'TALENT ACQUISITION AND MANAGEMENT'

INTRODUCTION

In the lifetime of every organization there comes a time when it has a seminal role to play. This time is precisely for the IBPS, to which all nationalized banks are looking at with lots of hope. Indian banks today face multiple opportunities and challenges. One of the key challenges for the banks is HR-related that covers manpower recruitment, training, succession planning and leadership development. Various estimates show that the public sector banks may have to recruit staff in a large number over the next ten years, anywhere in the range of 4 to 7 lakh depending upon the enhancement in productivity levels. At the same time, banks face competition from services sector which look for similar talent pool. Thus, today's seminar is very topical in nature that not only addresses the issues pertaining to recruitment but a broader challenge of managing the talent.

For us in the banking sector, role played by IBPS has been highly significant. As you are aware, IBPS was established in the year 1984 to address the challenges of recruitment and personnel selection in Banking Industry and Financial Institutions on a larger scale after the nationalization of banks. Today IBPS is the largest recruitment body for Public and Private Sector Banks, Regional Rural Banks, Cooperative Banks, Central Financial Institutions and other Public & Private Enterprises. From 30 lakh registrations in 2007-08; it crossed 132 lakh in year 2010-11. IBPS is also engaged in recruitment process of Insurance Sector, primarily LIC. During 2010-11, IBPS completed recruitment process for 79236 vacancies. However, the future challenges for IBPS include providing Job-Ready candidates and conducting Common Recruitment Programs for nationalized banks. Like the role it played in post-nationalization era, IBPS is equally poised to the future challenges of Talent Acquisition in banks.

TALENT MANAGEMENT

It is interesting to note the changing focus of banks from 'Manpower' to 'Talent'. Banking industry is witnessing shifts in customer preferences, evolution of newer products and services, relationship banking and emerging focus areas like risk management, treasury, financial inclusion and project finance. Each area requires people with special skill sets. The existing manpower planning activity in banks is oriented more towards numbers and does not take into account skill and competency requirements. Also, it is not aimed at long term requirements of the Bank.

The future trends in banking will become a determining factor for Talent Acquisition and management in banks. The customers will redefine the rules of the game. Customer diversity and how customers perceive value will change as a result of pronounced shifts in demographics and value systems. "Norms" will become increasingly rare. The increase in the numbers of both the old and young customer segments will pose significant new challenges and opportunities for banks. While older customers tend to require more high-touch service but are generally more loyal, youthful customers are inconsistent, tech savvy and good at negotiating for the best. Banks will need to develop the capabilities necessary to sense and respond rapidly to their customers' increasingly diverse demands and unpredictable patterns of banking behavior. As banks redefine their business models to become specialized enterprises, the skills required to compete effectively will also evolve. Increasingly demanding customers and intensifying competition would drive Indian Banking Industry over the next 5 to 10 years. Hence, the Talent Acquisition and Management must be seen accordingly.

ROLE OF BANKS

While there are multiple tools for talent acquisition and management, Banks will have to focus on two important intangibles. Organizations like IBPS may do the function of recruitment but the real challenge of Talent Acquisition and Talent Management lies with the banks themselves. The programme for the day is designed to discuss various aspects of Talent Acquisition and Management; therefore, let me offer some thoughts on the role of individual banks in this.

I believe that the positioning of the organization as a 'Good Employer Brand' is the first tenet for an organization towards a successful talent acquisition. Historically, banks in India had access to superior talents as banks were seen as good place to work with. However, competition and emergence of new economy sectors have impacted this perception and hence, we find it difficult to attract and retain the talent. The banks should be seen as helping people build rewarding careers and reach their full potential. When we do brand-enrichment exercise, it should not be limited to customer market but simultaneously impacting the talent market.

Secondly, the notion that the compensation is a key criterion for talent retention is not a universal truth. A recent survey by the Corporate Executive Board suggests that future career opportunities and development opportunities in an organization are more important for an employee to stay in than the compensation. The young workforce is looking for employers who embrace their desire for challenging assignments as well as development and training opportunities. Next to salary, the most valuable benefit for the employee is the opportunity that he gets for development. We need to invest in coaching and mentoring programs of young workforce. Issues of personal growth and well-being are important as these not only contribute to a more healthy work environment but can be effectively harnessed to help align personal goals with organizational goals.

FUTURE CHALLENGES FOR IBPS

IBPS is presently the premier agency engaged by nationalized banks for recruitment of clerks and officers. But the requirements in the future would be large not only in terms of numbers of vacancies but the varied skill sets required by banks for various disciplines. The future challenge of recruiting large number of employees for banks and other institutions would require that IBPS strengthens its internal capacity. The Institute needs to introspect and build the capacity for meeting the future needs of the banking sector.

Another challenge is the quality of recruitment process. Today common entrance tests like CAT for IIMs and JEEE for IITs are regarded as true test of aptitude, knowledge and efficiency. The question is whether IBPS would be able to create a similar brand value for its recruitment process?

The third challenge relates to providing Job-Ready candidates to banks. IBPS has conducted a trial for one of the banks for job ready candidates; but the demand for such candidates from banks may be very high in the future.

With this, I conclude my remarks and wish a thought-provoking Seminar and I am sure all of us would immensely benefit from today's discussion.

Thank you.