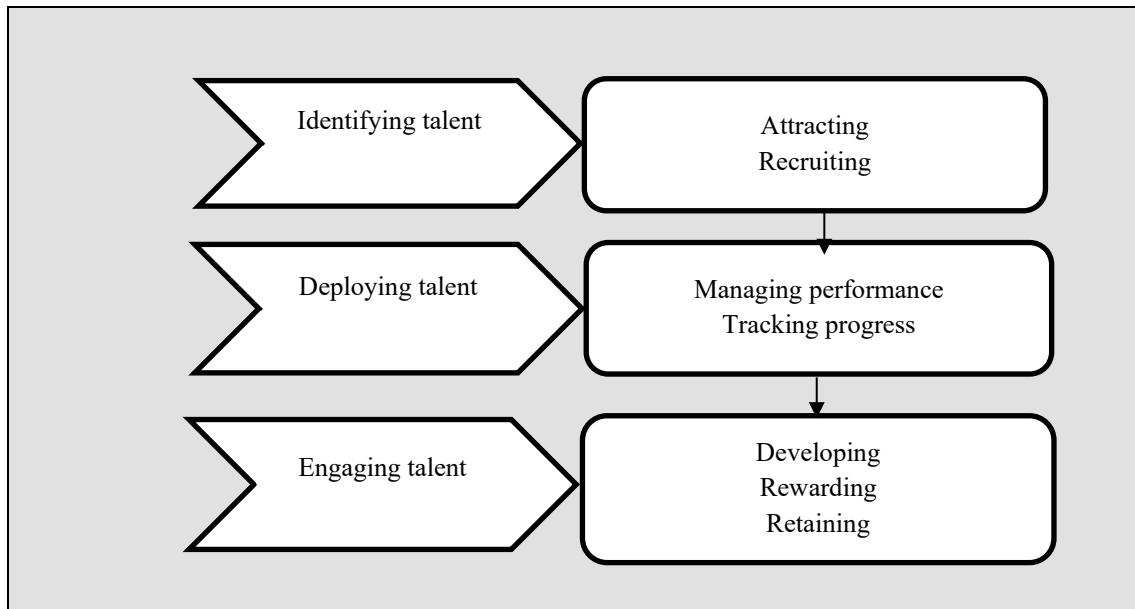


Figure 3.4 Talent management process (CIPD, 2011 p.14).

This section reviews the literature relating to the all three main components of talent management process.

### 3.5.1 Identifying talent

In practice, the talent management seeks to accomplish three important tasks: identifying talents, motivating the use and progression of talent, and matching talents with key positions and roles. According to Meyers *et al.* (2014), such talent management philosophy is related with positive psychology suggesting that many people do not recognise their potential abilities/talents and talent management practice has to identify the right talent for the right job. The identification of key talent positions should be the first stage of any talent management process (Collings and Mellahi, 2009). Companies normally institute various systems and procedures to identify high potential candidates, whereby they try to identify the talent with leadership qualities as early as possible with the help of multiple inputs, e.g. performance evaluation, assessment centre results, standardised aptitude tests and 360-degree reviews (Stahl *et al.*, 2012), since this type of practice provides a basis for leadership development and succession planning. Talent identification can be possible through the fresh appointment of candidates from outside

the market or within the organisation from existing staff. However, there is a risk for organisations to find the right talent for the right position at the right time. The potential risk according to Collings and Mellahi (2009) is the mismatch between an individual employee and the required skills and abilities. This means an organisation may find few employees to meet the business needs or too many people resulting in terminations and dismissals and is equally a failure to retain talent and loss of investment in development initiatives. Thus, for developing a talent pool, organisations should combine internal development and outside hiring in filling key positions (Collings and Mellahi, 2009), this facilitates an organisation to meet talent needs appropriately and prevents from the risk of oversupply that is a waste of resources. Not surprisingly, Pakistani organisations are undergoing the problem of overflow of employees due to superfluous political involvement in the recruitment and selection processes of the organisations. Similarly, key positions may be filled on socio-cultural and political basis instead of identifying, attracting and developing talent that can have varying impacts on organisational performance.

According to Stahl *et al.* (2012), one of the major challenges the corporations are facing is building and preserving the talent pipeline; hence, developing the talent pool and using talent inventories is a continuous process both for the selection and succession purpose that reflects common best practice. However, companies tend to differ in their approach to investing money on training and development of employees comprehensively or they limit it to a group of high potential candidates if an exclusive approach is adopted. In this connection, Meyers *et al.* (2014) state that organisations that conceptualise talent as a developable entity will typically differentiate talent early in their career, and will allow only potential employees for specialised training. This means the potential candidates demonstrating the remarkable cognitive and intellectual abilities, strategic thinking, emotional stability including personality characteristics can be included in the talent pool because these potential traits are necessary for almost every higher organisational role as well as career growth of employees. Stahl *et al.* (2012) argue that there is one common thing that is excellent among the companies; it is their commitment for leadership development. Multinational companies invest millions of dollars to develop knowledge and skills of the workforce. For instance, only IBM spends more than \$700 million annually for developing knowledge and expertise of their employees. This implies that the organisations that invest in human resources (i.e. identifying and developing potential ability/talent) will be enjoying more benefits, and talent identification is one of the

essential elements of talent management practice that facilitates an organisation to accomplish its current and future demands of human resources. Moreover, Stahl and others in the group argue that managers at all levels need to be engaged in the talent management programme including talent identification, recruitment and succession planning. The line managers should participate in all talent management activities and are responsible for developing the staff; also, they need to act as coaches, mentors and should encourage employees for job shadowing opportunities and career development instead of just controlling the best talent. This implies that managers give awareness to the employees for challenging assignments and cross functional projects to support the learning culture within the organisation. However, talent identification and development are only part of the picture, employees need to be deployed, motivated and engaged if there is to be an improved performance. The AMO model highlights the fact about performance and mentions discretionary effort but remains somewhat silent as to how discretionary effort can be measured. Hence, this study does not argue to find out the ways that may or may not be supportive to the development of the talent pool, rather it discusses the emphasis of talent management practices that may help in promoting employee motivation and the factors affecting employee commitment and engagement. In other words, identification and development of talent is inadequate unless engaged or used effectively. This is the same as Boxall and Macky (2009); Collings and Mellahi (2009) and Huselid *et al.* (2005), they argue that there is little economic value of human capital/talent unless it is deployed in the strategic direction of the organisation. Hence, the next section explores the deployment of talent as a key element to employee motivation and engagement.

### **3.5.2 Deploying talent**

HR professionals and talent management managers agree that leadership places great value in the organisation for enhancing employee motivation and their performance. Deploying talent refers to the decision made in the organisation for hiring and positioning talent (Poorhosseinzadeh and Subramaniam, 2012). The effective deployment starts with engaging the right people on key role/positions. Deploying talent, according to Bernthal and Wellins (2001), is putting the right talent in the right place at the right time; that is possible with the selection of the right leaders. Further, Bernthal and Wellins (2001, p.5) argue that ‘organisations need to assess leaders, provide feedback, create development plans and specially identify individuals who can step in to leadership roles as soon as positions become vacant.’ In this definition, authors talk about four critical decisions that

organisations need to take for deploying talent: assessing leadership ability, setting plan/goal for development, feedback, and to place right talent on key roles. This process allows the organisation to manage employees strategically for performance progress. Poorhosseinzadeh and Subramaniam (2012) found a positive relationship between strategic organisational goals of developing and deploying talent with successful talent management outcomes within MNCs. This means the process of developing and deploying talent is the vital function for any organisation but may be ineffective if it lacks in managing performance, employee motivation, their goals and objectives. This implies that talent management practice should also concentrate on employee goals and objectives, that not only focus on employee development for key positions but also their level of engagement, well-being and motivation for organisational performance. Locke and Latham (2006) argue that performance is the function of both ability and motivation, whereas goals not only motivate an individual to use one's existing ability but automatically pulls him/her to search new/stored task-related knowledge and skills. Hence, setting goals may be an indispensable feature of talent management practices. Employee goals and their motivation can vary in different organisational contexts that may be affected by the management style. Bernthal and Wellins (2001) argue that organisational success depends on leadership ability, and leadership style/behaviour does not come from HRM alone, but they mostly learn from the behaviour of current and past managers. In terms of the Pakistani context, managers may have a bossy and authoritative management style at the workplace due to the legacy of bureaucracy that may affect employee motivation and performance and progress, their goals and objectives and level of engagement.

### **3.5.3 Engaging talent**

Literature on employee engagement (EE) time and again discusses the underlying concepts about the nature and scope of engagement as key determinant of the higher organisational performance. Kahn (1990) defined employee engagement in its early conceptualisation as '*the harnessing of organisation members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively and emotionally during role performances - on the contrast, disengagement is the uncoupling of selves' from work roles; in disengagement people withdraw and defend themselves physically, cognitively or emotionally during role performance.*' The physical aspect of employee engagement is related to physical dynamisms applied by employees to accomplish tasks. The cognitive aspect of engagement is related with beliefs about

organisation, management and working conditions. Thus, the emotional aspect of employee engagement is concerned with employee feelings-attitudes both positive or negative towards the organisation and its leadership or management. As Kahn (1990) refers EE to be present psychologically as well as physically when performing or occupying any organisational role and task.

According to the IES report cited by Robinson et al. (2004, p.4), '*Engagement is a positive attitude held by the employee towards the organisation and its values. An engaged employee is aware of business context and works with colleagues to improve performance within the job for the benefit of the organisation. The organisation must work to nurture, maintain and grow engagement, which requires a two-way relationship between employer and employee.*' The IES definition apparently focuses on three different factors: employee attitude (positive or negative) within the organisation; a two-way relationship between employee and organisation; and high performance. It implies that employee engagement is necessary for an improved performance but subject to the condition if the organisation can sustain a two-way relationship with employees. For example: if employees believe that this is the right organisation/employer who cares for them and offers them a career and development opportunities then they may demonstrate their discretionary effort in work and may be more committed to the organisation.

In general, employee engagement has been defined as a positive, accomplishing and work- related state of mind that is considered as vigour (i.e. high level of liveliness and mental resilience), devotion (i.e. being strongly involved in one's work and feeling a sense of enthusiasm and challenge), and an emotional and intellectual commitment to the organisation (Richman et al., 2008; Xanthopoulou et al., 2008) or the discretionary effort exerted by employees while doing their job (Frank et al., 2004; Purcell, 2003). In this regard, the CIPD research 'Understanding the People and Performance Link' revealed that '*...effective firms have a level of sophistication in their approach to people management which helps to induce discretionary behaviour of employees*' (Purcell, 2003, p.6). This means discretionary behaviour and above average performance is possible when people feel motivated and when their jobs give them a high level of satisfaction. However, if people feel committed to the organisation that employs them to the extent that they feel proud to tell public who they work for and want to stay working for the organisation for the foreseeable future is said to be an 'affective commitment' and will

be more likely to be engaged and demonstrating discretionary behaviour to help the organisation be successful.

Robinson *et al.* (2004) also supported affective-commitment as being the closest in relationship with engagement. The commitment with regards to feelings of obligation or energetic attachment exists on three distinct themes: i) the affective commitment (emotional attachment towards an organisation); ii) continuance commitment (the assessment of costs associated with leaving an organisation); and iii) normative commitment, a moral obligation to continue with the organisation (Allen and Meyer, 1990). The notion of commitment as a feeling of obligation or emotional attachment is to be believed as multi-dimensional construct (Robinson *et al.*, 2004). The typology of commitment has been more explored and advanced in order to consider the extent to which the organisational culture and social environment makes employees feel integrated and obliged.

According to O’Malley (2000), generally there are five related factors which are necessary for inducing employee commitment. First, *affiliative commitment*, whereby an organisation’s interests and standards are well-matched with those of the employees, and the employees feel recognised by the social environment of the organisation. Second, *associative commitment*, this type of commitment is about organisational affiliation that increases employee self-esteem and social-status, in which the employee feels honoured and advantaged to be associated with the organisation. Third, *moral commitment* also referred to as *normative commitment*, that is related with the employee’s perception, in which employees perceive their employer to be on their side and the organisation induces a sense of reciprocated obligation whereby employee and employer feel a sense of accountability to each other. Fourth, *structural commitment*, that is about the employee beliefs and perceptions that to what extent they are involved in a fair exchange in which they benefit from the affiliation in quantifiable ways. Also, if there is more benefit to continue with the organisation than to leave. The last and most important form of commitment is *affective-commitment* that has useful benefits for the organisation (Allen and Meyer, 1990; Robinson *et al.*, 2004). The employees with a high affective commitment go beyond the role for organisational benefit and this form of commitment is to be referred to as ‘employee engagement’. This means that an employee’s commitment depends on their perceptions in relation to advantages they receive and possible disadvantages they might experience at the workplace. Hence, conceptualising talent as commitment can support this research in a way that committed talent is likely to

be emotionally attached and retained with the organisation and can be engaged and motivated for discretionary behaviour with a fair exchange of employment contract (e.g. by aligning employee and organisational objectives).

The IES Research (2003) conducted an attitude survey for employee engagement over 10,000 workers in the fourteen NHS organisations, whereby attitude was tested with twelve statements representing employee engagement. The twelve attitude statements were not specific to the NHS, hence can be transferred with the following sub-set of five statements to other organisations (Robinson *et al.*, 2004):

- A positive attitude towards, and pride in the organisation
- Belief in the organisation's product and services
- Perceptions that the organisation enables the employees to perform well
- A willingness to behave altruistically and to be a good team player
- An understanding of the bigger picture and a willingness to go beyond the requirements of the job.

Further, Robinson and others in the group argued that employee engagement has obvious overlaps with other steadily researched concepts; such as organisational-commitment (OC) and organisational citizenship behaviour (OCB). These authors state that: '*Employee engagement contains many of the elements of both commitment and OCB but is by no means a perfect match with either. In addition, neither commitment nor OCB reflect sufficiently two aspects of engagement-its way nature, and the extent to which engaged employees are expected to have an element of business awareness*'. Saks (2006) also supports this argument that employee engagement is distinct from organisational commitment and OCB. Saks (2006) argues that organisational commitment is related to a person's attitude and emotional attachment with the organisation, whereas, OCB includes voluntary or informal behaviour such as helping co-workers and the organisation. In addition, employee engagement apparently focuses on a recognised role rather than extra or voluntary role behaviour. Arguably, extra role behaviour and attachment with the organisation can be the result of a two-way relationship. For example, employees will exert voluntary helping behaviour and can be committed with the organisation if they feel motivated within the organisation; otherwise, in the context like Pakistan, they may stay with the organisation for longer with a poor performance. Hence, employee engagement is not merely related to a positive attitude but also it is the level or

degree to which employees are becoming focussed and absorbed while working and are involved in the outstanding performance.

An empirical study based on 10,000 NHS employees in UK by the Institute of Employment studies (IES) (Robinson *et al.*, 2004) concluded that the key driver of engagement is employee perception of feeling valued and involved. In reality, employee engagement is a two-way effort that exists one step up from commitment; organisations therefore must work to engage employees, who, in turn, will have a choice to increase the level of engagement to offer the employer (Robinson *et al.*, 2004). Further, their findings revealed that employee feelings-opinion in terms of a working life experience were strongly co-related with engagement levels. Thus, the strongest predictor of employee engagement is the perception of feeling valued and involved that has many key components such as employee participation in decision making, the extent to which employees feel free to voice their opinion and ideas to the bosses, career development opportunities and the organisational concern for employee strength and well-being. Therefore, it is anticipated that feeling valued and involved within the organisation will have impact on job satisfaction and organisational commitment. In this study, the empirical work tends to investigate the work life experience of Pakistani banking professionals and the impact of contextual and situational factors on the employee's perceptions in relation to the level of feeling valued and engaged at the case study banks.

The drivers of employee engagement are shown in the following figure 3.5.

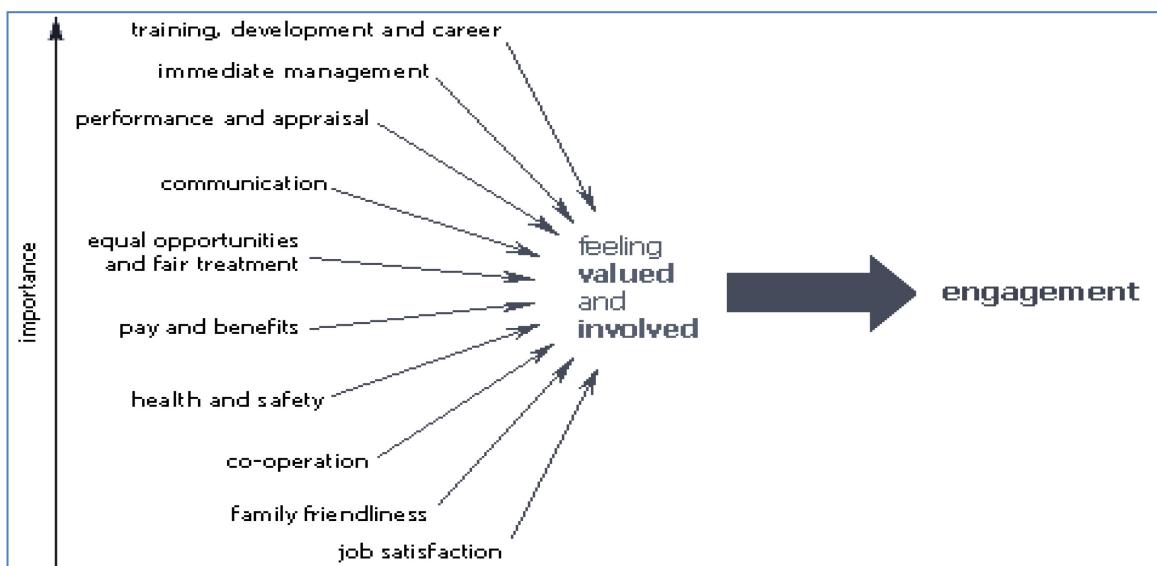


Figure 3. 5 The drivers of employee engagement (IES, 2003, as adapted by Robinson *et al.*, 2004)

The engagement level can fluctuate in relation to personal experiences at work and job characteristics. For example: the IES Research found that the engagement level declines when the employees are becoming older until they reach sixty or more, whilst levels unexpectedly increased and discovered this oldest group to be most engaged of all. In addition, smaller ethnic groups were found to have higher engagement levels than their co-workers who were in majority. The managers and supervisors tend to have a higher engagement level than their staff members; the engagement level declines when there is any destruction at work or facing harassment at work particularly if the managers are becoming the source of harassment. Similarly, there is also a big negative crash on the engagement level if there is no formal procedure of performance appraisal and feedback especially for the employees who have a personal development plan (Robinson *et al.*, 2004). This implies that if organisations fail to respond to the grievances and career-related issues of talented employees or avoiding the confronting issues that might be crucial for employees, then employees may not only reduce the engagement level but also may leave the organisation. Recently, Albrecht *et al.* (2015) argued that employee engagement is necessary for a competitive advantage, and offer four human resources practices including: staffing, training and development, socialisation and performance management to facilitate and improve engagement behaviour of employees, whilst it can be acknowledged that these four areas are not the only existing approaches that possibly influence engagement behaviour. The AMO model emphasises the key role of employee motivation in developing, rewarding and engaging talent that, in turn, explains the HR strategy and practices into performance outcomes. Thus, it is argued that employee engagement is critical, yet so far it is a less focused area that impacts on the effectiveness of talent management practice. This study chose to focus on employee motivation and their well-being to induce their job commitment and engagement. According to Isukapally (2006), the management of talent is a challenging task and many organisations don't understand the intrinsic motivators of the employees that is the critical success factor to any organisation; however, once the right talent is acquired and deployed the next most challenging task is to retain that talent.

### **3.5.3.1 Retaining talent**

One of the fascinating benefits to talent management practice is that it successfully acquires and retains the talent (Hughes *et al.*, 2008). These outcomes, in turn, were associated with enhanced employee engagement and improved operational and financial performances. Similarly, many other authors found that talent management has a positive

and significant effect on talent retention (Kibui *et al.*, 2014; Poorhosseinzadeh and Subramaniam, 2012). This implies that the employee's retention should be an important consideration for any organisation. Isukapally (2006) argues that organisations should be clearer about their strategy to retain employees because an effective and competitive workforce is the key asset of any organisation. The increasing demand and short supply of talent in the labour market, turnover, redundancies or the retirement of old workers may be the key factors contributing to talent retention. Notwithstanding, scholars argue that generation Y is different in their preferences and expectations and less likely to demonstrate loyalty to their employers, and they are changing organisations more frequently compare to previous generation employees (Festing and Schäfer, 2014; Poorhosseinzadeh and Subramaniam, 2012; Whelan and Carcary, 2011); hence, they must be managed differently. i.e. their psychological contract must be fulfilled and supported. Generally, the human resource literature divides the workforce into four generations according to their age groups: The Silent generation were born between 1925 and 1945, the Baby boomers from 1946 to 1964; the Generation X from 1965 to 1981, and Generation Y, also known as Millennials or i-generation, were born between 1982 to 1999. Festing and Schäfer (2014) argue that the psychological contract of Generation X and Y is different than the Baby boomers, and talent management initiatives such as training and development and career advancement of Generation Y is more crucial to retain them. In a similar vein, Whelan and Carcary (2011) state that retaining talent is really a challenging task and a change in the psychological contract is the main reason of employee turnover and talent loss. Hence, it is important for the employers to be aware about the changing labour market trends and their effects on talent perceptions to achieve their strategic objectives. Moreover, they need to find reasons for the employee turnover and look for the solution (Poorhosseinzadeh and Subramaniam, 2012) because it has a negative effect on the organisational performance. Such caution was given a long time ago by eminent scholars, that employee turnover, if not managed, can have a negative effect on the organisational profitability and performance (Barrows, 1990; Wasmuth and Davis, 1983). Talent management, in this regard as a novel organisational practice, should be aimed at not only fulfilling the human capital needs of the organisation (i.e. managing talent to handle employee turnover) but also its objective should be to contribute an overall organisational performance for getting a sustained competitive advantage in the market.

There are two types of employee turnover: Voluntary and involuntary. Generally, a voluntary turnover is related to the employee's personal decision to leave the organisation. On the contrary, an involuntary turnover is initiated by the organisations often due to poor job performance. However, the central focus of talent management remains typically on the voluntary turnover to retain employees who are particularly valuable to the organisation (Allen *et al.*, 2010). Employee turnover has been divided into two different categories: functional and dysfunctional turnovers. *Dysfunctional turnover*: this is considered to be as harmful to the organisations when the high performers are leaving, and organisations find it difficult to replace them. On the other hand, the *functional turnover*: even though it is disruptive, it may not be so harmful to the organisation because under this category, the employees are average/low skilled so are easily replaceable. Therefore, the talent management strategy focus typically on the dysfunctional employee turnover (Allen *et al.*, 2010; Dalton *et al.*, 1982). Employee turnover badly affects customer service and satisfaction (Ongori, 2007). Hence, employee retention is more desirable in any organisation because experienced employees can have more understanding of the customer's satisfaction and organisational objectives. In the case of this study, the banking sector promotes intangible service products so the customer's satisfaction is of high importance. Arguably, customer satisfaction is highly linked with employee perceptions about job satisfaction, their commitment and motivation. Conway and Coyle-Shapiro (2012) found that employee perceptions for the fulfilment of a psychological contract were positively related to employee performance. Similarly, Whelan and Carcary (2011) state that failing to motivate key talented employees not only causes employee turnover but also disengagement and poor performance.

A more recent research, Peltokorpi *et al.* (2015), suggest that the focus on employee turnover has been shifted from the old approach of looking at why employees leave their organisation to new ones, e.g. why they continue to remain with a particular organisation. The reason to remain with a particular organisation can be positive employee perceptions about the organisation and the commitment that hold employees and keep them attached with an organisation. In terms of retention, the main purpose of talent management should be to understand employee perceptions and their motivations to prevent the organisation losing talented employees. The objective of an organisation is not just to find or develop talent but also to retain them. Hence, organisations need to have a retention plan to hold their employees for a long time. The retention plan ought to address the areas that cause

the lack of commitment and dissatisfaction such as pay, job performance, career and development opportunities, commitment and lack of group cohesion and employee and managerial conflict (Kibui *et al.*, 2014).

According to Allen *et al.* (2010), many turnover decisions involve a process in which employees evaluate their current job against other possible opportunities, they develop intentions for alternatives and are engaging themselves in various types of job search. In terms of the Pakistani context, employees may have limited opportunities in the job market because the withdrawal process typically starts with the thoughts of leaving, job searching, evaluating and the comparison of alternative opportunities, intending and eventually deciding to leave (Allen *et al.*, 2010). The turnover intention may yield different results about a situation, the environment and the passage of time. Sherman (1986) revealed that general economic conditions support employee turnover. It is only possible for an employee to leave when an alternate job is available for him/her. Similarly, turnover intentions have remained the strongest predictors of employee turnover (Lee, 2000; Lee and Mowday, 1987). According to Allen *et al.* (2010), organisations can monitor and manage the key work aspects that influence the employee's desire to stay or leave. McBey and Karakowsky (2001) talked about push and pull factors; they suggest it is important to analyse the push and pull factors at the workplace to determine the objects that make employees dissatisfied and satisfied. Internal-push factors (e.g. job dissatisfaction, pay and performance, reward contingencies) encourage dissatisfied employees to explore new opportunities outside the organisation. By contrast, external-pull factors (e.g. personal income, household income, job status and alternatives, and external demands) also affect an employee's turnover, as these factors attract employees to leave their organisation, even though they may be satisfied otherwise with the current job. In this connection, Whelan and Carcary (2011) state that talented employees often exploit their competencies to contact the organisation's competitor or be headhunted or avail themselves of job opportunities of their choice. However, talent loss, whether through competitors or any other reason, is putting an organisation to a considerable risk because talented employees are rare and difficult to imitate.

Van *et al.* (2013) found that the work environment can influence employee perceptions about employment relationship, their psychological contract, their employee attitude at work and intention to leave. Further, their findings confirmed that employee well-being mediates the relationship between the psychological contract and their intention to leave.

Hence, an employee's well-being should be the main focus of any retention strategy. These findings indicate that employee expectations from employer if not met may be taken as unfairness or an injustice and the cause of an employee turnover. In this connection, Branham (2012) talks about the disengagement process, such as when employee realises that the job was not as promised, realising that he/she may be transferred or terminated, discrimination in promotions, being pressured for work and racial discrimination, denied for family leave or transfer, lack of trust or disagreeing with senior managers, stressful work environment and work-life imbalance. The employees in the case study of banks may have similar issues but leaving a job can be a tricky issue for most of the employees in the context of Pakistan due to unemployment issues.

In addition, one of the notable debates in the domain of employee retention management relates to the impact of training and development programmes on the propensity of employee turnover (Acton and Golden, 2002; Green *et al.*, 2000; Greenhalgh and Mavrotas, 1996). In this regard, Taylor (2010) elevates two critical points: i) Taylor argues that investment in training is essential if an organisation encourages its employees to stay with them, because failure to offer learning and development opportunities will lead career-minded people to look for other organisation-employer who will provide them training; ii) providing training to the employees makes them more likely to leave, since it provides them with knowledge and skills which are sought by other competing organisations in the job market. Following these points, it is argued that organisations may have different visions, policies and procedures so specific learned skills within one organisation may not necessarily be useful for another. Hence, training and development activities for a particular role and responsibility should be a continuing activity for any organisation. A research conducted by Green *et al.* (2000) discovered that the overall effect of training on the propensity to leave was neutral, whereas the type of training makes a big difference. Their findings revealed that training paid for by the employer reduces the desire to quit. Nevertheless, it differs if training paid for by the government or the employees themselves tend to raise job mobility. Possibly, that is because the government offers general training to all, so skills might be easily transferable. However, the authors concluded that organisational specific training is associated with relatively low levels of employee turnover. This implies that if an organisation invests money into its employees then they will be more likely to stay with the organisation. Buckingham and Vosburgh (2001) suggest that talent management needs to focus on job-specific trainings and needs to invest time and money more wisely by identifying the

competencies required for each key role. This study argues that each role in the organisation has its own significance so learning and development opportunities to all employees may be a leading factor for employee retention. Branham (2012) argues that too little learning and development opportunities, and the loss of trust in management results in disengagement and feeling devalued and unrecognised. Moreover, extensive research on turnover behaviour shows that individual characteristics and demographic factors (e.g. age, tenure, education, interests, personality, skill level, and socio-economic conditions) are the main predictors of turnover behaviour (Arnold and Feldman, 1982; Cotton and Tuttle, 1986; Lee and Mowday, 1987). Once the reasons for employee turnover are recognised, the next stage is to find out ways to reduce them.

According to Allen *et al.* (2010), organisational commitment and job satisfaction are the key attitudes to be managed as turnover drivers, hence the strongest and important predictors of employee retention are required. Moreover, supervisors and managers play a vital role to improve employee retention. Taylor (2010) states that most often employees are leaving their managers - not the organisations, otherwise they might be happy to stay with the pay, rewards and development opportunities and find their jobs more interesting; they decide to leave because they do not wish to work with the manager/supervisor who they dislike, have disrespect or perceive to have been treated unfairly. Talent management is said to be as a managerial practice (Thunissen *et al.*, 2013a), it is argued that talent management managers should play a supportive and cohesive role within the organisation to improve job satisfaction and organisational commitment of the employees. Saks (2006) concluded that job satisfaction, organisational commitment and leaving intentions are the consequences or outcome of employee engagement. In addition, Schaufeli and Bakker (2004) also revealed that employee engagement was negatively related with employee turnover whilst, job demand and a lack of job resources cause employee burnout thus health problems and turnover intentions. That is when engagement increases employee turnover decreases; and if engagement decreases turnover will be increased. Hence, employees need to be engaged and must be provided with the resources they need, and managers should remove all the road blocks at the workplace.

The need for employee engagement of an effective and dynamic workforce in a talent management practice has been significantly recognised over the period of time. The reason for increasing popularity of employee engagement is that many people across the business are considering it as a genuine business issue and a key ingredient of

performance (Gruman and Saks, 2011; Robinson and Gifford, 2014). However, talent management is to be believed as a systematic approach that can help organisations to solve the HR and talent related challenges that organisations might be facing. Therefore, talent management has been presented as a tool to manage human resources effectively so that individual and organisational performance can be improved and controlled (Thunnissen *et al.*, 2013b). Undoubtedly, talent management as a novel organisational practice should have a more balanced and robust approach to manage talent effectively and efficiently. Nevertheless, in this literature review, talent management seems to focus on employee potential and performance. Instead, their motivation, perceptions and attitudes should be focused in particular. However, following the underlying reviewed literature with vigilant considerations, talent management can be summarised as follows:

*A systematic, and holistic approach of human resource management, which facilitates an organisation to identify talent (i.e. high potential and high performers), motivating talent to enhance their job commitment and engagement (i.e. inclination and enthusiasm to exploit knowledge, skills and abilities) and retaining talent (that is valuable, inimitable, rare and a source of competitive advantage) for satisfying current and future business needs of the organisation.*

This talent management definition emphasises on employee engagement and that is the key aspect of this research. It is expected that employee engagement will have positive implications for the Pakistani banking organisations to improve their performance. The AMO model explains the process by which inputs are converted into high performance and in particular the role and importance of line management in employee engagement and retention. Unpacking the nature and component elements of employee engagement, the extant literature has shown constructive relationships between organisational work attributes and job commitment and engagement (Robinson and Hayday, 2007; Robinson *et al.*, 2004; Saks, 2006). The literature identifies various factors that have great influence on employee attitudes and their level of engagement (Gruman and Saks, 2011; Kahn, 1990; May *et al.*, 2004; Robinson *et al.*, 2004; Saks, 2006). The factors such as: i) job dimensions (job enrichment and working environment); ii) perceived organisational support (the state of reciprocal interdependence that shows supportive and trusting interpersonal relationships); iii) perceived managerial support (satisfaction with supervisory support); iv) rewards and recognition (fairness in pay and benefits); v) career development (learning and development opportunities for encouragement to stay); vi)

organisational justice and fair treatment (perception of fairness in terms of procedures); vii) feeling valued and involved (positive attitude and engagement); viii) career intentions (staying or leaving intentions); and ix) burnout (work-related experience and the state of mind feelings) have been developed to observe the impact of these variables to employee job commitment and their engagement at the Pakistani banks. Next section 3.5.4 discusses these factors in detail.

The literature suggests that employee engagement not merely improves organisational performance but also reduces employee turnover; hence, it improves employee retention (Budhwar and Bhatnagar, 2007; Christensen *et al.*, 2008; Markos and Sridevi, 2010; Robinson *et al.*, 2004; Saks, 2006; Soane *et al.*, 2012). Hence, the analysis of employee engagement that is an important aspect of talent management strategy is relevant to this study, and the AMO model broadly informs the nature of engagement and discretionary behaviour. In this connection, seven propositions were developed and included in the theoretical framework and shown in Figure 4.1 p.144. The following section discusses each construct in detail.

### **3.5.4 Theoretical propositions**

#### **3.5.4.1 Job dimensions/ characteristics**

In the domain of employee engagement, positive job attitude and discretionary effort is to be considered and based on two fundamental things: job dimensions and psychological conditions of the individuals. Job dimensions (e.g. skill variety; task identity; task significance; autonomy and feedback) promote three critical psychological states<sup>33</sup> which collectively influence employee motivation, job satisfaction and work performance (Hutchinson, 2013). In this regard, Saks (2006) talks about the organisational and job engagement whereby he argues that job dimensions include task identity and significance, providing employees with autonomy and discretion in their work; and providing constructive feedback on performance predict job engagement, and procedural justice predicts organisational engagement. Furthermore, perceived organisational support predicts both job and organisational engagement. Also, their findings revealed that job and organisational engagement are correlated with other constructs such as job satisfaction, organisational commitment and organisational citizenship behaviour. This implies that a positive job attitude is based on employee perceptions about the

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<sup>33</sup> Experienced meaningfulness of the work, experienced responsibility for outcomes of the work and knowledge of results

employer/organisation and that is to what extent an organisation supports and invests its time and money to develop his/her knowledge, skills/ability to perform a particular task/job, as well as the identical level of justice or fair treatment within the organisation. The negative perceptions may result in low work motivation and no engagement or turnover behaviour. Hence, it is vital to consider the various aspects of job-and organisational-related variables to examine employee job attitude and discretionary effort within the Pakistani banking organisations.

Saks (2006) followed the work of Kahn (1990). Kahn analysed people's experience using varying degrees of their selves (e.g. to present themselves physically, cognitively and emotionally) in a work role performance that has implications for both personal engagement and disengagement. Kahn induced three psychological conditions in which he argued that people themselves asked three important questions in each role situation. First, how meaningful is it for me to bring myself into this performance - that is psychological meaningfulness at work? Second, how safe is it to do so - that is relevant to psychological safety? Third, how available am I to do so - that is psychological availability? (Kahn, 1990). According to Kahn, job dimensions are associated with psychological meaningfulness that includes a perception of return on investments of self in the role performance. This implies that when individuals perceive their job as worthwhile and valuable, feeling able to give a high performance and receive high work motivation can have an influence on work elements that determines incentives or disincentives for self-investments. The psychological meaningfulness according to (Kahn, 1990, 1992) can be achieved from task magnitudes that provide challenging work, change of activities that will allow them to use different skills and talents, personal discretion and the opportunity to make an important contribution. According to Kahn (1992), the core job dimensions by Hackman and Oldham (1975) offer individuals with the opportunity and incentive to bring more of themselves in to their job or to be more engaged at work (Kahn, 1992). Similarly, another study conducted by May *et al.* (2004) found that job enrichment was positively correlated to a psychological condition of meaningfulness, and meaningfulness mediated the relationship between job enrichment and engagement.

Taylor (2010) also supports that psychological research strongly suggests that employees will be less likely to consider a new job option if they feel fulfilled in their existing roles. Previously, Hom and Griffeth (1995) and later Griffeth *et al.* (2000) confirmed that employee perceptions pertaining to their job keeps high importance when they feel that

their organisation offers them self and career development opportunities in which a variety of skills are used in order to have an impact on job satisfaction and organisational commitment. There is a high degree of personal responsibility and autonomy to work independently and there is performance feedback. This indicates that improved job features, so-called job dimensions, can have a positive impact on employee feelings and attitudes to be valuable for the organisation. Hence, it is argued that staffs who are given enriched and challenging job duties will feel obliged to reciprocate with a higher level of engagement. Keeping this discourse in view, this study examined the impact of job dimensions<sup>34</sup> on employee level of feeling valued and engaged in the developing context of banking sector professionals. Further, it is proposed that no study has empirically observed the impact of organisational work attributes on employee engagement working in the banking organisations of Pakistan. Therefore, this study sought to empirically examine the relationship between the job dimensions and employee perceptions of feeling valued and involved within the case study banks.

#### **3.5.4.2 Perceived organisational support**

Perceived organisational support POS is about how employees of the organisation are feeling psychologically safe to demonstrate engagement behaviour. This means to what extent employees are considering that this is the right place to show engagement behaviour, particularly in the settings where situational factors may have influence on the psychological contract of employees. This indicates the state of reciprocal interdependence between employee and employer in which organisations may offer job security and career advancement opportunities to the employees and in return for these services, employees feel supported and valued and involved within the organisation.

According to Rhoades and Eisenberger (2002), job security is the assurance that an organisation intends to maintain the employee's future membership and is expected to provide a strong indication of perceived organisational support. Kahn (1990) in his empirical work found that supportive and trusting interpersonal relationships between management and employees induced psychological safety that was based on open, supportive and friendly working environment. In terms of theoretical background of this study, the AMO also emphasises the provision of resources both intrinsic and extrinsic rewards and learning and development opportunities so that employees may have a

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<sup>34</sup> Skills variety, task identity, task significance and performance feedback (Hackman and Oldham, 1975).

positive perception about the organisation and management style they receive at work. According to Rhoades and Eisenberger (2002), perceived organisational support is related with the general perception of the employees regarding the level to which the organisation values their contribution and cares about their well-being. Rhoades and Eisenberger (2002) reviewed seventy studies concerning general beliefs of employees to see if their organisation valued their contribution and concern about their well-being. The meta-analysis indicated three major categories of well-being received by employees: fairness, organisational rewards and favourable job conditions, and supervisory support were found to be associated with perceived organisational support. In addition, perceived organisational support was related to outcomes favourable to employees (e.g. job satisfaction and positive attitude) and the organisation (e.g. affective commitment improved performance and tapered withdrawal intentions).

Allen *et al.* (2003) also found that perceived organisational support mediated the correlation with organisational commitment and job satisfaction and was negatively related with the withdrawal tendency. Further, results suggested that participation in decision making, fairness in rewards and career growth contributed to the development of perceived organisational support. Although, a number of outcomes such as job satisfaction, organisational commitment, citizenship behaviour, organisational performance have been found to be related with perceived organisational support in various studies (Allen *et al.*, 2003; Rhoades and Eisenberger, 2002; Saks, 2006) yet no previous study has related it with talent management practice particularly in the Pakistani context. Hence, with the support of these studies, it is argued that when employee perception pertaining to their organisation and HR practice is positive, they will realise that their contribution is being valued and they are cared for; then it does make sense that they'll show a positive job attitude and will stay with the organisation. Thus, the empirical investigation was focused on perceptions of organisational support and the extent to which this resulted in employees feeling valued and involved, and in turn, impacted on their likelihood of leaving the organisation.

### **3.5.4.3 Perceived managerial support**

The supportive, flexible and clarifying management style promotes psychological safety that results in a personal engagement (Kahn, 1990). The psychological safety in terms of employee perceptions is the amount of care and help received by organisation or by line managers. Psychological safety involves a sense of being able to demonstrate and employ

oneself without negative consequences to the self-image, status or career (Kahn, 1990). Kahn here argues that employees in a supportive and helping working environment are feeling safe in taking the risk of self-expression and to be engaged in a new process. Thus, a supportive work environment facilitates employees to experiment and try new things without the fear of loss or consequences. By contrast, when the situation is unclear, inconsistent, threatening, or unpredictable then the level of engagement is risky or unsafe (Schein, 1987 cited by Kahn, 1990). According to Sawang (2010), employees who are considered as vital assets of the organisation need to be well-managed and valued. That is, employers should create a safe and stress-free working environment so that managers can provide organisational support (e.g. providing work advisers, caring and well-being) to their subordinates through their respective roles.

Rhoades and Eisenberger (2002) in their meta-analysis findings concluded that perceived managerial support is the antecedent of perceived organisational support because managers act as representatives of the organisation, as they are reflecting and communicating organisational values and goals to the employees. Another study by Chen *et al.* (2009), found that perceived supervisory support was positively correlated with an extra role performance. On the contrary, supervisors who are non-supportive may affect the organisational performance and the retention rate of the organisation. Taylor (2010) for instance, argues that there are supervisors who act autocratically by imposing their views on the subordinates without any discussion, or those who abuse their positions. There is a tendency for supervisors to treat subordinates rudely and that managerial behaviour can cause very negative feelings and often decisions to leave the organisation. The good relations between a supervisor and the subordinates can have a dramatic impact on employee' perceptions of the safety within the organisational culture (May *et al.*, 2004). The supervisors who foster a supportive organisational culture typically demonstrate their concern for employee needs and feelings, providing them with positive feedback and encourage them to voice their concern to solve work-related problems (Deci and Ryan, 1987; May *et al.*, 2004). The AMO model also recognised the key role of management in building employee commitment and engagement. It distinguished between the role of senior management in creating a compelling vision of the organisation and the role of line managers in interpreting and applying HR practices. In the pursuit of the above studies, various researchers consider that perceived managerial support is one of the essential predictors of employee engagement (Robinson *et al.*, 2004; Saks, 2006); as a result, this study sought to investigate employee perceptions about supervisory

support and the extent to which resulted in employees feeling valued and involved and, in turn, impacted on their intention to leave the organisation.

#### **3.5.4.4 Rewards and recognition**

Saks (2006) reported that staffs will be more likely to engage in work when they perceive a greater amount of rewards and appreciation for their contribution at work. According to Maslach *et al.* (2001), rewards and performance recognition is important for employee engagement and lack of performance recognition can lead to burnout and demotivation. This means rewards and recognition is necessary for employee motivation and engagement at work. According to Hutchinson (2013), motivation is an indispensable component of employee performance and the contributor to discretionary effort, that is influenced by extrinsic financial rewards (i.e. pay, promotion, career and development opportunities, job security and healthcare benefits) and intrinsic rewards (i.e. interesting work that is linked with psychological feelings and perceptions such as self-esteem, feeling valued and respected, achievement and recognition or the nature of work itself). Collectively, both extrinsic and intrinsic rewards are necessary to keep employees satisfied, motivated and engaged. In the pursuit of social exchange principles, if employees are given rewards (intrinsic and extrinsic) and their role performance is recognised, they will be feeling valued and indebted to respond with a greater level of engagement at work. This implies that organisations need to create and support employee value propositions to keep them satisfied and well-motivated. However, organisations in different cultural contexts might use different strategies to motivate and engage their talent. Thus, the empirical investigation was focused on employee perceptions of rewards and recognition and the extent to which this resulted in employees feeling valued and involved in the case of the study banks.

#### **3.5.4.5 Organisational justice and fair treatment**

Organisational justice in terms of promotional opportunities, rewards and other benefits can be important predictors of employee engagement. Organisational justice according to Gelens *et al.* (2013) refers to the subjective perceptions of individuals about fairness in allocations of resources such as promotional opportunities or financial rewards, and the process of procedural and distributive justice through which the allocations were made. Many studies, including Saks (2006), found a positive relationship between fairness perception and employee engagement, where he argues that if employees have positive perceptions about organisational justice and fair treatment, they will be more

likely to feel valued and obliged to respond positively and will be more engaged at work. Gelens *et al.* (2013) argue that perceived organisational justice is a key mediator between talent management practices and employee responses in which employee differentiation status serves as an antecedent for different procedural and distributive justice perceptions. This means when organisations differentiate its workforce and invest money in specific jobs and people, it affects employee perceptions and they react to it emotionally, cognitively and demonstrate different behaviour when they are treated differently from co-workers. In terms of the Pakistani context, talent differentiation may take place through path dependent rules of the civil service ethos and the legacy of bureaucracy that may have impacted on employee perceptions about organisational justice and fair treatment. Nevertheless, previously the relationship between organisational justice and employee perceptions has not been tested in this context. Therefore, the empirical investigation sought to focus on employee perceptions about organisational justice and fair treatment and the extent to which this resulted in employees feeling valued and involved.

#### **3.5.4.6 Training and development**

The literature on employee engagement has primarily focused on the impact of training and development to motivate employees to perform better because it can help employees in career progression. As noted by Robinson and Hayday (2007), employees who have a personal development plan and are happy with the organisation's career development opportunities have high engagement levels. Training and development programmes of the organisation can enhance mutual commitment between organisation and employees. For example, Dickson (2010) states that engaged employees feel a strong sense of alignment between their personal interest values and those of the organisation. They feel attached emotionally and passionate about the organisation. Hence, they fully contribute to the success of the organisation and find great fulfilment in their work. These engaged employees are known for their discretionary effort that is the result of their commitment with the organisation because they see a positive future for themselves with the organisation and report feeling valued and enthusiastic (Dickson, 2010). This implies that the employees' positive perception about learning and development opportunities can enhance their commitment with the organisation and hence discretionary effort at the work setting. However, managers have an important role in the organisational culture to promote clear, shared vision and values, effective communication and employee recognition (Levinson, 2007; Sinclair *et al.*, 2008) so that employees realise that working

with a particular organisation is beneficial for them in terms of their personal development and career progression.

In their empirical investigation, Jafri (2013) and Saks (2006) found that training and development, performance appraisal and rewards and recognition were positively correlated with employee engagement. The results of the study empirically supported the relationship between HR practices (e.g. training and development, performance appraisal, and rewards and recognition) and employee engagement (Jafri, 2013). Considering the value of employee development plans and its impact on organisational performance, the empirical investigation was focused on perceptions of career and development activities and the extent to which this resulted in employees feeling valued and involved within the case study banks.

#### **3.5.4.7 Feeling valued and involved**

As discussed earlier, a number of studies have been conducted such as the NHS survey comprising of over 10,000 employees in the UK by IES (Robinson *et al.*, 2004) and the Purcell (2006) survey. Over 2,000 employees in the UK found that the key driver of employee engagement is a perception of feeling valued and involved which includes the various elements such as employee involvement in decision making in which employees feel free to voice their opinions and ideas, learning and development opportunities and the extent to which the organisation was concerned about the well-being of employees. This means that talent management practices particularly in relation to employee development and their motivation proposes the link of employee engagement that, in turn, influences employee and organisational performance. The AMO supports the idea through which talent management practices can increase employee performance by developing, skills and abilities, providing opportunities to act, and inspiring and motivating employees to perform at their best. However, employee attitude of feeling valued and involved may vary depends on the organisational approach (e.g. inclusive or exclusive) they adopt in practice. In this connection, Gelens *et al.* (2013) argue that talent differentiation will have an impact on organisational performance. For example, whether the AMO framework is going to be applied on all organisational employees or just strategic roles and key positions. However, such an approach can have an influence on employee performance and, in turn, organisational performance. Following the reciprocity principles of social exchange relationship, whereby the organisation and the employee abide by the rules of exchange, the result will be feeling valued with a mutual commitment (Cropanzano and Mitchell, 2005). Underpinning all of the above drivers of

employee engagement, the empirical analysis was focused on exploring and measuring employee attitudes, perceptions and experiences in relation to these specific variables and evaluating the effect on their feelings of well-being, commitment and their intention to stay with the organisation.

### **3.6 Concluding thoughts**

A review of academic, contextual and practitioner literature on talent management was based on two key theoretical approaches. The first one deals with path dependency and argues that the way Pakistani organisations behave is shaped by the past ways of doing things and the way talent management is managed goes all the way back to the impact of colonialism. Secondly, the current organisational needs and new emerging market trends including ‘war for talent’ also shape the way organisations and actors within it behave. The AMO model allowed to deal with the contingency-based changes that are taking place within the organisations. In their review, Thunnissen *et al.* (2013a) concluded that most of the journals on talent management were conceptual and have been approached from different angles (Thunnissen *et al.*, 2013a) that have been built on a broad range of HR and organisational behaviour (OB) theories (e.g. linking strategic HRM to the talent management strategy), international HRM (e.g. talent management in MNCs and cross cultural context) and organisational behaviour (e.g. linking talent management with succession planning and management-development). In addition, although the progress in the field is being made, there is a limited empirical research on talent management. The same outset was given time and again by Lewis and Heckman (2006), Collings and Mellahi (2009) and Dries, 2013; Nijs, *et al.* (2014). Accordingly, current research responds to these authors and focuses on empirical research in the unique context of the developing economy of Pakistan. The focus here is to explore the familiarity of concept of talent management and how Pakistani banking professionals cope with the ambiguity surrounding the philosophy and practice of talent management because talent management is relatively new in the developing context of Pakistan, so how is it operationalised and experienced and what are the consequences of talent management practice? Academic literature on talent management emphasises on three main areas/issues: the conceptualisation of talent and talent management, the intended activities and outcomes of talent management practice (Thunnissen *et al.*, 2013a). In a similar vein, Thunnissen *et al.* (2013b) concluded that, although the field of talent management as an academic discipline has progressed, the scholars did not succeed in providing an unambiguous definitions of talent management. Consequently, talent management is fairly

a young field that lacks a solid base of empirical evidence to test and validate core-conceptual ideas. Therefore, the field of talent management as an academic discipline is partly still in its infancy, with some progress towards adolescence. Given this background, it is obvious that there is no consensus made to define talent management. However, the generic emphasis of the field in HR literature have been given to workforce planning, human resource development, and high potential and high performance. See for instance (Adamsky, 2003; Ashton and Morton, 2005; Collings and Mellahi, 2009; Iles *et al.*, 2010b; Jackson and Schuler, 1990). Therefore, it can be concluded that literally talent management has borrowed some of the features of HR management and may never change its origins in the academic literature and in organisational practice, but this new set of strategic practice may offer a balanced approach of psychological contract between the individual and the organisation in employment relationship. Moreover, for an outstanding performance and to remain competitive in the business market, a new strategic approach of talent management is crucial and that may suggest an overwhelming benefit to the Pakistani banking organisations in a highly competitive business environment. In this connection, an extensive used talent management AMO model was adapted and amended for the purpose of this study. Figure 3.6 p.137 shows the amended model. The next chapter discusses how the research was operationalised and explains the implications for design and the choice for methodology.

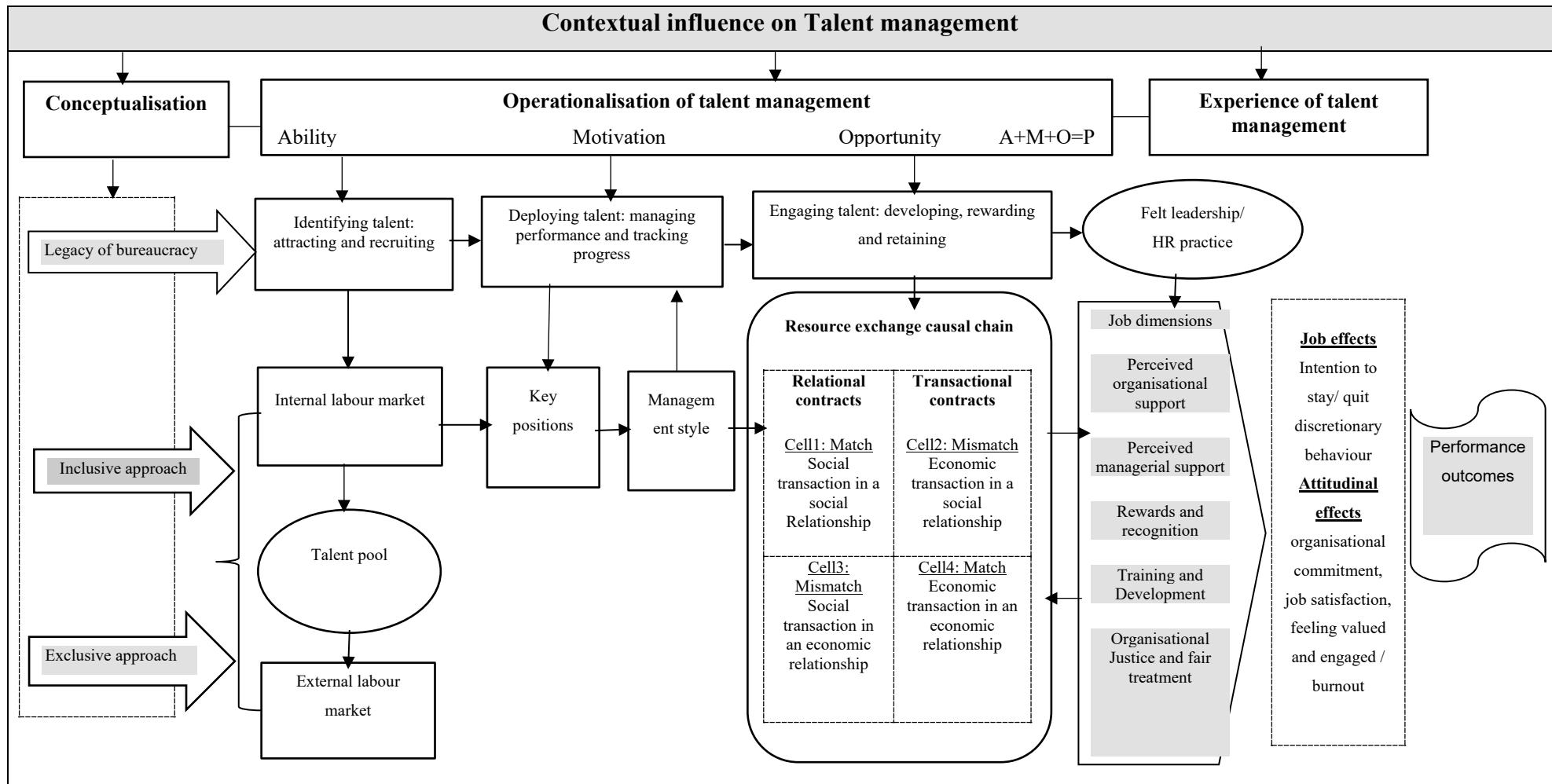


Figure 3.6 Conceptual Research framework adapted from (Collings and Mellahi, 2009; Cropanzano and Mitchell, 2005; Purcell, 2003; Purcell and Hutchinson, 2007; Purcell and Kinnie, 2007).

# **CHAPTER FOUR**

## **RESEARCH METHODOLOGY**

### **4.1 Introduction**

This chapter discusses the research methodology and the reasons behind the choice of case study strategy. This study was exploratory in nature and its key objective was to gain an understanding of how talent management was conceptualised and practised within the case study banking organisations, and how talent management practices were perceived by employees at the workplace. The structure of this chapter draws on the process of a case study research proposed by Perry (1998). Perry suggests that the case study process outlines a systematic framework for discussing and choosing a relevant approach at each stage, starting with the discussion of the research paradigms, research strategy, selecting sample cases, then moving on to research protocols and the details of the pilot study followed by discussing the techniques of the data collection and analysis and finally a discussion on ethical considerations. However, before selecting the research methodology, researchers should also explain the philosophical assumptions upon which their contributions are based (Zou *et al.*, 2014). The following section therefore starts by discussing the concepts of ontology and epistemology as the main philosophical considerations in social research (Zou *et al.*, 2014).

### **4.2 Philosophical underpinnings of the study**

At the first stage of the case study research process, Perry (1998) discusses the rationale for selecting the research paradigms for the case study research. Researchers need to understand the philosophical underpinnings of a research in order to conduct a clear and concise research and to evaluate the existing research. Such practice informs the choice of research questions, methodology, methods and intentions (Grix, 2010; Mack, 2010). Philosophy, according to Saunders *et al.* (2016, p.124), is ‘a system of beliefs and assumptions about the development of knowledge. Although this sounds rather profound, it is precisely what you are doing when embarking on research: developing knowledge in a particular field.’

In other words, the research philosophy that a researcher adopts can be a thought or assumption about the ways in which he/she views the world and develops knowledge.

These assumptions help a researcher to select research methods as part of a research strategy (Saunders *et al.*, 2012). There are two main philosophical considerations underpinning research: namely, ontology and epistemology (Bryman and Bell, 2015).

#### 4.2.1 Ontology

According to Blaikie (2003) as cited in Mack (2010, p.5), ontology is '*the science or study of claims and assumptions that are made about the nature of social reality, claims about what exists, what it looks like, what units make it up and how these units interact with each other*'. Ontology is concerned with considerations about the nature of reality in a given subject and in a business context raises questions and assumptions about the way in which organisations operate, and shapes the way that research objects such as organisational policy and procedures, management, individuals, work environment, organisational events and artefacts are viewed (Saunders *et al.*, 2016).

Bryman and Bell (2011) describe ontology in a more evocative way, as concerned with the nature of social entities. They suggest that the central question is whether social entities can and should be considered as objective with a reality external to social actors (*objectivism*), or whether they can and should be considered as social constructions built upon the perceptions and actions of social actors (*constructivism*). An **objectivist** ontological position asserts that social phenomena have an existence that is independent of social actors. For instance, organisations have standardised rules and regulations to get things done and people appointed to work according to the mission and procedures of the organisation. Viewed from this perspective, the organisation is a tangible entity with a reality external to the individuals who inhibit it and acts as a constraining force on its members (Bryman and Bell, 2011). Similarly, Saunders *et al.* (2016) argue that objectivism sees social phenomenon as independent, enduring and external to and independent of social actors. This conceptualisation emphasises the structural aspects of the organisation and is based on an assumption that management is similar in all organisations, and that if management does act differently this is a function of the objective aspects of management. By contrast, a **constructivist** ontological position views reality as a social phenomenon that is created from the perceptions and interactions of social actors (Saunders *et al.*, 2016). The social interaction is a continual process that remains in a constant state of revision. This perspective implies that it is essential to study the details of a situation in order to understand what is happening or the reality occurring behind what has happened (Saunders *et al.*, 2012). Moreover, the social actors may have

different interpretations regarding the situation in which they find themselves and these perceptions can affect their actions and the nature of their social interactions with others (Saunders *et al.*, 2012).

This study adopts a constructivist stance for two key reasons. Firstly, the subject of talent management has different interpretations in the world of work (Gallardo-Gallardo *et al.*, 2013), and may, in turn, have different meanings and implications in the context of Pakistani banks. Although the concept of talent management is gaining currency within the wider context of developing economies, it is not a culturally neutral concept and reflects a specific context (predominantly Anglo-American) which has, in turn, been shaped by a wider historical, political and social legacy. The Pakistani context has been shaped by a very different legacy. Pakistani organisations continue to demonstrate a tradition of bureaucracy, formality and militarism reflective of a colonial past, and an enduring management style predominantly focused on formal authority, position in the bureaucratic hierarchy and reciprocity. Perceptions and experiences of talent management within Pakistani banks may be very different for management and employees. Viewed in this way, talent management is a socially developed and progressive organisational concept created through the observations and consequent actions of social actors, reflective of a constructivist ontology. Secondly, the concept of talent management has been linked to the development of employee performance to meet strategic business needs and the extent literature has identified the underlying philosophies of talent management in creating organisationally specific competitive advantage (Collings and Mellahi, 2009; Gallardo-Gallardo *et al.*, 2013; Meyers *et al.*, 2013, 2014). Following this line of reasoning, the concept of talent management cannot be considered as an independent reality that is universal and enduring in its characteristics. Talent management is a managerial practice which reflects the HR philosophies and techniques of the organisation and is concerned with human behaviour and interaction. Viewing talent management from a constructivist perspective allows for a systematic and constructive approach focused on management philosophies, contextual influences, strategies for employee development and engagement, as well as employee experiences, attitudes and perceptions.

#### **4.2.2 Epistemology**

Epistemology is concerned with what constitutes acceptable knowledge in the field of study (Saunders *et al.*, 2012). While the nature of reality and being is categorised as

ontology, the question of how one acquires knowledge about that reality is referred to as epistemology. Collectively, ontological and epistemological assumptions make up a research paradigm (Mack, 2010). A research paradigm is a philosophical framework that guides how a research should be conducted (Collis and Hussey, 2013) and there are two main paradigms in the research domain known as *positivism* and *interpretivism*. The positivist paradigm, also called the scientific paradigm, follows the belief that reality is independent, and that the main objective of research is the discovery of theories based on empirical evidence. Within a positivist paradigm, theories provide a foundation for explanation, permit the anticipation of social phenomenon, predict their occurrence and so allow them to be controlled. Social and natural worlds are considered as bound by fixed laws of cause and effect (Collis and Hussey, 2013) and theoretical explanations focus on establishing causal relationships between the variables. Within a positivist paradigm, the researcher collects data about an observable reality and adopts a highly structured methodology to search for quantifiable regularities and causal relationships in data to create law-like ‘scientific’ generalisations (Gill and Johnson, 2010; Saunders *et al.*, 2012) and facilitate further replication. The positivist paradigm depends on pre-existing relationships within the phenomenon that are typically investigated using structured research instruments (Orlikowski and Baroudi, 1991). Positivist studies attempt to test theories to enhance the predictive understanding of the social phenomenon.

By contrast, the interpretivist paradigm focuses on the way that human beings interpret their everyday social roles in accordance with the meaning they give to those roles and how they interpret the social roles of others in accordance with individualised meanings (Saunders *et al.*, 2012). The interpretive studies assume that people create and associate their own subjective and inter-subjective meanings as they interact with the world around them and interpretivist researchers attempt to understand social phenomenon by assessing the meanings that participants attach to them (Orlikowski and Baroudi, 1991).

The philosophical assumptions of the two main paradigms are summarised in the following table 4.1.

Philosophical assumption	Positivist	Interpretivist	Source
Ontological assumption about the nature of reality	Social reality is objective and external to the researcher	Social reality is subjective and socially constructed.	(Collis and Hussey, 2013; Creswell, 1994)
	There is only one reality	There are multiple realities	
Epistemological assumption about what constitutes valid knowledge	Knowledge comes from objective evidence about observable and measurable phenomenon	Knowledge comes from subjective evidence from participants	(Collis and Hussey, 2013; Creswell, 1994)
	The researcher is distant from the phenomenon under study	The researcher interacts with the phenomenon under study	
Methodological assumptions about the research process	Deductive approach to study	Inductive approach to study	(Collis and Hussey, 2013; Creswell, 1994)
	Researcher studies cause and effect and uses a static design where categories are identified in advance	Researcher studies topic within its context and uses an emerging design where categories are identified during the process	
	Generalisation leads to prediction, explanation and understanding	Patterns and/or theories are developed for understanding	
	Results are accurate and reliable through validity and reliability	Findings are accurate and reliable through verification	

Table 4. 1 Underpinning philosophical assumptions of research paradigms. Source: compiled by the author.

A positivist methodology follows a deductive approach and quantifies and gathers data numerically to understand social facts and cause and effects relationships, and uses theoretical language, selects measurable variables and develops hypothesis. According to

Mack (2010), in a positivist paradigm the purpose of research is to prove or disprove an hypothesis by using a scientific method, statistical analysis and generalise able findings. By contrast, the constructivist paradigm is based on an inductive approach and the collection of deep, qualitative data relating to the attitudes, feelings and experiences of people. Qualitative data allows for a deeper level of understanding of the perceptions, values, beliefs and interpretations of human behaviour (Cavan *et al.*, 2001) and places emphasis on the ability of an individual to construct or interpret meaning (Mack, 2010). Both positivist and constructivist paradigms have potential advantages and disadvantages. A positivist approach can be a faster, more cost-effective method of collecting data and can cover a wide range of populations, although the research design is highly structured and limits alternative explanations (Saunders *et al.*, 2012). Constructivist methods offer an opportunity to interpret perceptions, meanings and behaviours based on their work experiences and a less structured approach may reveal an alternative explanation to better understand the nature of the problem. Moreover, an inductive approach is likely to be concerned with a specific context in which such events are taking place and the study of a small sample of subjects might be more appropriate (Saunders *et al.*, 2012). In this study, both constructivist and positivist approaches are used to address two different research questions. A mixed method approach is commonly used in management research and appropriate in an exploratory study. The combination of methods used and the rationale for a mixed methodology is discussed in section 4.3.1.

#### **4.2.3 Research assumptions for this study**

This research seeks to explore how talent is conceptualised within the unique context of the Pakistani banking sector and the feature and characteristics of talent management practices within the case study banks. It further seeks to explore and analyse the experiences, attitudes and perceptions of employees to talent management practices and to assess implications for employee engagement. Social constructivism resonates with the overall aim of this study as it is an approach which allows understanding of ‘how people in the setting have constructed their reality? What are their perceptions, beliefs and views? What are the consequences of their constructions for their behaviour and for those with whom they interact? (Patton, 2002, p.96).

The following section reviews the research aim and objectives, the research questions and propositions and subsequent sections explain how the aim and objectives guided the research strategy and design.

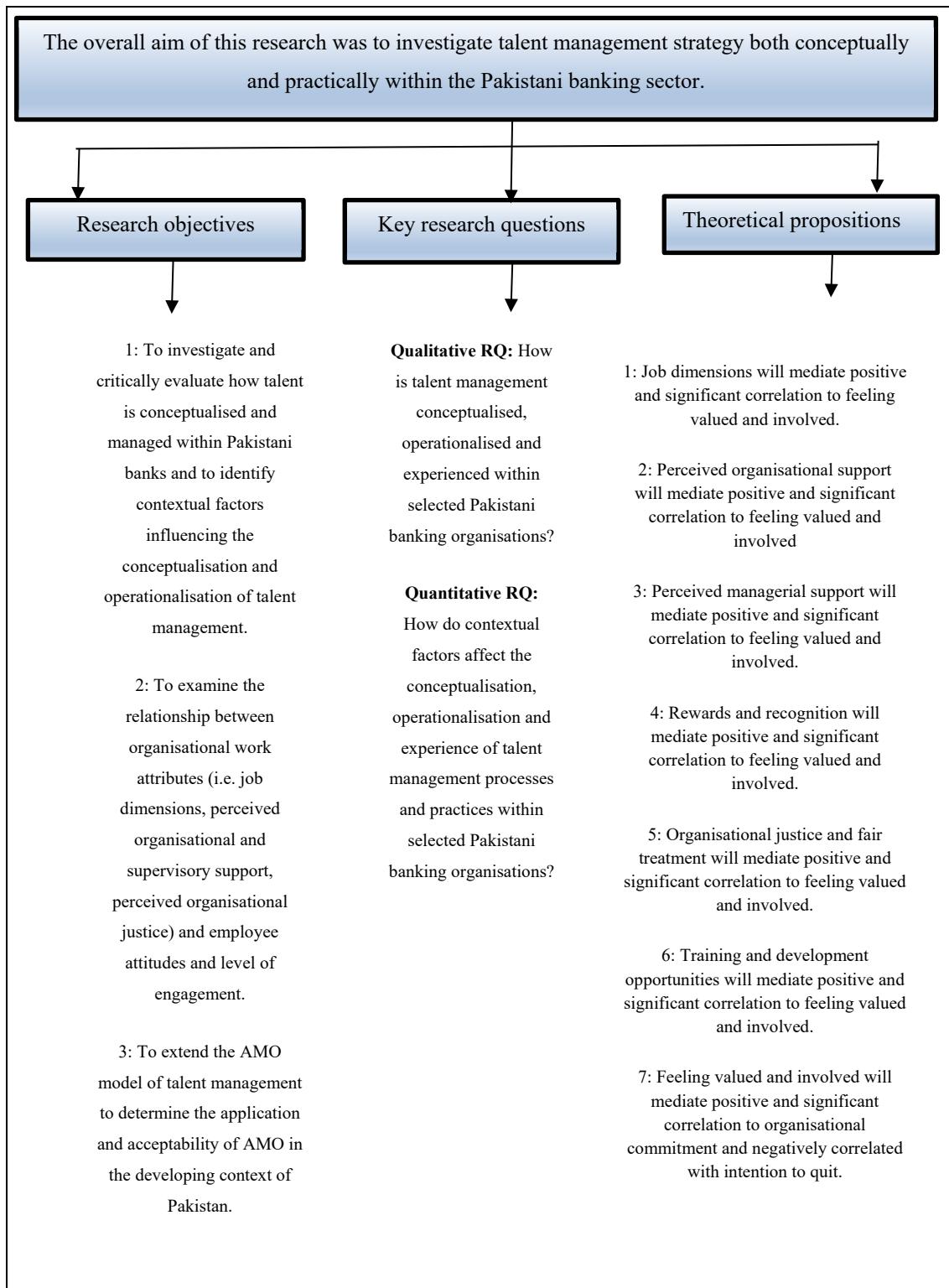


Figure 4. 1 Recalling research aim and objectives (see section 3.5.4 theoretical propositions page.no.127)

The constructivist and interpretive paradigms allowed to start with theories. This study used a mixed method approach incorporating inductive and deductive methods. An inductive approach allowed the investigation of a specific research context and identification of contextual factors influencing the conceptualisation and operationalisation of talent management. A deductive approach allowed the examination

of the interrelationship between specific job and organisational constructs associated with discretionary behaviour (see amended model, Figure 5.1 p.186). This study used Purcell's (2003) Ability Motivation Opportunity (AMO) model as a conceptual and analytical tool in examining the relationship between HR practice and organisational outcomes as mediated by employee perceptions of component elements of their jobs in building commitment and engagement. The AMO model suggests that organisational outcomes as predicated upon employees having: i) the ability to perform task, ii) adequate motivation (both intrinsic and extrinsic) to utilise skills, talents and abilities, iii) the opportunity to apply skills and talents. So, the deductive approach was used to measure the impact of specific job component characteristics in relation to the AMO conceptual framework on employee perceptions of feeling valued and engaged within the case study organisations.

### **4.3 Research strategy**

A research strategy represents a plan to answer the research questions (Saunders *et al.*, 2012). There are many types of research strategies including experimental, survey, archival research, case study, ethnography, action research, grounded theory and narrative inquiry, but what is important is the selection of a strategy appropriate to the research goal. This research adapted a case study and used a mixed methodology to explore the nature, scope and implications of talent management strategy and practice within Pakistani banks. The research was focused on the exploration of a specific process within a unique context and a case strategy was relevant to gain a rich understanding of the context and the process being enacted (Eisenhardt and Graebner, 2007; Saunders *et al.*, 2012). A case study strategy enabled the researcher to answer how, what, and why questions and is used frequently in exploratory research. It may either use quantitative and qualitative data or a mixed method (e.g. interviews, observation, documentary analysis and questionnaire) to collect and analyse data (Saunders *et al.*, 2012; Yin, 2009). As stated earlier, this empirical study focused on explaining how talent management was conceptualised and practised, and explored the factors affecting its implementation and effectiveness in selected Pakistani banking organisations. A case study strategy allowed for a consideration of contextual factors while a mixed method approach enabled the collection of data from key informants as well as a large employee group. Semi-structured interviews were conducted with senior managers to examine the nature and scope of talent management practice and the rationale behind these. Interviews were followed by questionnaire survey which allowed the collection of employee perceptions, attitudes and experiences of talent management arrangements. Baxter and Jack (2008)

suggest that in a case study research, it is important to understand the nature of the research question and to determine the case and the unit of analysis, e.g. whether the research question is qualitative, quantitative or mixed method, and if the case is an individual, organisation, programme or process on which an analysis will take place. Case study critics, including Rowley (2002), argue that the case study as a research method has been viewed as deficient in rigour and objectivity compared with other research methods. In this connection, Yin (2014) suggests important considerations when using the case study method. First, to clarify the nature of research questions (i.e. who, what, where, how and why) that, in turn, point to relevant research methods to be used in the study. Rowley (2002) argues that a case study research is appropriate when to answer how or why questions. Secondly, define the study propositions because propositions direct attention to something that needs to be examined within the scope of study. Thirdly, to define the case to be studied as a unit of analysis. For instance, what is the case (e.g. whether the case is an individual person, clinical patients, students or a certain type of leaders in each situation) that need to be decided as a primary unit of analysis, and information about a concerned individual can be collected and analysed in a single or multiple case study. Fourthly, the logic of linking the data to propositions, the actual analysis requires here a direct reflection of the initial propositions. The last component of a research design is the criteria for interpreting findings where different approaches are possible. For instance, the statistical estimates may serve as the criteria for interpreting the findings or if the cases rely on qualitative sources it might be that the data is triangulated and related to the literature. These components of research design are explained in more detail in the following sections.

#### **4.3.1 The nature of the research questions**

As stated above, it is important to understand the nature of the research question to select the most appropriate research strategy. There are different types of questions (e.g. how, why, who, what, where, how many, how much) and can be answered through different strategies. Rowley (2002 pp.17-18) argues that '*...typically, a case study research uses a variety of evidence from different sources, such as documents, artefacts, interviews and observations, and this goes beyond the range of sources of evidence that might be available in historical study...Moreover, case study research can be based on any mix of quantitative and qualitative approaches.*' This statement emphasises that one of the significant strengths of a case study is the ability to undertake an investigation that best answers the research questions. Hence, this study used the mixed method (e.g. qualitative

and quantitative) approach to collect evidence to answer the research questions. According to Creswell (2014), the role of the research question and propositions is to narrow down the purpose of the statements to research the questions or statements which are addressed in the research project. There are three types of research questions (Creswell, 2014) including qualitative questions, quantitative hypothesis or questions and mixed methods research questions.

In the mixed method, research qualitative questions involve a central question followed by sub-questions. The central question focuses on the key phenomenon or idea that a researcher wishes to explore and can be expressed with the words what, how and why (Creswell, 2014). A quantitative hypothesis or questions are predictions of outcomes based on the literature or on a theory; although, hypotheses are a formal way of writing questions. There are some fundamental rules in writing a hypothesis (Creswell, 2014) including the identification of major independent variables that influence dependent variables or outcomes in the study, the nature of the relationship between independent and dependent variables and the causality relationship. Following this line of reasoning, the research questions of this study fall into both categories (e.g. qualitative and quantitative) because the overall ‘aim of this research was to investigate talent management strategy both conceptually and practically within the Pakistani banking sector’; the aim originated from the following research questions which were answered separately in each aspect of the mixed method approach:

#### Key Questions:

*RQ I) How is talent management conceptualised, operationalised and experienced within the selected Pakistani banking organisations?*

*RQ II) How do contextual factors affect the conceptualisation, operationalisation and experience of the talent management processes and practices within the selected Pakistani banking organisations?*

The first main question was designed to explore the way Pakistani commercial banks conceptualised and manage talent and to identify the impact of contextual factors on the HR policy framework of the case study organisations. The qualitative research design used semi-structured interviews with senior management staff responsible for policy formulation and strategy development within the case study organisations. Interviews with key decision makers were focused on identifying the organisation’s philosophy in

relation to talent identification and development as well as providing the opportunity to discuss wider issues relating to business strategy and performance, and the challenges facing the organisation. Semi-structured interviews were also conducted with HR managers to determine their talent management strategy implementation and to provide more detailed and comprehensive information about the practical aspects of talent management such as the availability of talent within the local labour market, retention rates and policies for developing and retaining staff.

Exploration of the experience of talent management by employees within the case study organisations was done through quantitative methods. As stated earlier, one of the key aspects of the theoretical underpinning of this study was a consideration of talent as a commitment. A quantitative survey approach was used to examine the relationship between specific job- and organisational-related constructs (e.g. job dimensions, perceived organisational and supervisory support, perceived organisational justice) and employee commitment and level of engagement. This study incorporated an analysis of employee attitudes as a component element of talent management to inform the process of building human capital advantage in the case study organisations.

#### **4.3.2 Screening the sample cases**

The second and third steps of the case study research are concerned with the development of research techniques, procedures and protocols. According to Yin (2014), research protocol is a key factor in increasing the validity and reliability of the case study research, and helps the researcher in carrying out the data collection process. This means identifying what questions need to be asked, the underlying propositions, data collection methods and access to the data. In this study, the questions and propositions were formulated after an extensive literature review on the subject and the development of a conceptual framework as an analytical tool. Rowley (2002) argues that case selection must be determined according to the research purpose, questions, propositions and theoretical context. However, there are some constraints that may impact on the case selection; constraints such as accessibility, time and resources available to support travel, and other data collection and analysis costs. As the data was to be collected from Pakistani banks, which are purely commercial financial organisations, they are conscious in sharing information due to a number of security reasons. Thus, an introductory covering letter was obtained from the NBS graduate school and was sent to selective organisations and major interviewees who were welcoming and accessible before proceeding to Pakistan

for data collection. The resources such as air ticket, personal computer, writing instruments, paper and clips for field work were arranged through a sponsor - Shah Abdul Latif University (SALU) - an employer organisation.

Although there is no fixed rule to the number of cases to be included in a case study (Perry, 1998), the main criteria for investigating the sample cases was based on top international talent focused in Pakistani banking organisations. In particular sample cases were decided to discover the extent these organisations have in the understanding of talent management philosophy in order to achieve their strategic objectives. Furthermore, the criteria for case selection was based on the following three conditions:

- 1) Focused top ten potential commercial banking organisations for an invitation to conduct a research.
- 2) Considered senior HR professionals and training and development heads for an interview to participate in the study.
- 3) The five main categories relating to employees' jobs (e.g. Officer grade - I, II, III, MTO, and non-management staff were contacted to participate in a questionnaire survey.

The study protocol was decided with reference to Larson (1992) who discussed the general pattern to set the study protocol. The first step in the research protocol in this study was to identify a set of high growth banking organisations that have experienced a privatisation period (previously nationalised commercial banks) and aimed to enhance the efficiency and performance between 1990 and 2009, particularly the organisations that had in 2009 a minimum revenue of Pak. Rs. 312,874,212 and were in the list of the top ten commercial banks in Pakistan for an annual growth that continued for five years (see table 2.2 p.57). This criterion was focused to ensure that the sample organisations are leading and well-established having a similar growth and contextual patterns. Here, the main focus was to identify a list of potential Pakistani banking organisations to contact across the Sindh region. However, all ten of most potential banking organisations were included in the final sample. In the list of selected organisations, there were some organisations with which the researcher had some form of social and professional connections during the researcher's Master's and MPhil programmes at the University of Sindh Jamshoro as well as many friends and students working in the banking sector with whom the researcher was in touch. However, it was also expected that some organisations may decline access so initially all ten organisations were focused; it was very difficult for

the researcher to anticipate those who declined. The researcher's aim therefore was to manage as high a response as it was possible within the available time and resources (Patton, 2002). Once the organisations were identified, only six banking organisations met the selection criteria. However, two out of the six selected organisations declined to participate in interviews and one other was eliminated from the sample due to changed nature of products and ownership structure.

The senior HR managers in each of the three remaining banking organisations were selected for an in-depth study based on: i) HR-related managerial and professional experience particularly in the domain of talent management practice, ii) Must be at senior level position, e.g. director/head/president or general manager, iii) Preferably worked in both scenarios of pre- and post-privatisation organisational environment. Given the background of key participants from the organisational structure of the Pakistani banking organisations, all participants were well-experienced in both HR and talent management-related roles including 'Executive Vice President (H.R.M and Admin. Group), In-charge of talent management and overseas HR desk, Senior manager of human resources, Assistant HR manager of operations, Director training and development division (see interviewed participants in table 4.3 p.163. showing the final list of interviewee participants). The objective of a screening procedure was to identify cases properly prior to going to Pakistan for data collection. According to Yin (2014), the worst scenario occurs in the data collection phase when the case turns out not to be viable or represents something different than what was intended to study. Hence, a mindful effort was made to select case study organisations and participants of the study.

#### **4.3.3 The unit of analysis and the logic of linking data**

The unit of analysis (case) can be an individual person such as a business leader or someone who has an experience of interest, a process or a programme, a group, an organisation that is being studied (Rowley, 2002; Yin, 2014); selecting the case as a unit of analysis is crucial. Perry (1998) suggests that a case study research uses replication logic from prior theories, and theoretical replication is key to the selection and analysis of the case study data. In this study, three case study organisations were selected for literal and theoretical replication. In addition, an analysis took place by using the AMO model as an analytical tool through a mixed method approach (e.g. qualitative and quantitative). The logic of linking data was used because, as discussed above, the mix method includes the collection and use of both quantitative and qualitative data in a single study. It

suggests mixing or integrating the qualitative and quantitative forms of data, and using distinct designs that may involve philosophical assumptions and a theoretical framework (Creswell, 2014). The central assumption of this form of inquiry is that the combination of both qualitative and quantitative approaches provides a comprehensive understanding of the problem under investigation.

#### **4.3.4 Criteria for interpreting the findings**

Finally, it is also necessary to decide what data would support or demolish the study's propositions and to reflect on the criteria for interpreting the findings (Rowley, 2002). This mixed method study used a theoretical and conceptual framework (see figure 3.6 p.137) as the main criterion for interpreting the findings. The mixed method approach integrates both qualitative and quantitative data, and then draws interpretations based on the joint strengths of both data sets within a single case study research design (Creswell, 2014; Zou et al., 2014). Section 4.4 discusses research design in detail. In addition, it is important to consider the issues of validity and reliability within the case study research. According to Rowley (2002), generalisation of the case study, its validity and reliability are the founding concepts to regard a piece of research as useful and knowledgeable. The quality of the case study research can be evaluated and established through four tests (Rowley, 2002; Yin, 2014):

- 1) Construct validity-** Establishing proper operational measures for the concepts being studied. In a study, it can be achieved by creating multiple sources of evidence, giving a draft case study report to key informants for review.
- 2) Internal validity-** Creating a causal relationship whereby certain conditions are shown to lead to other conditions (e.g. pattern matching, identifying causal relationships and addressing rival explanations. Often used for explanatory or causal studies, and not for descriptive or exploratory studies).
- 3) External validity-** Establishing the domain to which a study's findings can be generalised (e.g. generalisation can be based on the theory in a single study and replication logic in multiple case studies).
- 4) Reliability-** demonstrates that the operations of the study such as data collection produced can be repeated with the same results (e.g. results are not changed if the data collection process is repeated). Reliability of the study can be achieved through the research protocol and the case study database.

Underpinning the information discussed above and considering the nature of research questions, this case study gathered qualitative data using questions in interviews. and quantitative data by using a questionnaire survey about employee perceptions and opinions in relation to the talent management process implemented in practice within the case study organisations. The next section discusses the research tools and questionnaire design.

#### **4.3.5 Designing the interview questions**

The interview questions were designed in two types (e.g. open-ended (main) and follow-up questions) adapted from the thesis by Kabwe (2011) and rephrased for examining how participants conceptualise and manage talent, and how they support talent management strategy, or challenges they encounter while implementing the talent management programme. The reason for asking these questions was that the conceptualisation of talent was the main concern in the extant literature that impacts on the operationalisation of talent management practice (Collings et al., 2011; Gallardo-Gallardo *et al.*, 2013; Meyers *et al.*, 2014; Thunnissen *et al.*, 2013a). However, talent conceptualisation in Kabwe (2011) was not seen in great depth. Whereas, the researcher in this study viewed talent in its real spirit of resource-based conceptualisation, e.g. talent as a commitment and a source of higher organisational outcomes (Barney, 1991; Gallardo-Gallardo *et al.*, 2013). Hence, the researcher rephrased and probed questions in relation to the underlying philosophies of talent conceptualisation and to collect more specific information about the research questions as shown in the following table 4.2. The validity and reliability of interview questions were checked using pilot study.

**Table 4. 2 Semi Structured Interview Questions**

Semi-Structured Interview Questions
<p><b><i>Personal Information</i></b></p> <p><b>What job position do you hold within this bank?</b></p> <p><b>Leads to</b></p> <ul style="list-style-type: none"><li>▪ What are the main job responsibilities of your job?</li><li>▪ How long have you been working on this position?</li><li>▪ How long have you been working with this organisation?</li></ul>
<p><b><i>Talent conceptualisation</i></b></p> <p><b>How do you define talent and (TM) in your organisation? Who isn't talented? Can you give me an example?</b></p> <p><b>Leads to</b></p> <ul style="list-style-type: none"><li>▪ Is talent natural ability (i.e. inborn unique abilities that lead to superior performance)?</li><li>▪ Is talent mastery (i.e. systematically developed skills and knowledge that lead to superior performance)?</li><li>▪ Is talent commitment (i.e. to one's job and employing organisation)?</li><li>▪ Is talent fit (i.e. being in the right organisation, right position, at the right time)?</li><li>▪ Is talent all employees or few within your organisation?</li></ul>
<p><b><i>Talent management strategy</i></b></p> <p><b>How do you identify talent?</b></p> <p><b>Leads to</b></p> <ul style="list-style-type: none"><li>▪ Attracting and recruiting talent? (i.e. finding talent from inside or outside of the labour market).</li><li>▪ What specific qualities you are focusing in talent within your organisation?</li></ul>
<p><b><i>Deploying and motivating talent</i></b></p> <p><b>Do you differentiate talent within your organisation, if so why do you do this? (i.e. high potential, high performers).</b></p> <p><b>Leads to</b></p> <ul style="list-style-type: none"><li>▪ What do you do with talent/ talented employees to maximise the impact of talent on your organisation? (i.e. deploying right talent on the right position/ key positions).</li><li>▪ How do you encourage employees for career aspirations so as to utilise talent effectively?</li><li>▪ Talented employees may raise some expectations for career aspirations, how does your organisation reduce the gap of expectations? (i.e. gap between organisational and individual objectives).</li></ul>
<p><b><i>Engaging talent</i></b></p> <p><b>Can you tell me about the process for engaging talent? (i.e. developing, rewarding and retaining talent).</b></p> <p><b>Leads to</b></p> <ul style="list-style-type: none"><li>• Providing opportunities, resources removing road blocks and coaching.</li><li>• Do you have employee turnover within your organisation?</li></ul>
<p><b>What process / policies do you have in place to support your TM strategy?</b></p> <p><b>Leads to</b></p> <ul style="list-style-type: none"><li>▪ Who is responsible for talent management activities within your organisation? (i.e. managing performance and tracking progress, goal setting, performance feedback and building relationships with employees).</li><li>▪ What challenges and obstacles do you face in relation to talent management practice?</li><li>▪ In what ways do you think talent management has impact on your organisational productivity and performance?</li><li>▪ In what ways do you think TM practice encourage employee commitment and engagement?</li><li>▪ How do you think talent management problems within your organisation can be solved?</li></ul>

#### **4.3.5.1 Pilot study for interview questions**

Pilot testing of research instruments is very useful and common in management sciences. This mixed method study utilised a formal procedure of pilot testing of research instruments and refined the qualitative and quantitative questionnaires. For instance, in the case of qualitative aspect of the study, the initial findings of two semi-structured interviews were used for the purpose of the pilot study and the interview question instrument was refined; three questions were re-worded in the talent management process and contextual barrier categories. After conducting the first interview with an HR manager, the researcher realised that the interviewee was not aware about the links between the underlying philosophies of talent management (e.g. talent as an ability, fit, and commitment) and its influence on performance. The initial analysis of the other two interviews revealed that the interviewees were more inclined to express their views on just training programmes for performance instead of giving comprehensive information on talent management approaches including employee engagement and commitment. Hence, after the pilot data analysis, three follow-up questions were added to explore conceptualisation and operationalisation issues in a more detailed way. For instance: what specific abilities/qualities are you focusing in talent within your organisation? In what ways do you think talent management practice encourages employee commitment and engagement? You told me about stopping the recruitment scheme of management trainee officers (MTOs), can you explain the reasons and how talent management problems within your organisation can be solved?

The pilot interviews were conducted with senior HR managers at two Pakistani banking organisations: the interview focused on a central question: ‘How do you define talent and talent management in your organisation?’ Although the responses varied from both interviews, each respondent pointed out contextual factors such as highly centralised decision-making system, path dependent procedures in hiring policies and filling of key positions, and exclusive nature of an incentive system. Consistently, the respondents reported certain critical external competitive factors affecting talent availability in the job market. Although it was not so surprising to know about these factors, the consistency of these findings in both cases and the emphasis given to degrees and a foreign (English)

language was absolutely unexpected. As talent management is relatively new in the Pakistani context and very little had been written about contextual factors affecting this practice, the researcher decided to explore these contextual ties in more detail through this exploratory research. Thus, a further focused research question was considered: ‘How do contextual factors affect the conceptualisation, operationalisation and experience of talent management processes and practices within the selected Pakistani banking organisations?’ The next section discusses the questionnaire survey instrument for the quantitative aspect of the study.

#### **4.3.6 Questionnaire design for survey**

The questionnaire for this study were taken from questionnaires by Robinson *et al.* (2004) and Saks (2006) in order to access employee attitudes and perceptions towards organisational and job-related dimensions within the case study organisations. Sixty questionnaire items were adapted from previously conducted reliable and validated studies. The questionnaire instrument consisted of various sections:

- Section one focused on biographical data such as academic qualifications, job rank, age category and length of service or experience. The rationale for collecting biographic information was to correlate employee attitudes and perceptions to such categories
- Section two consisted of fourteen items and gathered information about employee perceptions of feeling valued and involved. The data gathered using this scale provided the information about participant trust in the organisation and the extent they are inspired to help the organisation to achieve organisational objectives
- Section three included eleven items about rewards and recognition, and training and development opportunities and gathered information about employee perceptions and satisfaction levels in relation to the rewards and benefits they received. The reason for asking these questions was to evaluate employee perceptions in relation to rewards, benefits and training and development opportunities that are necessary elements of employee engagement and contributors of discretionary behaviour (Hutchinson, 2013; Robinson *et al.*, 2004; Saks, 2006)
- Section four collected information about job dimensions, organisational commitment, and employee perceptions about management. The data gathered using these scales provided information about the extent to which employees perceived that their job provided them with the opportunity to use a variety of

skills and talents and to what extent they were happy to work for the organisation. The reason for focusing on job dimensions was to explore the extent to which these dimensions predicted job commitment and engagement behaviour within the case study organisations. Section 4.5.4 discusses the detailed procedure of collecting the quantitative data.

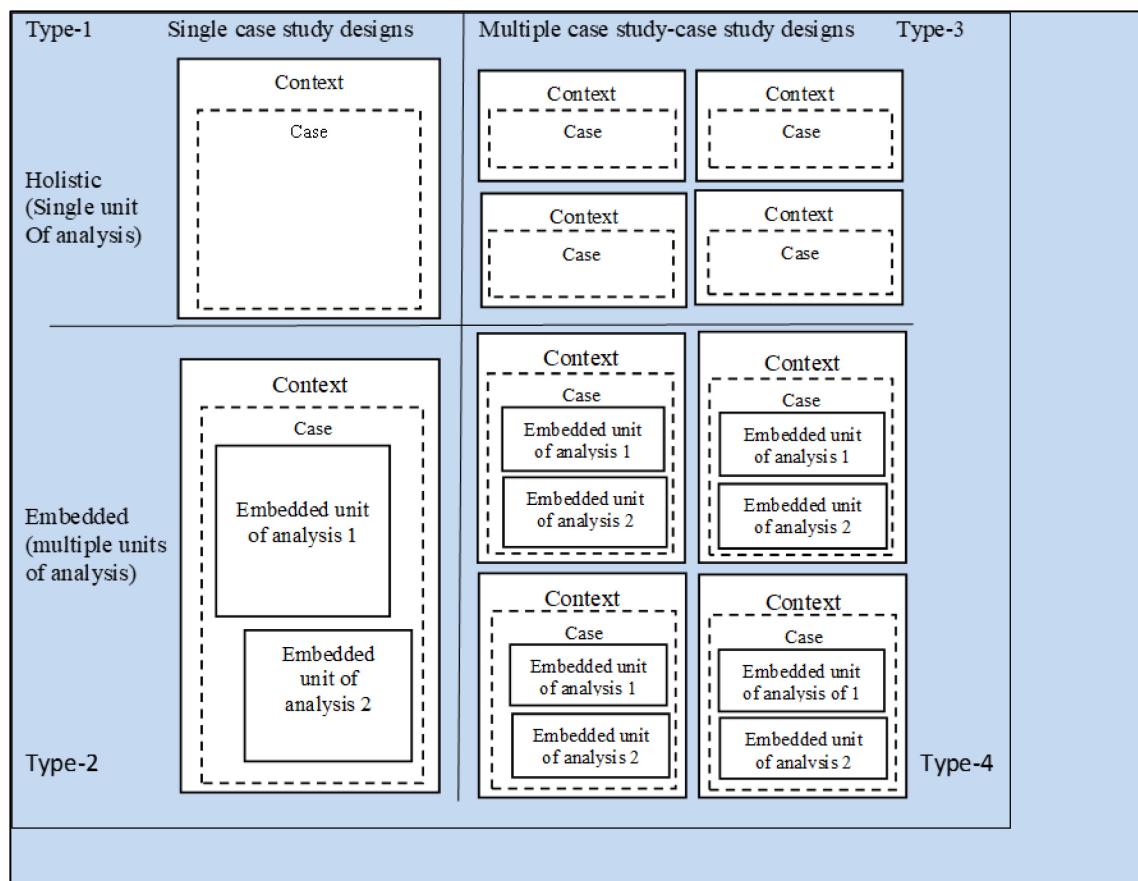
#### **4.3.6.1 Pilot study for survey instrument**

The quantitative data was derived from 25 completed surveys which were utilised to measure the reliability, validity and internal consistency of the scales. The findings of the pilot study increased the reliability of the questionnaire instrument. The detailed pilot testing for the quantitative aspect is given in the Appendix-I.

Once the research questions and the boundaries of the case study were determined, the next important step was to consider the type of study design (Baxter and Jack, 2008). Thus, the next section discusses the logic of choosing the research design for this study.

### **4.4 Case study research design**

Identifying and establishing a well-defined research design can be a significant task for any research. According to Yin (2014 p.28), ‘...research design is the logical sequence that connects the empirical data to a study’s initial research questions and ultimately, to its conclusions’. In other words, a research design is a careful plan that guides the researcher in the process of collecting, analysing and interpreting data; any flaws in the research design can jeopardise the research conclusions. There are four basic types of case study research designs: type-1 single case holistic designs, type-2 single case embedded, type-3 multiple holistic designs, and type-4 multiple case embedded designs. Collectively, these designs can be divided into three distinct groups: single or multiple case design, closed or adoptive design, and mixed methods design (Yin, 2014). Figure 4.2 p.157 demonstrates the four types of case study designs.



**Figure 4. 2** Source: COSMO Corporation (1983) as adapted in Yin, 2014, p.50

The figure above shows four different types of case study designs and each design highlights the context in which case can be studied; all four types reflect different design situations within the four variants. Rowley (2002) suggests that differentiation between single and multiple case study designs needs to be clear before choosing any design. A single case study is equivalent to a single experiment, and appropriate when the case is special in relation to an established theory (Rowley, 2002). For instance, the case provides a critical test or experiment to an already established theory, or when the case is extremely unique and has something special to reveal such as hypothesis/propositions. By contrast, multiple case study designs can be preferred on the basis of replicating logic using multiple experiments (Rowley, 2002; Yin, 2014). The replication logic is analogous to that used in multiple experiments (e.g. replicating findings by conducting a second, third and even more experiments). The logic of replication in single or multiple case studies is the same. However, each case must be selected carefully so that it may either predict similar results called ‘literal-replication’ or predict contrasting results but for anticipated reasons called ‘theoretical replication’ (Yin, 2014). In addition, the case

studies have been classified into holistic and imbedded categories. Holistic case studies examine the case as one unit of analysis, these studies may focus on broad contextual issues including organisational culture and strategy. Rowley (2002) calls it a helicopter or superficial view of the case that may miss changes in the unit of analysis and could impact on the appropriateness of the original case study design. By contrast, embedded designs identify a number of sub-units of analysis. These studies may focus on specific roles, behaviours or locations and each role may be explored exclusively and results of these units may be integrated to yield an overall picture of the case. According to Rowley (2002), the major risk in embedded designs is to achieve a holistic view from the analysis of sub-units. Although all four designs can be fairly applied to complete successful case studies, this study used the holistic approach of multiple case study design. The replication logic was used to select three talent-focused Pakistani banking organisations for literal and theoretical replication because replication logic is eminently feasible for case study research (Yin, 2014).

As discussed before, case study research can be based on any mixed method of quantitative and qualitative approaches (Rowley, 2002) that typically uses multiple data sources including interviews and survey. This study collected both the qualitative and quantitative data to address the two different research questions that influenced the research design of this study because the combination of both forms of data (e.g. qualitative and quantitative) tends to choose a mixed method research design (Creswell, 2014). There are many options in the mixed method approach for choosing a design for any study such as: the convergent, explanatory, exploratory, intervention, and multistage evaluation designs but all mixed method studies fall into three basic types: i) Exploratory mix-method; ii) Explanatory mix-method; and iii) Convergent mix-method; many researchers utilise one of these three designs (Creswell, 2014).

The *exploratory sequential design* begins with a qualitative data collection and an analysis phase, which builds to the subsequent quantitative phase. The *explanatory sequential design* begins with a quantitative data collection and an analysis phase, which informs the follow-up qualitative phase. The *convergent design* involves a quantitative and qualitative data collection and an analysis at similar times, followed by an integrated analysis. Adding features to the basic designs result in advanced designs: advanced methods: intervention, case study, multistage evaluation and participatory approaches (Guetterman *et al.* 2015, p.2). However, before selecting a design, the researcher needs to be aware about preliminary considerations: first, it is always helpful to start with a

simple design and understand the reasons; this means what a researcher is going to accomplish by using mix methods. Secondly, to recognise that the design may change after initial conceptualisations. For example, shifting priorities of participants in a study may require changing the design. Thirdly, draw a picture or diagram of the research design (Creswell, 2014). In the case of this study, the main reason for choosing the mixed method approach was to accomplish the research objectives (see chapter one, p.21) by integrating qualitative and quantitative results through a convergent design as shown in figure 4.3 p.160.

In general, the mixed method research design guides the integration of qualitative and quantitative approaches (Creswell, 2013, 2014; Guetterman *et al.*, 2015) which can be done through methods in four ways. For example, explaining the quantitative results with a qualitative approach, building from the qualitative results to a quantitative component (e.g. survey instrument), merging quantitative and qualitative results, or embedding one approach within another (Guetterman *et al.*, 2015). The following figure 4.3 summarises the process of the research design for this study.

## Mix Method Research Design

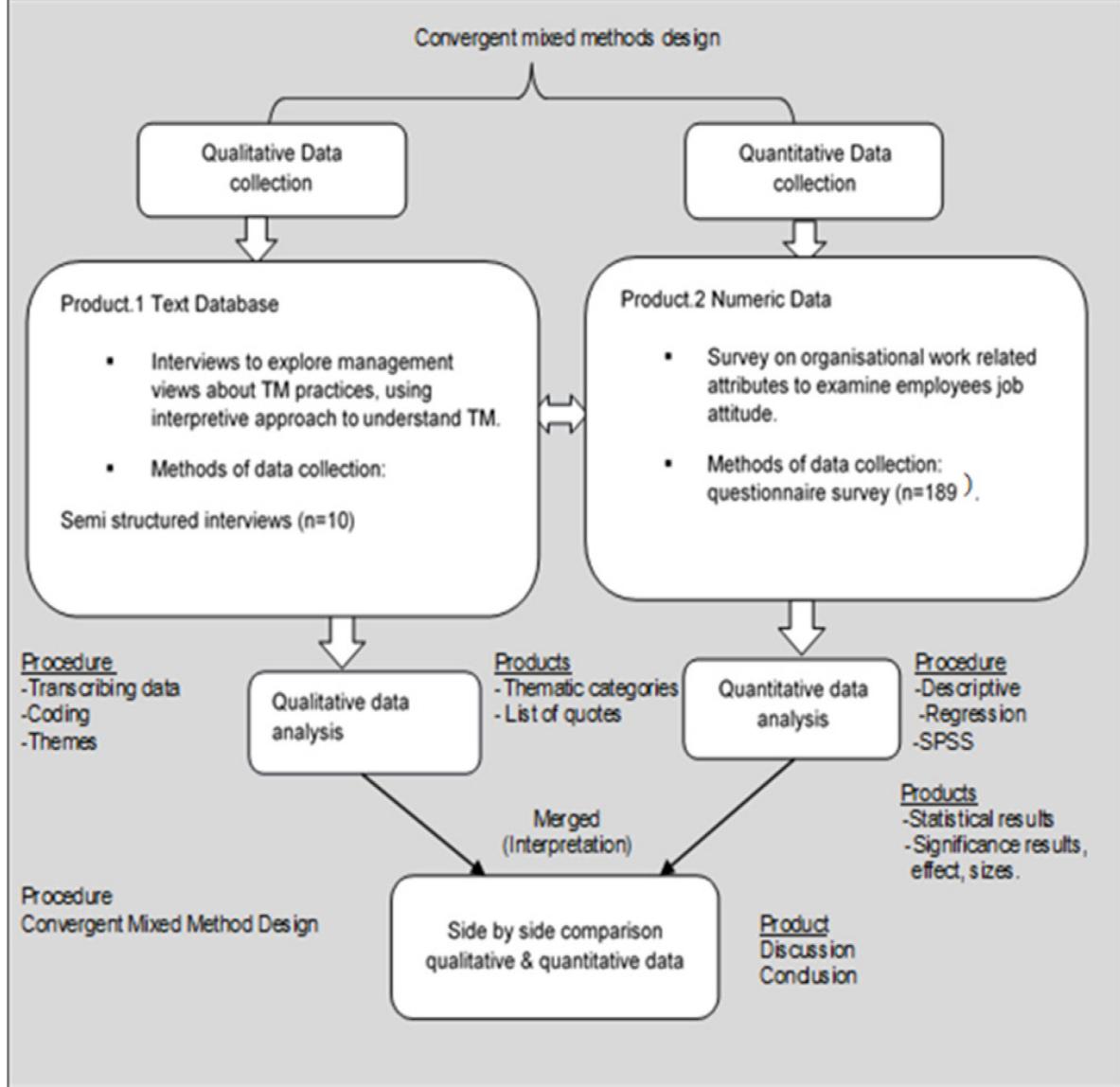


Figure 4. 3 Research design, Source: (Creswell, 2014 p.85).

A convergent mixed method research design allows for a separate collection and analysis of qualitative and quantitative data. Creswell (2014) suggests three important steps in convergent design. First, the collection and analysis of qualitative and the quantitative data to be done separately; secondly, the merging of both data sets; and thirdly, an examination of the extent to which the qualitative results are confirmed by the quantitative results or vice-versa. The results can be different due to the lack of valid quantitative measures, or a lack of parallel questions to facilitate data comparison. However, if the results differ then the researcher needs to explain the reasons. In relation to the merging of qualitative and quantitative datasets, this can be done in three different ways. For

example, when the results of two data sets are compiled, the interpretation or inferences can be brought together in a discussion where they are arranged side by side in a table where a column in the table would discuss the differences and similarities between the themes and the statistical results. This type of display is often used in convergent design and from this table a reader would be able to understand how qualitative and quantitative results converge or diverge (Creswell, 2014, p.85). Data integration is also possible through data transformation. For example, counts could be made of the number of times the various themes appear in the data derived from the qualitative analysis, and these numeric values could present new variables that are entered into the quantitative database (Creswell, 2014, p.36). Finally, joint displays that arrange quantitative results against qualitative results in a table or graph could be developed. A thematic/statistical joint display is another option, where the qualitative themes are arrayed on a horizontal axis while the quantitative data is presented on a vertical axis. Within the cells, one can find quotes, frequency counts or both (Creswell, 2014, p.85). The following figure 4.4 illustrates the procedure to combine the two data sets.

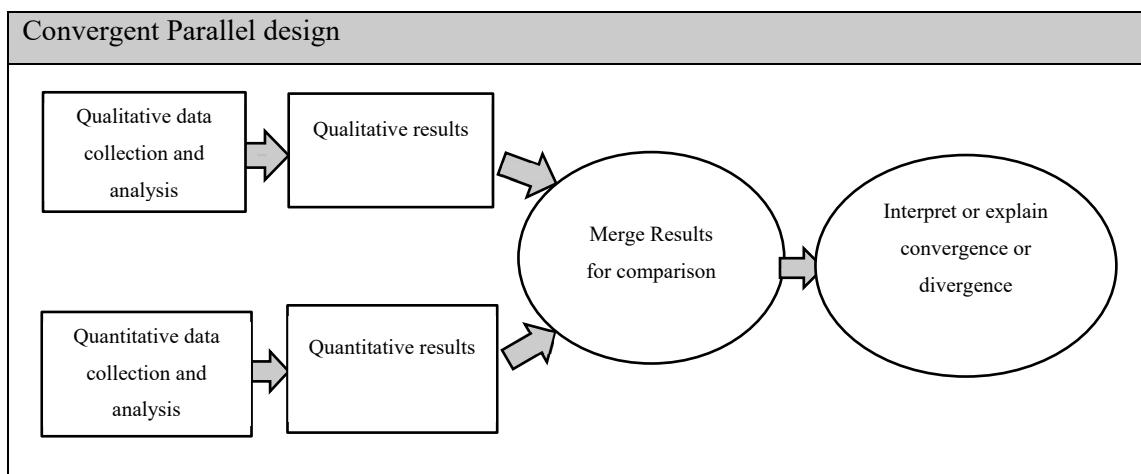


Figure 4. 4 Convergent parallel design. Source: Creswell (2014. p.56).

According to Creswell (2014), the convergent design is useful for those who gather both forms of data at the same time in the field, which enables them to gain multiple pictures of the research problem from different angles. In this study, the researcher collected qualitative data by conducting semi-structured interviews with HR heads and training and development managers to explore the concept of talent management and the specific organisational processes used to support talent management strategy, and quantitative questionnaire data to explore the subjective perceptions of employees in terms of specific organisational and job-related constructs. In summary, the convergent mixed method

approach appeared to be the most appropriate option for this study and was utilised in the data collection and analysis process.

## **4.5 Data collection**

The data collection process in this study was guided by the research protocol as described above including sources of information, case study questions and field procedures.

### **4.5.1 Collecting qualitative data**

A case study research typically draws on multiple sources of evidence including documentation, archival records, interviews, experiments, survey, direct observation or participation observations; each source requires different approaches to their interrogation and can yield different kinds of insights (Rowley, 2002; Yin, 2014). Though a case study research can be completed by using a single source of evidence such as conducting interviews or checking archival records, collecting multiple sources of evidence however is really advantageous. The COSMOS Corporation (1983) cited in Yin (2014) states that using multiple sources of evidence increases the overall rating of a case study research than those who rely on just single sources of information. In a similar vein, Rowley (2002) argues that gathering multiple sources of evidence will likely yield various kinds of insights about the research issue. The researcher in this study preferred semi-structured interviews and a questionnaire survey that were considered as important sources of evidences compared to others. For instance, many writers, including Rowley (2002), recognised interviews as one of the key sources of evidence for a case study research. However, the reason for collecting two different sources of evidences for this study was to triangulate the results from both data sets to support the research findings. Rowley (2002) advocates that data triangulation uses evidence from different sources to corroborate the same phenomenon. There are four different ways of triangulation: i) triangulation of data sources (data triangulation), ii) triangulation among different evaluators (investigator triangulation), iii) triangulation of perspectives to the same data set (theoretical triangulation), and iv) triangulations of methods (methodological triangulation) (Patton, 2002). This study followed the last of these four data triangulation types.

The qualitative research approach is associated with an interpretivist philosophy, whereby the researcher can make sense of the subjective and socially constructed meaning expressed about the phenomenon being studied (Denzin and Lincoln, 2005; Saunders *et al.*, 2012). Such research is sometimes referred to as naturalistic because

researchers operate within a natural setting of the context, where they establish truth, participate, access to the meanings for an in-depth understanding (Saunders *et al.*, 2012). The constructivist approach values multiple realities that people have in their minds. Therefore, to acquire a reliable and valid knowledge about diverse realities the researcher assumed that it will be useful to gain physical access to participants to gather their views, attitudes and experiences of talent management (Saunders *et al.*, 2012).

The researcher initially conducted semi-structured interviews to collect the qualitative data followed by the quantitative data for integrating the results in order to better understand the research problem (Creswell, 2014). In total, ten banking professionals were interviewed out of which two were used for piloting. The following table 4.3 shows the interview participants.

#### **4.5.2 The demographics of participants for interview**

**Table 4.3 Interview Participants**

Code	Organisations	Interview title/designation	Overall professional experience	Interview type	Schedule
ZBNBPHR1	Case study Bank-A Karachi (Sindh)	Executive Vice President (HRM and Admin group)	21 years	Face to face	09-01-15 16:00- to 17.00
IGNBPHR2	Case study Bank-A Karachi (Sindh)	In charge talent management and overseas HR desk	19 years	Face to face	27-01-2015 10am to 11am
ARHBLHR3	Case study Bank-B Karachi (Sindh)	Senior manager Human resources	22 years	Face to face	18-01-15 14:00 to 15:00
BAHBLHR4	Case study Bank-B Karachi (Sindh)	Assistant HR manager operations	18 years	Face to face	07-01-2015 14: to 15:00

MANBPHR5	Case study Bank-A Karachi (Sindh)	Director training and development division	14 years	Face to face	17-02-15 13:00 to 14:00
KJMCBHR6	Case study Bank-C Karachi (Sindh)	Head of training and development	19 years	Face to face	15-12-14 10:00 to 11:00 am
BMNBP7	Case study Bank-A Karachi (Sindh)	Deputy general manager HR	22 years	Face to face	19-02-15 12:00 to 13:00
BMMCB8	Case study Bank-B Karachi (Sindh)	Branch manager	15 years	Face to face	20-02-15 16:00 to 17:00

**Table 4.3 provides information about interview participants**

Conducting interviews with key persons within the banking sector was a challenging task. For instance, the interview with the person who was In-charge of talent management and overseas HR desk was arranged by the head of human resource department. The interview was carried out in the same bank and was coded as ‘IGNBPHR2’. The researcher first met with AI directly in his office; permission had to be given to conduct the research survey and interviews with the senior HR and talent managers. Granting permission to conduct survey and interviews in Pakistani banks was not so easy without having sufficient prior references and personal contacts. Accordingly, the researcher got permission for both the interviews and the questionnaires survey. IG was approached through his head of HR department. IG being in the top position in the largest and leading public bank of Pakistan and having 19-years’ experience really inspired the researcher to conduct his interview for this important study. Although the researcher was referred to him formally for this interview within the bank, yet he excused himself initially for the interview due to his extremely busy schedule. But, he showed agreement when the researcher informed him of the purpose of the visit and coming from a long distance, i.e. the UK. However, he asked the researcher to phone him before coming to his office in two days; on the morning, the researcher called him half an hour before office time so that he could give some of his time for the interview. The interview took place in the head

office in Karachi. Despite some difficulties, the researcher felt some excitement and privilege to be interviewed due to his 19-year experience in the shaping and implementing of business planning within different organisational domains. IG received the researcher kind-heartedly. Despite his busy schedule, he heard patiently and responded to all the questions. An important aspect of this interview was his direct involvement in the talent management strategy of the bank that he thought as a significant reward for his professional career. IG seemed to be open and frank in his opinions. He praised the top management and their support to the talent management strategy of the bank. However, ten interviews within three categories i.e. HR heads, vice president and training and development managers working within the selected banks were interviewed including four from Case study-A, and three from each Case studies B and C. The interviews with concerned persons who had relevant knowledge and experience in the field (e.g. talent management) provided contextual insights; also the role of the senior HR managers in talent management strategy and practice within the Pakistani banking organisations. The sample was restricted to those who were not directly involved in the implementation of talent management practice due to the researcher's interest in individuals' experiences in terms of the HR policy and talent management programme. Hence, only relevant participants such as senior HR heads who were directly involved in talent management activities and policy formulation activities were deliberately focused in the study. Although it was a challenging task to approach these professionals in the sensitive financial sector like banking for interviews, the researcher managed to get access to these participants by using the researcher's personal and social contacts. In this connection, the researcher started to contact friends and relatives working in the Pakistani banking sector at Sindh and also visited the banks' websites to identify the concerned HR heads and senior managerial staff. As a result, seven senior HR heads, three vice presidents and five training and development managers were identified as potential respondents for conducting interviews. Subsequently, all fifteen potential respondents were contacted formally through e-mails showing the letter issued from the NBS for getting access and to schedule interviews. The respondents were given complete information about the aims and objectives of the study, the potential benefits of the study for academicians, organisations and ensuring confidentiality of their responses were explained. A brief detail of the interview questions was also sent in order to explain the nature and sensitivity of the questions to the respondents. Consecutively, after two polite reminders, four senior HR managers, one vice president and two training and development managers responded

and showed their interest to participate in the study. In addition, four more respondents were interviewed and out of the eleven interviews, two were used in piloting; one was rejected based on less relevant answers to the questions. All interviews were conducted between December 2014 and February 2015.

#### **4.5.3 Interview data collection procedure**

The face to face interviews were carried out in the offices of respondents, except one that was conducted at his home address because the respondent felt more comfortable talking openly in a private home environment. The confidentiality of respondents was assured in each situation and they were informed that their participation was voluntary. They were also assured about the confidentiality of their responses and given assurances that no personal identity would be used. Permission for audio recording was requested in the invitation e-mail and was confirmed again at the time of interview and eight out of ten agreed to have the interviews audio recorded for transcription purposes. Hand-written notes were taken during the two unrecorded interviews. The advantage of recorded interviews was to listen and review information to find emerging themes.

The interviews began with a brief introduction of the study, its aim, objectives and scope and possible implications of the findings. Although all interviewees had already agreed to give about one hour for this process, two of them had to be discontinued within 25-35 minutes but asked the researcher to come another time for the remaining questions. However, the minimum and maximum allocated time for interviews was between 45 to 75 minutes. Before closing the interviews, the researcher probed for any information that might have been missed and if the interviewees wished to add anything in terms of research issues. In the end, the researcher obtained a useful and large amount of information from each interviewee. The participants were coded, and themes were identified. Research maintained consistency in the coding process as described by Fereday and Muir-Cochrane (2006) to develop themes. Section 4.5.6 discuss this point in more detail.

#### **4.5.4 Collecting quantitative data**

In the second phase of data collection, the researcher followed the quantitative technique by using a questionnaire to measure employee attitudes and perceptions against several organisational and job-related variables to establish levels of employee engagement. As outlined earlier, conceptualising talent as a commitment suggests that employee experiences and perceptions of organisational and job-related issues will impact on

discretionary behaviour and, in turn, organisational outcome. From the perspective of the AMO and social exchange relationships, it was suggested that if the employees have ability, are motivated by the provision of appropriate opportunities at work and supported within the organisation, they will respond with higher levels of satisfaction and engagement at the work setting (Gruman and Saks, 2011; Robinson *et al.*, 2004; Saks, 2006). The AMO model was thus broadened to incorporate employee attitudes in relation to specific job and organisational constructs such as job dimensions, organisational justice and fair treatment, perceived organisational support, perceived managerial support, rewards and recognition, training and development to understand the impact of these constructs on employee attitudes and levels of engagement within the case study organisations.

The quantitative aspect of the study mainly focused on the antecedents and predictors of feeling valued and engaged, and the rationale for using the quantitative method was to examine the cause and effect relationship between these variables through selected propositions. The quantitative method is a standardised way of data collection and provides a range of statistical techniques for analysing data (Saunders *et al.*, 2012).

#### **4.5.4.1 Independent variables**

To examine employee perceptions about organisational work attributes, the following work-related aspects were selected:

Job dimensions: A five-item scale measured the component elements of the job including skill variety, task identity, task significance, autonomy and feedback based on Hackman and Oldham (1980). The Job dimensions model used a five-point Likert scale (e.g. Strongly Disagree to Strongly Agree). Similarly, all the following scales were used to measure employee perceptions of feeling valued and engaged as adapted by Robinson *et al.* (2004); Saks (2006).

Organisational justice: A six-item scale was used to measure organisational justice and fair treatment using the five-point Likert scale (e.g. Strongly Disagree to Strongly Agree).

Perceived organisational support: A seven-item scale was used to measure employee perceptions about their well-being and their goals and values.

Perceived managerial support: A five-item scale was used to measure employee perceptions about the quality and effectiveness of the supervisory support they received and their working relationship with immediate managers.

Training and development: A six-item scale was used to measure employee perceptions about the quality of training and development opportunities and the impact of levels of satisfaction about growth opportunities.

#### **4.5.4.2 Dependent variable**

A fourteen-item scale was used to measure the dependent variable of feeling valued and engaged. This scale was adapted from the study by Robinson et al. (2004) and used to measure respondents' perceptions regarding their level of commitment and engagement at work based on a 1-5 Likert scale (1=Strongly Disagree to 5=Strongly Agree). For instance, one item was: This organisation really inspires the very best in me in the way of job performance (*it indicates that the individual feels enabled to do well, because the organisation is fulfilling its responsibilities in the two-way engagement relationship*).

#### **4.5.5 Quantitative data collection procedures**

The process of the quantitative data collection was initiated through e-mail contact with HR managers in the case study organisations who provided an employee contact list from which it was possible to categories a sample population in terms of job roles and ranks (see questionnaire survey in Appendix-II). Jobs in the case study banks were categorised as officer G-I, officer G-II, officer G-III, management trainee officer MTO and non-management/clerical staff/typist/cashier. In total, five hundred employees were contacted to participate in the study. The quantitative data was collected in two ways: firstly, the researcher used an electronic survey procedure through a Google dock- generated link to 300 respondents at their e-mails<sup>35</sup> to complete an online survey; this is the most common way to collect quantitative information (Field, 2009). Secondly, the researcher started personal visits to the case study organisations to distribute hard copies of the questionnaire to participants, because it was too risky to rely on just the mail procedure. In the Pakistani context, there are many environmental, social issues so professional employees, especially bankers, remain very busy to respond electronically and normally have little time to check their e-mails. So, the researcher decided to travel and pursue a sample population to collect information. In the personal visits, the researcher randomly distributed 200 survey questionnaires among respondents in Karachi Sindh. In total 300+200=500 questionnaires were randomly distributed and a total of 215 (Electronic: 125 & Manual: 90) responses were received. Eleven online responses were incomplete

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<sup>35</sup> The employee contact e-mail list was received through HR heads from HR departments of selected banks.

and invalid so the response rate for the online questionnaire was 38% (e.g. $114/300*100=38\%$ ). Of the 200 manually distributed questionnaires, 90 respondents returned completed questionnaires. Fifteen incomplete forms were rejected and 75 completed forms were taken as valid, so the response rate was 37% (e.g.  $75/200*100$ ). In total, the response rate 37.8% for analysis purpose. Section 6.2 discusses this point in detail.

The final step of the case study research process is to discuss the techniques of data analysis and ethical considerations.

#### **4.5.6 Interview data thematic analysis**

Thematic approach can either be inductive or deductive based on theoretical analysis (Fereday and Muir-Cochrane, 2006; Percy, *et al.*, 2015). Inductive approach is data driven and derived from the content rather than being based on any pre-conceived categories, notions or theories, whereas a deductive approach is based on prior knowledge or pre-defined themes (Percy *et al.*, 2015). This study used a thematic approach and was informed by a literature review on the subject of talent management strategy which shaped data analysis around three pre-determined themes of: i) talent conceptualisation, ii) the nature and scope of talent management, and iii) employee commitment and engagement. These were foundational themes and new categories and sub-themes emerged during the data analysis process. The initial approach to data was guided by theory and literature but this was supplemented by an inductive approach which used a classified coding system that was data driven and refined pre-existing categories after a step by step analysis of data obtained through interview responses as described by Percy *et al.* (2015).

Interviews were conducted in English and local Urdu languages and all were transcribed, translated and coded for analysis purpose. The analysis process started with transcribing all ten interviews and carefully studying each sentence and paragraph of the transcripts to match the codes and concepts suggested by the data. Additionally, the researcher examined and compared different parts of the interview information and tried to investigate key areas of the interview to determine what sentences, phrases or paragraphs appeared as meaningful and what was the frequency of key ideas that emerged in terms of similarity or contradictory responses given by participants (Percy *et al.*, 2015). For example, participants explicitly stated that educational qualifications and competency to perform well are necessary elements of talent when answering the question about talent

conceptualisation. Each time similar words were found, these were coded and compared with other codes in the interview to find thematic similarities and differences (Percy *et al.*, 2015). Once the initial concepts, language quotes and codes used by participants were identified, it was possible to assemble them to establish relationships. The themes were reviewed and reassessed to check similarities and relationships and three final aggregate talent management streams were identified as: i) talent conceptualisation (e.g. talent as skill/ability, qualification, and performance), ii) nature and scope of talent management (e.g. identifying and deploying talent, and iii) engaging talent (e.g. developing and rewarding talent). These themes are discussed in more detail in chapter 5, qualitative data analysis.

#### **4.5.7 Quantitative data analysis**

Quantitative analysis used SPSS to produce inferential statistics and regression analysis to identify cause and effect relationships between organisational work-related variables and employee attitudes within the case study organisations. Although qualitative and quantitative research findings are presented separately, qualitative in chapter 5 and quantitative in chapter 6, the integration of both data sets intersects around the AMO model which was used as an analytical tool. Creswell (2014) refers to the process whereby qualitative and quantitative data *bump up against each other* in the discussion as a popular way of integration in which the qualitative and quantitative results are arranged in the parallel style (see chapter 7).

The logic for using a convergent mixed method approach in this study was to integrate the results of both qualitative and quantitative forms of data to achieve the research objectives - to evaluate how talent is conceptualised and managed within Pakistani banks and to identify contextual factors influencing the conceptualisation and operationalisation of talent management, but also to investigate employee perceptions of job and organisational-related factors influencing the level of engagement. The AMO was broadened to incorporate employee perceptions from the perspective of social exchange theory and used as an analytical tool. The mixed method approach and the combination of qualitative and quantitative data allowed consideration of the issue from multiple perspectives (Creswell, 2014) and enabled a fuller understanding than it would have been provided by using each data set alone. In this study, the methodological integration occurred through connecting qualitative and quantitative results and findings in the discussion chapter to shed light on the conceptualisation, operationalisation and

experience of talent management strategy and practice within the case study organisations. In addition, it highlighted contextual factors such as the legacy of bureaucracy and militarism affecting employee perceptions of feeling valued and engaged in the case study organisations.

In brief, this research analysed the nature and scope of talent management in the case study organisations and particularly the relationship between organisational- and job-related constructs and employee perceptions of feeling valued and engaged. In his research, Purcell (2003) emphasised the importance of discretionary effort in securing organisational outcomes such as improved productivity and performance, but the nature of discretionary effort and the relationship between talent management and organisational commitment and engagement was not fully explored within the AMO model (Purcell, 2003). In this research, the AMO model was extended to incorporate the impact of wider contextual influences on the conceptualisation, operationalisation and experience of talent management process within the case study companies and the inclusion of social exchange relationship to more fully analyse the individual factors contributing to performance.

#### **4.5.8 Ethical considerations**

Any research carries ethical implications and challenges (Houghton *et al.*, 2010). The main difficulty lies in getting consent and by what means, so that the rights of participants are protected during the data collection process (Houghton *et al.*, 2010). In this study, written informed consent was obtained from all participants before conducting interviews and the identity of both case study organisations and interview respondents was anonymised and kept confidential. Consent was obtained for an audio recording of the interviews and respondents were given the opportunity to review the transcribed version of the interview. Similarly, for the quantitative aspect of the study, participants were informed of their right to withdraw or refuse to participate in the research at any time and their identities and responses were anonymised and kept confidential. The researcher was also mindful of the associated risks and benefits ratio of the research and took appropriate steps to minimise the risks (Houghton *et al.*, 2010). Ethical codes and considerations of the University of Northampton were observed at all stages of the research process. The detailed ethical considerations are given in Appendix-V.

## CHAPTER FIVE

### QUALITATIVE DATA ANALYSIS

#### 5.1 Introduction

The empirical analysis draws on both qualitative and quantitative data in relation to the AMO model to inform the nature and scope of talent management practice within the case study organisations. This chapter addresses the first research question: *How is talent management conceptualised, operationalised and experienced within selected Pakistani banking organisations* (i.e. the empirical evidence for conceptualising talent/ability, deploying and motivating talent and the evidence of legacy issues). Subsequently, chapter six will analyse the quantitative data for empirical evidence of employee attitudes towards specific job- and organisational-related constructs; chapter seven will integrate the both aspects (e.g. qualitative and quantitative) to address the second research question: *How do contextual factors affect the conceptualisation, operationalisation and experience of talent management processes and practices within selected Pakistani banking organisations*.

The purpose of the qualitative aspect of the study was to identify the degree of familiarity with the concept of talent management, to explore how talent was conceptualised and operationalised in practice within the case study banks. Talent management is a Western concept and is relatively underdeveloped in Pakistani organisations. Talent management is not culturally neutral and is influenced by a wide and enduring range of situational and contextual factors. Pakistan has a strong historical legacy and path dependency of military rule. In Pakistan, civil-military elites have ruled and controlled government enterprises in the post-colonial era and continue to dominate political and economic policy (Ali, 2012; Khilji, 2003; Young, 2005). Pakistani national culture is shaped with the path dependency of traditional social factors such as the legacy of partition and Islamic doctrines, while institutional structures and practices reflect a legacy of British colonialism (Ali, 2012). At the same time, increased foreign investment in Pakistan and the activities of foreign MNCs are contributing to the transfer of Western management orthodoxy at the micro organisational level. As a result, Pakistani organisations are experiencing both convergence and divergence of HR policy and practice. Therefore, in order to examine the impact of HR practice in the Pakistani banking organisations, a conscious effort was undertaken to develop a research framework (see Figure 5.1 p.186)

for analysing and integrating qualitative and quantitative aspects of the study. However, first, a brief introduction of the case study organisations is provided in order to contextualise the analysis.

## **5.2 The brief history of the case study organisations**

In total, three case study banks were investigated and coded as A, B and C. In 1974, the Pakistan banking council prepared a banking amalgamation scheme to merge fourteen smaller commercial banks into five bigger banks of the country; they were the National Bank of Pakistan, Habib Bank Limited, United Bank Limited, Muslim Commercial Bank Limited and Allied Bank Limited (Khurram, 2010). However, after the failure of the nationalisation policy in the early 1990s, the government went for privatisation of all financial institutions including the case study organisations.

### **5.2.1 Background of case study Bank-A**

The history of case study Bank-A is linked as part of Pakistan's struggle for economic development. The bank was established in 9<sup>th</sup> November 1949 under the ordinance of the NBP in order to tackle the crisis situation that was developing after the trade deadlock with India and the devaluation of the Indian Rupee in 1949 (Omar *et al.*, 2012). The bank has played an important role in financing the agriculture sector and growing the jute trade of Pakistan. It has its headquarters in Karachi, Pakistan, it operates 1,289 branches in Pakistan and 23 branches overseas. The bank also provides services to more than ten million account holders and five million pension holders. The bank is the only public-sector bank whose deposits are 100% guaranteed through government of Pakistan (Omar *et al.*, 2012), though a partial privatisation has taken place. This means the bank provides a sovereign guarantee to its account holders and depositors. Bank-A is the largest bank, operating as a modern commercial bank of Pakistan. The total assets in 2010 were worth over Pak.Rs.1.035 trillion, whilst deposits grew to Rs. 832 billion and earnings per share jumped to Rs. 13.05 in 2010 (Omar *et al.*, 2012). Today, this bank is a progressive, efficient and customer-focused institution. It has developed a wide range of consumer products including special credit schemes such as small finances for agriculture, business and industries, student loans, self-employed scheme for unemployed persons in order to satisfy business needs of the society (Omar *et al.*, 2012). The bank is at the forefront of international banking in Pakistan which is proven by the fact that it has representative offices in London, New York, Tokyo, Beijing, Tashkent, Chicago and Toronto. It has agency arrangements with more than 3,000 correspondent banks worldwide. The bank's

joint ventures are with United National Bank in the UK, First Investment Bank and NAFA, and Assent management company NIB Bank and Fullerton Fund Management of Singapore.

Initially during 2001, this bank was facing major challenges of overstaffing and increasing competition between the banks; they met the competition through strengthening their skilled and talented people (Omar *et al.*, 2012). In such a competitive environment, only those banks who could meet the minimum assets criteria determined by the state bank of Pakistan were able to survive, and satisfy customer expectations. The total assets size at that was just Rs. 415 billion and deposits were 350 billion. The people working in this bank were comparatively less educated, not computer literate, incompetent, lethargic and demotivated, poor compensation package, untrained, no specialised business education and training due to limited educational opportunities (Omar *et al.*, 2012). The people working in this bank had strong perceptions of being a ‘government employee’ and everyone has an equal opportunity to take benefits and rewards without showing performance or working efficiently. There was no concept of ‘pay for performance’, employees were used to work manually, and due to lack of behavioural change and lack of willingness to learn or adopt new technology, employees were not in a position to make effective use of computers. However, keeping in view all the issues and problems since 2001, a number of initiatives were taken in terms of institutional restructuring: there were changes in the field structure, in policies and procedures, in the internal control system including corporate governance, adoption of capital adequacy standards, up-gradation of the IT infrastructure and developing the human resources (Omar *et al.*, 2012). The internal operations of the bank are organised into fifteen main departments and divisions headed by the senior management of the bank reporting directly to the board of directors. The organisational structure of the bank is centralised because all the decisions of the bank are taken by the top management. The senior management of the bank consists of groups/chiefs who report directly to the directors of the bank. These groups include: Corporate and Investment Banking, Operations, Credit Management, Audit and Inspection, Compliance, HRM and Administration, Commercial and Retail Banking, Treasury Management, Special Assets Management, Employee Benefit and Disbursements, Overseas and Coordination, Islamic Banking, Core Banking Applications, Financial Control Division, Information Technology Group. All the functions of bank are performed under these groups. The total labour force strength of the bank is 16,457. The relationship between bank and its

employees is maintained through the HR and Administration Group and the Employee Benefit Disbursement and Trustee Division. These groups are responsible for the incorporation of new hires, and also handling the grievances and the disbursement of any benefit for which an employee may be entitled to receive.

### **5.2.1.1 Strategic plan and mission statement**

The bank is keen to go the ‘extra mile’ to ensure that the best quality service is rendered and maintained throughout this mission statement: ‘To provide more talented human resources in relation to competition in all functional areas create a motivating environment and maintain industry harmony’ (Omar *et al.*, 2012, p.48). Hence, the key elements that strengthens the HR architecture of the bank is based on: i) the provision of talented human resource, ii) employee motivation, and iii) industry harmony.

In line with the mission statement, different initiatives were undertaken to meet the challenge of the competition. According to Omar *et al.* (2012), the implementation of a strategic HR plan started from 2002 through skills development and identifying critical key positions within the bank and placement plan. The planned separation through the golden handshake scheme in 2001 and annual attrition rate were kept in consideration for filling the skills gap. In order to meet the competitive challenges, the main focus was placed on upgrading the quality of human resources for higher and better performance and to meet the growing demand of competition. In this connection, employees were not only given job-related training to develop their skills, but a large number of qualified management trainees were hired to fill the skills gap. In addition, a talent pool was created by identifying talented employees from inside and outside of the labour market to deploy them on important positions in all the functional areas of the bank. The recruitment in the banks was kept in abeyance since 1995, and there was no induction in the bank for around one decade (Omar *et al.*, 2012). However, special permission was obtained from the government of Pakistan for restricted recruitment in the permanent cadre on an annual basis; under this scheme, nearly 1200 MTOs were hired every year on a merit basis till 2010. The MTOs were recruited on the basis of a first class Master’s degree in banking and finance, marketing, HR and information technology from well-reputed universities and institutions. After the thirty weeks training including Phase-I (six weeks) about commercial aspects of banking-related laws and regulatory compliance, Phase-II (six weeks) training about organisational dynamics, products and services and related branch operations, and lastly, in Phase-III (eighteen weeks) practical on the job training within

branches, the MTOs were placed in responsible positions. The contribution of the MTOs in organisational culture and infusion of contemporary work practices and overall banks performance is noteworthy (Omar *et al.*, 2012). Initially, all MTOs are recruited as officer grade-II and after completing a probation period of one year they are confirmed in a permanent position. Their placement on the positions is carried out in a systematic way by the HRM department and managed through a fast track promotional system that included promotion as officer grade-1, IBP Part-1 or stage I and II, and then assistant vice president, followed by part-II or stage III. However, the career progression is based on excellent performance. This case study organisation was the pioneer of introducing the concept of a management trainee scheme for selecting MTOs that was emulated by other commercial banks in the country (Omar *et al.*, 2012).

### **5.2.1.2 Talent pool scheme of case study-A**

The intended talent management approach of case study-A involves that everyone has talent, so every employee must be provided guidance and support to achieve their full potential and managing talent with clear tasks produces a competitive advantage (Omar *et al.*, 2012). In the pursuit of organisational objectives, managers engage and motivate employees throughout the organisation. In addition, talent management practice is implemented in recruitment and a selection of regional management teams that focuses on several talent features such as: talent as a combination of a sharp strategic mind, leadership quality to attract and inspire other talented people, emotional maturity, communication skills and the ability to produce results (Omar *et al.*, 2012). Keeping in view such talent conceptualisation to select talent pool employees, there was a realisation within the bank that there were many existing employees within the bank with necessary qualifications, experience, skills and talents but due to contextual factors their career growth was stunted (Omar *et al.*, 2012). However, following the global corporate talent management strategy that the best talented people should be deployed in key positions, this organisation proved to be pioneering in this direction within the Pakistani banking industry. As a result, in the first phase over two hundred employees were selected on merit basis for the talent pool scheme. Subsequently, in the second and third phases, two hundred employees were inducted into the talent pool and posted into higher responsibility positions, whilst, three hundred employees were yet to be selected from existing bank employees (Omar *et al.*, 2012). The talent pool scheme was started in 2005, and two thousand five hundred and seventeen (2,517) employees applied for the talent pool scheme until 2010, out of which only seven hundred and seventeen (717) employees

were selected after a series of academic, psychological and personality tests and interviews. The talent pool employees get a 10% increase in their salary and their performance is monitored by head office on a monthly basis (Omar *et al.*, 2012). Talent pool employees are preferred in promotions and foreign postings. In addition, for creating a high-performance culture within the organisation, job descriptions and a revised appraisal system was implemented to promote the culture of pay for performance; that is, a differentiated pay system for increased performance, institutionalising the merit and reward culture. The revised appraisal system was designed to replace the traditional subjective annual confidential report system (ACR) to provide more objectivity in evaluation and recognising merit (Omar *et al.*, 2012). Under this system, job objectives of each employee were defined by the higher management at the start of each financial year, the targets were given and agreed upon mutually between the subordinates and the managers. After a verbal agreement between the employee and his manager, the documents were signed off by both of them as a token of acceptance for annual job objectives. Moreover, performance is monitored on a regular basis in order to ascertain the level of achievements, and the employee presents the performance sheet on the 31<sup>st</sup> of December against the assigned annual organisational objectives. However, the concept of pay for performance within this organisation has been promoted in which each employee tries his level best to achieve organisational objectives which were agreed at the start of the year. Notwithstanding, top performers are getting achievement awards of 10% based on the annual performance appraisal system in the form of cash or certificates. According to Omar *et al.*, (2012), this organisation motivates its employees in a range of lucrative compensation benefits and so has become an employer of choice for young educated and qualified talented youths who prefer to make their career in banking. That is the reason the annual attrition rate has reduced considerably to around less than one per cent, and attitude and behaviour of the employees have been changed and now they are more professional than before. Therefore, the quality of service has improved. However, it is still not clear how this organisation motivates all its employees. The reduction in the attrition rate may be because of the lack of opportunities in the job market. As the CIPD (2002) research found that when employees feel that their employer/organisation has broken their expectations about job and career opportunities, they often feel less committed to the organisation, and their perceptions about job satisfaction sometimes falls too, when this happens performance dips. As a result, employees start to look for alternative jobs, or if they can't leave for any reason, their behaviour (so-called

a willingness to go the ‘extra mile’ or ‘demonstrate discretionary behaviour’) declines. However, this may not always be the case, but as this organisation differentiates talent and gives 10% increase in salary or cash rewards to selective employees, it is important to understand the employee attitude and their perceptions about specific job and organisational-related dimensions that have been considered as drivers of discretionary behaviour in various cultural contexts.

### **5.3 Background of case study Bank-B**

The case study bank-B is one of the leading and oldest banks of Pakistan having its registered head office in Karachi. It was privatised in 2004 by the government of Pakistan but taken over by Agha Khan Fund for Economic Development by acquiring a 51 per cent share (Fahim and Siddiqui, 2013). It offers an extensive network of 1,450 domestic branches, the largest in Pakistan, and 112 international branches in 25 countries. It internationally operates in countries including USA (New-York), UK (London, Manchester and Birmingham), Scotland (Glasgow), France (Paris etc. It has over a five million customer base. The bank was established in 1947 and was the first commercial bank of Pakistan.

Initially, being a government organisation, overstaffing and political pressure were the major problems of case study-B. The overstaffing problem was affecting organisational capability in two ways: i) managing and assigning job tasks to the large number of employees, and ii) the profitability issue due to the large amount of money spent in salaries. However, in order to tackle the overstaffing issue, some initiatives were taken in order to increase the efficiency and performance of the organisation. For instance, around eight thousand employees were reduced through a golden handshake and voluntary staff separation schemes, and subsequently seven thousand employees were separated gradually that reduced the significant number of employees from 31,000 to 16,000 and then a further reduction of two thousand employees took place in 2006 that helped in increasing the profitability of the case study organisation (Fahim and Siddiqui, 2013). The total assets base of case study-B is Pak. Rs. 1.6 trillion, with a Rs. 1.214 trillion deposit base. the profit after tax is Rs. 22.3 billion. The new administration system worked under the chain of command from upward to downward; it starts from the Chairman to President, Board of Director, Member of the Executive Board, Regional Chief, Zonal Chief, Branch Manager, Operations Manager and to the bank staff. The human resource management group HRG encourages and motivates its employees to

excel in the responsibility that they have in the organisation. The organisational hierarchy starts from the president assisted by senior executive vice presidents (SEVPs) and executive vice presidents (EVPs), senior vice presidents (SVPs), vice presidents (VPs), assistant vice presidents (AVPs), and officer grade-I, officer grade-II, officer grade-III and clerical/non-clerk, cashier staff.

### **5.3.1 Strategic plan and mission statement of case study-B**

The vision of the bank is ‘enabling people to advance with confidence and success, and believes that creativity and innovation come from talent, knowledge and experience and its endeavour is to make the customer prosper, and staff excel and create value for the shareholders (Khurram, 2010). The core values of this organisation are based on the fundamental principles that define its culture: excellence in providing products and service to the customers, developing customer trust and integrity, customer focus to understand their needs, supporting meritocracy for giving opportunities and advantages to its employees on the basis of their ability, and progressiveness through innovative new products and processes. The strategic plan is based on diversification by introducing new services and to expand its business and branches in more countries.

### **5.3.2 Human resources strategy of case study-B**

The human resource strategy contains five consecutive steps: i) Recruitment and selection, ii) training and development, iii) performance appraisal, iv) compensation, and v) employee relation.

The recruitment and selection process starts with the deciding of the roles and responsibilities for the particular category of employee for filling of the positions. For example, analysing positions and skills requirement, identifying potential candidates, pre-screening and shortlisting, conducting a test and interview, and the final selection (Khurram, 2010). Talent identification in the organisation takes place through internal and external sources such as job posting and the rehiring of former employees, advertising in newspapers, trade and professional generals and Internet job sites, and outsourcing through an agency (e.g. Sidat Hyder Morched Association), college recruitment, employee referrals and walk-in interviews. However, the final selection takes places through two main types of tests: first, tests related to cognitive ability and second, physical tests (Khurram, 2010). The cognitive intelligence tests measure a range of general intellectual abilities including memory, vocabulary, verbal fluency, and numerical ability.

On the other, hand, aptitude tests measure specific analytical and reasoning abilities, verbal comprehension, numerical ability and aptitude tests. Whereas, the physical tests measure static strength, dynamic strength, body structure and stamina. The talent identification process of this case study indicates that this organisation believes in the unique learning and developable abilities of talent. According to Khurram (2010), this organisation has a valuable contribution in developing several officers working at key positions in different banks. This case study organisation is said to be a pioneer of recruiting talent from leading academic institution and began conducting its first training programme in 1946. It has fully fledged teaching facilities with modern equipment for training and development of new recruits and staff members.

### **5.3.3 Talent pool employees of case study-B**

The talent pool scheme within this organisation is managed through succession planning. The succession plan is actually a management development programme and the purpose is to anticipate future human capital needs of the organisation (Mohammad, 2012). Hence, the succession plan of this organisation works through training and development programmes of three different categories of talent pool employees: management trainees, management associates, and cash officers. The *management trainees* programme deals with high potential and motivated individuals showing skills and abilities to shine as future leaders. The *management associates* programme is focused on dealing with branch banking operations including retail, corporate and commercial banking. The crucial requirement of their development is to ensure that managerial skills are honed and developed for performing supervisory and administrative tasks. Lastly, *cash officers* in the talent pool scheme are developed and trained for dealing with clients. These officers are recognised as ambassadors of the organisation.

### **5.3.4 Performance management system case study-B**

The performance appraisal system of this organisation defines a clear path for contributing in the overall organisational goals. The performance evaluation takes place through behavioural-anchored rating scales (BARS) which is a quantified scale with specified narrative examples showing good to bad ratings performance indicators. The appraisal form contains a five-point rating scales measuring performance indicators: such as productivity (e.g. target or goal achievement), individual attributes (e.g. knowledge, skills, ability.), technology (e.g. computer-related knowledge and skills), customer service (e.g. courtesy to customers), and personal (e.g. health, energy, appearance/

grooming, integrity and loyalty, leave record, punctuality). However, the employee is evaluated from different perspectives.

### **5.3.5 Compensation system case study-B**

All the rewards, salaries and incentives are given on the basis of performance. According to Mohammad (2012), time does not matter; only performance. This means that an employee with high experience will get an average pay unlike those colleagues who perform better. Employees in this organisation are paid in two ways: direct payments (e.g. wages, salaries and incentives) and indirect payments (e.g. medical, insurance, residence, car, fuel, etc).

## **5.4 Background of case study Bank-C**

The case study bank-C is the 4<sup>th</sup> largest institute in the banking sector with operations in local and international markets including Pakistan, Sri Lanka, UAE and Bahrain (MCB, 2015). This bank responds to changing economic market conditions and build a greater focus on customer service, introducing a range of products and promotions. The ownership structure was established as a public limited company by two enterprising business owners (i.e. Ispahani and Adamjee) in Calcutta, India in July 1947, a little before the independence of Pakistan. Its head office was first moved to Dhaka which is currently the capital city of Bangladesh in 1948, and later to Karachi in 1956. It was one of the leading banks that was nationalised in 1973 under the Z. A. Bhutto's regime for the period of seventeen years. However, after privatisation, this bank started a talent management programme and earned a large market share with approximately 4.7 million customers. This bank is one of the largest employers with a strength of workforce about 18,000 employees and promotes talent for healthy growth and employee satisfaction (Annual Report 2015). It has a large network of 1,193 branches, and more than 688 ATM machines across Pakistan.

### **5.4.1 Strategic plan and mission statement of case study-C**

In recent years, particularly after 2014, the bank has gone through major reforms to eliminate the policies that were opted during the nationalisation period and to support new HR policies and procedures for the bank.

The strategic objectives of the bank are: delivering high returns to investors, sustainable performance, compete market and shareholders expectations. Building a corporate

culture of equality, trust and team spirit to remain dedicated and to be a socially responsible organisation.

**Business strategy:** In order to achieve organisational objectives, this bank takes a highly collaborative and integrated approach towards all stakeholders and employees: i) to remains an employer of choice by providing a safe, positive and inspiring organisational culture; ii) to identify and respond to the needs and apprehensions of employees; iii) to educate employees regarding strategic route and to communicate the proper information relating to bank operations and activities. The frequency of engagement remains ongoing daily at all levels, or as and when required by the employees. The methods of engagement include communication that take place directly with the managers and teams through a range of interactive channels including regular electronic and printed bulletins, agreement letters, annual conference strategy sessions, and team sessions with the senior management. This bank ensures a motivational environment and meritocracy throughout its operational units. It is a bank that encourages its workforce to do their best and equally rewards employees on a merit basis. In addition, the performance-based incentive system encourages healthy competition among the employees and fosters talent.

**HR strategy:** The focus of this bank is staffing, developing, rewarding and retaining best talent. The bank strives to ensure that employment policies meet social, statutory and regulatory conditions and continue to build and maintaining strong collective relations and agreements. For this purpose, the HR policy has been updated in accordance with the present-day requirements and the corporate framework of the bank is to improve organisational performance.

**Approaches towards talent management:** 1) *Succession planning*, succession management is the development and retention of high potential employees so as to create a talent pool from which to fill key positions in the organisation. This is a ongoing process that includes talent identification, assessment and development of talent to ensure the availability of talent within the organisation and to keep up with the changing business environment. A succession planning document is updated periodically to ensure business steadiness and smooth functioning of all areas in case of attritions and changes of job responsibilities.

2) *Learning and development*, is the pivotal point of HR practice and covers continuous efforts to develop the skills of the employees at different levels. The bank is committed towards employee development practices which enable all its employees to reach their best potential, thereby creating a high-performance organisation. This belief is

maintained by the bank's comprehensive approach towards management training, performance management, and learning and development. The bank sustains its belief in motivating its workforce through strengthening and providing opportunities in each of these key areas regarding employee development. Regular training programmes are being offered to employees at different levels. These programmes cover a large array of technical and management development aspects and are broadly divided into five categories: in-house training, external trainings, overseas training, induction trainings and certification programmes. Through talent management practice, the bank seeks to achieve its short-term and long-term objectives by investing in human capital resource. The bank is mindful of efficiencies, so the attention is focused on the effectiveness of learning and development activities and investment in this area that adds value to the business. The bank introduced several initiatives to support talent management activities particularly the development of those identified as high potential or high performers. In addition, talent and performance management are being integrated to ensure that the right candidates are put in to a right position at the right time for career development.

Summarising the information of all three case study banks, it is clear that all selected banks operate talent pools operations. For example, all selected banks identify, develop and deploy talent. First of all, talent identification and selection takes place from the external and internal labour market of the organisation in two categories (e.g. category-I and category-II). In category-I, employees are placed in general banking operations, whereas category-II is the special areas like audit, information technology (IT) and human resource operations. After hiring and completing the selection process, the banks have a talent development programme for each category. The basic training programmes are conducted in the bank's staff colleges situated mostly in the capital cities of Pakistan (e.g. Karachi, Islamabad, and Peshawar). The staff colleges train these officers for basic and special areas. The newly recruited employees are given orientation as part of the organisation development programme (OD). Pakistani banks generally have two types of employment contracts: a) regular cadre; and b) contractual cadre of employees. In regular cadre, banks recruit employees through some schemes such as the management trainee officers' scheme called the MTOs scheme. The regular employees are permanent and contractual employees are those working on a contract basis for a specified period but extendable in some cases depending on the type of organisational contract. Once the organisations complete their selection process of identifying talent, these people are now positioned in significant posts. The selected candidates enjoy career growth

opportunities, an increase in salary and other incentives. Secondly, competition: the intended HR plan of all three selected organisations is to compete in the business market by delivering high returns to stakeholders, supporting merit culture throughout the operational units, and maintaining employee relationship. Thirdly, the reason of initiating talent management activities in the case study banks was to tackle the overstaffing issue and to improve organisational performance.

Fourthly, pay for performance: all selected banks believe that a performance-based pay system encourages healthy competition among employees to do their best and it fosters talent. Nevertheless, talent pool employees may not show a sustained performance and performance-based pay system may not work to induce engagement behaviour and to retain talent pool employees. Such a talent management approach may have an impact on maintaining employee relationships. Causal relationships between HR practices and employees' attitudes and behavioural outcomes can affect the organisational productivity and performance.

The labour market of Pakistan is confronted with a number of challenges such as a low labour force participation (LFP), a low level of education and skills, high unemployment, pre-dominance of informal economy and very little female participation; these are some of the features of the Pakistani labour market (Economic Survey, 2014). As a result, talent availability in labour market and the enactment of fresh graduates in the public sector organisations becomes a challenging task for the organisations.<sup>36</sup> Moreover, the extant literature (Ali, 2012; Khilji, 2003; Mangi *et al.*, 2012; Siddiq, 2007) suggests that poor management practices, overstaffing, power distance management approach and a lack of customer care are the characteristics of state-owned organisations in Pakistan. Pakistani organisations are hierarchical in nature, following bureaucratic and highly centralised and authoritative management style.<sup>37</sup> The favouritism, *Sifarish* (social connections),

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<sup>36</sup> The total labour force in Pakistan is estimated at 63.03 million in 2014-15 out of which 59.1 million are employed and 3.93 million were unemployed. The share of agriculture employment is 43.7 per cent, that was more than 50 per cent in the '90s. The agriculture-related employment is associated with the rural population and is poorly remunerated, vulnerable and unproductive. The related labour belongs to informal economy which contributes less but disguising a high rate of employment in the sector (Annual Plan 2015-16). The developed countries like Germany, Netherland, France and England have become a service-based economy having about 73 per cent of the service sector share in their GDP (Annual Plan 2015-16). These countries are successful because they invest in human resource development to produce qualified and technically competent manpower. So, investing in people may be the best way to generate employment opportunities that can lead developing economies towards success.

<sup>37</sup> The contextual chapter explains in detail how the British legacy has been transferred through civil-military powerful elites who have dominated and controlled public and private sector organisations.

nepotism, cronyism and sycophancy are the major cultural factors affecting modern HR policies (Ali, 2012). This study argues that these factors are path dependent issues and the influence also applies to talent management practice within the case study banks.

As already discussed, this thesis uses the AMO as an analytical tool in an empirical analysis. However, the model is broadened in two important dimensions. First, the model is broadened to acknowledge the influences of wider contextual and situational factors on organisational management and HR practice. This thesis argues that the historical, economic and social development of Pakistan created a path dependency and that has contributed to a unique legacy which continues to have a powerful influence on talent conceptualisation, their deployment and motivation.

Secondly, the attitudinal aspects stemming from Purcell's model are insufficiently developed. Purcell highlights the importance of discretionary behaviour in creating positive organisational outcomes but does not fully develop the component elements of such behaviour. This thesis draws broadly on the concept of the psychological contract<sup>38</sup> and social exchange theory (Blau, 1964; Cropanzano and Mitchell, 2005) and, integrates this with the AMO model to inform the concept of discretionary behaviour. It highlights a number of organisational and job-related constructs which shape employee perceptions of the nature of the employment exchange relationship and in turn job and attitudinal effects. Figure 5.1 p.186 underscores the linkages between HR practices and employee attitude and perceptions that can be affected positively/negatively and eventually affects performance outcomes.

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<sup>38</sup> Psychological contract is particularly helpful to understand how employees perceive HR practices and their reactions in terms of attitudinal and behavioural outcomes (Hutchinson, 2013).

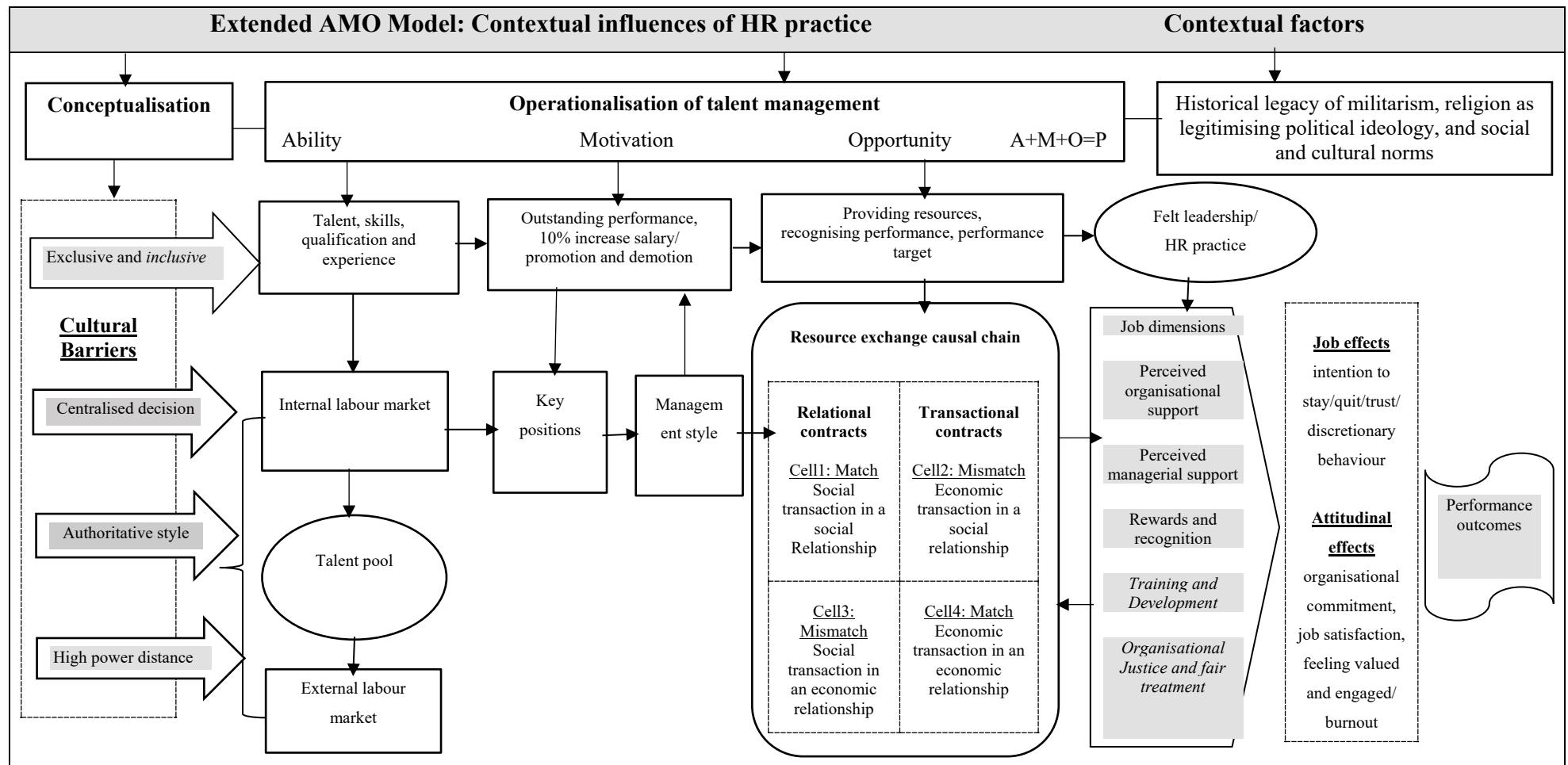


Figure 5. 1 Revised framework: Source (Collings and Mellahi, 2009; Cropanzano and Mitchell, 2005; Purcell, 2003; Purcell and Hutchinson, 2007; Purcell and Kinnie, 2007).

## **5.5 The qualitative data analysis**

The following section presents the qualitative results and analysis of semi-structured interviews. According to Cooke and Rousseau (1988), qualitative and quantitative methods are complementary methods to study the organisational process and attributes. The method described here is a qualitative approach in order to assess the specific aspects of organisational culture in relation to talent management strategy and practice. Pakistani organisational culture is an amalgam of high power distance, bureaucratic and authoritative in which shared norms and expectations of path dependency and legacy guide the thinking and behaviour of organisational members (Ali, 2012; Cooke and Rousseau, 1988). In terms of talent management conceptualisation within Pakistani banking organisations, the subsequent section briefly outlines the theoretical abstraction and the introduction of thematic analysis.

As stated earlier, this study uses the AMO model as a conceptual and analytical tool. The nature of talent and talent management practices can be seen as meaningful components of the AMO where ‘A’ stands for Ability that may be interpreted as the exceptional attribute of talent being able or competent to generate profits for the organisation (Gallardo-Gallardo *et al.*, 2013). The basic assumption in this category is that individual ability/talent is rare; it needs to be identified, attracted and hired. ‘M’ stands for Motivation that is a powerful bridge between organisational commitment and firm performance (Collings and Mellahi, 2009), hence motivation is interpreted as a key mediating variable in talent management practice to induce job commitment and engagement behaviour at the workplace. The assumption is that employee motivation can have a positive influence on employee perceptions and eventually their job attitude and performance. ‘O’ stands for opportunity and suggests optimal allocation of resources through workforce differentiation (Meyers *et al.*, 2014). The assumption is to invest in people with potential for optimising a return on investment or talent transfer. This study argues that the organisations who conceptualise talent as a resource and will invest in employees to induce job commitment and engagement through deliberate and goal-oriented learning and development practices to make full use of their abilities can win the war for talent. So, opportunity can be assumed here as a crucial and conscious effort for systematic learning that should be taken into account in every organisation in order to develop interpersonal characteristics (potential natural abilities) into exceptional skills to

do the job and to be fit in specific organisational setting (Gagne, 2000; Gagné, 2004). Consequently, the AMO model suggests that an individual performance is the function of ability, motivation and opportunity to perform well; in an equation, it can be presented as A+M+O=P. The authors like Boselie *et al.* (2005); Collings and Mellahi (2009) argue that the AMO framework proposes the idea that organisational objectives can best be achieved through a systematic approach of HR practice that focuses on employee interests such as investing resources in employee training and development activities, their motivations and enhancing their quality of job. Following this point and considering that talent management practice focuses on attracting and identifying talent, deploying the right persons on key roles and engaging and supporting them, then the AMO model suggests that a positive job attitude/discretionary behaviour should be demonstrated which, in turn, increases organisational performance.

The literature review identified a four-fold conceptualisation of talent including talent as an ability, competency (incorporating both innate and acquired skills and knowledge), talent as commitment and talent as fit (see Gagné, 2004; Gallardo-Gallardo *et al.*, 2013). Drawing on this four-fold philosophies of talent and the extant literature relating to the nature of talent and approaches to talent management, a number of themes were identified (e.g. talent conceptualisation, the nature and scope of talent management, and employee engagement) as appropriate to the analysis of empirical data.

## **5.6 Theme-1 : Talent conceptualisation**

The first theme relates to the basic characteristics of talent philosophies and empirical data analysis highlighted different interpretations of talent which are summarised below in the form of quotes from respondents. Subsequently, it was possible to classify the categories in relation to each element of the AMO model.

**Ability (A) *Talent as an innate/natural ability:*** Inborn unique abilities that lead to superior performance: this talent philosophy tells about the *stable characteristics of a person without being taught* and necessary elements for outstanding performance (Gallardo-Gallardo *et al.*, 2013; Meyers *et al.*, 2014). The assumption here forms the basis of the exclusive talent philosophy. The proponents of this philosophy argue that the organisations that retain/dispose more of these talented people will win the war for talent (Meyers *et al.*, 2014). In contrast to the stable characteristics of a person, ***Talent as mastery/competency:*** Systematically developed skills and knowledge that lead to

superior performance recognises the role and significance of intended learning practices. Meyers *et al.* (2014) argue that this talent approach is similar to the stable/exclusive talent philosophy as both approaches consider talent as rare and at least partly innate. However, this philosophy assumes that talents are often hidden and can be unveiled through training and development. In terms of the Pakistani context, as discussed before, training was considered as an important activity across all case study organisations. Case study A, B and C conceptualise talent as a person with qualifications and utilised extra efforts to find talent/ability and then prepare them through training and development for the talent pool to meet the human capital needs of the organisation. The conceptualisation is illustrated in the following statements.

*'...Talent is a God-gifted ability that can be available in anybody, but obviously in practice the organisation doesn't hire attitude but a particular person with relevant qualifications for a particular position' (HR2).*

*'Talent can be defined based on leadership qualities, communication skills and performance...We evaluate star performers/talent on the basis of previous work achievements, performance and the educational qualifications' (HR1).*

A similar view came from senior HRM managers in case study B and C.

*'...Basically, we evaluate talent on their educational qualifications and other skills such as mathematical and analytical skills, we look through the interview process, it evaluates their communication skills; that is how they communicate. The third aspect is the evaluation of personality traits and confidence; this is to be counted at the time of interview for fresh candidates' (HR3).*

*'Talent is someone who possesses basic leadership qualities and good education... and most importantly good time management in order to meet business targets' (HR5).*

**Motivation (M)** is a powerful bridge between organisational commitment and firm performance (Collings and Mellahi, 2009). **Talent as a commitment** refers to an individual's emotional attachment to the organisation that calculates advantages and disadvantages associated with an employment contract; it can affect individual feelings of obligations to invest his/her discretionary energy by aligning personal and organisational goals for achieving organisational objectives. This recognises the role and significance of the two-way relationship between employee and employer to achieve

mutual organisational and individual objectives. However, all three case study organisations differentiate and motivate talent based on high potential and high performance. For instance, the HR manager stated:

*'We are differentiating the individuals 'talent' based on their potential for job positions and performance they show, we give them spot cash, incentives, and special cash awards, and achievement awards' (HR7).*

A similar view was given by the HR managers in case study A and C.

*'Talent in our organisation is considered as a resource that helps in achieving organisational objectives, we raise their salary 20% as a special allowance...the resource/talent that we are trying to acquire is based on the requirement of that particular position' (HR4).*

*'Talent varies from cadre to cadre and grade to grade, for example if we are talking about EVP and GM<sup>39</sup> level of the bank then obviously, the capabilities will be different than what we will be looking at assistant manager and manager level' (HR3).*

*'Talented employees are those who perform well for which they are rewarded, and the job-positions for which they are being considered' (HR8).*

The findings suggest that case study organisations categorically follow exclusive talent philosophy to differentiate and motivate talent based on performance. The work force differentiation such as classifying employee groups as talented and untalented indicates that employees need to be treated differently based on performance or intellectuality. Such preferential talent treatment relates to exclusive talent philosophy (Meyers *et al.*, 2014).

**Opportunity (O)** provides opportunities to the employees to manage their weaknesses to be fit within the organisation. Satisfying skill requirements and employee well-being can have a positive influence on employee perceptions that, in turn, affects job attitudes and organisational performance (Meyers *et al.*, 2014). **Talent as a fit** implies a realised potential and capability of individuals as fit to be attracted, hired, deployed, engaged and retained. Scholars including Ruiz-Palomino *et al.* (2013); Vilela *et al.* (2008) argue that

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<sup>39</sup> In the banking sector of Pakistan, EVP and GM are the job position posts, EVP stands for 'Executive vice president' and GM for 'General manager'.

the more an individual finds him/herself fit in the organisation the greater the performance outcomes. This means the employees who identify a positive match or link between their values and those of the organisation can be more fit and committed. Here the assumption is that unique and developable abilities of all employees must be exploited to foster work motivation and commitment that mediates the relationship between feeling valued and involved and performance outcomes. In this regard, Meyers *et al.* (2014), suggest four key tasks to focus on: i) identifying individual talents, ii) stimulating the use and refinement of talents, iii) matching talents with positions or tasks, and iv) manage weaknesses around talent. Section 5.7 theme-2 discusses this point in detail.

### **5.6.1 Empirical Findings**

***Talent features and conceptualisations:*** a) Talent as a gifted ability, b) Talent as an attitude, c) Talent as a person, d) Talent as a qualification, e) Talent as leadership-quality, f) Talent as a communication skill, g) Talent as achievement /performance, h) Talent as a resource, i) Talent as a job-specific, j) Talent as a time manager.

Although, all categories of the four-fold categorisation of talent discussed above, cannot be identified in the empirical findings, the predominant conceptualisation of talent to emerge from the empirical analysis is that talent is explicitly linked to the possession of formal educational qualifications and proven expertise to take on a specific role. Respondents HR-1, HR-2, HR-3 and HR-5 all explicitly state that educational qualifications, and typical personality traits to perform well are necessary elements of talent. This focuses on the possession of formal qualifications and, in turn, reflects an exclusive and specific talent management approach within the case study organisations. For example, respondent HR-2 identifies talent as God-gifted and recognises the innate characteristics of talent but again diverts to educational qualifications and does not talk about inclusive talent philosophy and views talent as a repository of those employees with relevant qualifications. Respondents HR-1 and HR-5 refer to typical leadership abilities, work achievements and meeting business targets which also reflects an exclusive talent management approach. In addition, respondents across all three case study banks, e.g. HR-7, HR-4, HR-3 and HR-8 clearly linked talent with performance and key job roles. These findings reveal that although case study organisations acknowledge unique and developable abilities of talent, they seem to be more inclined with performance and are influenced by talent in the key roles of job positions.

A narrow conceptualisation of talent as predicated on the possession of formal qualifications and performance can be seen as a reflective of wider contextual factors such as path dependency of civil service administrative and bureaucratic mentality, low quality of education, favouritism and nepotism, and lack of learning and development opportunities. Hence, candidates with no specialised formal qualifications and distinguished performance cannot be counted as talented.

The conceptualisation of talent as commitment was notably absent from the empirical data and respondents did not recognise or acknowledge employee engagement or commitment as a relevant factor in talent management. The extant literature highlighted tensions about the clarity of talent conceptualisation and empirical evidence demonstrates a similar ambiguity of dissimilar interpretations within case study banks. However, findings confirmed that the respondents within the case study banks were not only familiar with the concept of talent management but also its significance for performance at the workplace. The familiarity is illustrated in the following statements.

*'Talent management started with the war for talent, the concept started in early 2000; basically the organisations started talent management with differentiated pay because some employees are competent, and some are not, so if there is no difference of pay then it will affect employee motivation. Hence, those who deliver more should be given more'* (HR2).

*'A commercial organisation very easily interprets its success in figures and figures are speaking themselves. For example, when we privatised in 2004, I think our bank was earning the profit of one or two Pak'.Rs. billion. Now the bank has 22 plus billion profit per annum, that is almost a 20 folds' increase. So, how that success come! It is obviously through people. The reason is that this is purely a service sector, here no machine is involved, what is happening is based on people and definitely people did it and those people are obviously the best people'* (HR3).

*'Talent management practice is extremely important and adds value to our organisation because banking is a service-oriented industry and our products are strong among others, so we need good talent in order to market services and to meet our vision and mission of the organisation. If we get the right person for the right job over a period of time, those employees develop skills and potential to be an excellent resource or excellent talent'* (HR4).

*'We have couple of teams (talent), we utilise them in the institutional disciplinary department. Since we are a financial institution, we have to protect the bank's interest against frauds and related activities. So, if this happens we utilise that talent. For example, we have just started with 100 enquiry officers...so if one is talented he does the enquiry perfectly and once you are involved in different activities and if they are upgraded, we utilise them apart from the main duties that individual do for different functions' (HR1).*

In short, within the case study organisations, talent was conceptualised in a very narrow and instrumental fashion and was seen as overwhelmingly residing in those employees who possessed formal qualifications and appropriate levels of expertise for a given position or role. Conceptualising talent is equivalent to formal qualifications and performance may be the result of changes in HR policy after privatisation of the banking sector that, in turn, shaped organisational approaches to talent management strategy and practice. Before privatisation, the case study organisations suffered tremendously from overstaffing and acute shortage of qualified people.

### **5.7 Theme-2 the nature and scope of talent management**

The previous section mainly dealt with talent conceptualisation within the selected case study organisations. This section describes the effects of conceptualisation on the implementation of talent management practice. Organisations can take a range of different approaches to talent management (CIPD, 2011) but two broad approaches are identified in the extant literature. An '*exclusive talent focus*' identifies strategically important talent segments and then focuses on the effective recruitment, development and deployment of high potential candidates within these segments. This approach can be linked with the view of Collings and Mellahi (2009) in which talent is targeted in organisational internal and external labour markets for pivotal positions. An '*inclusive talent focus*' encompasses the entire work force of the organisation, focusing on ways to develop people's strengths mostly using a blended learning approach in practice. Whatever organisational approach is adopted, managing talent involves the systematic attraction, identification, deployment, engagement and retention of those with the talent potential to contribute to strategic advantage (CIPD, 2011). Mentioned above, the reason of initiating talent management activities in the case study banks was to tackle the overstaffing issue and to improve organisational performance. So, talent differentiation was one of the main activities falling under the talent management umbrella within the

case study banks that predominantly focused on the identification and acquisition of talent (where talent was seen exclusively as those with appropriate levels of qualification and experience). Respondents made limited references to employee retention and the retention strategy was invariably focused on the provision of tangible rewards to individuals demonstrating effective levels of performance. Issues relating to employee engagement and motivation were marginalised in the empirical findings.

### **5.7.1 Identifying talent (attracting and recruiting)**

Talent identification in the case study banks A, B and C starts with recruitment and selection, they take place in two categories. In the first category, the employees are placed in general banking operations, whereas in the second category, recruited cohorts are for special areas such as audit, IT and human resource operations. Regardless of the category, the recruitment and selection process was invariably focused on formal education. The following responses illustrate the features of the process adopted across all selected case study organisations.

*'As part of our talent management scheme, called the MTO scheme, we hired fourteen batches of management trainee officers and they all were MBA, MCom (Master of Commerce) or MA economics degree holders and they were placed at the position for which they were hired' (HR5).*

*'...In order to find hidden talent, we advertised and set the criteria that those who are MBA degree holders should submit their applications. We received 2,000 applications out of 13-14 thousand employees. We did their written test and interviews and selected nearly 200 employees and gave them the positions of their choice' (HR2).*

*'...When we hire fresh candidates who have no experience, basically we evaluate them on their educational qualifications and other skills such as mathematical and analytical skills, ...the interview process also evaluates their communication skills, that is how they communicate their personality traits. In the case of experienced candidates, we match or evaluate them through looking at their educational qualifications and also their experience which they have gained in a particular area and whether that experience is relevant to that position' (HR3).*

Talent conceptualisation was not varied within all the selected banks, and the effects were found in operationalisation of talent management practice. In addition, respondents

discussed a systematic approach for identifying talent based on measurement and assessment of the two main attributes of talent, i.e. job-related knowledge and performance as illustrated below.

*'...each job position or role within the bank has its own criteria or requirements, which you could say are key skills, key performance indicators that allows us to identify the candidate's profile in order to successfully perform that role. So, once we have a profile for the candidate, we evaluate various applications against those criteria that contain the necessary skills to perform' (HR3).*

Apart from knowledge; skills and performance, managers are responsible for recommending any candidate to be included in the talent pool. However, it depends on the choice of managers to point-out any candidate for participating in talent management programmes, such nominations sometimes affect the process of attracting and recruiting the right talent. As the training and development participant stated:

*'...sometimes individuals appear in the test as having right and equal qualifications but the seniors (supervisors) do not allow them and they don't nominate them for the talent pool programme. This is the biggest road block for talent because they (supervisors) know if they (individual employees) were selected, it is quite possible they may not stay with them,...so, there are lots of factors contributing in talent management practice'(HR5).*

This finding indicates the bureaucratic approach where managers are creating barriers in career advancement, the reason may be to give favour to certain individuals over others based on social or relational networks. The similar view came from HR-7.

*'...sometimes the right persons are not selected (instead) the people who have understandings and connections with higher authorities can come up for selection and promotions (HR7)'.*

In short, talent identification within the case study organisations replicates the practice of civil service and bureaucratic tradition and legacy of British colonial rule where qualifications were paramount. Such an approach marginalises more contemporary thinking which emphasises the role of employee attitudes and behaviour in organisational performance (Purcell, 2003), and the widely held belief that organisations should recruit for attitude and train for skills. In the context like Pakistan where there is problem of

corruption and political involvement in institutions, then attracting and recruiting the right talent is a challenging task. As an HR manager stated:

*'When this organisation was in the public sector, the major problems were overstaffing, lack of efficiency and growth, though these problems are reduced significantly but still I am receiving calls from different higher authorities including ministers for adjusting their people and sometimes for some reasons we have to oblige them' (HR8).*

A similar view was given by the HR manager:

*'We are living in the society where sifarish is based on political, social and family relationships; it plays an important role in recruitment and selection process, and that is not newly inducted in our society but very old that it is continuously affecting the organisational culture' (HR6).*

An HR head stated:

*'We are a big organisation so definitely we have political pressure in the recruitment and selection process, but present leadership is not taking much pressure and discourages sifarish culture within the organisation' (HR1).*

These findings suggest that cultural and social factors affect the recruitment and selection process of the case study organisations; that, in turn, causes overstaffing and affects succession planning.

*'We have unfortunately, as I said, the number of employees is a lot more even when we introduced 1,000 MBAs in last ten years at an average 100 MBAs in a year until 2011 on the basis of previous work achievements, performance and education; some people, about 300, were included in the talent pool, but it was not followed up. Even though they were given 10% increase in salary, their development was not made due to the lack of succession planning. We need to have a system where there is a respect to these talented people in the minds of other people, so if the selection is very transparent then people should know who is talented or otherwise an ordinary employee' (HR1).*

### **5.7.2 Deploying talent (managing performance tracking progress)**

All case study banks reported a strong focus on the measurement of employee performance; but not for career development and support for enhancing employee motivation to make full use of their abilities. So, the outstanding performance becomes

an indispensable feature of business strategy for case study organisations that distinguish talent in this context. In addition, respondents spoke about facing talent shortages and referred to difficulties in filling key positions with appropriately trained and qualified individuals,

*'...Talent identification exercises were completed in 2005, 06, 07 and 08 and now we have only 539 talent pool employees, although we managed to fill 400-500 key positions through this scheme, but still the board of directors felt that it is a very low percentage of people, so revised the talent management scheme and now we have a star-performers scheme' (HR2).*

*In a previous scheme, only regular employees (full-time) were included in the talent pool, but now our contractual employees (part-time) have also the opportunity to be part of star-performance scheme. Now, this is for all employees. The criteria to be included are outstanding performance, achievements, good conduct and continuous good performance' (HR2).*

*'...The first challenge obstacle in terms of talent management activities we face is the recruitment of talent (right person for the right job) in our particular market since it (talent) is difficult to find...because of the low educational standard in the country, ... we have a limited number of candidates produced in the system' (HR4).*

The case study organisations demonstrated a hard approach to talent motivation and their career development which translated into expelling individuals from the talent pool and back into their previous positions if they were not demonstrating sustained improved performance.

*'...In our bank, there are 539 talent pool employees, and we have given them a name of talent pool. We are making reports of these people. We give them a 10% increase in salary, job positions of their choice and preference in promotions. Similarly, we give them preference in overseas posts. Apart from this, we also assess them informally and those who are not giving satisfactory performance we expel them from talent pool' (HR2).*

Such highly exclusive nature of talent management approach within case study organisations served to create divisions within the workforce and to alienate sections of the workforce not covered by the talent development activities. Moreover, the

performance outcomes of those participating in talent management programmes was not always sustained. The HR manager said:

*'...In regular cadre, we took fourteen batches of MTOs ... they were qualified people and we had clear guided career paths for them if they work fine in appraisal. On the contrary, in a normal cadre (i.e. other than MTOs), the promotion was not guaranteed. The MTO were promoted into a minimum period of three years, so we felt that there was a constant rift and disenchantment going on in a normal regular cadre. Also, certain instances were noted and observed that the MTOs after getting promotion left working with same zealousness therefore that scheme was suspended' (HR5).*

The recruitment and selection of the MTOs within the case study organisations was one of the main steps towards the talent management programme, whilst many similar steps such as performance management system and succession planning were additional focused areas of talent management programme. As a HR manager said:

*'We are trying to have a performance management system in place through annual confidential reports (ACR). Currently, we have introduced the performance management system for performance bulkers (star performers) and then recognised the value of the leadership abilities in individuals '(HR1).*

*'In the star-performance scheme. there are 2,500 employees out of 16,000 people, we have prepared a complete succession planning. We have done job profiling of these employees, whenever we feel employee attrition, we check in a star-performers who is the best match among them. In this way, our planned and unplanned attrition is becoming covered'(HR2).*

*'We focused on training and executive development programmes so now we have all the young VPs who were promoted through our special programme for the purpose of encouragement and grooming of the individuals in the organisation. Now we also plan that every department should have succession plan which is missing today' (HR6).*

*'In talent management, we previously had just conducted a written test and interviews but now we believe in performance appraisal. For example, if a person who is continuously giving outstanding performance during the last three years, he/she is certainly something different'(HR7).*

*'Performance revolves like blood in the organisational structure that keeps the organisation alive and makes the difference clear between smart employees. (HR8).*

These findings suggest that high performance is the explicit focus of case study organisations to meet their business needs that is an evidence of the exclusive nature of the talent management approach that has less value for potential employees in general.

### **5.7.3 Theme-3 Engaging talent (developing, rewarding and retaining)**

The process of developing and engaging people starts with induction including the orientation session. The training and development department arrange training programmes for employees throughout the year. However, approaches to the development of talent reinforced the exclusive focus of talent management programmes within case study banks. Each bank had a formal training and development programme for each category of staff, i.e. both general and specialist staff with basic training programmes delivered through staff colleges. Whereas, managerial staff have training opportunities within and outside of the country. A senior HR manager stated:

*'Training needs are identified through their supervisors and that is taken over by the training and development department, and they decide whether people are required to be sent abroad and they will send them abroad, but this is obviously for senior management'* (HR3).

*'We have preferred leadership programme and through training and development we are grooming and mentoring them. We also have coaching and counselling concept, so this is the first step. However, when their performance comes before us on the one side, and their supervisors are already checking them, the talent management department matches their performance with previous records of talented employees'* (HR2).

The basic measures of rewards or motivation implemented in practice were recognised on non-monetary benefits such as performance recognition, appreciation certificates that are supposed to be considered as enough to keep employees engaged and motivated. As HR3 stated:

*'Engagement is carried out through recognising employee performance. Apart from regular monthly salary, the performance is being recognised through bonuses and certain other measures like off-site meetings such as visiting places of Pakistan'* (HR3).

In a similar vein, the HR overseas desk stated:

*'My personal opinion is that, first talk to them with respect and second to appreciate their performance...we call a meeting every six months at our four main centres in order to make them realise that they feel that we are the part of something good in the organisation' (HR2).*

*'Since this is a commercial organisation so for any reward a sustained performance is needed. For me, the main motivation for a person should be that he/she should be given challenging work and recognition at work. The actual motivation is that which is non-monetary such as an appreciation letter or performance recognition and bringing them ahead; this is what we do in our organisation' (HR6).*

Such a non-monetary treatment may have no positive impact on the feelings of talented employees and they may not feel any excitement being special in a talent group.

*'We have set a level of these 5% people in an extant, so that their status-level may not be much different than other employees so that the rest of the 95% employees may not be demotivated. This means that organisations should not motivate a person in such a way so the other employees may be fully demotivated. We look at their aspirations, we give them points in promotions and overseas but cannot keep them as a separate group because everyone works' (HR7).*

*'We always have to stand somewhere at the norms of the organisation. Abnormal expectations cannot be obtained into account so what happens if somebody has over expectations, then definitely the organisation will not be able to meet with that. However, if we are not at par, it is a question mark for the HR department and the policy developers to keep themselves stable with the market' (HR8).*

The operationalisation of talent management within the case study banks and the formal, exclusive nature of the talent management processes adopted raises implications for levels of employee engagement, loyalty and commitment. These elements formed the basis of quantitative data analysis to establish levels of employee engagement within the case study banks. These issues are explored in more detail in chapter six in the quantitative data analysis. However, the analysis of the empirical data from the quantitative aspect of the study relates to the experiences of employees and their perceptions of fairness, trust and equity in a social exchange and psychological contract

formation. A number of organisational attributed aspects were identified in the literature as significant in the creation of positive job and attitudinal effects. These were job-dimensions (JD) (i.e. skill-variety, task-identity, task-significance, job-autonomy and feedback); perceived organisational support (POS); perceived managerial support (PMS); rewards and recognition (RR); training and development (TD); organisational justice and fair treatment (OJ); feeling valued and engaged (FV); career intentions (CI) and burnout (BO). Several studies have reported the positive relationship between these variables in order to induce job commitment and engagement (Robinson et al., 2004; Saks., 2006) but in different contexts. However, the applicability of these variables in relation to talent management practice was examined for the first time within the Pakistani banking context.

The overall findings of the quantitative data analysis revealed that organisational commitment has a positive and significant impact on the employee level of feeling valued and engaged. Simultaneously, rewards and recognition, job-dimensions, perceived organisational support and perceived managerial support were the main predictors of feeling valued and engaged (see Table 6.5 p.211). Collectively, these predictors increase the level of feeling valued and engaged at selective Pakistani banking organisations. The extant literature suggests that HR practices can be judged by the employees through the lens of organisational justice, fairness and psychological contract (Purcell and Hutchinson, 2007; Purcell and Kinnie, 2007; Wright and Nishii, 2007). Positive perceptions of HR practices have been considered to directly influence attitudes and employee behavioural outcomes (Blau, 1964). In the social exchange theory, Blau discusses the ‘norm of reciprocity’; that is, if the people are treated well by the organisation they will feel the sense of obligation to reciprocate positively. Similarly, in the work setting, perceived investment in human resources can give employees a feeling that the organisation values their contribution and cares for their well-being, and elicit positive employee attitudes and behaviour (Hutchinson, 2013). Therefore, it is argued that if employees are feeling valued, engaged and having positive perceptions about their employer/organisation and are happy with their career and development opportunities, then their job commitment and engagement can be enhanced.

To summaries, talent management exists both conceptually and practically within the HR architecture of the case study banks but have distinctive characteristics which reflects the wider contextual and situational factors. Talent management practice is focused on two

main elements: identifying talent on the basis of existing qualifications and job roles, and employee performance according to organisational requirements. Issues relating to the engagement, commitment and employee motivation to maximise the impact of talent on organisational performance is marginalised. The qualitative findings suggest that case study banks follow the exclusive talent management approach that affects employee motivation and engagement. However, despite the exclusive nature of talent management practice, case study banks are conscious in their approach for identifying appropriate characteristics of what is considered effective performance. However, talent management practice was narrowly conceptualised and focused on the identification of appropriately qualified staff and their subsequent training for specific job roles. The approach adopted is predominantly exclusive and focused on specific groups of qualified staff who are considered capable of effective performance. Such an approach is largely focused on the demonstration of performance, skills and qualifications, and overlooks employee motivation and opportunities to deploy staff with potential. If we see talent management practices of case study banks with the lens of differentiated human resource architecture suggested by Collings and Mellahi (2009) and the AMO then it could be essentially observed that work motivation, organisational commitment and extra role behaviour of employees are the missing elements of HR architecture of case study banks. The processes associated with talent management within case study banks demonstrates a formal process focused very much on the identification of talent and the subsequent training of those employees identified as having high potential in the acquisition of relevant qualifications and job specific skills. It further shows an emphasis on extrinsic rewards (higher pay) as a reward for effective performance as well as punishment or demotion for employees whose performance did not meet the set criteria. This approach was typical across case study banks and reflects a formal, hierarchical and instrumental approach to talent management.

## CHAPTER SIX

# QUANTITATIVE DATA ANALYSIS AND FINDINGS

### 6.1 Introduction

In order to address the second research question, this chapter finds empirical evidence of employee attitudes towards specific job- and organisational-related constructs and the corresponding effects on their perceptions of feeling valued and involved. In this data analysis, different statistical techniques were used to generate results and findings such as Cronbach's Alpha was used to measure the reliability of the multi-item constructs, Kurtosis and Skewness was used to check the normality of data, and spearman's correlation was used to assess linearity that indicates correlation between variables (Field, 2009).

This chapter examined employee perceptions of feeling valued and engaged in relation to HR practices within the Pakistani banking organisations. The objective was to observe the relationship between organisational work attributes and employee perceptions of feeling valued and engaged (see the second objective, p. 23). The extant literature shows the importance of employee engagement in talent management strategy and organisational performance (Albrecht *et al.*, 2015; Gruman and Saks, 2011), and organisational work attributes such as job dimensions, training and development opportunities, employee motivation, organisational and managerial support, organisational justice and fair treatment are the important predictors that have influenced employee level of engagement (Robinson *et al.*, 2004; Saks, 2006). This chapter discloses the hypothesised relationship between independent variables IV (i.e. job-dimensions, perceived organisational support, perceived managerial support, rewards and recognition, training and development, and career intentions) on dependent variables DV (i.e. feeling valued and engaged)<sup>40</sup> to examine the influence of work attributes on employee attitudes at Pakistani banking organisations. These variables were examined from the perspectives of the employee perceptions of the nature of the social exchange process in the organisation and the impact of work attributes on employee behaviour and job attitude. In order to understand the relationship between proposed variables, researcher followed the quantitative approach which includes the application of a questionnaire survey.

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<sup>40</sup> The HR-related constructs to induce job commitment and engagement, and hence higher organisational performance.

Following this approach, the data was collected from a targeted sample of the study which was categorically working in the banking sector of Pakistan. Overall, this chapter covers the procedures of the quantitative data analysis that have been applied to extract the results. The researcher for this purpose used the IBM Statistical Package for Social Science version 22.0; the latest version of SPSS at the time of the data analysis. Data analysis consists of normality, linearity and regression analysis.

## **6.2 Data collection procedure**

The data was collected by means of a questionnaire on a Likert-Scale 1 to 5 (1= Strongly Disagree, 2=Disagree, 3= Neutral, 4= Agree, 5= Strongly Agree). The survey consists of ten variables: feeling valued and involved, rewards and recognition, training and development, job dimensions, organisational commitment, organisational justice, perceived organisational support, perceived managerial support, career intentions and burnout.

The data collection process for this piece of research work took place from October 2014 to end of the February 2015. This process took considerable time due to hectic and busy schedule of participants. The sample population of this study consists of five categories of employees working in the case study organisations: officer G-I, officer G-II, officer G-III, management trainee officer (MTO) and non-management/clerical staff/typist/cashier. The reason for choosing this sample is the importance of these categories; most importantly, it includes a critical category of management trainee officers that is popular and a recognised category of fresh talent in the banking sector of Pakistan. The survey questionnaire was distributed randomly among 500 employees working in the case study banks who agreed to participate in the study. The respondents were contacted through e-mails and personal visits. Keeping in view the nature of the job, the very busy participants were sent reminders on a regular basis to participate in the study. All the participants were given adequate time and freedom to respond in order to get unbiased response (Field, 2009). Finally, after a couple of reminders, out of the 500 distributed questionnaires, the researcher received 215 filled in questionnaires that became a 43% response rate. However, the completely filled 189 useful questionnaires were included for analysis purpose. The data collection process took considerable time to get responses from this group of bankers. Although the researcher came across a number of difficulties due to a very busy job schedule of participants yet managed the data

collection through hectic and anxious efforts to have a substantial amount of responses to run it onward for the analysis purpose for this study.

### **6.3 Demographic information of the respondents**

The following part is comprised of employee demographic particulars including the sample composed of forty five branches of three leading banks located in Sindh. The demographic analysis focused on sample frequency according to the age, qualification, job rank and job experience.

The demographic information of respondents includes the personal profile data such as academic qualification, job rank, age of participants and length of service. The detailed information about the participants is available in the following table 6.1.

**Table 6. 1 Demographic Information**

Demographic	Category	Frequency
Academic Qualification	Doctorate Degree	02
	Graduate	43
	High School/Tech: training Diploma	01
	Master's Degree	142
	Undergraduate	01
Job Rank	Management trainee officer (MTO)	17
	Manager	10
	Non-mgt/clerical staff/typist/cashier	16
	Officer grade-I	55
	Officer grade-II	45
	Officer grade-III	46
Age category	18-30	73
	31-40	59
	41-50	34
	51-Over	23
Length of Service	Under 1 year	53
	1 to 5 years	70
	5 to 10 years	55
	10 and above years	11

Demographic attributes of the sample 189 respondents out of 500 is accounted for 37.8% response rate in the survey.

The information given in the table above demonstrates that large number (142) of employees that have a Master's degree; that is 16 years of education. The age category shows 73 belong to young category (18-30) of employees, whereas the second highest

category is 59. The percentage of both age groups become just 26% of the total sample population, whereas the maximum number of employees has more than ten years of experience.

## **6.4 Data screening before analysis**

In order to evaluate data accuracy and exactness, it is necessary to assess the responses of the population. Data screening is the first step to control if the data set is error free and the purpose is to check errors and to purify data (Hair *et al.*, 2010). In this connection, the researcher faced a number of issues: missing data, outliers, linearity, normality, homoscedasticity which might have an impact on the relationship of independent and dependent variables.

### **6.4.1 Missing data**

Missing data is one of the common issues in social science research in which respondents sometimes fail to provide full information because of certain reasons; for instance, personal reasons or the length of the survey questionnaire (Hair *et al.*, 2010). Missing data can be dealt with depending upon the pattern and the quantity of missing data. According to Tabachnick and Fidell (2007), a quantity of missing data is an issue but a pattern of missing data is considered to be more of an issue. However, if the data point is around 5% or less then this number can be assumed as not a serious issue. The issue can be tackled by applying mean scores on the variance or deleting the respondents who have not answered the questions (Stevens, 2012). Accordingly, the researcher in this study tackled the issue of missing data by deleting those respondents (e.g. 215-189=26) who did not answer all the questions so that it may not cause any concern to the overall data pattern.

### **6.4.2 Detecting outliers**

After dealing with missing data set, the first thing is to check for outliers that can be checked in following table. In order to detect outliers, it may be useful to understand the distinction between outliers and influential observation. According to Donald and Maddala (1993), influential observations are the data points that have a large or influential impact on some aspects of the estimation of the model of interest, whereas outliers are the points that can be considered as away from rest of the data.

**Table 6. 2 Residual Statistics**

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	1.7901	4.7666	3.6327	.51526	189
Residual	-1.43627	1.09463	.00000	.44498	189
Std. Predicted Value	-3.576	2.201	.000	1.000	189
Std. Residual	-3.150	2.400	.000	.976	189

The table contains the standardised residual values for each of the participants. An analysis of residuals has been carried out on the data to identify any outliers. In residual statistics, if the minimum value is equal or below -3.29, or the maximum value is equal or above 3.29 then there are outliers (Field, 2009). Although the result shows that the data contained no outlier value (*Std. Residual Min= -3.15, Std. Residual Max =2.40*), yet outliers should not necessarily be regarded as ‘bad’ that needs to be removed. Outliers can provide some of the most interesting cases for further study (Stevens, 2012).

#### **6.4.3 Normality**

Normality is the basic assumption in multivariate analysis that is necessary to check in data analysis to determine statistical test such as parametric or non-parametric data. So, normality is required for validating statistical significance of output generated (Hair *et al.*, 2010). Normality of data distribution can be measured through statistical methods (Collis and Hussey, 2013; Field, 2009), the researcher for this purpose followed the SPSS technique to assess normality of data distribution.

The numerical depiction of descriptive statistics and normality results in table 6.3; it presents the computed Mean, Standard Deviation, Skewness and Kurtosis of 189 observations for ten variables. The purpose of this data description is to summarise the responses of each variable separately.

**Table 6.3 Descriptive Statistics**

	Min imu m	Ma xim um	Mean	Std. Deviatio n	Skewness			Kurtosis		
	Stat istic	Stat istic	Statisti c	Statistic	Statis tic	Std. Error	Z score (ststistics /stderr)	Statistic	Std. Error	Z score (stati stic/s tderr)
FVI	1.29	5.00	3.63	.68081	-0.5	0.18	-2.77	.272	.352	0.77
RR	1.00	5.00	3.27	.95835	-0.17	0.18	-0.94	-.476	.352	-1.35
TD	1.00	5.00	3.23	.90275	-.282	0.18	-1.55	-.253	.352	-0.71
JD	1.00	5.00	3.48	.80580	-.581	0.18	-3.22	.618	.352	1.75
OC	1.00	5.00	3.70	.85491	-.584	0.18	-3.24	.269	.352	0.76
OJ	1.00	5.00	3.21	.95980	-.287	0.18	-1.59	-.577	.352	-1.63
POS	1.00	5.00	3.07	.85340	-.516	0.18	-2.86	-.148	.352	-0.42
PMS	1.00	5.00	3.50	.90238	-.540	0.18	-3	.118	.352	0.33
CI	1.00	5.00	3.03	1.00315	.022	0.18	0.12	-.465	.352	-1.32
BO	1.00	5.00	3.00	.86946	-.195	0.18	-1.08	-.195	.352	-0.55
Valid N (list wise)										
		FVI: Feeling valued and involved, RR: Rewards and Recognition, TD: training and Development, JD: Job-dimensions, OC: Organisational Commitment, OJ: Organisational Justice, POS: Perceived Organisational Support, PMS Perceived Managerial Support, CI: Career Intentions and BO: Burn-Out.								

Number of cases is 189

In descriptive statistics, all the variables have not been found in normal distribution range. In table 6.3 the Z score for Kurtosis and Skewness show that some of the measures are not normally distributed ( $Z>1.96$ ). Therefore, spearman rank correlation was used.

## 6.5 Correlation

Linearity indicates about the correlation between variables. The linearity is determined with the help of Spearman's correlation or scatter plot (Field, 2009; Hair *et al.*, 2010). As the data was non-parametric, that is why the researcher used Spearman's correlation to examine the relationship between independent and dependent variables for this study.

**Table 6.4 Correlation**

	FV	RR	TD	JD	OC	OJ	POS	PMS	CI	BO
FV	1 .000	.530** .000	.551** .000	.533** .000	.574** .000	.508** .000	.570** .000	.489** .000	-.133 .067	-.029 .695
RR		1 .000	.620** .000	.468** .000	.360** .000	.594** .000	.527** .000	.390** .000	-.064 .384	.022 .767
TD			1 .000	.554** .000	.390** .000	.574** .000	.548** .000	.440** .000	-.050 .491	.021 .772
JD				1 .000	.503** .000	.491** .000	.547** .000	.547** .000	.022 .766	-.003 .963
OC					1 .000	.551** .000	.477** .000	.433** .000	-.265** .000	-.038 .603
OJ						1 .000	.616** .000	.498** .000	-.133* .068	.028 .703
POS							1 .000	.550** .463	-.054 .111	.111 .129
PMS								1 .400	-.062 .001	.001 .989
LI									1 .000	.405** .000
BO										1

\*\*. Correlation is significant at the 0.01 level (2-tailed).

\*. Correlation is significant at the 0.05 level (2-tailed).

In table 6.4, Spearman's correlation test results show a complete mirror image of results, whereby all the listed variables, more specifically the relationships, between feeling-valued and job-dimensions:  $r=.533$ ,  $p<0.01$ ; feeling-valued and organisational-commitment:  $r=.574$ ,  $p<0.01$ ; Feeling-valued and Rewards-recognition:  $r=.530$ ,  $p<0.01$ ; feeling-valued and perceived organisational support:  $r=.570$ ,  $p<0.01$ , are perfectly correlated with each other; there is a negative relationship between feeling-valued and leaving-intention:  $r= -133$ ,  $p<0.01$ . So, first, it is good that the results indicated a

significant correlation between the antecedents of employee engagement. Secondly, as expected feeling-valued and involved is positively and significantly related to organisational commitment. Thirdly, feeling valued and organisational commitment will be negatively related to burnout and intention to quit. Hence, the researcher assumes that the linearity requirement is satisfied based on the results generated from the Spearman's correlation test. The researcher tested all assumptions and moves forward for the multiple regression analysis, since there are several predictors for feeling valued and involved, and the multiple regression analysis will explain both the separate and combined effects of each predictor on a dependent variable (Collis and Hussey, 2013). In order to test the study propositions, a multiple regression analysis was conducted.

## 6.6 Multiple regression analysis

*Regression analysis by taking feeling valued and involved as a dependent variable:* The coefficients table shows the output of the multiple regression analysis of listed variables using SPSS 22.0. It demonstrates the relationship between predictable variables of employee engagement (i.e. feeling valued and involved, rewards and recognition, training and development, job-dimensions, organisational-commitment, organisational-justice, perceived-organisational support, perceived-managerial support, career intentions, and burnout).

One of the multiple regression assumptions is that there is no multicollinearity between the independent variables. The coefficients table (table 6.5 p.211) gives the value inflation factor (VIF) and tolerance statistics for each variable. The tolerance is used as an indicator of multicollinearity and in collinearity a value between 0.10-0.20 is recommended as the minimum level of tolerance (Menard, 1995; Tabachnick and Fidell, 2007). However, if the tolerance is below 0.1, it indicates a serious problem, whereas a tolerance below 0.2 is a potential problem (Menard, 1995). In this case, the tolerance value for most of the variables have no issue to bother about 0.2 and then the VIF value should not be greater than 3 ideally, or 5 is the kind of border line. If the value is between 5 and 10, there is a minimum issue, over 10 is definitely an issue (Bowerman and O'Connell, 1990), so the value between 3 and 5 is considered to be great but under 3 is perfect. In this case, the average VIF value is 1.8; that is under 3 so the researcher is confident that there is no issue of multicollinearity between the score under treatment.

**Table 6. 5 Multiple Regressions**

Multiple Regressions								
Coefficients <sup>a</sup>								
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.088	.229		4.747	.000		
	RR	.161	.049	.227	3.301	.001	.504	1.986
	T&D	.072	.054	.095	1.318	.189	.459	2.179
	JD	.134	.064	.158	2.103	.037	.422	2.371
	OC	.212	.055	.267	3.891	.000	.508	1.969
	OJ	-.038	.054	-.053	-.698	.486	.410	2.438
	POS	.112	.057	.140	1.947	.053	.460	2.175
	PMS	.102	.050	.135	2.046	.042	.551	1.814
	CI	-.008	.038	-.012	-.204	.838	.754	1.327
	BO	-.008	.043	-.010	-.176	.860	.799	1.252
Estimated Regression Equation FV=1.088 +.161 RR +.072 T&D +.134 JD +.212 OC -.038 OJ +.112 POS +.102 PMS -.008 CI -.008 BO								
Where FV= Feeling-Valued and Involved, RR= Rewards and Recognition, TD= Training and Development, JD= Job Dimensions, OC= Organisational Commitment, OJ= Organisational Justice, POS= Perceived Organisational Support, PMS= Perceived Managerial Support, CI= Career Intentions, BO= Burnout.								
a. Dependent Variable: Feeling valued and involved								

The estimated regression equation (i.e. FV= 1.088 +.161 RR +.072 T&D +.134 JD +.212 OC -.038 OJ +.112 POS +.135 PMS -.012 CI -.010 BO) suggests that standardised coefficient of organisational commitment .267, rewards and recognition .227, job dimensions .158, perceived organisational support .140, perceived managerial support .135 have the greatest coefficient and consequently the significant predictors of feeling valued and involved. Here all, e.g. FV, OC, RR, JD, PMS and POS, are the regression coefficients. These results provide support to P1, P2, P3, P4 and 7.

## 6.7 Summary of results

Theoretical propositions:

Proposition 1

- *Job dimensions will mediate positive and significant correlation to feeling valued and involved (supported).*

Proposition 2

- *Perceived organisational support will mediate positive and significant correlation to feeling valued and involved (supported).*

Proposition 3

- *Perceived managerial support will mediate positive and significant correlation to feeling valued and involved (supported).*

Proposition 4

- *Rewards and recognition will mediate positive and significant correlation to feeling valued and involved (supported).*

Proposition 5

- *Organisational justice and fair treatment will mediate positive and significant correlation to feeling valued and involved (not supported).*

Proposition 6

- *Training and development opportunities will mediate positive and significant correlation to feeling valued and involved (not supported).*

Proposition 7

- *Feeling valued and involved will mediate positive and significant correlation to organisational commitment and negatively correlated with intention to quit (supported).*

## **6.8 Employee engagement constructs: The impact of work attributes on employee perceptions of feeling valued and engaged**

As indicated before, this study sought to empirically investigate the relationship between organisational work attributes and employee perceptions of feeling valued and involved. The first proposition was based on a job dimensions scale to an employee feeling valued and engaged, and the assumption was that job dimensions may have a strong impact on employee engagement in the talent management programme of Pakistani banking organisations. In literature, job dimensions (e.g. skill variety, task identity, task significance, autonomy and performance feedback) were considered an important construct that influences employee perceptions of feeling valued and engaged (Robinson *et al.*, 2004; Saks, 2006). The paradigm of job dimensions has remained a central theme over the years in the domain of employee engagement. Engagement behaviour can be induced through the antecedents and consequences of subjective perceptions of employees that involves work as meaningful, safe and a sense of return on investment of

self in role performance (Kahn, 1990) that is the psychological meaningfulness at the workplace. Psychological meaningfulness at work stems from job dimensions that provide challenging tasks in which employees get the opportunity to use a variety of skills and talents to make an important contribution. In this study, results suggested that job dimensions have a positive effect on employee perceptions of feeling valued and engaged (.158). This implies that job dimensions influence employee inspiration and their level of engagement. The findings confirm that employees of case study organisations develop their behaviour and job attitude on the basis of work attributes maintained by the organisation.

Second, the empirical investigation was focused on employee perceptions in relation to organisational support. The assumption was based on the extent to which this resulted in employees feeling valued and engaged, the negative perception may impact on their likelihood of leaving the organisation that can have an influence on the talent management process of the Pakistani banking organisations. In the field of HRM, the two constructs - perceived organisational support and perceived supervisor support - have been examined to predict engagement behaviour. Despite the conceptual resemblance, these terms are different and have different effects on employee perceptions and job attitudes. The concept of perceived organisational support was developed by Eisenberger *et al.* (1986) to induce employee commitment to the organisation. Eisenberger *et al.* (1986, p.501) proposed that 'employees develop global beliefs concerning the extent to which the organisation values their contribution and cares about their well-being' referring to the social exchange relationship concept, they argue that perceived organisational support creates the feelings of a reciprocity obligation in employees to support organisational goals. The coefficient score (.140) for perceived organisational support predicted an impact on feeling valued and involved working at the case study organisations. The findings empirically proved that organisational support contributes in increasing the employee's inspiration of feeling valued and engaged. These results confirm previous findings in the literature in which organisational support was examined to predict employee perceptions of feeling valued and engaged (Chen *et al.*, 2009; Eisenberger *et al.*, 1990; Robinson *et al.*, 2004; Saks, 2006; Wayne *et al.*, 1997). These results extend the boundaries of knowledge in relation to talent management practice and understanding of employee attitude within the Pakistani banking organisations.

Third, the empirical analysis sought to investigate employee perceptions about supervisory support and the extent to which resulted in employees feeling valued and involved. The assumption was that the negative perception may impact on their likelihood of leaving the organisation that can have an influence on the talent management process of the Pakistani banking organisations. According to Kahn (1990), the supportive work environment helps in employee engagement. By contrast, when the situation is unclear, inconsistent and threatening or unpredictable then the engagement behaviour was risky. Another study Chen *et al.* (2009) found a positive relationship between perceived supervisory support and extra role behaviour, and non-supportive supervisory behaviour affects the retention rate and organisational performance. The coefficient score (.135) for perceived managerial support identified an impact on employee perceptions of feeling valued and involved. This finding is in accordance with a proposed suggestion that perceived managerial support will mediate a positive correlation to feeling valued and involved. Present findings recognised the influence of supervisory support on employee perceptions of feeling valued and engaged within the case study organisations. This recognises the link between the role of managers and employee attitude. Hence, it can be argued that on the basis of managerial support, employee motivation can be enhanced that will positively impact on employee perceptions and level of engagement. This validates the claim that social relations in the organisation can have a positive impact on employee perceptions of feeling valued and engaged within the Pakistani banking organisations.

Fourth, the empirical investigation focus was on employee perceptions of rewards and recognition and the extent to which this resulted in employees feeling valued and involved within the Pakistani banking organisations. The assumption was that rewards and recognition may have an influence on employee perceptions of feeling valued and engaged within the talent management process of the Pakistani banking organisations. The analysis for rewards and recognition has been found to have a greater coefficient score (.227). This result signifies the relationship between rewards and recognition and the employees' level of feeling valued and so proposition four is supported. The result empirically proved that rewards and recognition is a significant positive predictor of feeling valued and involved.

Fifth, the empirical investigation focused on employee perceptions from the perspectives of organisational justice and fair treatment and the extent to which this resulted in an employee feeling valued and involved. The relationship between organisational justice and feeling valued was proposed that these two variables are positively and significantly correlated with each other (Robinson and Hayday, 2007; Robinson *et al.*, 2004), and the assumption was that employee perception of justice and fair treatment may greatly influence employee job attitude such as a level of feeling valued and engaged within the Pakistani banking organisations. However, regression analysis results show that organisational justice and fair treatment have no statistical impact with the coefficient score (-.053) on employees' perceptions of feeling valued and engaged. Hence, proposition five was not supported. This finding highlights the organisational process in relation to employee justice and fair treatment to keep employees satisfied and engaged within the selected Pakistani banking organisations.

Sixth, the empirical investigation was focused on perceptions of training and development opportunities and the extent to which this resulted in employees feeling valued and engaged within the Pakistani banking organisations. The assumption was that providing learning and development opportunities may have an influence on employee perceptions of feeling valued and engaged within the talent management process of Pakistani banking organisations. The analysis indicated that training and development opportunities have no statistical impact with the coefficient score (.095) on employees' perceptions of feeling valued and engaged. This finding empirically proved that learning and development opportunities do not contribute to an increase in the employees' perceptions of feeling valued and engaged. Hence, proposition 6 is not supported. The outcome of these findings signifies that employees are not encouraged to develop new skills and managers do not take staff development seriously in case study organisations. Notwithstanding, the variable of organisational commitment has the most significant impact on employees' perceptions of feeling valued with a coefficient value of (.267) shown in table 6.5 p.211. The current result proposes that banking professionals within the case study organisations are feeling valued and engaged and that increases their commitment with their organisation, so they want to stay with the organisation. This finding is in accordance with the suggested proposition that feeling valued will mediate a positive and significant correlation with organisational commitment and negatively related to the employees' leaving intentions. Hence, proposition seven is supported.

Concluding the quantitative data analysis for the proposed observations about feeling valued, engaged behaviour can be influenced by organisational work attributes such as job dimensions, training and development opportunities, organisational justice and equal employment opportunities, pay and benefits (Robinson *et al.*, 2004; Saks, 2006). The empirical investigation in this study confirms that employee motivational behaviour and job attitude such as feeling valued and engaged can be enhanced by applying these work attributes. So, the Pakistani banks can apply these dynamic constructs into talent management practice. By contrast, employee perceptions of organisational justice, and training and development did not predict employees feeling valued and engaged within the case study organisations. The objective of the quantitative aspect of the study was to observe the impact of organisational work attributes (e.g. job dimensions, organisational and supervisor support, organisational justice and fair treatment) on employee attitudes of feeling valued and engaged. These constructs were examined from the perspective of employee perceptions of job experience within the Pakistani banking organisations in order to identify their influence on employee job attitude of feeling valued and engaged. The overall outcome of the quantitative aspect of the study recognised that from all the organisational work attributes, the variable of organisational commitment has significant impact on employee perceptions of feeling valued with a coefficient value of (.267) shown in table 6.5 p.211. The current results propose that banking professionals within the Pakistani banking organisations are committed with their organisations and their commitment is the reason for their perceptions of feeling valued and engaged. The organisational justice and training and development constructs were not found significantly linked with employees feeling valued and engaged.

This mixed method study gathered data on the basis of a convergent mixed method approach at the same time from the banking professionals working within the case study organisations. Following the extensive literature review, the researcher developed a number of theoretical propositions. The propositions were based on the connection between independent and dependent variables of work attributes and employee perceptions of feeling valued and engaged. This study managed to shape a unique correlative talent management model figure 5.1 p.186 that adds work attributes relating to employee engagement in the work setting of Pakistani banking context, before this no any study has evaluated the impact of organisational work attributes on employee perceptions to assess their level of engagement.

## **6.9 Chapter summary**

The data analysis observations for study propositions about banking professionals working at case study organisations, the perceptions of feeling valued and engagement behaviour can be enhanced through organisational work attributes. This study empirically supports that employee job attitude of feeling valued and engaged can be enhanced by applying job dimensions and organisational support. Banking organisations can significantly apply talent management strategy with fair exchange of resources with employees by providing supportive working environment and motivating them to induce positive job attitude at work that have influence on employee perceptions of feeling valued and engaged. In this analysis, banking professional indicate that organisational justice, and training and development did not impact on their perceptions of feeling valued and involved. However, fair exchange of resources and organisational support can enhance higher level of motivation for job attitudes such as feeling valued and involved. The extended model of this study - Figure 5.1 page 186- shows the relationship between employee motivation as a key predictor of employee discretionary behaviour. In this connection, ten job-and organisational-related variables were tested to observe the impact of these constructs on employee attitude of Pakistani banking professionals.

The next chapter integrates and discusses the qualitative and quantitative findings.

# **CHAPTER SEVEN**

## **DISCUSSION AND INTEGRATION OF FINDINGS**

### **7.1 Introduction**

This chapter has been formed on the basis of a comprehensive analysis of the previous chapter and explores the emerging themes in more detail to reveal and understand the unique attributes of talent management strategy within the Pakistani banking organisations. The chapter discusses the empirical findings of the qualitative analysis and the quantitative analysis based on a modified version of the talent management model that was constructed after an in-depth analysis of findings from the two strands of examination as shown in figure 5.1 p.186. The revised AMO model of the talent management process incorporates employee perceptions because the central focus of the model is on fostering or inducing discretionary effort as an antecedent to performance outcomes. Although the fundamental elements of the model are much common to improve organisational performance, yet it goes beyond the general list of performance-related variables and highlights the contextual features that affect employee attitude and performance outcomes.

### **7.2 Talent management process in the Pakistani banking organisations**

The talent management process that is taking place in the case study banks is based on the mixed method findings and consists of three stages or activities that focus on the conceptual and operational boundaries of talent management including: i) identifying talent/ability, ii) deploying and motivating talent, iii) engaging talent, and discussing employee perceptions and their attitude towards HR practice in the light of the literature and empirical evidences. As conferred at the beginning this paragraph, the mixed method study asked both qualitative and quantitative research questions for a better understanding of talent management strategy and practice within the Pakistani banking organisations. Although the two sets of analysis are independent, each provides an understanding of the phenomenon under investigation (Teddlie and Tashakkori, 2009). The discussion chapter combines the results of two data sets of the mixed method approach to more fully answer the research questions and to develop a more robust and comprehensive picture of the research under investigation. However, the effect of merging data occurs through the

results and discussion sections (Clark and Creswell, 2011). There are many ways to integrate two data sets; the next section discusses data integration procedures and explains the technique chosen for this study.

### **7.3 Integrating qualitative and quantitative findings**

In a mixed method research, integrating findings of two data sets has been considered a challenging task for the researcher. According to Bryman (2007), due to the barriers in the integration of qualitative and quantitative findings, the integration between the two components remains limited in a mixed methods study. This means that researchers do not always bring their findings together and that the quantitative and qualitative components are treated as separate domains. The integration might be ignored for several or any reason, i.e. overlooking rationale for conducting a mixed methods research. However, the lack of integration between two components limits the amount of knowledge that mixed methods studies should generate (O'Cathain *et al.*, 2010). Data integration is vital in mixed methods studies that can have many advantages and purposes. For example, qualitative data can be used to assess or enhance the validity of quantitative findings (Bryman, 2007; Fetter *et al.*, 2013). Similarly, quantitative data can be used to generate the qualitative sample or to explain findings from the qualitative findings. Also, qualitative data can inform to develop or refine quantitative instruments, interventions and generating research hypothesis for testing in the quantitative component. However, bringing qualitative and quantitative findings together has the potential to offer rich insights that could not otherwise be gleaned (Bryman, 2007) since it is valuable to consider whether the findings of two data sets suggest interesting contrasts or helpful to clarify each other. There are specific approaches to integrate two forms of data and can be implemented at research design, methods and interpretation and reporting levels of research (Clark and Creswell, 2011; Fetter *et al.*, 2013) as is shown in the following table 7.1

### 7.3.1 Levels of integration in a mixed methods research

**Table 7. 1 Levels of integration in a mixed methods research**

Integration level	Approaches
Design	3 Basic designs Exploratory sequential Explanatory sequential Convergent
	4 Advanced frameworks Multistage Intervention Case study
Methods	Participatory-Community-based participatory research, and transformative Connecting Building Merging Embedding
Interpretation and reporting	Narrative-Weaving, contiguous and staged Data transformation Joint display

The table 7.1 above depicts that integration in a mixed methods research can be accomplished at three levels, e.g. design, methods and interpretation level. The integration of two data sets at design level can be made at three basic approaches such as exploratory sequential, explanatory sequential and convergent design. In mixed methods, sequential designs tend to be built on one component of study on the other. Whereas, in convergent designs the intent is to merge both components to compare qualitative and quantitative results (Fetters *et al.*, 2013). Integration at methods level occurs when one database links with another through the sampling frame, or results from one data collection procedure informs the data collection approach for another and merging the two databases together for analysis and for comparison. Subsequently, the integration through interpretation and reporting level occurs through narrative, transformation of data

and joint display. In the narrative approach, there are three types of integrations including weaving approach that this study adopts. It involves presenting both qualitative and quantitative findings together on a theme by theme or concept by concept. However, data comparison and integration can occur through one or more of these approaches (Fetters *et al.*, 2013). This study followed a convergent design to merge the results of two data sets with the help of a conceptual framework theme by theme to interpret the main findings pertaining to the talent management process within the Pakistani banking organisations. The findings of two data sets have been compared and integrated.

#### **7.4 Expendited coverage of empirical findings with comparison, integration and discussion**

The AMO model was the conceptual and theoretical framework of the study, and the integration of the empirical findings of both qualitative and quantitative have been discussed in relation to each element of the model (see Figure 5.1 p.186). The findings have been discussed in four main steps that were found significant in relation to the theoretical framework. First, the findings have been discussed for talent conceptualisation that shows evidence of an exclusive nature of talent management within the case study organisations. Second, the findings were discussed regarding the operationalisation of talent management. For example, the process through which the case study organisations acquire talent/ability, deploy and motivate talent and evidence of legacy issues. The third step revealed information about the opportunities the employees were given and discussed employee perceptions of the nature of the social exchange process in the organisation mediated by the management. Lastly, the main effects of path dependency and legacy issues within the case study organisations which contributed meaningful information to extend the AMO model. The model begins with this conceptualisation that employee performance is the outcome of their ability/talent and motivation, and providing opportunities and resources are mediated by the management as pathways to a range of positive outcomes including job satisfaction and commitment, discretionary behaviour and feeling valued and engaged. This means what approach can an organisation have towards its employees for helping them to develop their specific skills and knowledge in order to boost their competency or mastery and reach on their full potential.

#### **7.4.1 Findings 1: Talent as ability = reflects a legacy of bureaucracy and militarism where talent is equated with qualification and experience**

**Qualitative:** After privatisation, talent differentiation was one of the main activities falling under the talent management umbrella within the case study banks that predominantly focused on the high potential candidates where talent was seen exclusively as those with an appropriate level of qualification and experience. Respondents made limited references to understand the unique and developable abilities of their people. For example, employees need a variety of skills and abilities that can essentially be developed, e.g. the extent to which a job requires a diverse set of skills and abilities to perform a challenging task (Hackman and Oldham, 1980; Hutchinson, 2013). Nonetheless, they follow path dependent legacy techniques and approaches to draw on internal and external labour markets to identify and label talent/ability based on a pre-determined set of civil service ethos.

The quantitative findings revealed that job dimensions such as skill variety, task identity, task significance, autonomy and performance feedback were the main predictors of feeling valued and involved. Hence, essential contributors for organisational performance. Findings from the qualitative data set support the idea that strategic steps were taken by the case study organisations to differentiate talent based on specific qualities and rejects the inclusive approach of talent management that sees employees as resources with potential (e.g. systematically developed talent as mastery that allows them to demonstrate superior performance (Gagné, 2004; Gallardo-Gallardo *et al.*, 2013) to create a competitive advantage. The quantitative data set revealed that job dimensions including variety of skills and abilities were associated with impacting or reinforcing the employees' level of feeling valued and involved.

The findings confirmed that respondents were aware about the concept of talent management; a variety of talent management practices were implemented in the case study banks. For example, the in-depth analysis revealed that recruitment and selection was the main component of the talent management programme and the case study banks identified talent from internal and external labour market but typically focused on qualifications and experience, and subsequently job specific trainings. However, developing broader competencies for multiple roles can have an added advantage for the organisation. For example, Cappelli (2008) and Collings and Mellahi (2009) suggested that organisations should combine internal and external sources of talent identification to

satisfy the human capital needs of the organisation for it is more effective to develop talent within the wider framework of the organisation rather than to develop for a particular position; because a developed talent with broader competencies can fit into a range of roles.

The conceptualisation of talent as an ability is disproportionate in Pakistani banking organisations because of educational traditions and the role of women in the Pakistani society. Hence, the labour market in Pakistan remains gendered and segregated. The empirical evidence confirmed that respondents face difficulty of finding the right talent for their business. They believe talent is available, but it was a challenging task to find them due to the labour market issues. For example, the HR manager spoke about challenges and obstacles in terms of talent management activities: '*We do face problems in the recruitment of talent (right person for the right job) in our particular market since it is difficult to find because of the educational standard in the country we have a limited number of candidates produced in the system*' (HR-4). On the contrary, HR-2 and HR-1 state that: '*Talent is available, and we have low employee turnover as they do not want to be re-located and go around..., under the succession plan with the name of investment efficiency and availability program. We have prepared 2,500 employees who are standing on our backhand to support, so we do not face any skill gap as we run this very professionally and this is going on very successfully.*' Here the findings suggest that there is not so much war for talent. However, it seems either the HR-4 manager does not rely on their business reputation and underestimates the market share of the banking sector to attract high potential candidates or there is no more need to attract talent from outside of the market due to the legacy of bureaucracy. For example, the senior HR stated that: '*We have 13,000 individuals defined in successor-I and successor-II categories; we have done some sort of exercise across the regions. If somebody is going or retiring, we have people in place on the regional basis for key positions to be promoted. For example, if a branch manager goes, who is going to take the position. This is signed by all the regional management team members*' (HR-1).

The findings revealed that the conceptualisation of talent within the Pakistani banking organisations reflects a specific context that is shaped by the path dependent historical, political and social legacy and have a significant influence on sourcing and deploying talent. It confirms that talent management is not a neutral concept from both micro and macro perspective. The conceptual ambiguity for talent management was the main

observable element in the extant literature and the reflection of that can be seen in the empirical evidence. For example, section 5.6. explained huge differences of talent conceptualisations and its understandings within the case study banks. These findings clearly state that the concept of talent and its management is organisation and context dependent. Additionally, it was also evident that talent management practice was just linked with training and development activities of selective employees and does not consider other employees as part of their talent management programme. These findings relate to the work of Thunnissen and van (2015) who suggest that the conceptualisation of talent cannot be disconnected from its context.

Although, the talent conceptualisation in the Pakistani context differs compared to the Western management orthodoxy, yet empirical data shows that talent necessarily refers to those who demonstrate outstanding performance within the organisation and that is the key indicator to be included in the talent pool. These findings support the work of Collings and Mellahi (2009) and Gallardo-Gallardo *et al.* (2013) who talked about high potential and high performer candidates contributing more in current and future organisational performance. There are some other studies who also support this idea that performance is the main criteria and may be a necessary element to identify talent. For example, as mentioned in chapter two, the study by Lewis and Heckman (2006) shows that highly competent performers should be sought, hired and rewarded differently regardless of their specific positions in the organisations. Other studies by Huselid *et al.* (2005) and Smart (1999, 2005) talk about top grading and 'A' players, and recommend for hire the best and be the best to add more value to the organisation. However, all these studies apparently accept that performance plays a key role in nominating talented individuals. The nature and significance of talent management in the case study banks was outstanding performance and business results. Whereas, individual traits and performance patterns were still not clear to measure performance. According to Grindle (1967), no two companies have exactly listed the same traits to measure performance but all have a common fault of giving a numerical value to qualities that are just not measurable. For example, some companies are conscious about personality traits whilst others are concerned about performance, but both are still trait-oriented characteristics. Whereas, the focus should be on the goal-oriented appraisals. Employees at any given situation should be working at something they need to have quantifiable goals that may contribute to the company's major objectives. Such an approach has many advantages. For example, goals describe why a particular job exists in the first place. It is not just

enough to have a person in the organisation to operate a machine, instead he/she is there to produce so many units of specific target at a certain cost by a definite time period (Grindle, 1967). Goals are thus definable and measurable. However, in the case of this study, respondents were found to be concerned about performance-oriented characteristics and abilities instead of quantifiable employee goals and objectives.

The empirical findings in relation to talent as an ability revealed that the case study organisations conceptualise ability as a qualification, experience and performance; whilst talent as a developable competency, and talent as a devotion or commitment were neglected or a less focused features of the talent. The quantitative findings confirmed that skill variety, task identity, task significance and performance feedback are the main determinants of performance that permit talent to perform well at the workplace. These results show that the case study organisations have an exclusive approach of talent management that lacks in understanding of the organisational work attributes and their impact on employee attitude and job commitment. Talent management is a strategic approach that has a crucial role in employee development and engagement to create a competitive advantage. Hence, talent management practice is highly needed within all business sectors because it helps in talent development and ensures talent availability to deploy talent throughout the organisation.

The second component of the model involves talent management as a potential way of fostering employee *motivation and commitment*. The focus here is on intrinsic and extrinsic rewards, goal setting, and building relationships. A novel feature of this component is that organisations conceptualise its employees as resources and manage them to develop and maintain healthy relationship to create a competitive advantage.

#### **7.4.2 Findings 2: talent as motivation and commitment**

This stream of talent management (i.e. deploying and motivating talent) for potential performance resonates with RBV of the firm which sees employees as resources with potential to create a competitive advantage and proposes motivation for developing and maintaining relationship with employees. Such an approach has specific significance within the service sector because it incorporates the concept of discretionary effort. Motivation can be viewed through two broad categories of intrinsic and extrinsic motivation that are thoroughly related to the behavioural theories (Vansteenkiste *et al.*, 2006). Employee motivation is a critical component of employee performance and a

contributor to discretionary behaviour, which is influenced by extrinsic (e.g. financial) and intrinsic (e.g. interesting work) awards (Hutchinson, 2013). Extrinsic motivation is associated with tangible rewards and benefits such as pay, promotion, career and development opportunities, job security and healthcare benefits. Whereas, intrinsic motivation is linked with psychological feelings such as self-esteem, feeling valued, respect, achievement and recognition or the nature of work itself (Hutchinson, 2013). Collectively, both intrinsic and extrinsic rewards are necessary to keep employees satisfied, motivated and retained. Thus, managers must know what motivates their employees individually and collectively and should provide them with adequate motivation so that they can apply their capabilities.

Qualitative findings show that motivation was perceived as strongly linked to salary; the focus seemed to be on extrinsic motivation. Issues relating to intrinsic motivation such as employee commitment and engagement were marginalised in the empirical findings. Quantitative findings show that organisational commitment has a relatively significant impact on employees' level of feeling valued and engaged.

The intrinsic and extrinsic motivation is often used to induce job commitment and employee engagement that are the essential constructs of the talent management process. Employee motivation is particularly helpful to improve psychological perceptions of the employees about the job and organisation. For example, Hutchinson (2013) states that a positive psychological contract (e.g. when employee expectations are met and promises fulfilled) has an impact on increased employee commitment, satisfaction and motivation that has a positive impact on employee performance. This means if the psychological contract is breached or violated, employee commitment and motivation will be undermined, resulting in negative work behaviour and reduced discretionary effort.

Employee expectations according to Nohria *et al.* (2008) are related with four basic motivational drives<sup>41</sup> that keep employees attached and committed to the organisation.

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<sup>41</sup> 1) The drive to acquire is related with a sense of acquiring any delighted experience that may boost a sense of well-being when this drive is fulfilled. 2) The drive to bond is associated with positive emotions such as love and caring that keeps employees attached with organisation. This drive explains how employees feel proud of being a part of the organisation and their morale loss when the institution betrays them. 3) The drive to comprehend in the work-setting, the drive to comprehend accounts for the desire to make meaningful contribution. Employees find themselves happy and motivated by jobs that are challenging and offering opportunities of learning and development. Career-oriented talented people often leave their organisations when they feel trapped in one position. 4) The drive to defend is related to organisational justice that has clear goals and intentions, and that allows employees to express their ideas openly. However, fulfilling the drive to defend leads to feeling secure, confident and valued, while non-fulfilment creates strong negative emotions like fear and resentment.

The findings in this study show that the reward system of the case study banks was linked with outstanding performances that differentiates talent and ties rewards according to path dependent traditional rules and regulations. The fulfilment of all four emotional drives is essential for any company and can be met by distinct organisational characteristics such as reward and recognition, organisational culture that may promote team work; collaboration openness and friendly environment, job designs that are meaningful and foster a sense of contribution to the organisation, and building a trust between the employee and the organisation (Nohria *et al.*, 2008). However, the case study banks introduced a talent management system and transformed their HR policy and procedure but employee motivation and their commitment was not focused; that is, the most essential aspect of talent management strategy (Collings and Mellahi, 2009; Gallardo-Gallardo, 2013). The secret to catapulting any organisation into a leading position is to improve employee motivation through all basic emotional drives; not just one (Nohria *et al.*, 2008). Hence, employee motivation is a powerful tool to keep employees committed, engaged and retained.

The extant literature revealed the importance of employee commitment and their motivation for organisational performance (Collings and Mellahi, 2009; Gagné, 2004; Gallardo-Gallardo *et al.*, 2013) and emphasised the development of the talent pool to fill key positions and therefore ensuring their commitment to the organisation. The RBV of the firm strongly supports this idea that employees are the basis for organisational profitability and performance thus their motivation and commitment should be of high importance. However, respondents within the case study banks made limited references to employee commitment and motivation and the retention strategy was invariably focused on the provision of tangible rewards to individuals demonstrating effective levels of performance. Issues relating to employee commitment and engagement were overlooked in the empirical findings. In chapter 2, the extant literature revealed that committed employees are actual talent, and employee engagement is essentially a component of talent management. Hence, talent management is incomplete and may be not much advantageous without engaging and retaining talent. Employee engagement represents the energy and discretionary effort people bring to their jobs that can be encouraged through a predictable set of variables as developed by a number of authors, e.g. Purcell and Hutchinson (2007), Purcell and Kinnie (2007), Robinson *et al.* (2004) and Saks (2006). These variables can impact on the organisational performance and they are based on these existing predictable variables; this study goes beyond the general list

of variables. Figure 5.1 p.186 presents a model that provides a holistic understanding of the talent management process that incorporates the employee engagement aspect and a comprehensive picture of performance outcomes.

The engagement behaviour can be encouraged through the resource exchange causal chain; so called rules of exchange (Cropanzano and Mitchell, 2005) that involve mutual expectations and reciprocity actions between the employee and the organisation. For example, if employees under the rules of exchange receive economic incentives and socio-emotional resources by the organisation, then they will feel obliged to respond positively through higher level of engagement (Cropanzano and Mitchell, 2005; Gruman and Saks, 2011; Saks, 2006). Simply, this process signifies the mutual relationship based on what an organisation expects from the employees and what employees can expect in return. In order to strengthen such a relationship and to facilitate the resource exchange causal chain of expectations, Gruman and Saks (2011) emphasise their focus on goal setting and the alignment of individual and organisational objectives that are inevitably interdependent on each other, i.e. the actions of one party can lead to a response by another party. In the case of this study, respondents repeatedly talk about organisational goals and employee performance but never discussed employee needs, objectives and the alignment of individual and organisational goals.

Goal setting is highly important because it stimulates the employees' motivation, energy, focus and intensity or the feeling of engagement (Gruman and Saks, 2011; Macey *et al.*, 2009). The engagement behaviour cannot occur without alignment between an individual and the organisational goals, because the alignment of objectives ensures a strategic focus to engagement which keeps employees engaged in their tasks that are necessary for achieving organisational objectives (Macey *et al.*, 2009). Moreover, there are many authors (Pulakos, 2009; Schneider, *et al.*, 2009; Shimazu *et al.*, 2015; Xanthopoulou *et al.*, 2008) who consistently argue for goals alignment and support the idea that employee needs and objectives should be a significant part of the goal setting process because achieving organisational goals that were not integrated with the self does not promote employee motivation hence does not induce engagement behaviour of employees. The empirical findings confirmed that managerial focus was on employee behaviour and skills to meet organisational goals but not on the alignment of individual and organisational objectives. For example, a senior HR said: '*Each passing year employees have an impact on organisational performance as they have improved, it simply means they are aligning*

*their behaviour and work, skills and expertise with the organisational expectations. And simply what is happening around is imparting performance of the organisation in terms of high performance, high values and high profits and definitely high profit means high bonuses as well. So, whatever goals are set for the organisation is interpreted into the individual goals and everybody is working towards these goals' (HR4).* Although, organisational goals cannot be taken as individual goals, but the manager seems to say that organisational goals are more important and if high profit is achieved then employees will receive any bonuses. This indicates about the authoritative and bureaucratic management approach and the mismatch between individual and organisational goals to exchange economic resources that just considers organisational expectations by the employees and overlooks employee goals, objectives and expectations. However, the notion of exchange is not limited to material goods but also includes symbolic values such as approval prestige and recognition, and the mismatch will result in far greater psychological injury and perhaps permanent damage to the relationship (Cropanzano and Mitchell, 2005).

The third component of the model focuses on providing *opportunities, resources, removing road blocks and coaching*. As it is indicated in the model that each of its component contributes in the effective management of talent and, in turn, is associated for performance outcomes. However, the significant part of this model is how this whole process is mediated by the management and perceived by the employees because there are three broad categories of the AMO that are at the heart of felt leadership and these practices are carefully designed to contribute to the achievement of business strategies. Hence, managers must demonstrate consistent leadership practices in all three areas of the AMO to achieve business targets (Rgleed, 2014).

#### **7.4.3 Findings 3: Engaging talent = providing opportunities, resources, removing road blocks and coaching**

This stream of talent management emphasises that employees must be provided with the opportunities to demonstrate a discretionary behaviour with compliance and participation. According to Gruman and Saks (2011), the facilitation process focuses on the job design dimensions; supervisors coaching and support; and assisting employees with the resources they need to acquire meaningful and delighted experience to induce engagement behaviour. This means that organisation can facilitate its employees by providing opportunities to be involved and allowing them in the design of their work and

the roles and assignments that they will perform. Such facilitation will promote a psychological meaningfulness of work, foster engagement behaviour and the employee will demonstrate their true selves to their role performance (Gruman and Saks, 2011; Nohria, *et al.*, 2008). In the case of this study, the engagement facilitation process was not taking place by promoting the psychological meaningfulness of work or assisting the employees for the resources they need, but, just by lip service of recognising the performance and communicating organisational goals to the employees. For example, the respondents stated that '*engagement facilitation is carried out through recognising the employee's performance and arranging annual meetings at popular visiting places in Pakistan or further afield such as Malaysia and in Europe. This is what keeps employees motivated and engaged (HBL-HR3)*'. Similarly, HR-4 stated that '*engagement comes through line management because we expect that our line managers have a very good and strong communication with the team members; and also, with their supervisors that help us in transmitting relevant information and facilitating engagement processes*'. Here it seems employee engagement and facilitation are odd concepts in the Pakistani banking organisations and respondents are unaware about this. According to Hutchinson (2013), providing opportunities and resources to employees is influenced with team working, job autonomy and involvement to take initiatives, communication, job design and job rotation. However, employees not only need the quality of resources, materials and information to do their jobs but also organisational justice and fair treatment, time and a supportive working environment needed to identify and solve workplace problems (Gruman and Saks, 2011; Rgleed, 2014). Mainly, however, perception of justice and fair treatment in the appraisal process is a key driver of employee engagement (Gruman and Saks, 2011). This study discusses employee perceptions through the nature of the social exchange process mediated by the management and the number of variables including perceived organisational support, perceived managerial support, career and development opportunities, rewards and recognition, and organisational justice and fair treatment.

The qualitative findings revealed that talent management practice was just linked with training and development opportunities of selective employees who demonstrated an outstanding performance that permits a 10% increase in salary and promotions, and dismissal of those talented employees who did not meet the pre-defined performance criteria that is very narrow and exclusive in nature of the talent management approach. However, no evidence was found in the empirical findings for promoting the psychological well-being of employees for building and maintaining a quality

relationship or justice and fair treatment through team working, coaching and supporting the working environment.

The quantitative findings suggested that organisational justice and fair treatment has no impact on employee level of feeling valued and involved. The findings from both data sets support cause and effect relationships with each other. For example, the qualitative data set revealed that talent management was just implemented in the training and performance-related activities and employees were not focused to be motivated to induce job commitment and engagement, whilst many were penalised who could not demonstrate high performance. As a result, the findings show that organisational justice and fair treatment has no impact on employee perceptions of feeling valued and engaged. Further, the results show that organisational support has been felt in relation to work but not in justice and fair treatment. These results indicate the effects of the legacy of bureaucracy that hampers employees' motivation, their well-being, justice and fair treatment.

As stated earlier, employee perceptions towards leadership and HR practices was a key part of the extended model that led to Purcell's (2003) three broad categories of the AMO model to induce discretionary behaviour of employees at work. Also, previously discussed, the central purpose of the quantitative strand of this study was to explore the employee's perceptions towards their organisations and how their attitude might be influenced by the quality of leadership style and satisfaction with the HR practices. According to Purcell and Hutchinson (2007), employees are influenced by the experience they get through HR practices and by their managers' leadership behaviour. However, their perception or responses can be positive and/or negative depending on the management style they receive. Inadequate and poorly designed HR policies can be rescued through good management and leadership, similarly poor management behaviour and weak leadership style negates good HR practices (Purcell and Hutchinson, 2007). Moreover, HR policies may impact employee perception directly through organisational and supervisory support, whereas the quality of relationship between the employee and managers not only influences the perception of HR practices but also on the work environment of the organisation.

According to Purcell and Kinnie (2007), employee response to HR practices is critical and that remains at the heart of HR and organisational performance. HR practices and management style are the significant areas of people management that the employees

perceive and react to in terms of utility or satisfaction. In the case of this study, the findings revealed that employee feelings and opinions in terms of job experience was positively co-related with feeling valued; perceived organisational support, perceived managerial support, rewards and recognition and organisational commitment are the strongest predictors of feeling valued and involved. These findings support the work by Robinson and Hayday (2007) and Robinson *et al.* (2004) who suggested that committed employees perform better, and a key driver of employee engagement is a sense of feeling valued and involved and it is a two-way effort that exists one step up from commitment. Hence, organisations must work to keep employees motivated, who, in turn, will increase the level of engagement at work. In addition, the findings discovered that feeling valued, organisational justice and job dimensions predict organisational commitment. For example, employees who experience a meaningful job, psychological safety, availability and fair treatment in the organisation and are feeling proud to be a part of the organisation are more likely to be committed by feeling valued and engaged. Hence, motivated and engaged employees have a positive behaviour at the workplace derived from a mutual exchange relationship with their employer/organisation. These findings upheld the concept of the AMO and social exchange relationship that is useful to induce employee motivation and engagement at the work setting (Cropanzano and Mitchell, 2005; Gruman and Saks, 2011; Saks, 2006). This means if employees who perceived support from organisation are more likely to reciprocate engagement behaviour at work.

These findings are consistent with previous literature as suggested by Gruman and Saks (2011) to promote employee engagement for organisational performance. Robinson *et al.* (2004) commented that employees feeling valued and involved is the potential source of organisational performance and it has a significant effect on employee commitment and retention. In addition to this, unlike the findings of Saks (2006), this study shows that organisational justice and fair treatment do not contribute in employee perceptions of feeling valued and engaged. There can be a number of reasons of such negative impact. For example, firstly, employees in this context (where high-power distance, authoritative and bureaucratic management style exists) might be biased in their response when they report their feelings about organisational justice and fair treatment (Johns, 1994). Secondly, organisational justice and fair treatment might be a compromising factor in this context due to the high unemployment issues in the job market, because, due to limited participation of women in the job market, men are solely responsible to afford all financial

needs of the family. So, compromising on organisational justice and fair treatment is far better than losing a job that can have very negative consequences for the whole family.

## 7.5 Performance outcomes

The outcome of talent management within case study organisations is explained in two ways: First, is based on contingency approach and current needs of the organisation that considers talent management as a potential way of successful performance; it helped the case study organisations to improve service quality and a range of business operations, it protects against fraud, develops strategic human resource assets, works as a change agent, increases overall organisational profit and helps to achieve organisational objectives. Second, talent management failure explained as the impact/ consequence of legacy of bureaucracy and militarism.

After privatisation, the business context of Pakistani banking organisations changed, the banking sector has been opened up to competition and that banks are recognising that service quality is an area where they differentiate themselves from their competitors and people have a key role to play in the provision of service. Before privatisation, favouritism, nepotism and overstaffing were the main characteristics of the case study organisations that not only affected talent management activities but also had a negative effect on organisational productivity and performance. The analysis confirmed that the case study banks started to be different with high potential and high performing employees on their staff. For example, a senior HR head stated that: *'In early 2000 before the privatisation of HBL, MCB and other banks, the problem was overstaffing, so when there is overstaffing then the activities of talent management are greatly affected, and because of this deficiency, talent management activities were needed to differentiate the employees, e.g. talent versus the ordinary employee'* (HR-1). However, privatisation resulted in a development of a business strategy and the development of an HR strategy. Respondents mentioned that after privatisation in 2004, the banks have made steady progress and the management system has completely changed. Initially, being a public-sector organisation, there was no concept of service. However, since the bank has changed its policies and procedures they are now providing the best service to the customers. The senior manager stated: *'In talent management practices, the bank has been undergoing through a change of management strategy by introducing a completely new set of mission, vision and values and wanted all employees to be involved through the policies and procedures and now we extend the best services to our customers, so the*

*bank has been significantly progressing as well' (HR-3).* Although the results show that the talent management practice has brought considerable improvements in HR strategy and service quality, yet these findings have implications for the intervention in talent management planning for higher organisational outcomes. For example, the qualitative data revealed some path dependent barriers and obstacles that impede managerial staff to implement the talent management practice. Although no quantitative findings exist to clarify the principal impact of path dependency and legacy issues on the managerial role responsibility or experience, yet the qualitative data revealed that a relationship exists among the path dependency issues and its impact on managerial roles and responsibilities at the workplace. Across all cases, the interviewee talked about the political pressure connected with their role and responsibility. Six out of the eight interviews reported socio and political perspectives that hinder them to play their role independently. They mentioned that talent management activities were fundamental and critical for organisational success. However, there are many drawbacks/shortcomings of what they cannot help themselves on their own to tackle or change due to political, cultural and social reasons. The main concern was expressed as a deep sense of dissatisfaction towards the government's policies and legacy of bureaucracy. The responses reflected that it was extremely difficult to play an administrative role independently in order to manage talent management activities and affairs of the bank. For example, a senior HR head felt far less control in his role: '*The problem in Pakistan is that when the leaders at the top level are changed, most of the policies are going to be changed for they change with the leader. Though it shouldn't be changing with the individual person, it should be system driven. So, we have to make talent management in the system so that it shouldn't be individual driven because if the things are system driven then it will be continuously working'* (HR-1). Another manager discusses a key point '*I think this organisation is progressing well because its people are working hard, however, their career progression cannot be fully supported due to large number of individuals which we are trying to tackle so that the process may become more efficient*' (HR-6). This indicates about the unclear strategy for career progression and the centralised decision-making system that have influence on the decisions of the HR managers. Training and development head states that '*I think organisations are not pursuing talent management as they should be doing it, I know one of the ideal organisations that is absolutely fine in the plan management and that is Pakistan army when any one joins on any position there is no any discrimination, they have eligibility criteria and the candidate is going through the process. After selection*

*they give training in the best ideal environment and they have milestone for the career and will have equal opportunity to become the general of the army. The political influence, favouritism and nepotism are the normal things which are common in our culture are affecting talent management practice' (HR-5).* This point not only indicates about the bureaucratic mentality to support dominancy and authoritative management approach but also a range of issues and cultural barriers that have influence on the decisions of the HR managers (e.g. discrimination, compromising on merit, equal opportunity, succession planning and influence of authority) and its impact on talent management practice thus establishing a link with the operationalisation of talent management. These results are similar to the findings of the Khilji (2003) who argues that Pakistani organisations are in a vicious circle of HRM practice: i) An attitude of helplessness with no questioning authority ii) a large power distance and limited top-down and bottom-up communication due to hierarchical differences iii) Elitism, protecting those who are in power or authority and iv) limited implementation, this means there is gap between words and actions, walk does not match the talk. This implies that there is constant gap between intended and actual talent management practice within the Pakistani banking organisations. To better understand the impact of path dependent legacy issues on the role and responsibility of managers there is a dire need for prospective multi-disciplinary research that may track the processes e.g. how do frequent changes in political power and government policy affect the managerial practices within the Pakistani organisations and what techniques should be used to harmonise relationship between the government and the organisations.

These findings are critical because this study provides the first empirical observation that has been accomplished within the Pakistani banking organisation; before this study there was very little known about talent management strategy and practice within the Pakistani context. The literature review revealed that national and cultural context is one of the major issues in talent management practice (Collings *et al.*, 2011; Vaiman and Collings, 2013). Privatisation created a solid base to spotlight the talent within the Pakistani banking organisation. However, this study provides a novel and important theoretical and empirical insight into the field of talent management with special reference to the developing context of Pakistan that advances the understanding of the concept from different angles. Although this study is the first critical investigation on talent management strategy in the developing context of Pakistan, yet no study is so novel because it has a relation to previously conducted studies (Hess, 2004). Notwithstanding,

these findings are different from other similar studies as this study goes to gauge the broad and comprehensive relationship between talent management constructs and organisational performance in the light of the AMO model. Some authors (Hutchinson, 2013; Hutchinson and Purcell, 2003; Purcell and Hutchinson, 2007) talk about the AMO and its relationship with organisational performance but ignored the contextual element. This study fills that gap and provides a hypothesised relationship between the talent management constructs and employee attitude for performance at Pakistani banking organisations.

## **7.6 Extended talent management model**

The talent management process within Pakistani banking organisations reflects the facts that banks introduced a range of policies to support talent management practice in order to respond to modern developments in the Pakistani business context that made it difficult to compete in the market and to manage organisational performance. In such a competitive business situation, it might be more effective for Pakistani managers to divert their focus from performance to managing contextual issues (e.g. path dependent legacy issues) in which performance occurs, and on creating and maintaining positive relationships with employees for inducing their commitment and engagement that is a key driver to improve performance (Cropanzano and Mitchell, 2005; Gruman and Saks, 2011; Robinson *et al.*, 2004; Saks, 2006). To this end, this study presents a comprehensive talent management model for a higher performance outcome that represents a reframed form of the AMO model and presents a talent management programme which includes increasing knowledge and understanding on talent management constructs and its effects on performance outcomes. The main difference between this and other talent management models that exist is the fact that the focus is on employee perceptions and their well-being. Concentrating on the various talent management procedures, a different managerial orientation for talent conceptualisation (e.g. talent as a commitment/engagement) was focused upon. For example, talent as a commitment/engagement has its explicit goals for discretionary effort such as employee interests, values and objectives that are reciprocal with organisational objectives. However, the significance of employee commitment/engagement in the talent management process must be recognised within the Pakistani banking organisations that requires the necessary training of the managerial staff. For example, the HRM departments should enhance line managers abilities so that they can carry out expected HRM duties effectively (Bos-Nehles *et al.*, 2013). Therefore, supervisors and managers within the case study organisations should be instructed about

the nature and scope of talent management practice with the specific focus on employee engagement in which they may learn the importance of discretionary effort and how they mediate it to induce engagement behaviour of employees for enhancing their performance.

### **7.7 Chapter conclusion**

Through the guiding principles of the AMO model and from the analysis of the two data sets, this study identified and quantified talent management constructs for performance outcomes within the Pakistani banking organisations. Using a convergent mixed method approach, the data was compared and integrated. Considering the findings for each element of the AMO model, it ascertained that the effective execution of these talent management constructs contributes to the achievement of business strategies and has an effect on the employee attitude within the Pakistani banking organisations. This work identified that discretionary behaviour can best be induced through positive perceptions about leadership and HR practice, and the effect of path dependent risk factors can perhaps be reduced through the fair exchange of economic resources, e.g. integrating organisational and individual objectives; and organisational justice is a key mediator to induce employee inspirations for demonstrating positive job attitude (Gelens *et al.*, 2013). This means organisational justice plays a vital role in the relationship between the talent management practice and employee reactions as it was observed in the extant literature that talent management lacks in exploring the empirical relationships between employee perceptions and performance management. This study identified that employee perceptions of HR practices is the key mediating variable that influences an employee's level of feeling valued and involved. This study develops the extant talent management literature by offering a coherent model and procedure to foster engagement behaviour of employees that will help new researchers and HR consultants to explore more on linking both implicit and explicit individual and organisational expectations to achieve a competitive advantage. As a result, the talent management process is incomplete when it does not promote organisational justice and fair treatment and lacks in helping its employees to reach their full potential by fostering their engagement and commitment as a significant aspect of their talent management programme.

# **CHAPTER EIGHT**

## **RESEARCH CONCLUSIONS**

### **8.1 Introduction**

The conclusion chapter outlines the research aim, the contribution to knowledge, its study limitations and areas for future research. This chapter explains how the researcher achieved his research aim and objectives along with a personal reflection on his PhD journey. This study was based on a mixed method investigation informed by a social constructivist approach: ontology and interpretivist epistemology. The overall aim of this thesis was to understand talent management strategy both conceptually and practically within three leading Pakistani banks. Researcher adapted the concept of talent management in the world of work suggested by Gallardo-Gallardo *et al.* (2013) and the social exchange theory Blau (1964) and integrated this with the AMO model to inform the concept of discretionary behaviour in the newly developed framework (see Figure 5.1 p.186) which embraces the contextual factors affecting the talent management strategy and practice within the case study banking organisations. The motive to use a theoretical framework was to empirically explore the way Pakistani organisations conceptualise and manage talent.

### **8.2 The achievement of the research aim and objectives**

- 1) To investigate and critically evaluate how talent is conceptualised and managed within Pakistani banks and to identify contextual factors influencing the conceptualisation and operationalisation of talent management.

In order to achieve the research objectives, the holistic understanding of talent management strategy and practice was necessary for the researcher to get through to the Pakistani banks to examine the way they conceptualise/interpret and manage talent in their particular context. The two significant conceptual approaches (e.g. inclusive and exclusive) of talent management were focused with reference to the empirical evidence and the literature review. From the in-depth analysis of qualitative data, it was possible to explore how the case study organisations subjectively conceptualise and operationalise talent. Following the thematic analysis approach, the researcher identified convinced themes which enabled to distinguish similarities and differences which emerged between talent conceptualisation and operationalisation. Empirical findings demonstrated a

consistency across the cases and there was a little variation in talent conceptualisation compared with Western management orthodoxy. For example, as highlighted above, the extant literature defines a fourfold conceptualisation of talent, including talent as a job or position specific (Gallardo-Gallardo *et al.*, 2013; Tansley, 2011). However, talent in the Pakistani banking organisations was conceptualised in three different ways that added novel insights: Firstly, talent was not only a job and position specific but also qualification specific, and equates talent with the possession of formal qualifications, degrees and certificates.

Secondly, talent was exclusively associated with performance in a given role rather than any consideration of individual or group characteristics and their implications for commitments, engagement, and discretionary behaviour. The talent management programme in the case of the study banks reflects a very narrow and exclusive view of talent and marginalises the importance of employee motivation, their objectives and opportunities to improve performance. Thirdly, talent management practice was seen as a training and development activity to help the organisation achieve business targets and objectives. The conceptualisation of talent here can be interpreted as a value extracting approach that focuses on profit generation which excludes employee motivation and engagement. Identifying talent was predicted on meeting business targets whereby the case study organisations deploy talent to fill key positions in order to achieve their business objectives. There is no evidence of consideration of employee attitudes or talent as in building commitment. This may be due to a lack of understanding of the causal links between talent management constructs for employee attitude and performance output.

- 2) To examine the relationship between organisational work attributes (job dimensions, perceived organisational and supervisory support, perceived organisational justice), employee attitudes and levels of engagement.

In the literature review, it was observed that Pakistani organisations are following a bureaucratic and autocratic management style (Ali, 2012; Khilji, 2003; Mangi *et al.*, 2012) which can, in turn, have a negative impact on the employee commitment and level of engagement; hence, organisational performance. The empirical evidence confirmed that organisational justice and fair treatment has no impact on employee's level of feeling valued and engaged. These findings revealed that path dependency of legacy issues is affecting employee attitudes and their level of engagement within Pakistani banking

organisations that, in turn, have a significant influence on organisational abilities to compete in the market.

- 3) To extend the AMO model of talent management to determine the application and acceptability of AMO in the developing context of Pakistan.

The extended talent management model (see Figure 5.1 p.186) explains the context and its influence on talent availability in the labour market, its deployment, motivation and social exchange relationship including key propositions of HR practices that affect employee perceptions and their level of engagement and job satisfaction at the work setting. The proposed model provides rich insights and holistic understanding of talent management with special reference to the developing context of Pakistan. The two chapters (five and six) consist of the details as to how the researcher has achieved these objectives.

### **8.3 Research contribution**

This empirical research is unique in a number of ways; it contributes to knowledge and understanding in four significant ways: 1) Understanding of HRM policy and practice within a developing economy fills a gap in the literature on the specific topic of talent management and provides the research community the empirical insights based on novel theories of talent management. In chapter two, an extensive literature review revealed that although there is adequate material available in the sphere of talent management, it lacks conceptual and theoretical foundations. Similarly, there was very little empirical evidences especially in the developing context of Pakistan. Hence, this study advances the understanding of talent management both as a philosophy and a set of management practice.

- 2) This research contributes methodologically through a novel adoption of a mixed method approach. To the best of researcher's knowledge, most of the existing research in the area of HRM in Pakistan has tended to focus on survey and quantitative data; whereas, this research incorporates a qualitative aspect of carefully matched samples. The researcher selected two samples: management point of views against the use of in-depth semi-structured interviews to reveal unique insights about talent management, and employees' point of views against ten talent management constructs/variables.

- 3) This research contributes conceptually to the holistic understanding of talent management with special reference to the banking sector of Pakistan. It suggests the applicability of Western models of people management within the unique context of developing economy and broadened the AMO model by incorporating the contextual factors affecting talent management within the Pakistani banking sector.
  
- 4) This research contributes practically to policymaking and the development of effective talent management strategies for Pakistani organisations. As there is a lack of awareness about attitudinal and HR-related causal links for business support, whereby autocratic and bureaucratic management style can prevent employees to demonstrate discretionary behaviour at the work setting.

The main feature of this study is that it contributes in the development of a broader approach to talent as commitment and its engagement may help in academic literature and implementing in talent management activities across the developing contexts. In the literature review, an exclusive approach of talent was frequently supported in the human resource management sphere (Iles, Chuai, *et al.*, 2010; Kabwe, 2011; Sparrow, 2009; Stahl *et al.*, 2012). However, the inclusive approach of talent management might be more helpful in the developing context of Pakistan due to a number of reasons: First, because of a low standard of education, individuals are not getting proper opportunities to be developed fully; so, giving development opportunities to every employee may enhance the chances of emerging hidden talent. Swailes *et al.* (2014) support the idea that organisations need to focus on the talents of everyone, rather than just to focus on the talents of small groups of high potential employees that can limit options to identify and develop hidden talent.

Secondly, it might not be beneficial to focus only on just selective employees as each job position has its own significance in the organisation. As Redford (2005) explains, talent management is an attempt to ensure that everyone at all positions works to the highest level of their potential for enhancing the organisational performance. Third, employee conflict can be raised if talented employees are treated differently in terms of rewards, recognition and fair treatment. Hence, the organisation should realise the potential of its employees and to offer equal career development opportunities within the organisation so that talent can be well deployed and motivated. Arguably, no organisation can exist in the market competition for long if it skips employee well-being or motivation. Similarly, employees have to work anyway anywhere, so it depends on the organisation how it is

uses its human resources for outstanding results and higher outputs. If the valuable talent is not managed properly then the organisation could face lots of hurdles for competing in the market and will lose its time and cost. For example, two out of three leading case study organisations were privatised because of poor performance in the market. However, talent conceptualisation and its management within the Pakistani banking organisations gives signals for lacking in the art of people and performance management. Therefore, talent should be viewed and treated positively. Talent as a commitment and its engagement is highly important for every organisation, so this important aspect of talent management needs to be emphasised. The inclusive and comprehensive talent management process could result in a better stimulus for commitment and engagement in the developing context because all employees are working together and can expect more or less the same fair treatment as has been offered by the organisation. Nevertheless, it is a great challenge for the HR managers to justify special treatments for talent pool employees and to create harmony among all employees.

#### **8.4 Suggestions for practicing managers**

The empirical findings can be used to enhance the understanding of organisational policy makers and managers of the talent management process and importantly as a basis for practical suggestions and interventions to improve the effectiveness of the talent management process within the specific context of the developing economy of Pakistan. Specific recommendations and proposals are outlined below;

- 1) In terms of talent conceptualisation, where talent is equated with qualifications and experience, management attention is required to recognise the influence of fundamental philosophies of talent management including exclusive, inclusive, stable and developable talent philosophies. The empirical findings revealed that the conceptualisation of talent within the Pakistani banking organisations reflected a specific, path dependent historical, political and social legacy which viewed talent through a conceptual lens of qualifications and experience and had a significant influence on the sourcing and deploying talent. The first and foremost step, therefore, for managers should be to review the process of conceptualising talent and talent management within their organisation, to challenge any preconceived assumptions about the nature of talent and to consider alternative approaches to an exclusive approach in order that the right talent can be identified, developed and deployed for competitive advantage.

- 2) In terms of fostering employee motivation, commitment and engagement, managers need to understand what motivates their employees. Employee engagement is a key aspect of the process of creating human capital advantage (Robinson *et al.*, 2007; Storey *et al.*, 2003) and underscores the fact that it is not enough to simply recruit talented people in to the organisation. The way in which employees are managed, trained, developed and rewarded is crucial if the organisational benefits of building talented workforce are to be realised. Employee motivation in Pakistani banking organisations was found to be strongly linked to salary and tangible rewards, and the differentiation of talent and performance focused predominantly on extrinsic motivation. Issues relating to intrinsic motivation stemming from psychological feelings such as self-esteem, feeling valued, respect and work recognition were marginalised in the empirical findings. Such an approach risks damage to the psychological contract. If the psychological contract is breached or violated, employee commitment and motivation will be undermined, resulting in negative work behaviour and reduced discretionary effort. Mutual goal setting and building positive relationship is highly important for inducing engagement behaviour, and requires an alignment of individual and organisational goals (Gruman and Saks, 2011). Therefore, mutual expectations and reciprocity between employee and organisation need to be identified, clarified and maintained to build a positive psychological contract. Under the rules of exchange, if employees receive economic incentives and socio-emotional resources from the organisation, they will feel obliged to respond positively through higher level of engagement (Cropanzano and Mitchell, 2005; Gruman and Saks, 2011; Saks, 2006). Managers need to be trained and developed to understand the nature and implications of psychological considerations on the employment relationship and their own roles in a building positive psychological contract within individual employees and teams.
- 3) Employee engagement can also be fostered by providing opportunities for involvement and managers should consider providing opportunities and resources for employees to be involved in the design of their work roles and assignments in order to promote the psychological meaningfulness of work and to foster engagement behaviour. Here the role of the managers should be to focus on job design dimensions such as equipping employees with appropriate skills; ensuring that employees have task identity and significance and understand their role in the

achievement of organisational goals and priorities; providing employees with autonomy and direction in their work; and providing constructive feedback on performance. Managerial engagement, enthusiasm and support is needed for employees to feel secure, confident and valued and to make a meaningful contribution in their work.

- 4) Empirical findings highlighted labour market constraints and suggested that respondents faced difficulty in finding the right talent for their business. Therefore, managers need to actively monitor labour market trends and review recruitment, selection and retention strategies in order to attract and retain talent. The organisation needs to have in place a robust Human Resource Planning system to assess current and future talent needs within the organisation in line with strategic goals and priorities. As part of this process managers need to continuously examine internal and external environmental trends, levels of market competition for potential candidates and the availability of talent. In addition, senior managers need to align talent management process to business goals, because aligning capability and talent with future focus will help in workforce planning to forecast talent needs for different categories and talent gaps and building talent pools for current and future needs.
- 5) Findings suggested that talent management in the Pakistani context was informed and influenced by path dependent traditional and cultural values and norms. Pakistani managers demonstrated an authoritative management style, and authority, position, status and seniority determined the nature of talent management practice. In this connection, senior managers need to act as change agents in developing more participative management style within their organisations. The Pakistani banking system is based on hierarchical authority structures and centralised decision-making system which limits the effectiveness of talent management practice. Activities such as allocating key positions on the basis of experience, restricting employee involvement in decision making, providing limited job autonomy and learning opportunities all serve as barriers to talent development. Therefore, management should review their policies and procedures to eradicate these obstacles and bring necessary changes in their policies.
- 6) Hierarchy, high-power distance and authoritative management style also impact upon the effectiveness of communication mechanism within organisations and

employee perceptions of organisational justice and fair treatment through the social exchange process. Employee perceptions of feeling valued and engaged was limited within the case study organisations. Senior management support is needed for reducing gaps in communication and allowing employees to share their ideas, feelings and experiences within Pakistani banking organisations. Managers need to engage employees in regular constructive conversations about performance outputs and career and development opportunities in order to provide effective work-based support. Such support might require the provision of necessary resources or might involve training to address performance shortcomings or skill requirements. Effective two-way communication needs to be maintained to understand employee needs and expectations. Reward packages also have a role to play in rewarding performance, building engagement and creating a culture of organisational justice and fair treatment.

- 7) Pakistani society is predominantly collectivist and places emphasis on interpersonal social connections and networks which in turn often result in practices such as favouritism and nepotism in organisations. Such practices can be major obstacles for effective talent management practice within the Pakistani banking organisations. Managers need to review recruitment and selection requirements for prospective candidates to ensure fairness, equity and transparency and ensure that job roles are aligned with clear and objective criteria based on defined competencies. In addition, employee diversity should be emphasised in recruitment, selection, development and retention policies. Managers need to transform resourcing strategies to draw on wider labour markets and develop diversity in the workforce and to match talent supply and demand more effectively.

## **8.5 Study limitations and future research**

This empirical study certainly has its particular limitations: First, the Pakistani labour market system is in a state of transition due to the convergence and divergence and the enactment of MNCs so the landscape of talent management can be quite challenging as every type of organisation has its own specific strategy to work in the market. Therefore, it is important to restate here that the empirical work has been done exclusively within the three well-established banks situated in the Sindh province of Pakistan. Other local small, medium and joint ventures may conceptualise talent differently and may display various implications for talent management.

Secondly, the sample size for the interviews was 08 participants and 189 respondents took part in the questionnaire survey; this suggests a limitation of the sample on the validity of the findings. Nevertheless, the larger sample size was not possible for the researcher to cover within the specified timescale of the PhD since bankers are very busy professionals requiring lots of effort and prior notice for arranging an interview or participating in the survey.

Thirdly, this study is exploratory in its nature and scope where the researcher developed and proposed a talent management model (Figure 5.1 p.186) which presents a causal link between people and performance. However, further research is essential and needed to test this propositional talent management model in various public and private sector organisations of the developing and under developing contexts.

## **8.6 Ethical considerations**

The researcher assured all participants (HR managers and employees) of the anonymity and confidentiality of their responses. Hence, all respondents have been referred to the HR managers as HR 1 to 8, whilst their personal details are not given throughout the thesis document.

## **8.7 Personal motivation and reflections**

This thesis is not only the result of PhD endeavour but also the efforts that were made to qualify scholarship requirement for the PhD designed by the Higher Education Commission of Pakistan (HEC). The idea of talent management occurred in mind due to the talent demand in various public and private sector organisations, particularly those who were going to various universities to find talent and subsequently, examining ‘the factors affecting employee retention in the Pakistani banking sector’ through master’s research project during 2011-12. The overall inspiration of this project was to understand talent management comprehensively (e.g. both as an emerging philosophy and as a set of management practices) and to address HR-related path dependent and legacy issues which affect talent management practice in the developing context of Pakistan. As a result, the researcher explored talent management strategy and practice and improved knowledge and understanding in a range of research activities and skills which will help in future research projects, and self-development took place throughout the period of four years of the PhD journey. More specifically, the researcher feels confident for intellectual progression in terms of managing the most valuable human resource (talent), its

motivation and engagement, and the role of social exchange theory for maintaining positive relationships between the employer and the employees that will help the case study organisations to satisfy both individual and organisational objectives for beating competition in the business market. Reflecting on this journey, the researcher has mixed feelings which are memorable: the excitement of completing this endeavour that is valuable achievement and addition in the academic literature in terms of the Pakistani context, and the sense of discontent due to sudden death of elder brother who wished to see this success, and the prolonged anxiety throughout this process. Particularly, the data collection phase was so complicated. However, the researcher really values the cooperation of HR heads, and the employees who participated in the study.

## **8.8 Chapter summary**

This research carried out a critical exploration into how talent management is conceptualised and operationalised in the Pakistani banking organisations. The researcher used Purcell's (2003) AMO model as an underpinning theory in order to investigate talent management practice and how contextual factors are affecting employee skills, abilities and their motivation and how talent management helps to develop and engage talent so that they make full usage of their skills and abilities and demonstrate discretionary behaviour at the work setting. The findings revealed that respondents were aware about the concept of talent management and were implementing it in practice. Findings also confirmed that talent management is not a neutral concept and there was a conceptual ambiguity in the case study banking organisations in which qualifications and experience of the employees were taken as the principal determinants of talent. This study confirmed that there are huge differences of talent conceptualisations and its management between Western management orthodoxy and Pakistani banking organisations. These findings clearly state that the concept of talent and its management is organisation and context dependent. In addition, the findings discovered that feeling valued, organisational justice and job dimensions predict organisational commitment, and employees who are fairly treated in the organisation are more likely to be committed, feeling valued and engaged. Hence, motivated and engaged employees have a positive behaviour at the workplace derived from mutual exchange relationship with their employer organisations. The findings supported the concept of the AMO model and social exchange relationship to induce employee satisfaction and engagement at the work setting.

This research provides useful information to Pakistani HR and training and development managers to understand the importance of the causal link between talent management and performance. This chapter presents the complete process through which the researcher achieved his research objectives. Also, it highlights the contribution (e.g. theoretical, methodological and practical) to the knowledge and understanding of talent management philosophy in the developing context of Pakistan. Lastly, it discusses the study limitations for further research.

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## APPENDICES

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### **Appendix I: Pilot Study**

The data collection process for phase two of the research starts with a pilot study.

#### **I) Pilot study**

The pilot survey (pre-test) is like a mock experiment done by a researcher to refine a research instrument before using that instrument for a full-scale study. A pilot study is a trial to test the research design with a subsample of respondents having similar characteristics to those identifiable in the full-scale study (Gill and Johnson, 2010). The main purpose of the pilot study was to improve the questionnaire instrument so that the respondents may not encounter any difficulty when answering the questions and there will be no problems while recording the data (Saunders *et al.*, 2012) Also, to ensure the validity and reliability of the research. Therefore, the pilot study for this project was conducted to access the effectiveness and validity of the questionnaire as a research tool. A pilot study according to Bell (2014) is significant in order to assess how long the questionnaire took to complete; the clarity of instructions; which, if any, question was unclear or ambiguous; to determine if there were some questions the respondents felt uneasy about answering; whether there were any major topic omissions; or respondents

felt there were any topic omissions and any other comments. Following these criteria, the pilot study is a process whereby a researcher tests the usefulness of newly developed research instruments (questionnaires) to ensure if the instrument is correct enough to carry out a research survey. This process helps the researcher for any correction in spellings or any inaccuracy of the instrument before circulating the same in a proposed sample of population for the final scale study. To explore the empirical relationship between organisational work attributes and employee attitude and engagement, the researcher used a questionnaire survey instrument to assess employee perceptions within one case study organisation.

The main motivation behind the pilot study was:

- a) To assess the reliability and validity of the questionnaire.
- b) To check the co-relation between the variables.
- c) To check the time spent in data collection, the degree of complications and propositions for further improvement.
- d) Setting of the study

The pilot study was carried out in case study Bank-B, one of the leading banks of Pakistan. The researcher applied questionnaire survey technique in this pilot study to measure employee perceptions about organisational work attributes.

## **II) Ethical consideration**

The research that involves human subjects has a significant concern of ethical issues. In general, an ethical issue is that the research design should not have the risk of embarrassment, pain, harm or any other material disadvantage (Saunders *et al.*, 2012). Therefore, it is necessary to make respondents aware of the subject-matter of the research and gain their consent. Ethical issues revolve around such concerns as ‘how should we treat the people on whom we conduct a research’ and ‘are there activities in which we should or should not engage in our relations with them’ (Bryman and Bell, 2011p.128).

There are four main areas to focus when considering ethical issues; namely, to check if there is a harm to the participants; is there a lack of informed consent; is any invasion of privacy and whether deception is involved (Bryman and Bell, 2011; Diener and Crandall, 1978). The researcher was mindful of these ethical requirements in the pilot study design. The process of data collection was started with the permission obtained by Bank-B to conduct the research survey. The contact addresses of the employees were obtained from

the HR department through a senior HR manager. The participants were contacted with a request to take part in the study voluntarily if they wish to. Equally, the aims and objectives of the study were explained to the participants before sending them the questionnaire. They were also informed about their right to withdraw from the study at any stage of the research if they so desired. A covering letter was used along with questionnaire to formally explain the purpose of the study and to ensure that all the requirements for informed consent were met.

The participants were assured that their responses would be kept in confidentiality, that anonymity would be maintained, and it would not be possible to identify individual respondents. The questionnaire was sent electronically through e-mails to all the participants; similarly, responses were collected securely and were password-protected in the private computer of the researcher.

### **III) Piloting**

For piloting, a total of sixty (60) questionnaires were sent to randomly selected employees (from the contact list provided by the bank) through e-mails.

Most of the participants were contacted through e-mails whereas some of them via telephonic conversation using personal contacts for getting their consent to participate in the pilot study. Subsequently, the copies of questionnaires were sent to them via respective e-mails when they agreed. Out of the sixty (60) distributed questionnaires, twenty-eight (28) were returned making a 47% response rate. The time reported by participants for completing the questionnaire survey was between 15 to 25 minutes. The pilot study took around ten weeks to complete.

### **IV) Pilot study sample details**

**Table 1.1** provides a categorisation of the pilot study respondents. The table explains that maximum number of the employees, that is 68% (N=17) have a Master's degree, whereas 24% (N=6) are graduates and only 8% (N=2) are postgraduates, between 18 to 51 years of age. Most the employees (36%, N=9) have job experience between 1 to 5 years, whilst the remaining respondents have reported their length of service between 5 to 10 and above with little difference. The various categories of selected sample in terms of job ranks are also shown in the following table.

**Table 1.1: Categorical attributes of the sample**

Personal information	Category	Frequency
Academic qualification	Doctorate degree	02
	Master's degree	17
	Graduate degree	06
Age between years	18-30 Years	12
	31- 40 Years	07
	41-50 Years	04
	51- to over	02
Experience (length of service)	under 1 Year	05
	1 to 5 Years	09
	5 to 10 Years	05
	10 Years and above	06
Job rank (Position)	Officer grade (I, II, III)	11
	Management trainee	06
	Non-management staff	08

Categorical attributes of the sample (total n= 25). Source: developed by researcher.

## V)     **Instrument validity**

The term validity refers to an issue of whether or not the specified set of indicator that is devised to gauge a concept really measures that concept (Bryman and Bell, 2011). Validity is the most important criterion of any research which is concerned with the integrity of the conclusions that are generated from a piece of research.

The validity measurement assists the researcher that the findings genuinely represent the same phenomenon what has happened in the situation; in other words, the collected data reflects the actual picture of the undertaken study (Collis and Hussey, 2013). Therefore, the validity measurement happens to be critical for the present study.

This pilot test applied the following measures to check validity of the instrument.

## VI)     **Face validity**

Face validity is one of the common methods and widely used to check instrument validity (Collis and Hussey, 2013). In simple words, face validity ensures whether the tests and

measurements used by the researcher are rightly measuring the same what they are supposed to measure. The face validity measures should apparently reflect the content of the concept in the questions (Bryman and Bell, 2011). Following this point, the researcher consulted with fellow PhD students and other experts in the field to ensure if the instrument reflected the actual concepts. Face validity can be established through other people with expertise and experience in the field to act as judges to determine face validity (Bryman and Bell, 2011).

## **VII) Content validity**

Measuring the content validity of an instrument is the level of coverage an instrument provides in investigative questions for study guidance. Subsequently, if the instrument covers the relevant topics adequately that were defined as significant predictors, then it could be concluded that the instrument has good content validity (Blumberg *et al.*, 2014). In this study, the contents of the instrument were carefully selected from previous studies (Robinson *et al.*, 2004; Saks, 2006) for measuring employee perceptions and their level of engagement at work place.

## **VIII) Reliability of the instrument**

The data credibility is associated to the reliability of the data gathered by the researcher. In fact, reliability demonstrates the accuracy of measurements and adherence of the procedure applied by the researcher whereby, if the same procedure is to be repeated one or more times the results must be the same. A measure is said to be reliable to the extent that it supplies consistent results, similarly reliability is related with estimates to the extent a measurement is free from random or unstable errors (Blumberg *et al.*, 2014). The reliability of an instrument refers to the consistency of a measure of a concept (Bryman and Bell, 2011). Here, consistency means correlating the response to questions with each other in the questionnaire. Bryman and Bell (2011) talked about the prominent factors to consider when to measure reliability such as stability, internal-reliability and inter-observer consistency. The stability entails the extent that whether measurements will remain stable over time. In other words, if a researcher administers a measure to a group, subsequently, re-administer it then the obtained results should have a little variation over time and the results relating to that measure do not fluctuate. However, for piloting internal reliability of the instrument was checked. Because, internal reliability is highly important when to use multi-item scales (Collis and Hussey, 2013).

The internal reliability refers to the indicators that make up the scale are consistent. That means, the respondents' score to any indicator relates to their score on the other indicators (Bryman and Bell, 2011). The researcher in this study examines multi-item scales by using Cronbach's alpha to measure reliability and internal consistency between responses, as Cronbach's alpha is one of the most trustworthy and extensively used method to check internal reliability of multiple-item scales (Collis and Hussey, 2013). In total, the researcher applied ten scales in this study, the overall reliability score of all scales is 0.9 which denotes a high internal consistency between scale variables that were chosen by the researcher to assess employee perceptions about feeling valued and engagement. According to Collis and Hussey (2013), when the value of Cronbach's alpha ( $\alpha$ ) is equal (=) or greater (>) than 0.8 the scale item is reliable. However, in a case of much lower results than 0.8 the item can be excluded with low item-total correlation. Accordingly, some items (e.g. questions from variables) were removed from different scales in this pilot study and were not included in the final survey to improve reliability of the instrument. The reliability score of each scale in this study differs from scale to scale; internal consistency among scales can be seen in the following table. The current reliability score of pilot study drastically supports the survey instrument to be applied for a full scale study to assess employee perceptions of feeling valued and engagement.

## **IX) Cronbach's alpha score of pilot study**

**Table 1.2: Cronbach's alpha score of pilot study**

Variables	Items	Corrected item - Total correlation	Cronbach's alpha if item deleted	$\alpha$ (score)
Feeling valued	FV1	.751	.943	.947
	FV2	.748	.944	
	FV3	.885	.935	
	FV4	.868	.936	
	FV5	.874	.936	
	FV6	.654	.947	
	FV7	.787	.941	
	FV8	.860	.937	
	FV9	.716	.945	

Rewards recognition	RR1 RR2 RR3 RR4 RR5	.496 .569 .718 .607 .498	.781 .755 .707 .741 .774	.792
Training and career development	TCD1 TCD2 TCD3 TCD4 TCD5 TCD6	.696 .640 .341 .379 .330 .538	.640 .662 .745 .738 .748 .696	.748
Organisational commitment	OC1 OC2 OC3 OC4	.678 .518 .593 .683	.720 .800 .760 .718	.799
Organisational justice	OJ1 OJ2 OJ3 OJ4 OJ5	.642 .651 .527 .434 .546	.707 .703 .755 .773 .741	.778
Perceived organisational support	POS1 POS2 POS3 POS4 POS5	.661 .866 .881 .660 .601	.867 .813 .814 .867 .880	.879
Perceived managerial support	PMS1 PMS2 PMS3 PMS4	.887 .776 .880 .656	.851 .891 .853 .929	.910
Job dimensions	JD1 JD2	.537 .507	.597 .638	.703

	JD3	.526	.605	
Career intensions	CI 1	.656	.086	.607
	CI 2	.464	.508	
	CI 3	.243	.808	
Burnout	BO 1	.697	.872	.882
	BO2	.800	.826	
	BO3	.754	.847	
	BO4	.741	.849	

**Source:** Compiled by the researcher

#### X) Spearman's correlation breakdown

The substantial correlation has been established between scales for this pilot study at three levels, such as  $p=.05$ ,  $p=.01$  and  $p=.001$  elaborated in Table 1.3. This statistical test shows that results at  $p=<0.05$  level are significant. In this pre-test result, perceived organisational support, perceived managerial support, rewards and recognition have been found to be extensively and positively related with feeling valued. Similarly, other attributed variables such as organisational justice, career development and job dimensions are also found to be correlated to feeling valued and involved. The results denote that there is a positive and significant relationship between organisational justice with organisational commitment, job dimensions with career intensions and burnout. However, no relation was found between feeling valued and organisational commitment. Whilst, perceived organisational and managerial support is found to be highly correlated with career intensions. The following Table 1.3 illustrates the Spearman's correlations of all variables.

**Table 1.3 show Spearman's Correlation between study variables**

	Feeling valued	Reward recognition	Training and career development	Job dimensions	Organisational commitment	Organisational justice & fair treatment	Perceived organisational support	Perceived managerial support	Career intentions	Burnout
Feeling valued	1	.689***	.630**	.493*	.257	.402*	.575**	.790***	.810***	.769***
Reward recognition		1	.346*	.284	.221	.565**	.400*	.503*	.517**	.561**
Training & career development			1	.452*	.225	.412**	.452*	.732***	.535**	.656***
Job dimensions				1	.360*	.157	.205	.526**	.573**	.543**
Organisational commitment					1	.674***	.173	.350*	.170	.379*
Organisational justice & fair treatment						1	.359*	.327	.131	.302
Perceived organisational support							1	.658***	.646***	.603**
Perceived managerial support								1	.827***	.874***
Intention to quit									1	.902***
Burnout										1

Notes \* $p \leq .05$ , \*\* $p \leq .01$ , \*\*\* $p \leq .001$ . (Correlation is significant at \*0.05 level, 2-tailed).

The existing results of correlation-coefficient between the variables verify the study propositions. The significant relationship between organisational justice with organisational commitment shows ( $R=.674$  &  $P<.001$ ) that support proposition P-1 to be accepted. The positive relationship between organisational support and feeling valued where results demonstrate ( $R=.575$  &  $P<.01$ ) that confirm proposition P-2. Perceived managerial support is positively related with feeling valued where ( $R=.790$  and  $P<.001$ ) validates proposition P-3. Similarly, the significant relationship between training and career development with feeling valued show that ( $R=.630$  &  $P<.01$ ) a give good reason to accept Proposition P-4. In case of job dimensions, ( $R=.493$  &  $P<.05$ ) shows the moderate relationship with feeling valued, so proposition P-5 was accepted. Subsequently, the strong relationship between rewards and recognition with feeling valued where ( $R=.689$  &  $P<.001$ ) approves proposition P-6 respectively. However, no significant relationship was found between feeling valued and organisational commitment in this pilot result. This may be because of a low sample size; it might change in the full-scale study.

## **XI) Discussion**

The main reason for conducting the pilot study was to assess the reliability and validity of different scales included in the survey instrument which was designed to measure employee perceptions, related to organisational work attributes and attitude of feeling valued and engaged. The survey instrument for this study was developed with ten major scales including personal, organisational, and job-related attributes. For piloting, the data was collected from case study Bank-B. That practice assisted the researcher to form various aspects to evaluate correlations between organisational and job-related variables.

The researcher conducted the pilot test to make sure the research questionnaire measured the same what they are supposed to measure and to what extent respondents recognise the questions and are responding in a similar way.

High internal-consistency was found within the employed scales, and a significant correlation between the variables with considerable alpha score of reliability. Although, the sample size for this pilot study was quite small ( $N=25$ ) and some variables revealed no significant relationship with dependent variables. Nevertheless, most of the variables were found to be correlated significantly that gave interesting and valuable support to the study for extended research. Moreover, a reliability score of various scales was discovered through Cronbach's  $\alpha$  (.948) and this denotes a high internal-consistency among various scales incorporated in the

survey questionnaire. The reliability of all ten scales differs with each other. In terms of relationships, the pilot study results found a significant correlation between organisational justice and job commitment, organisational and managerial support with feeling valued. However, a very weak relationship was found between feeling valued and organisational commitment. If the sample size was adequate, the correlation of these two variables was possibly significant statistically. The pilot results discovered a stronger relationship between burnout and intention to quit.

Interestingly, four scale variables regarding organisational attributes and employee attitude such as organisational justice, organisational support, rewards recognition, and managerial support discovered significant relationships with feeling valued and involved in the pilot study results.

The findings discovered that almost all employees were less satisfied with organisational support. However, upper grade officers are feeling valued and involved to a greater extent, whereas the remaining two categories of employees (MTO and non-management staff) stated to be not feeling valued much within the bank.

The pilot results helped the researcher to check the validity and reliability of the questionnaire. Similarly, it also helped to refine and modify some of the questionnaire to make it a useful instrument.

Many studies have identified the impact of these variables for employee perception of feeling valued and engaged (Gibbons, 2006; Hughes *et al.*, 2008; Robinson *et al.*, 2004; Saks, 2006). However, no comprehensive study is available in the context of Pakistan in the domain of talent management. Hence, it was assumed to be quite useful to examine the link between organisational work-related variables and employee dispositions for feeling valued and engaged.

## **XII) Conclusion**

The pilot study results demonstrated a considerable and significant correlation between selected variables and supported using this survey instrument to collect data from a larger sample in the full-scale study. The pilot results also helped the researcher to analyse the causal factors affecting employee attitude of feeling valued and engaged at the workplace which were further explored through the qualitative research.

## Appendix II : Questionnaire

---

### ‘A critical exploration of talent management strategy and practice within Pakistani banking organisations’

Dear participant! my name is Imdad Ali and I am a post graduate student; pursuing the studies for PhD degree at the University of Northampton, England UK. I am conducting a research project on 'Talent Management Strategy' within Pakistani banking industry for better understanding of HR policy and practice with special reference to Pakistani context. As this is an anonymous research survey in which all the responses will remain secure and confidential. The collected data will be used only for academic purpose. This research is 'Ethically Approved' by the ethics committee of Northampton Business School under the data protection act of Northampton University of United Kingdom, so anonymity and confidentiality of your response is guaranteed.

The results of this study will help to policy makers HR managers and the development of effective talent management strategies for Pakistani organisations.

The participation of employees in this study will be strictly voluntary. However, researcher really values your help for filling of the questionnaires. So, if you feel comfortable to participate, please fill-out the following questionnaires to help researcher for completing PhD dissertation. It should only take few minutes to complete, so please answer all the questions since each is important.

Thanks for your interest, time and support of my research.

Imdad Ali  
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Northampton Business School  
The University of Northampton NN2 7AL  
England UK.  
email: [Imdad.Ali@northampton.ac.uk](mailto:Imdad.Ali@northampton.ac.uk)  
[imdad.jokhio@salu.edu.pk](mailto:imdad.jokhio@salu.edu.pk)  
cell no: +44 7414955860

\* Required

#### **1. Personal profile data:**

##### **I. Qualification \***

Highest degree i possess.

- Doctorate degree
- Master's Degree
- Graduate Degree
- Undergraduate Degree
- High School / Technical Training Diploma
- Other:

**II. My job rank is \***

- Officer grade-I
- Officer grade-II
- Officer grade-III
- Management trainee officer (MTO)
- Non-management / Clerical staff/ Typist/ Cashier
- Other:

**III. Age between \***

- 18 -30
- 31 -40
- 41 -50
- 51 -Over

**IV. Experience**

length of service with my current employer is

- Under 1 Year
- 1 to 5 years
- 5 to 10 years
- 10 years and above.

**2. Organisational Engagement- involvement**

Following list consists a set of statements that represent various dimensions and outcomes of "Organisational engagement". Please consider your understanding and experience in your organisation and indicate your degree of agreement / disagreement with each statement, on 5 point scale anchored by 1= "Strongly Disagree" and 5= "Strongly Agree".

**2.1. Feeling valued and involved:****I speak highly of this organisation to my friends. \***

1    2    3    4    5

Strongly Disagree	<input type="radio"/> Strongly Agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	--------------------------------------

**I would be happy for my friends and family to use this organisation's products and services. \***

1    2    3    4    5

Strongly Disagree	<input type="radio"/> Strongly Agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	--------------------------------------

**This organisation really inspires the very best in me in the way of job performance \***

1    2    3    4    5

Strongly Disagree	<input type="radio"/> Strongly Agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	--------------------------------------

**I try to help others in the organisation whenever I can. \***

1    2    3    4    5

Strongly Disagree	<input type="radio"/> Strongly Agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	--------------------------------------

**I volunteer to do things outside my job that contribute to the organisations objectives. \***

1    2    3    4    5

Strongly Disagree	<input type="radio"/> Strongly Agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	--------------------------------------

**This organisation is known as a good employer. \***

1    2    3    4    5

Strongly Disagree	<input type="radio"/> Strongly Agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	--------------------------------------

**I frequently make suggestions to improve the work of my team/ department service. \***

1    2    3    4    5

Strongly Disagree	<input type="radio"/> Strongly Agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	--------------------------------------

**Managers are keen to listen staff views on key decisions. \***

1    2    3    4    5

Strongly Disagree	<input type="radio"/> Strongly Agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	--------------------------------------

**I feel involved in decisions that affect my work. \***

1    2    3    4    5

Strongly Disagree	<input type="radio"/> Strongly Agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	--------------------------------------

**I get the opportunity to develop new and better ways of doing my job. \***

1    2    3    4    5

Strongly Disagree	<input type="radio"/> Strongly Agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	--------------------------------------

**I feel valued by senior management. \***

1    2    3    4    5

Strongly Disagree	<input type="radio"/> Strongly Agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	--------------------------------------

**Good suggestions from staff tend to get ignored here. \***

1    2    3    4    5

Strongly Disagree	<input type="radio"/> Strongly Agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	--------------------------------------

**I feel able to voice my ideas and opinions. \***

1    2    3    4    5

Strongly Disagree	<input type="radio"/> Strongly Agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	--------------------------------------

**The organisation is very much concerned about my health and wellbeing. \***

1    2    3    4    5

Strongly Disagree	<input type="radio"/> Strongly Agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	--------------------------------------

### **3. Rewards and recognition:**

**Good performance is rewarded fairly here. \***

1    2    3    4    5

Strongly disagree	<input type="radio"/> Strongly agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	--------------------------------------

**I am rewarded fairly in view of my experience. \***

1    2    3    4    5

Strongly disagree	<input type="radio"/> Strongly agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	--------------------------------------

**I am praised and encouraged by my supervisor if I am doing well. \***

1    2    3    4    5

Strongly disagree	<input type="radio"/> Strongly agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	--------------------------------------

**I feel safe due to job security here in this organisation. \***

1    2    3    4    5

Strongly disagree	<input type="radio"/> Strongly agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	--------------------------------------

**This organisation prefers existing staff to fill job vacancy through internal promotions. \***

1    2    3    4    5

Strongly Disagree	<input type="radio"/> Strongly Agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	--------------------------------------

### **3.1. Training and career development:**

**I am encouraged to develop new skills. \***

1    2    3    4    5

Strongly disagree	<input type="radio"/> Strongly agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	--------------------------------------

**My manager takes my development seriously. \***

1    2    3    4    5

Strongly disagree	<input type="radio"/> Strongly agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	--------------------------------------

**I am given adequate training to do my current job. \***

1    2    3    4    5

**My training needs are regularly discussed and acted upon. \***

1    2    3    4    5

Strongly disagree	<input type="radio"/>	Strongly agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------	----------------

**I feel equal to my colleagues to have access on training and development opportunities. \***

1    2    3    4    5

Strongly disagree	<input type="radio"/>	Strongly agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------	----------------

**This organisation actively supports my continuing professional development. \***

1    2    3    4    5

Strongly disagree	<input type="radio"/>	Strongly disagree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------	-------------------

#### **4. Job Characteristics / dimensions:**

**I feel there is a great level of variety in my job. \***

That is, to what extant does the job require you to do many different things at work, using variety of skills and talents.

1    2    3    4    5

Strongly disagree	<input type="radio"/>	Strongly agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------	----------------

**I feel there is adequate autonomy in my job. \***

that is, to what extant your job permits you to decide on your own how to go about doing the work?

1    2    3    4    5

Strongly disagree	<input type="radio"/>	Strongly agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------	----------------

**Job responsibility in terms of organisational goals is clearly defined to me. \***

That is- the job is an identifiable piece of work that has an obvious beginning and end? Or is it only a small part of the overall piece of work, which is finished by other people as well.

1    2    3    4    5

Strongly disagree	<input type="radio"/>	Strongly agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------	----------------

**My job is very important and significant that has a great impact on others. \***

That is, are the results of your work likely to affect the lives or well-being of other people outside the organisation.

1    2    3    4    5

Strongly disagree	<input type="radio"/>	Strongly agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------	----------------

**My manager informs me that how well i am doing my job. \***

That is, do you receive any feedback about your work performance?

1    2    3    4    5

Strongly disagree	<input type="radio"/>	Strongly agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------	----------------

**5. Organisational commitment:****I would be happy to work at my organisation until I retire. \***

1    2    3    4    5

Strongly Disagree	<input type="radio"/>	Strongly Agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------	----------------

**Working at my organisation has a great deal of personal meaning to me. \***

1    2    3    4    5

Strongly Disagree	<input type="radio"/>	Strongly Agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------	----------------

**I really feel that problems faced by my organisation are also my problems. \***

1    2    3    4    5

Strongly Disagree	<input type="radio"/>	Strongly Agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------	----------------

**I feel personally attached to my work organisation. \***

1    2    3    4    5

Strongly Disagree	<input type="radio"/>	Strongly Agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------	----------------

**I feel a strong sense of belonging to my organisation. \***

1    2    3    4    5

Strongly Disagree	<input type="radio"/>	Strongly Agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------	----------------

**6. Organisational justice and fair treatment:****I am rewarded fairly for the work I have completed. \***

1    2    3    4    5

Strongly disagree	<input type="radio"/>	Strongly agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------	----------------

**I am rewarded fairly for my contribution to the organisation. \***

1    2    3    4    5

Strongly disagree	<input type="radio"/>	Strongly agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------	----------------

**I have been able to express my views and feelings for any procedural injustice. \***

1    2    3    4    5

Strongly disagree	<input type="radio"/>	Strongly agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------	----------------

**I feel I am fairly treated here. \***

1    2    3    4    5

Strongly disagree	<input type="radio"/>	Strongly agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------	----------------

**My work environment is free from bullying and harassment. \***

1    2    3    4    5

**This organisation makes its positive commitment to equal opportunities clear.\***

1    2    3    4    5

Strongly disagree	<input type="radio"/>	strongly agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------	----------------

**7. Perceived organisational support:**

**My organisation really cares about my wellbeing \***

1    2    3    4    5

Strongly disagree	<input type="radio"/>	Strongly agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------	----------------

**My organisation strongly considers my goals and values. \***

1    2    3    4    5

Strongly disagree	<input type="radio"/>	Strongly agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------	----------------

**My organisation shows little concern for my health and wellbeing. \***

1    2    3    4    5

Strongly disagree	<input type="radio"/>	Strongly agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------	----------------

**My organisation cares about my opinions. \***

1    2    3    4    5

Strongly disagree	<input type="radio"/>	Strongly agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------	----------------

**My organisation is willing to help me if I need a special favour. \***

1    2    3    4    5

Strongly disagree	<input type="radio"/>	Strongly agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------	----------------

**Help is available from my organisation when I have a problem. \***

1    2    3    4    5

Strongly disagree	<input type="radio"/>	Strongly agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------	----------------

**My organisation would forgive an honest mistake on my part. \***

1    2    3    4    5

Strongly disagree	<input type="radio"/>	Strongly agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------	----------------

**8. Perceived manager/supervisor support:**

**My manager cares about my opinions. \***

1    2    3    4    5

Strongly disagree	<input type="radio"/>	Strongly agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------	----------------

**My manager really cares about my wellbeing without any prejudice. \***

1    2    3    4    5

**My manager is sensitive to work/life issues. \***

1    2    3    4    5

Strongly disagree	<input type="radio"/>	Strongly agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------	----------------

**I have a good working relationship with my immediate manager. \***

1    2    3    4    5

Strongly disagree	<input type="radio"/>	Strongly agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------	----------------

**My immediate manager supports me when things go wrong. \***

1    2    3    4    5

Strongly disagree	<input type="radio"/>	Strongly agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------	----------------

**9. Current career intentions:**

**I am planning to search for new job. \***

1    2    3    4    5

Strongly Disagree	<input type="radio"/>	Strongly Agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------	----------------

**Likely to leave during next twelve months \***

1    2    3    4    5

Strongly Disagree	<input type="radio"/>	Strongly Agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------	----------------

**Plan to stay for the foreseeable future. \***

1    2    3    4    5

Strongly Disagree	<input type="radio"/>	Strongly Agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------	----------------

**10. Burnout:**

**I feel emotionally drained by my work. \***

1    2    3    4    5

Strongly Disagree	<input type="radio"/>	Strongly Agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------	----------------

**I feel I am under too much work pressure. \***

1    2    3    4    5

Strongly Disagree	<input type="radio"/>	Strongly Agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------	----------------

**I feel burned out by my work. \***

1    2    3    4    5

Strongly Disagree	<input type="radio"/>	Strongly Agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------	----------------

**The demands of the job seriously interfere with my private life. \***

1    2    3    4    5

**I have been losing sleep over my work problems. \***

1    2    3    4    5

Strongly Disagree	<input type="radio"/> Strongly Agree				
-------------------	-----------------------	-----------------------	-----------------------	-----------------------	--------------------------------------

**Please use below box to write your comments / suggestions if any. \***

**Submit**

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### **Appendix III: Covering Letter for Data Collection**

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#### **Covering letter**

Dear participant,

My name is Imdad Ali and I am a postgraduate student, pursuing the studies for a PhD degree at the University of Northampton, England, UK.

I am conducting a research project on 'Talent management strategy' within the Pakistani banking industry for a better understanding of HR policy and practice with special reference to the Pakistani context.

As this is an anonymous research survey in which all the responses will remain secure and confidential, the collected data will be used only for academic purposes. This research is 'Ethically Approved' by the Ethics Committee of Northampton Business School, under the Data Protection Act of the University of Northampton in the United Kingdom, so anonymity and confidentiality of your responses is granted.

The results of this study will help the policymakers, HR managers and the development of effective talent management strategies for Pakistani organisations.

Your participation in this study is strictly voluntary. However, the researcher really values your help to fill in the questionnaire.

Please browse the following link and fill out the electronic questionnaire to help the researcher complete the PhD dissertation. It may take 15 to 20 minutes to complete all the questions, so please answer all the questions since each is important.

Please complete your response and click the "Submit" button at the end of the form.

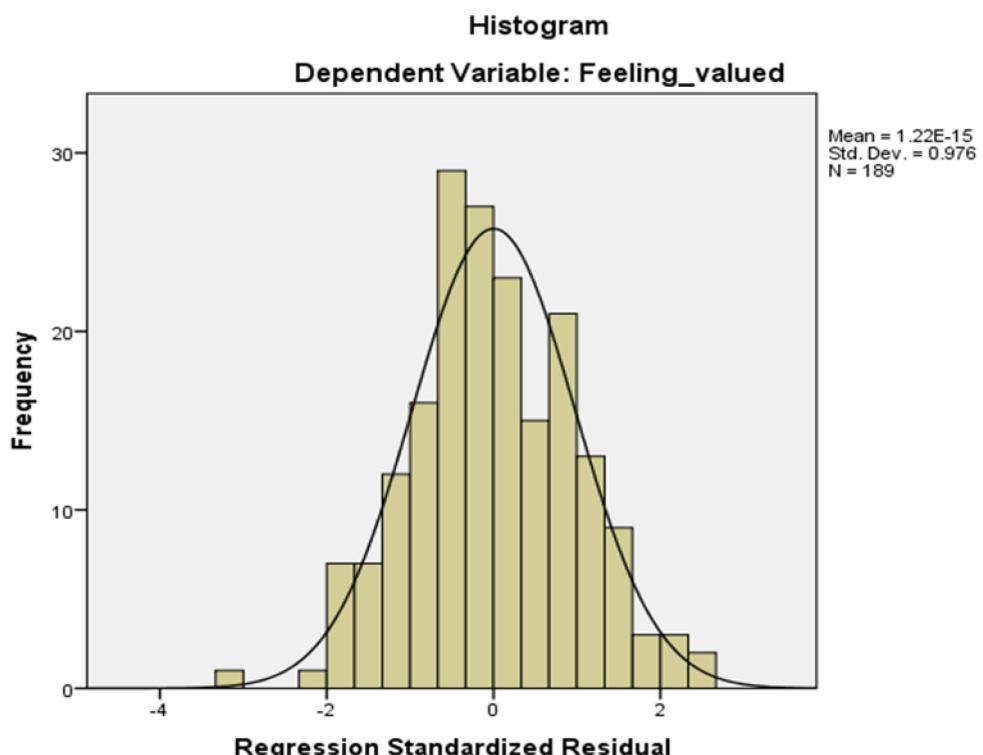
Thanks for your interest, time and support of my research.

For any queries, please contact me at: [Imdad.jokhio@salu.edu.pk](mailto:Imdad.jokhio@salu.edu.pk) or  
[Imdad.Ali@northampton.ac.uk](mailto:Imdad.Ali@northampton.ac.uk) Cell no: [REDACTED]

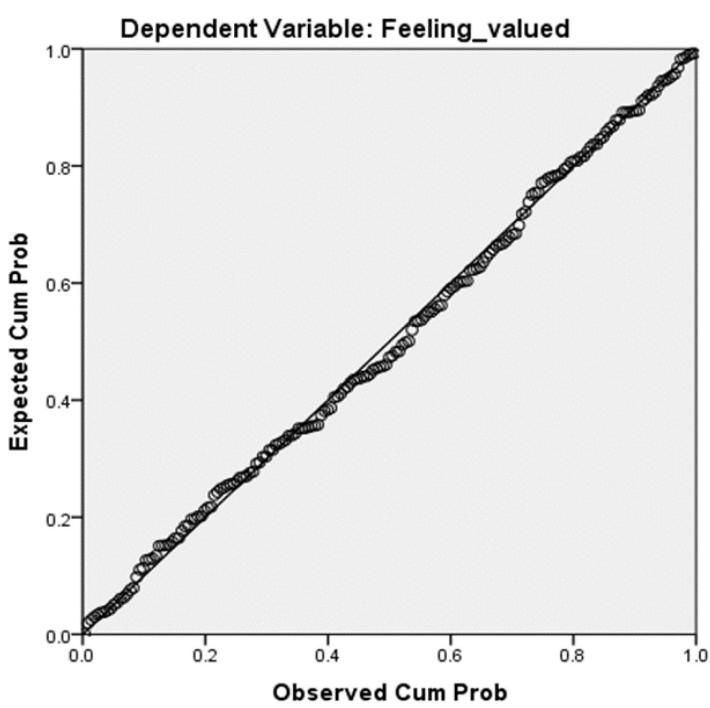
Imdad Ali, PhD Student  
Northampton Business School  
The University of Northampton, NN2 7AL England, UK

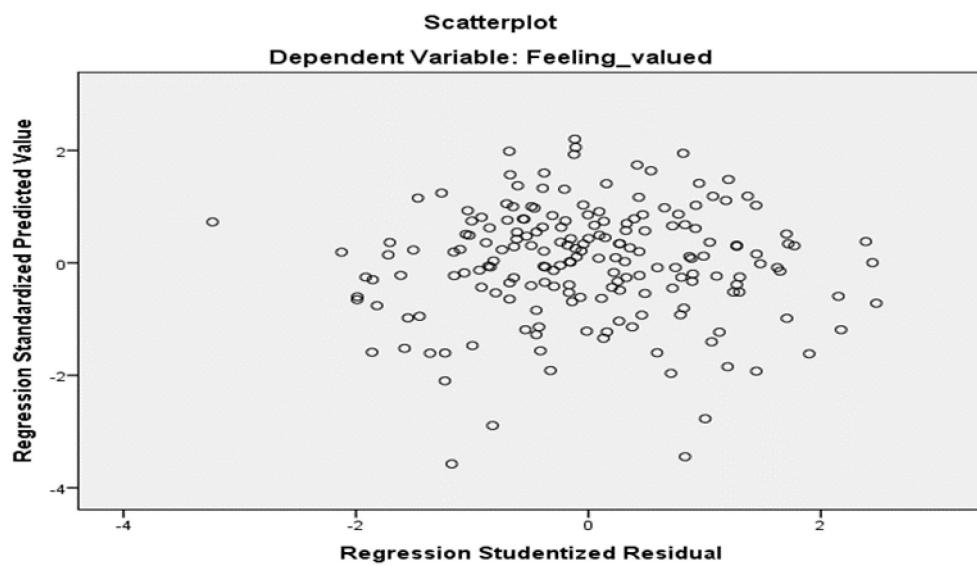
#### Appendix IV : Regression histogram charts and normal P-P and Scatter Plots

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Normal P-P Plot of Regression Standardized Residual





### Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.757 <sup>a</sup>	.573	.551	.45603	2.031

a. Predictors: (Constant), Burnout, Perceived managerial support, Career intentions, Training and development, Organisational commitment, Rewards Recognition, Perceived Organisational support, Job dimensions, Organisational Justice

b. Dependent Variable: Feeling valued

**ANOVA<sup>a</sup>**

Model	Sum of Squares	df	Mean Square	F	Sig.
1    Regression	49.913	9	5.546	26.667	.000 <sup>b</sup>
Residual	37.226	179	.208		
Total	87.138	188			

a. Dependent Variable: Feeling valued

b. Predictors: (Constant), Burnout, Perceived managerial support, Career intentions, Training development, Organisational commitment, Rewards Recognition, Perceived Organisational support, Job dimensions, Organisational Justice

## **Appendix-V: Ethical considerations**

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### **Ethical considerations**

The research that involves human participants follows ethical implications; an overview of those issues is given below. Ethics code and conduct of The University of Northampton were followed at each stage.

Ethical considerations	Solutions
Access permission	The researcher comes from Sindh and has very good contacts in the different cities of Sindh, Pakistan. Personal contacts were used for getting access within selected banks and consent was already agreed before proceeding to Pakistan for data collection. The researcher used social and kinship network in securing access to organisations and respondents. Reciprocal kinship networks are a key mechanism in social and business relationships in Pakistan.
Informed consent	All participants were informed about the aims and objectives of the study and consent was agreed between the researcher and the participants before conducting questionnaires survey and interviews. All participants were free to participate in the study and can withdraw from the study at any time during the research period.
Confidentiality	Participants were assured that their anonymity and privacy will be preserved at all times during the data collection and analysis process. Participants were referred to through series of codes, and names, personal information or any potential details pertaining to the employees which may lead to breach of anonymity was not cited in the thesis document.
Participant's comfort zone	Participants were made aware of their right to refuse or break off the interview at any time. They were given the choice for using data recording devices for interview. Also, participants were given

	copies of the interview transcript to confirm the reflections and accuracy of the transcript.
Data storage and access security.	Interview transcripts in electronic format were password protected in the personal computer of researcher, whereas the interview notes and other related confidential files were kept in locked filing cabinet.
Interviewing skills of the researcher	Researcher conducted interviews of twenty employees in his previous academic research in Pakistan. Previous learned skills helped researcher in present study. In addition, the research techniques and skills were updated by attaining range of training workshops organised by graduate school at the University of Northampton.
Conflict of interest	As the verbal consensus was already agreed through telephonic conversation, so there was no any conflict of interest related to researcher and the affiliation of the case study organisations.