

A REVIEW

Talent retention through internal communication : The emerging formulae

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ABSTRACT

Service sector especially banking sector has been a major contributor to the growth of the Indian economy. Employees play a crucial role in upbringing of the industry to the current level and as far as the banking industry is concerned, employees and act as the face of the organization. With the increasing competition in the Indian banking industry, it has become the prime requisite for the industry to preserve talents. In order to achieve high growth in the hyper competitive market, the industry should focus upon internal marketing of employees through well-built internal communication systems.

KEY WORDS : Service sector, Indian banking industry, Internal marketing, Internal communication systems

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Service sector of India has been contributing to major share of the Indian GDP especially banking sector. In contrast, high employee turnover is a major problem in the banking sector throwing a hard core challenge upon talented employee retention. Internal marketing should be given high priority so that employees feel working for self-actualization. The finest way for internal marketing is unambiguous and translucent internal communication system. This may aid in working in an industry like banking industry which deals with enormous amount of public money and which needs tremendous brain strength.

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Indian banking industry :

Service sector plays an important role in Indian economy particularly Indian banking sector. Whereas many countries in the world are still under pressure to develop basic banking services, the expansion of Indian banking sector is noteworthy. Over a period of time, it has evolved tremendously. The changing governments have always given thrust to the industry and according to stats released by RBI on 10th March 2016, total number of deposit accounts (includes term deposits) is 1,440 million and Savings bank accounts in 2015 was 1,170 million. In order to bring in more financial inclusion, RBI has granted almost 23 banking licenses including small banks and payment banks to new players in 2014. These data clearly show the impact of this industry on the economy as well as the society.

Recent developments in Indian banking industry :

In the recent years, Indian banking industry along

with more financial inclusion, is giving keen interest in innovative developments with new technologies. Last decade has been an eventful one for the Indian banking sector with reforms like technological up gradation, customer management, business intelligence and financial inclusion. Our banking industry is moving ahead for a more progressed and digitally connected network.

New challenges :

With the increasing competition, banks have to be more concerned than ever about customer attrition. In this transitional phase, excellent service quality should be every bank's goal. Poor service will eventually lead to steady erosion in market share. New skills in credit and operations, sales and marketing are critical to have sustainable growth. Along with technology up gradation, value creation and innovative product offerings the importance of skilled human resources both in terms of knowledge and abilities cannot be left behind. To achieve the growth the industry sought, getting the grassroots level employees on board is extremely important. Developing an employee based organization should get larger momentum.

Importance of internal communication :

Along with the retention of prospective customers, retention of productive employees is also a great challenge for the banking industry in today's era. The performance of a service brand can be copied and replicated, but the intangible values such as employees' attachment, trust and commitment, loyalty and favourable association towards an organization cannot be copied. Developing an internal orientation is crucial in the holistic development for a banking firm. MacLaverty *et al.* (1997) defined internal branding as a set of strategic processes that align and empower employees to deliver the appropriate customer experience in a consistent fashion. Strong internal communication system is essential for this to happen.

Approaches to improve internal communication :

It is the management's responsibility to assist the employees, power through those slumps and bring in performance levels to the peak. An open, honest two-way communication system will help a great deal in achieving this.

Clear Communication and consistent feedback are

important keys for internal communication. Since banking is an industry involving great amount of risk, employees always appreciate straight forwardness and genuine interactions over regular ambiguous orders. The employees should be provided with a judgment-free space to articulate their challenges with the new developments which may pave way forward for a healthy internal relationship.

Empowerment with setting strategies and goals are yet other important factors in making a smooth internal relationship. The employees should be given freedom to formulate their own strategies so that they can execute quality work and become more productive. The industry should put an end to the culture of asking a million questions to the boss for carrying out a specific job. This may empower the employees to think long term and not confined to the day to day hassles of work.

Access to the sufficient resources the employees need is another way to succeed in the mutual relationship between management and employees. A clear vision and plan which hold them accountable and establishing clear deliverables and deadlines may end with better results only when they feel valued and are equipped with proper resources needed to perform the job successfully.

Rewards refers to all categories of financial benefits, tangible services and benefits that employee receives as part of employment relationship with the organization (Bratton and Gold, 1994). Rewarding the employees and celebrating the success may empower the employees to push their limits and move forward for new innovative solutions.

Asking right questions and being a good listener is another important method the superiors should adopt to keep robust relationship. The biggest source for unrest among employees is feeling like they are not being heard. Sometimes the employees may not have enough clarity regarding the new developments and methods to tackle the new issues. This may bring down their confidence level in dealing with the situations and which in turn may become a frustration in the internal relationship. The questions should be in such a way that they get to the root of the problem and the management should be patient enough to keep quiet and be good listeners. The employees should be asked in between about the challenges they currently face.

Motivation through training is another key to make people feel loyal towards the organization as well as the

industry. Provide guidelines to the bottom line for getting the job done. This has become a prime requirement for the industry to facilitate the expected service to the customers.

Conclusion :

The recent developments in the banking industry have brought in several challenges to the bank employees. But the way they handle the situations including the demonetization deserve a great deal of appreciation. They work hard to take the industry to a next level and this attitude of hard work makes the industry flourishing over past several years. To sustain this progress, the industry needs to take care of its employees and their problems. 'Project Parivartan' is such an initiation by State Bank of India. The industry should also focus upon internal marketing strategies to create a friendly work atmosphere. Open communication is the basic and best solution for maintaining a tight knit relationship between management and employees which is essential to retain talented employees for long and bright future of the Indian banking industry.

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