

**Talent management's role
in retaining employees in the banking
sector in Laos**

By

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Business**

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DECLARATION

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This thesis entitled: “**Talent management’s role in retaining employees in the banking sector in Laos**” is submitted in partial fulfilment for the requirements for the Unitec degree of Master of Business.

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I confirm that:

- This Thesis represents my own work;
- The contribution of supervisors and others to this work was consistent with the Unitec regulations and policies;
- Research for this work has been conducted in accordance with the Unitec Research Ethics Committee Policy and Procedures, and has fulfilled any requirements set for this project by the Unitec Research Ethics Committee.

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Abstract:

When it comes to the management of people in banking organisations, it is not only workforce management that is the focus of Human Resource Management (HRM) but it is also the management of talented high performing employees. This is called “Talent Management” (TM). Talent Management is becoming an important organisational strategy to attract, recruit, and retain the most capable employees to help the organisation achieve its goals and retain its competitiveness amongst its competitors.

This research project aimed to explore HR managers’ perceptions regarding the practice of talent management in the banking sector in Laos and to identify the likely problems and successes of Human Resource (HR) practices in banks in Laos. The research project further focuses on identifying the current practices of talent management and talent retention as well as their key benefits and challenges for business performance and competitive advantages for the banking sector. In order to achieve the aim and objectives of the research, this study used semi-structured interviews as the approach for qualitative data collection. The process involved interviewing eight HR managers from the banking sector in Laos who were the participants for this study.

Based on the empirical findings, HR managers in the banking sector in Laos generally are aware of the term ‘talent management’ and can explain its basic definition. They have more than one role and the roles that they mainly execute include being an administrator and a strategic partner. In terms of the current practices of TM, many practices are applied such as resourcing talent, talent development, talent relationship management, and rewards. The key benefits that TM provide to the organisational performance are related to day to day operations, talent resourcing, business goal achievement and new products and activities initiations. The benefits of TM in terms of competitive advantage include customer satisfaction and competitiveness enhancement. In regard to talent retention, the three most applied methods are training and capacity building focus, staff engagement programmes, and succession planning programmes. However, retaining talent in organisations is found to be difficult. The causes are lack of a talent management policy in organisations and an increase in competition in the same industry.

Finally, the research concludes that the role of TM, despite becoming increasingly important in the field of HRM, is still a relatively new concept for Laos HR managers. Laos HR managers working in the banking industry should take business strategies into account when creating TM plans. In addition, there is a need for the appreciation of TM from the top leaders. HR managers

and supervisors working in the Laos banking industry also need to improve TM to put HRM fully into practice in organisations in Laos.

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Table of Contents

| | |
|---|----|
| Abstract: | ii |
| Acknowledgements..... | iv |
| Table of Contents..... | v |
| List of Tables and Figures..... | x |
| List of Abbreviations | xi |
| CHAPTER 1: INTRODUCTION | 1 |
| 1.1. Background:..... | 1 |
| 1.2. Problem description: | 3 |
| 1.2.1. Focus of the research project: | 5 |
| 1.3. Aim of the research project:..... | 6 |
| 1.4. Objectives of the research project:..... | 6 |
| 1.5. Research questions:..... | 6 |
| 1.6. Hypotheses:..... | 7 |
| 1.7. Outline of the thesis: | 7 |
| 1.8. Chapter summary:..... | 8 |
| CHAPTER 2: LITERATURE REVIEW | 9 |
| 2.1. Introduction:..... | 9 |
| 2.2. Background and overview of talent management:..... | 9 |
| 2.3. Strategic human resource management (SHRM): | 11 |
| 2.4. Strategic talent management (STM): | 12 |
| 2.5. Traditional talent management practices in HRM:..... | 13 |
| 2.5.1. Attracting and recruiting:..... | 13 |
| 2.5.1.1. Attracting talent:..... | 13 |
| 2.5.1.2. Recruiting talent: | 14 |
| 2.5.2. Developing talent:..... | 16 |
| 2.5.3. Retaining talent:..... | 19 |

| | | |
|--|---|-----------|
| 2.5.3.1. | Approaches for talent retention in organisations: | 20 |
| 2.5.4. | Succession planning in talent management: | 21 |
| 2.5.5. | Leadership in talent management: | 23 |
| 2.6. | Competitive advantage of effective talent management: | 23 |
| 2.7. | Challenges of implementing talent management: | 24 |
| 2.8. | Role of HR managers in talent management: | 26 |
| 2.8.1. | Managing different types of talent: | 28 |
| 2.9. | Talent management practice in the banking sector: | 29 |
| 2.10. | Chapter summary: | 31 |
| CHAPTER 3: RESEARCH METHODOLOGY | | 32 |
| 3.1. | Introduction: | 32 |
| 3.2. | Methodology: | 32 |
| 3.2.1. | Research methodology: | 32 |
| 3.2.2. | Research paradigm: | 33 |
| 3.2.3. | Quantitative and qualitative research approaches: | 34 |
| 3.2.3.1. | Quantitative approach: | 34 |
| 3.2.3.2. | Qualitative approach: | 35 |
| 3.2.4. | Rationale for selecting a qualitative approach to the research: | 36 |
| 3.2.5. | Research method: Semi-structured interview: | 37 |
| 3.3. | Method of Sample Selection: | 38 |
| 3.3.1. | Sample selection: | 38 |
| 3.3.2. | Sample selected for semi-structured interview: | 38 |
| 3.4. | Method of data collection and analysis: | 39 |
| 3.4.1. | Data collection: | 39 |
| 3.4.2. | Recruitment processes of the research participants: | 39 |
| 3.4.3. | Pilot study: | 40 |
| 3.4.4. | Data analysis: | 40 |

| | | |
|---|--|----|
| 3.5. | Validity and reliability: | 42 |
| 3.6. | Ethical considerations: | 43 |
| 3.7. | Chapter summary: | 44 |
| CHAPTER 4: FINDINGS | | 45 |
| 4.1. | Introduction:..... | 45 |
| 4.2. | The interview results and findings:..... | 46 |
| 4.2.1. | Identifying the level of familiarity with talent management: | 46 |
| 4.2.2. | Identifying the current roles of HR managers regarding TM in the banking sector in Laos: | 48 |
| 4.2.3. | Identifying the current talent management practices employed in the banking sector in Laos: | 52 |
| 4.2.4. | Identifying key benefits that TMP provides to banking organisations in terms of organisational performance and competitive advantage: | 54 |
| 4.2.5. | Identifying current practice of talent retention in the banking sector: | 58 |
| 4.2.6. | Determining factors that hinder talent retention in the banking sector in Laos: | 62 |
| 4.3. | Chapter summary:..... | 65 |
| CHAPTER 5: ANALYSIS AND DISCUSSION OF THE FINDINGS: | | 67 |
| 5.1. | Introduction:..... | 67 |
| 5.2. | Analysis and discussion: | 67 |
| 5.2.1. | Research question (1): How familiar are HR managers with the term talent management?..... | 67 |
| 5.2.2. | Research question (2): What are the current roles of HR managers regarding talent management in the banking sector in Laos? | 68 |
| 5.2.3. | Research question (3): What are the current practices of talent management in the banks in Laos?..... | 71 |
| 5.2.4. | Research question (4): What are the key benefits that talent management provides to banking organisations in Laos in terms of organisational performance and competitive advantage?..... | 77 |

| | |
|---|-----|
| 5.2.5. Research question (5): What is the current practice of talent retention in the banking sector in Laos?..... | 80 |
| 5.2.5.1. Answering the hypothesis (2) | 84 |
| 5.2.6. Research question (6): What are the factors that hinder talent retention in the banking sector in Laos?..... | 84 |
| 5.3. Deductions and conclusions pertaining to the analysis: | 86 |
| 5.4. Chapter summary:..... | 89 |
| CHAPTER 6: CONCLUSIONS AND RECOMMENDATIONS:..... | 90 |
| 6.1. Introduction:..... | 90 |
| 6.2. Conclusion of the research project:..... | 90 |
| 6.2.1. Familiarity of the HR managers with the term “talent management:” | 90 |
| 6.2.2. The roles of HR managers in talent management in the banking sector in Laos: | 91 |
| 6.2.3. The current practices of talent management in the banks in Laos: | 92 |
| 6.2.4. The key benefits that talent management provides to the banking organisations in Laos in terms of organisational performance and competitive advantage:..... | 93 |
| 6.2.5. The current practice of talent retention in the banking sector in Laos: | 94 |
| 6.2.6. The factors that hinder talent retention in the banking sector in Laos: | 95 |
| 6.3. Strengths and limitations of this study:..... | 95 |
| 6.3.1. Strengths: | 95 |
| 6.3.2. Limitations:..... | 96 |
| 6.4. Opportunities for future research: | 96 |
| 6.5. Recommendations for talent management in the banking sector in Lao PDR: | 97 |
| 6.5.1. Recommendation one:..... | 97 |
| 6.5.2. Recommendation two:..... | 97 |
| 6.5.3. Recommendation three: | 98 |
| 6.6. Chapter summary:..... | 100 |
| REFERENCES: | 101 |
| APPENDICES | 113 |

| | |
|--|-----|
| APPENDIX 1: Semi-structured interview questions: | 113 |
| APPENDIX 2: Information sheet | 115 |
| APPENDIX 3: Participant consent form | 117 |
| APPENDIX 4: Organisational consent form | 119 |
| APPENDIX 5: Ethics Approval Letter | 120 |

List of Tables and Figures

Tables

| | |
|--|----|
| Table 1: The Big Five Personality Traits | 29 |
| Table 2: Benefits that TMP brings to the banking organisations in Laos:..... | 80 |

Figures

| | |
|--|----|
| Figure 1: A Model of the Employee Recruitment Process | 15 |
| Figure 2: Five Dimensions of Talent Development..... | 19 |
| Figure 3: Succession Planning Process Model | 22 |
| Figure 4: The understanding of HR managers regarding talent management in the banking sector in Laos (n=8)..... | 46 |
| Figure 5: The current roles of HR managers on TM in the banking sector in Laos (n=8) | 49 |
| Figure 6: Key competencies that HR managers refer to when practicing talent management (n=8)..... | 51 |
| Figure 7: The practices of talent management in the banking in Laos (n=8) | 53 |
| Figure 8: Key benefits that TMP provides to the banks in Laos in terms of organisational performance (n=8): | 57 |
| Figure 9: Key benefits that TMP provides to the banks in Laos in terms of competitive advantages..... | 58 |
| Figure 10: The practice of talent retention in the banking sector in Laos (n=8) | 59 |
| Figure 11: Perception of the HR managers about the current practices of talent retention (n=8) | 62 |
| Figure 12: Factors that hinder talent retention in the banking sector in Laos (n=8)..... | 64 |
| Figure 13: Skills that HR managers think they should have to carry out effective TM | 71 |
| Figure 14: Approaches of TMP by the HR managers in the banking sector in Laos | 75 |
| Figure 15: Banking organisations in Laos practice TM..... | 76 |
| Figure 16: A conceptual framework of workforce planning: | 97 |
| Figure 17: Framework for appreciating the role of TM:..... | 99 |

List of Abbreviations

| | |
|---------|--|
| AEC | ASEAN Economic Community |
| ASEAN | Association of South East Asia Nations |
| BOL | Bank of Lao PDR |
| CEO | Chief Executive Officer |
| CFO | Chief Financial Officer |
| CIPD | Chartered Institute of Personnel and Development |
| HR | Human Resource |
| HRM | Human Resource Management |
| KPI | Key Performance Indicator |
| LAO PDR | Lao Peoples' Democratic Republic |
| LPRP | Lao's People Revolutionary Party |
| NEM | New Economic Mechanism |
| NPL | Non-Performing Loan |
| TM | Talent Management |
| TMP | Talent Management Practice |

CHAPTER 1: INTRODUCTION

1.1. Background:

In today's rapidly developing global economy, business is conducted in a more uncertain, dynamic, and highly competitive market than ever before. This creates challenges for organisations in terms of managing external business competition and internal workforce performance (Schuler, Jackson, & Tarique, 2011). In relation to the internal workforce management, talent management of knowledgeable employees and their potential is becoming an important organisational strategy (Collings, Scullion, & Vaiman, 2015). Organisations need to hire, motivate, retain and commit their talented people in order to obtain the utmost benefit and competitive advantage from them (Vaiman, Scullion, & Collings, 2012). The banking and financial sector, in particular, are the main drivers of any economy, demanding knowledgeable human resources. The competitive banking market essentially requires effective talent management and leadership to support the fast growing and changing industrial and economic environment (Vongphanakhone, 2014). Therefore, talent management (TM), which is a part of HR management, is one of the key challenges that should be addressed in every organisation, including the financial and banking sector in Laos Peoples' Democratic Republic (PDR).

The term talent management refers to integrating the importance of both strategies and systems to attract, recruit, motivate, develop, deploy and retain the most intelligent and capable employees to meet the organisational goal, development and competitiveness (Ariss, Cascio, & Paauwe, 2014; Beheshtifar, Nasab, & Moghadam, 2012; Kehinde, 2012; Nel & Werner, 2014). Talent Management is also the key driver of important processes, skills and awareness of effective HRM. Hence, ongoing TM planning, involves vision, mission, goal and objective of both HRM and organisational strategies, which should always be aligned together. In addition, TM could affect work excellence and innovation. This is because it involves developing the skills, unleashing the potential, sharing of knowledge by all organisational members in order to have continuous creativity and renewal (Nel & Werner, 2014).

Based on Hatum (2015) and McKensey (1997) as cited by Hagel (2012) talent is the sum of skills, knowledge, experience, intelligence, and gifts bestowed on a human to perform a certain task. It also involves attitude and characteristics of the person and an ability to learn and to grow with the

organisation. The word talent in organisation management itself can be used to refer to the outstanding, knowledgeable, and high potential employees. According to Dessler, Chhiner, and Cole (2015) employees are an important asset of the organisation, but more importantly, having talented human resources is a more valuable asset and bestows competitive advantage. Dealing with talented people means dealing with great people in the organisation. It requires a special approach to retain their engagement.(HR, 2012). Talent represents the key element that identifies the effectiveness of the organisation's performance (Chalofsky, 2014). Therefore, it is essential to work towards the growth and prosperity of the organisation by paying special attention to TM and to employees who are the lifeblood as well as the competitive edge of the organisation.

Berger and Berger (2011) and Nel and Werner (2014) agree that TM is the most challenging task in HRM and the level of challenge will be increasing in the coming decade. In order to practice TM effectively, it is necessary that the HR manager should be running the talent pipeline continuously; attracting, developing and retaining the talent block and making sure it is aligned to the talent pipeline and to the organisations' strategic goals (Chalofsky, 2014; Hagel, 2012). In addition, in order to motivate and retain talented employees in organisations, there is a need to involve encouragement and motivation from supervisors and the top management (HR, 2012). This requires a standard system for talent planning or workforce planning which will help in motivating and engaging employees to perform beyond their optimal abilities and underlying competencies (Erasmus, Schenk, & Swanepoel, 2008).

At present, it is a time of dynamic global competitive business and having the right profile people, who are high performers and have high potential on the staff can be the competitive advantage for the organisation. They contribute to the organisations' cost effectiveness and play a role in leading the organisations to their target goals (Hagel, 2012). In addition, talent also helps organisations to compete with the external competitive environment and support the organisations' future endeavours (Grant, 2016). Kumar (2014) describes the human factor as the key attention in the globalization era. This is supported by Hagel (2012) who says that human capital is as important as the firm's products and services, unlike the past surviving economy where human capital development was not considered to be important. Talent scarcity has often been heard of in certain sectors, but the development agenda of talent is happening at the same time as organisations are seeking to increase efficiency in the employment sector, especially as employing off-shore talent is a huge cost for organisations (Hatun, 2010). As the world economy becomes more integrated, knowledgeable workers are mobile because they have more freedom to choose organisations that provide greater potential professional benefits and a better future. Similarly, in the fast growing

liberal economic market in Laos, talented employees are seen to be treasures for the organisations. In the financial and banking sector in particular, there is a large demand for a talented workforce to drive the organisations' management and to serve Laos' economic needs.

1.2. Problem description:

The cause of problems in relation to talent management can be traced back to the Vietnam War from 1945 to 1975. This war brought massive unexpected losses to Laos since it was the most bombed country in that war (Dejvongsa, 2014; Sumphonphakdy, 2011). There were many years of political conflict resulting in a very high number of skilled and professional workers migrating to other countries to seek better lives (Manning, 2007). This resulted in a huge gap between brain drain and brain gain, and a lack of knowledgeable human resources to move the country out of its economic struggles and poverty (Gifford, 2003).

After becoming an independent country in 1975, the economy of the Lao Peoples' Democratic Republic (PDR) reformed its strategic development plan through the initiation of the New Economic Mechanism (NEM) in the late 1980s (BOL, 2002). The transformation gradually changed the economy from "a centrally-planned" and "state ownership" system into "a market-oriented" and "private ownership system" (Tyson, 2015; Kemsley (2015), thereby creating a more liberal economy (BOL, 2002; FAO, 2011). These reforms made Laos more attractive for domestic investment, Foreign Direct Investment (FDI), as well as foreign development aid. This contributed to 60% of the economic growth in 1990, 45% in 2000 and 30% in 2011 in comparison to conditions prior to NEM, bringing the GDP growth of 6.4% on average from 1990 to 1997 and 7.5% in 2011 (Menon & Warr, 2013). In regard to the financial sector, the reforms were the beginning of the restructuring of state owned commercial banks (ADB, 2016). There was the introduction of financial strategy in 2006 that led to a more open commercially orientated banking environment and the breakdown of nonperforming loans (NPL's) from 13.9 to 1.8 percent in 2009. Moreover, there were new entries by banks of local and international origin which brought banking and financial technical skills, technologies and competition into the banking market in Laos PDR. This brought about an expansion of banking channels for household and investor's consumers, an improvement of the banking industry and a strong economic growth performance of 7.7 percent of GDP between 2005 and 2009. However the financial and banking system in Laos still lacks soundness and transparency in terms of technology, and legal documentation (ADB, 2016).

Apart from boosting the national economy through the channel of investment, Laos has focused on cooperation with other nations by becoming a developing partner of the Association of South East Asia Nations (ASEAN) in 1997 and the ASEAN Economic Committee (AEC) in 2015. The main purpose here being to cooperate and exchange experiences with the key member governments at a closely knit level (ASEAN Secretariat, 2015). The ASEAN aims to accelerate the regional cooperation between the member countries in terms of the economy, society, peace and stability, culture, education and other fields (ASEAN Secretariat, 2015). At the same time AEC aims to transform ASEAN into a free movement region in terms of products and services, capital, investment and skilled workforces (Asian Development Bank, 2015). In regards to the free movement of skilled workforces, there is an open opportunity for people within the ASEAN region to exchange work experiences, skills, knowledge as well as talent (ASEAN Secretariat & World Bank, 2013).

As investments became more attractive and productive in Laos, the banking and financial institutions needed financial and banking professionals to respond to the needs of the economic development (BOL, 2016). However, the national workforce in the field of banking and finance tends to be insufficient and unqualified to serve the banking industry's needs (Vongphanakhone, 2014). This is due to insufficient finance and banking institutions to produce the graduates who are qualified to serve these sectors and the lack of access to quality study resources. Therefore, many banks in Laos, Bank of Lao Foreign Trade (BCEL), and the Bank of Lao PDR (BOL) for example, had to employ international experts to reorganize the organisations and manage their businesses to meet market and economic demands.

With these new focuses, a good banking system is considered to be of economic importance while human resource development is seen as essential for long term business success for banks (BOL, 2016). However, the Lao culture and a traditional working system that relies heavily on subsidies is still a hurdle for the development of HRM and potentials in Laos organisations (Vongphanakhone, 2014). In relation to HRM and TM, while TM is the top HRM challenge for Laos organisations (Poon, 2013), it is not an overall concern for every organisation (Egerova, Lancaric, Eger, & Savov, 2015). Moreover, strategic approach to talent management is still limited (Egerova et al., 2015). As these factors suggest, challenges in pooling and retention of top talent have caused organisations to emphasise the outcomes and competitive benefits that they could gain by dealing with those challenges. Consequently, to retain competitive advantage in organisations, it is important for HR managers and leaders to take talent management practices into account. Therefore, it is worthwhile to conduct a study of TMP in the banking sector in Laos

PDR to find out whether banking organisations are aware of the importance of talent management and whether they are applying suitable practices.

In this regard, the problem of this research is identified as: **“How does the banking sector in Laos practice talent management to enhance banking business performance and gain a competitive advantage?”**

1.2.1. Focus of the research project:

This research project focuses on Talent Management Practices (TMP) as part of the subject area of Human Resource Management (HRM) in the banking sector in Lao PDR. As previously mentioned, talented or skilled workers provide an organisation’s competitive advantage that contributes to the business success in the financial and banking sectors. It is therefore crucial to take TM into account regarding the banking business growth plan. Talent management is an integral part of HRM since it encompasses HR strategies that include: to attract, motivate, develop, engage and retain the top talent in organisations.

The reason behind choosing to do research specifically in the banking sector is because banking institutions are a critical factor that contribute to economic growth in Laos. They are instrumental for financial needs, growth and investment. They assist in mergers and acquisitions and other transactions and convert currency (Herring & Santomero, 2008). Without the banks, the economy would have difficulty functioning. Besides, banks also help households and business units to handle financial and non-financial uncertainty by hedging, pooling, sharing and pricing risks (Herring & Santomero, 2008). An efficient banking sector reduces the cost and risk of money transactions which make trading become easier. For example, the banking mobile applications allow customers to do self-service, and reduces time and cost of travel to banks. This advantage has talented individuals behind the scene. Talented employees, which are a competitive advantage of the organisation, can contribute to the efficiency of the banking needs. Therefore, it is important for the banking sector to have a good talent management system to manage and retain talent effectively.

This research includes a literature review on TMP generally and in the banking sector in order to identify the likely problems and successes of HRM talent management practices in banks in Laos. Therefore, the scope of this research involves effective TMP and talent retention by HR managers to enhance the banking business performance and improve competitive advantage.

1.3. Aim of the research project:

The overarching aim of this research is: **“to explore HR managers’ perceptions regarding the practice of talent management in the banking sector in Laos”**

1.4. Objectives of the research project:

The main objectives of this research are as follows:

1. To examine the level of familiarity with talent management by HR managers in the banking sector in Laos.
2. To identify the current roles of HR managers regarding talent management in the banking sector in Laos.
3. To identify Talent Management Practices that are currently employed in the banking sector in Laos.
4. To identify the key benefits that talent management provides or could provide to banking organisations in Laos.
5. To determine current practices of talent retention that the banking sector in Laos applies.
6. To determine the challenges of talent retention in the banking sector in Laos.

1.5. Research questions:

In order to achieve the above objectives, the research questions are as follow:

1. How well do HR managers understand the term ‘talent management’?
2. What are the current roles of HR managers regarding talent management in the banking sector in Laos?
3. What are the current practices of talent management that are employed in banks in Laos?
4. What are the key benefits that talent management provides to banking organisations in Laos?
5. What are the current practices of talent retention in the banking sector in Laos?
6. What are the factors that hinder talent retention in the banking sector in Laos?

1.6. Hypotheses:

This research project proposes two hypotheses:

H₁: Talent management practices are valued by the banking sector in Laos.

H₂: Talent retention is valued by the banking sector in Laos.

The alternative hypotheses are:

H₁₀: Talent management practices are not valued by the banking sector in Laos.

H₂₀: Talent retention is not valued by the banking sector in Laos.

1.7. Outline of the thesis:

Chapter 1 introduces a description of background problems stating the situation in the research focus area in Laos PDR in relation to talent importance and TM. It also outlines the necessity in the banking sector to enhance organisational performance and competitive advantage of organisations. In this chapter, the focus, aim and objectives, hypotheses and research questions are also outlined.

Chapter 2 reviews the relevant literature relating to the development of TM, strategic human resource management, strategic TM, traditional TM practice, competitive advantages and challenges of implementing TM and the role of HR managers in TM in the Laos banking sector.

Chapter 3 explains the methodology and research methods used to conduct this study, which includes sampling, data collection, and data analysis.

Chapter 4 presents findings from the semi-structured interviews with HR managers about the practices of TM in the banking sector in Laos.

Chapter 5 presents the data analysis based on the chapter 4 findings about the perception of HR managers related to the practice of TM being used and the obstacles for effective TM in the banks in Laos. This chapter follows the themes created in chapter four and compares them to the current HRM literature on TM.

Chapter 6 concludes by summing up the main findings of the research project. It also provides recommendations for the banking sector in Laos in relation to talent management. In addition, this chapter outlines the strengths and limitations as well as the opportunities for future study.

Finally, the appendices, which include the participants' information sheets, consent forms, questionnaire, interview questions, transcription confidentiality agreement, and ethics approval are attached at the end.

1.8. Chapter summary:

This chapter highlights the overview of the background environment of the economy and management of human resources in the banking sector in Lao PDR. In addition, the descriptive problems of HRM in banks, research questions, aims, objectives and hypotheses are presented as the stand point for finding the answers to the research question.

In chapter 2 the literature review will be discussed.

CHAPTER 2: LITERATURE REVIEW

2.1. Introduction:

This chapter presents the theoretical foundations pertaining to this research project. The literature will help in supporting, comparing and contrasting aims, objectives, questions and findings of the study as it relates to talent management and talent retention in the banking sector in Laos in particular. It starts with a background overview of the terms TM, SHRM and STM. Then, TM Practices are reviewed such as; attracting, recruiting, developing and retaining talent. It then continues the discussion of approaches for talent retention in organisations involving succession planning in talent management. Next, a discussion of the design of policies and systems and practices of talent management in the banking sector are provided and existing challenges and competitive advantages are reviewed. Lastly the roles of HR managers on TM and approaches of managing different talent types are discussed.

2.2. Background and overview of talent management:

The term Talent Management first became important among senior managers and academia in the late 1990s when McKinsey consultants coined the phrase “the war of talent” to demonstrate how leaders and high potential human resources contribute to company success (Bluen, 2013; Vaiman et al., 2012). The demand for talented employees had overwhelmed the available supply during the booming of the technology era in the 1990s, leading to the problem of talent shortage. Since then, companies have started to recognize that talent was the representative of the company competitive advantage when business competition had moved beyond the market share to talent share (Bluen, 2013). Talent Management became increasingly important for organisational management, particularly as an aspect of HRM (Collings et al., 2015). The first academic research by Lewis and Heckman (2006) found that talent management is the primary task of the HR practitioner. However, the academic work related to the development of TM is still insufficient. Many of the human resource experts are seeing this importance and starting to scrutinize talent shortages (Tarique & Schuler, 2013). From that start, the phrases “talent acquisition, retention and management” and “attracting, retaining, and developing talent” are very often found in HRM research (Tarique & Schuler, 2013). In the global business world, the competition in finding talented people is more intensive, generic and globalized. Talent Management’s role in this global

business platform, has led to the development of the term Global Talent Management (Schuler et al., 2011).

Armstrong (2011) explains that talented people possess special gifts, abilities and aptitudes which enable them to perform effectively. “Talent consists of those individuals who can make a difference to organisational performance, either through immediate contribution or in the longer term by demonstrating the highest levels of potential” (CIPD, 2017, p. 580). In general, the concept of TM has become a process of ensuring that the organisation has the talented people it needs to achieve its business goals.

Hatum (2010) summarizes the three main approaches related to TM. First, TM is found to be related to traditional HRM practices such as recruitment, selection, training, and performance measurement (Hatum, 2010). This approach makes HRM practices in terms of TM increasingly critical to organisations. Second, TM is closely related to the idea of HR planning, strategic HRM, and succession planning (Lewis & Heckman, 2006). Third, the approach of TM tends to be more general, linking to management issues such as leadership, talent pools, an individual’s potential, the development of talented individuals, attraction and retention of personnel (Barner, 2006; Michaels et al., 2001; Rueff & Stringer, 2006). Although, the term TM is still a contested topic, it can be seen that all of the approaches mentioned above are connected to the HRM elements.

There is no consensus regarding the definition of TM, due to the various perceptions and assumptions of researchers (Hatum, 2010). Some researchers view TM from a human capital point of view through the identification of the right supply of quality talent and leadership (Bluen, 2013). Others view it as an essential element for company success as the talent retention is linked to the rise of productivity of organisations (Reis, 2015; Starner, 2010). Moreover, it has been found that there is a connection between the key feature of TM, the business strategy and corporate culture through the line of the work plan and organisation’s strategic direction (Bluen, 2013; Farndale, Scullion, & Sparrow, 2010). Lewis and Heckman (2006) note that the terms talent strategy, succession management and human resource planning are often used interchangeably. Ultimately, TM is generally defined as the approach to optimize human capital, to enable organisations to initiate short-term and long-term results by developing culture, engagement, and capability through the integration of talent attainment, development, and deployment processes that are aligned to the organisations’ objectives (Israelite, 2009).

In this research, the term “talent” will refer to skilled employees and high potential people that contribute to the success and goals of the organisation; and the term “Talent Management” will

be concerned with fostering and watching over the talented few in businesses who can make the biggest strategic contributions to their organisation's both now and in the future.

2.3. Strategic human resource management (SHRM):

Armstrong (2011) explains that SHRM is an integration of strategic management and human resource management. Interestingly, SHRM is defined differently by Hamlin (2016) as an applied philosophy of leadership that enables learning which is at the heart of this philosophy. Strategic Human Resource Management synchronizes business goals with people via mindful approaches. It focuses on both internal and external environmental factors of the organisations to drive long-term planning, competitive advantage and superior performance (Hamlin, 2016; Walsh, Sturman, & Longstreer, 2010). Strategic Human Resource Management also holds the organisation accountable to its values, cultures, practices and policies and maintains the humanity of the organisation (Ulrich, 2013).

A study in this field by Walsh et al. (2010) provides the information that the core of SHRM concerns two resources: human capital and organisation systems. The challenge for HR practitioners is to transform human capital into a valuable organisational capability, and to design HRM policies and practices that support human capital development with a cost-efficient result. To drive an effective SHRM, not only do HRM practice and organisational strategy have to fit well with each another in all circumstances, but also, all HR practice sets and other strategies have to be aligned. For example, organisational strategies and operational strategies should support and complement each other (Golding 2010) as cited in (Beardwell & Claydon, 2007).

In a similar vein, two core aspects of SHRM are defined: the alignment of HRM into business strategy, and the devolvement of HRM to line managers (Lengnick-Hall & Lengnick-Hall, 2002; Lengnick-Hall, Lengnick-Hall, Andrade, & Drake, 2009). Budhwar and Aryee (2008) confirmed that organisations that can align its HRM into business strategies will receive benefits in many aspects. These aspects include problem solving, success of business strategies, goals setting achievement within the company's available staff, technology and budget, remaining focused on the future and playing a role in achieving competitive advantage.

In addition, Budhwar and Sparrow (1997) investigated the benefits of aligning the delegation of some HR practices to line managers. This approach confers benefits to an organisation which include: developing more motivated employees and more effective control; resolving most routine

problems at the lower ground level; affording more time for personnel specialists to perform strategic functions; preparing future managers by allowing them to practise decision-making skills; and assisting in reducing costs by redirecting traditionally central bureaucratic personnel functions.

2.4. Strategic talent management (STM):

Based on Collings and Mellahi (2009), the term Strategic Talent Management (STM) is a systematic process of identification of the pivotal positions that contribute a lot of work skills and talents for organisations' sustainable competitive advantage. Strategic Talent Management encompasses the development of a talent pool of high performers with high potentials to fill the key strategic roles. It also involves talent filling to ensure that there will not be a loss of momentum of commitments and talented work performance (Tyson, 2015). To further clarify the role of STM, Cannon and McGee (2011) postulate that STM is concerned with (1) developing strategies to determine the needs of an organisation to meet the demands of business plans now and in the future; (2) creating and providing development tools and processes that meet the needs of talent; (3) identifying approaches to find and keep key potential talent and manage talent who no longer fit the organisation and (4) monitoring and evaluating the talent management strategies to refine the most suitable policies and practices that promise excellent performance for the organisation.

The approach for TM can be varied across organisations, however, Collings et al., (2015) suggest that TM approaches should be more balanced to the need of the organisations and should be more closely linked to talented individual's goals and expectations in order to retain high potential performers and highly skilled employees. A different viewpoint by Wellins, Smith, and Erker (2010) is that STM should be aligned to the business strategy in order to gain the maximum benefits for the organisation. This point was supported by PWC (2014) who believe that the linking of STM and business strategy will enhance engagement and success for both sides. However, the study by PWC (2014b) reported that 67% of organisations created a talent management strategy based on the business strategy which did not link up with the HRM and business leaders' strategies. To solve this problem, PWC suggested that HR managers and business leaders should work together collaboratively to create strategic programmes of talent management that suits both talent and organisation. PWC (2014) further postulates that other strategic TM practices need to involve firstly, developing a talent pool to support the work tasks or processes and the organisation's success and, at the same time, supporting the talented and skilful new generation to become the next new leaders. Secondly, the success profile of talented

individuals involving competencies, personal attributes, knowledge, and experience can be used as the basis for succession management, external hiring and inside promotion for potential employees. Thirdly, talent management should cover a wider range of the employee population as the ability of organisations to compete with other organisations would have to be accumulated from the talent pools available to them. Fourthly, potential ability, performance and readiness are not the same thing, however, talent management is about putting the right people in the right jobs. Finally, talent management is more about the “how” than the “what” of these elements: communication, accountability, skill, alignment, and measurement.

2.5. Traditional talent management practices in HRM:

Talent Management has become one of the most researched topics in HRM in recent times, particularly in capacity building (Armstrong, 2011). It contemplates related organisational activities for the purpose of proactively maintaining suitable talent pools through attracting, recruiting, developing, and retaining talented individuals in the most strategic roles (Bluen, 2013; Hatum, 2010; Vaiman et al., 2012). This point is aligned with other scholars, for example: Hughes and Rog (2008), explaining that having effective talent management strategies helps organisations avoid having insufficient or inappropriate employees.

2.5.1. Attracting and recruiting:

2.5.1.1. Attracting talent:

Attracting new talent is viewed as one of the most critical management issues faced by organisations (Hughes & Rog, 2008). According to Michaels, Handfield-Jones, and Axelrod (2001), talented workers can make a huge contribution to an organisation’s competitive advantage when compared to untalented workers. However, there are changes in the conditions of talent available in the market today, and involve the following: Talented people in some areas of work are in short supply, particularly those with highly professional skills. With that scarcity, the talented workforce usually demands much more than the standard benefits that organisations offer. Furthermore, the open market economy is providing talented people with more choices and freedom of movement in terms of profession, making talented and skilled people more mobile than ever (Michaels et al., 2001). Therefore, to maintain the workforce effectively, it is important that organisation’s maintain an adequate supply of talented or high potential human resources needed; one way of doing this is by attracting them (Wallace, Lings, & Cameron, 2012).

Wallace et al. (2012) draw attention to the fact that in a competitive environment, an organisation's brand is an important element in attracting talent. The authors explain that when it is time for choosing an employer, people with talent tend to be less concerned about their career benefits than what values and interests that organisation emphasises. This especially applies to the young engineering talented graduates. Similarly, Hauswald, Hack, Kellermanns, and Patzelt (2015) maintain that people are attracted to organisations that have similar values, perceptions, and attributes to themselves. These qualities enhance the trustworthiness, security, and stability for the talented individuals, resulting in the decision of long-term employment agreement with the organisations. This view is supported by Bevegni (2016) who found that 77% of SMEs' talent acquisition managers agree that a strong brand image of an organisation has a significant influence on the organisation's ability to hire talented candidates. Therefore, to attract talent the elements that organisations should pay attention to are what and how their characteristics, values, and attributes are aligned to those of talented individuals.

In the case of the Lao banking sector, a study conducted by Du Plessis, Sumphonphakdy, Oldfield, and Marriott (2014) has found that attracting the right talented people is a critical and increasingly difficult process which has impacted on banking industry's recruitment success. One reason is an increase in competition between banks and financial institutions. To attract potential candidates, banks have to provide reasonable policies based on the local market conditions and understand what candidates need, for example, providing employees with training and development opportunities and better working conditions

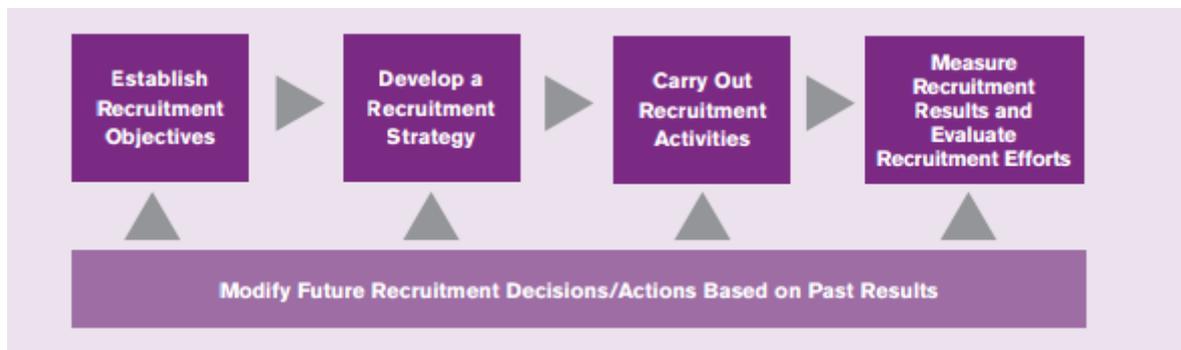
2.5.1.2. Recruiting talent:

To pursue success in hiring the best talented candidates, Breugh (2009, 2016) explains that the recruitment process design is critical for success in recruiting talented individuals into an organisation. Recruiters have to make a careful decision in terms of target applicants, recruitment messages and recruitment efforts. The recruitment process has an effect on whether candidates apply, maintain interest, and accept a job offer in the end (Breugh, 2009 & 2016). In contrast, if done incorrectly, an organisation's recruitment efforts may produce job applicants who are unqualified, who lack skills diversity or who may decline job offers (Breugh, 2016). These same applicants may be prone to turnover if hired.

Organisations need to align their business strategy and their recruitment objectives. (Breugh, 2016; Rothwell, Jackson, Ressler, Jones, & Brower, 2015). The figure 1 below describes a model of the employee recruitment process that demonstrates the connection of recruitment objectives,

strategies, activities and M&E for the best outcome of aligning the recruitment objectives to business strategy (Breugh, 2016).

Figure 1: A Model of the Employee Recruitment Process



Source: adapted from Breugh (2016), p. 2

First, it is to set up the recruitment objectives. People from other departments involved in business strategy and recruitment should together participate in recruiting the right talent into a company (Breugh, 2016). This means that HR practitioners should get input from other departments before constructing the recruitment objectives. For example, what types of skills or personality are required of the new candidates by departments. The considerations that HR practitioners should be looking into involve factors such as the number of open positions, the date by which a position should be filled, cost per hire, number of applications desired, type of applicants wanted, job performance goals for new hires and expected new-hire retention rate (Breugh, 2016).

The second process is developing recruitment strategy to fill job openings. It involves specific action plans to meet the objectives from the first process (Breugh, 2016). For example, identifying the type of individual that the company is targeting for recruiting, a communication recruitment message, ways that individuals can be reached, time that recruitment campaign should begin, and the nature of site visit.

Next is to carrying out of recruitment activities. There are many channels to advertise the job opening such as advertising through employee referrals, organisation's website, job boards, college recruitment, social networking sites and a collection of unusual methods (Eversole, 2009).

Finally, the measurement of the recruitment results and evaluation of recruitment efforts. Measuring the result helps HR practitioners to know whether the recruitment objectives were met (Eversole, 2009). While evaluating the efforts helps in reflecting flaws from the last recruitment campaign, it can be a helpful source in improving the result of the next campaign. Eversole (2009)

suggests HR practitioners should pay attention to the recruitment metrics in order to achieve the best class of talent acquisition. Those metrics involve time to hire (the time it takes to fill a job vacancy), cost of filling the position, yield ratio for each recruitment method, new-employee retention rate, new-employee performance level, hiring manager's satisfaction with the recruitment process and the applicant's perception of the recruitment process. In these metrics the three key success metrics in recruiting, universally applied in all sized organisations, are the length of time new hires stay at the company, the satisfaction of the hiring managers and time it takes to fill a job requisition (Bevegni, 2016). However, the emphasis on the use of these may vary for different companies (Bevegni, 2016).

From another scholar's perspective, Elegbe (2016) reviews and summarises the three principles for hiring talent. First, attract quality talent by using the organisation's brand and relationship management. Second, carry out a competency-driven selection process to make sure that the organisations are fitting the right people into the right jobs. Finally, make sure that the selection process is ethical. This means that the process should be transparent, fair and equal for every job applicant without any violation of the Equal Employment Opportunity Act 1965 (equal opportunity through protection of protected classes) (Pynes, 2013), Civil Rights Act 1964 (prohibits discrimination against race, colour, gender, religion, national origin, and sexual orientation) (The White House, 2009), age discrimination in employment 1967 (prohibits age preference on employment and discrimination based on age) (Pynes, 2013).

2.5.2. Developing talent:

The father of modern management, Drucker (2002), states that there is a worldwide increasing number of short contract professionals and out-sourcing skilled workers of about 8-10 million contracts every day, ranging from technical, administrative to managerial professions. This contributes to the shift in the focus of business leaders from tasks to the relationship and the wealth and professional knowledge and specialization base of employees. These elements suggest that talent development is a very important task for the organisations (Drucker, 2002). In a similar vein, from the study of talent management, Wallace et al. (2012) suggest that as the world marketplace becomes more competitive, businesses today have to pay a lot of attention to human capital building in order to grow the talent availability and business competitive advantage. To build on this, Wallace et al. (2012) recommend that HR practices should emphasise building the motivation, engagement, and development of those in the organisation's talent pool. This will enable organisations to shift a short-term 'transactional' psychological contract to a more long-

term ‘relational’ one (Boxall & Purcell, 2011). Applying this could result in cost cutting of staff turnover and higher HRM benefits.

A previous study of TM by Collings and Mellahi (2009) found that development of a talent pool of high potential and high performing employees can fill the roles of organisations’ sustainable growth and competitive advantage. In addition, to maintain the momentum of these benefits, it is necessary to involve the continual commitment of strategic talent management. The organisations can fully and continually deploy the potential of their internal talented individuals by identifying and filling the specialty of the talent position that influences the organisation’s or department’s level of performance (Collings & Mellahi, 2009). This enables managers to bring the talent and skill strengths in the organisation to the ground level and those skills that are lacking can be easily identified and supported to fill the talent gaps in the organisation.

Developing talent enables businesses to develop their competitive advantages, continue the momentum of sustainable growth, fill the gap of talent and skills missing or lacking and also helps to commit and retain talented employees longer. This gives rise to another question of how can organisations develop their existing talent? This question has many different answers from different scholars. Blass and April (2008) study about talent development highlights that an individual’s development and career development are very hard to be separated from each other. They suggest five dimensions that underpin the performance improvement for talented individuals and their career development. Those five dimensions include: development path, development focus, support, influence on career and connected conversations (Blass & April, 2008). The five dimensions are discussed below:

- **Development path** concerns the creation of a flexible standard career path that employees can follow after being identified as talent in the organisations (Blass & April, 2008). Talent can develop their skills through gaining experience, in which the organisation should support them in a meaningful way. This will allow them to build on their skills and characteristics needed, and at the same time the organisation will gain benefit from the retention of their talent (Krewson, 2004). However, “organisations are tending to offer more development opportunities in certain areas more than others when it comes to developing their high potentials” (Blass & April, 2008, p. 50).
- **Development focus** is concerned with the focus of an organisation on development activities; whether on building up areas of strength of talented individuals or filling the gaps and their weaknesses (Blass & April, 2008). A previous study by Morton, Ashton, and Bellis (2005) in

relation to this topic recognises that an organisation is more willing to develop weaknesses and areas of poorer performance of employees than to build on areas of strength.

- **Development support** is concerned with the provision of specific support to the talent pool within the organisations (Blass & April, 2008). This refers to the leadership approach of leaders to guide the supportive culture to individual employees. Many styles of approach are claimed to be the most effective one in different circumstances. On the one hand, a paternal style is best for nurturing new employees to allow them to explore jobs (Blass & April, 2008). A counter-intuitive style, on the other hand, can be both supportive and challenging as it develops employees by competition between one another (Blass & April, 2008). Besides, a teamwork style allows employees to build on their networking ability and personal development. Furthermore, a one to one mentoring and coaching style are claimed to be the most nurturing methods to develop employees to become the future leaders (Hunt & Weintraub, 2016; Pollitt, 2005).
- **Influence on career** relates to the key sector that has the most influence on the career of individuals. Meanwhile, it is a person or organisation that is responsible for managing and developing talent (skills) and talented individuals (people) i.e. the organisation, and departments involved such as HR, finance, IT and others. It also provides context to understanding individuals' key motivations and open up opportunities for talented individual workers to fit in, and getting people ready for opportunities (Blass & April, 2008).
- **Connected conversation** is concerned with individuals who can provide career development and progression consultations to subordinates. This more likely refers to the line managers. Organisations are more likely to recruit internal candidates to fill the senior positions. However, 95% of the line managers did not engage in the career management (CPID, 2013 as cited in Blass & April, 2008). Yarnall (2011) observes that when workers have a meaningful conversation with their line managers, they would feel more secure and connected about their career with the organisations. This can enhance their engagement, and retention; in contrast, it reduces professional frustration and talent turnover.

To build on these five dimensions, Blass and April (2008) include one more critical factor of talent development; that is the internal mobility. Organisations should be more open toward allowing individuals to have more than one job within or between organisations.

Figure 2: Five Dimensions of Talent Development



Source: adapted from Blass & April (2008), p. 49

2.5.3. Retaining talent:

An academic study by Du Plessis et al. (2014) reports that retention is a challenge for the Laos financial sector. This is because employees are not properly treated and 48.3% of HR managers place emphasis on financial reward, such as a bonus scheme, to retain their skilled employees, which seems to be not successful and effective. In fact, talented people are claimed to be the first group to readily leave their organisation if they are offered better working conditions elsewhere. In addition, the study points out that very often employees had resigned without giving a prior warning. This indicates the potential work flow problems for the remaining employees and this problem could deteriorate when succession planning is not well exercised.

Retaining talent is also a crucial and challenging task for HR managers (Baker, 2014). One reason is that the turnover cost is more expensive than retaining talented individuals. The cost of replacing old employees with new employees is estimated to be up to twice the employee's annual salary (Irshad, 2014; Irshad & Afridi, 2012; Rothwell, 2010). Baker (2014) found that a high number of talented employees in the organisation requires special treatment by HRM to attract and retain them. These aspects of attracting talent have already been reviewed in the previous section. To retain talent, one of the methods to retain the most talented employees is to create the working culture that is supportive and encourages them to grow on the job with a broader array of capabilities (Baker, 2014). These are the qualities of companies which are referred to as "an employer of choice" organisation (Baker, 2014). An employer of choice is an organisation that

acknowledges the flexibility of employees based on the performance result outcomes to satisfy the employee needs. It is a workplace that is dominated by a great commitment by employees to achieve the organisation's vision. It is an organisation that is open to learning and development at all times. Employees are encouraged to be innovative and resourceful. This employer of choice organisation can usually capture the hearts and minds of talented individuals, engaging and committing them to the organisation with a more successful result.

A study by Doh, Smith, Stumpf, and Tymon (2011) found the additional facts regarding talent retention and professional turnover that the level of pride in, and satisfaction with, the organisation by talented workers are factors that motivated them to stay working for the organisation. This pride and satisfaction are strongly related to the way in which and how well their organisations are being socially responsible and being supportive of them in terms of performance management, career development and support obtained from line managers.

According to the study of talent retention by PWC (2014b), the effective retention programmes can result in a 72% lower talent turnover and higher task accomplishment. These programmes involve factors apart from salaries, such as training and development opportunities, flexible work schedules, financial and non-financial incentives and supportive work relationships. This finding was echoed by the study of Crisp, Reid, and Reid (2007) who found that motivating talented and high performing people through training and leadership development are basic factors necessary for commitment and retention in the organisation by talented individuals. Talented individuals will have the feeling that they are valuable to the organisation and appreciate the progress of their career tracks with the organisation (Tyson, 2015). Retaining talented workers will not only enhance productivity and reduce labour costs, it will also enable organisations to maintain their competitive advantages (Jackson, Schuler & Werner, 2011). Therefore, policies for good retention practices that apply to employees will create a mutual benefit to both talented individuals and their organisations.

In order to retain talent, it is advisable for organisations to be strategic and innovative in rewards and tactics; focusing on, for example, segmenting of the workforce by functions and individuals; designing customized reward programmes for these groups and introducing more variable pay into the reward mix (Perrin, 2004 as cited in Frank, Finnegan, & Taylor, 2004).

2.5.3.1. Approaches for talent retention in organisations:

Negotiation powers tend to be in the hands of talent when it comes to choosing an employer. This makes talent retention to be more and more critical for a business. Because of this, organisations

should be more involved in talent management (Kruse, 2015). The typical motivation of rewarding system, such as job security, pay rises and pensions, are becoming less effective approaches to retaining competent, skilled and talented people. Talented individuals tend to be concerned with the longer-term benefits from opportunity to develop personal skills, experience, ideas and networks (Kruse, 2015). In addition, the study of Taleo (2008), as cited in Oracle (2012), found that 61% of resigning employees left their job because organisations had failed to offer them career advancement and organisational opportunities.

The provision of career conversations and development opportunities would be greater motivators. Kruse (2015) found that promoting employee's engagement, motivation and organisation's value resulted in 29% higher revenue and customer loyalty and lower turnover rate. Due to this change of approach, Kruse (2015) suggests that employers should pay attention to factors helping to retain talented workers such as training and development, career conversations, supporting individual career maps that are aligned to the organisations' strategic goals and aspiration of the employees together, and facilitate peer-to-peer coaching.

2.5.4. Succession planning in talent management:

Succession planning is a process by which successors are identified, developed and promoted by their organisations (Mourougan, 2015; Nel & Werner, 2014). It is "a systematic approach to build a leadership pipeline or talent pool to ensure leadership continuity. Succession planning also focuses on developing potential successors in the way that best fits their strengths, identifying the best candidates for categories of positions and allocating resources to talent development to aim for greater return on investment" (ROI) (Mourougan, 2015, p. 32). Other HRM scholars, e.g. Cannon and McGee (2011) find that succession planning helps HR managers to obtain talent replacement with the right capabilities to replace the key employee who exits the job through death, accident or resignation, right in time. The sudden exit of key employees with no substitute workers could paralyse the business operation. To address this issue, Cannon and McGee (2011) recommend that HR practitioners need to identify the employees' competencies and potential skills, provide training and development of the right skills and knowledge to get them ready for a greater role, whilst fitting the organisation's goal.

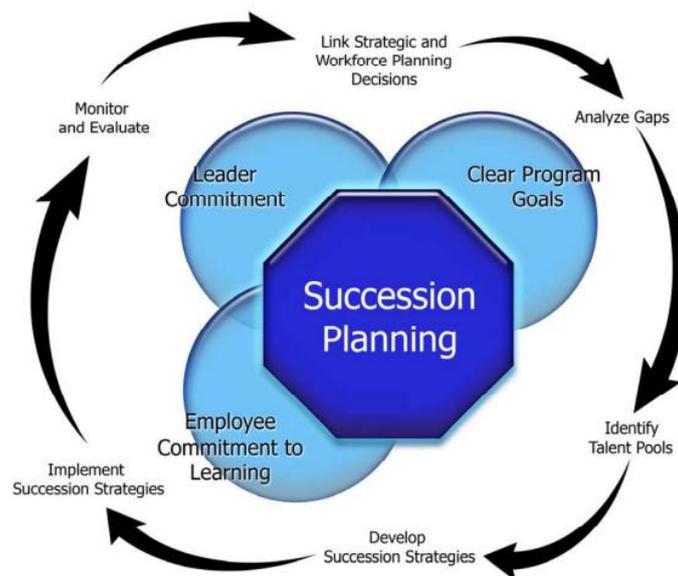
To summarise; succession planning deals with two main issues of HRM: a sudden exit of a key employee and career planning (Brower, Rothwell, Ressler, Jones, & Jackson, 2015; Jackson, Rothwell, Brower, Jones, & Ressler, 2015). Good succession and talent management practices

can help organizations achieve significant benefits in goal achievement, including aspects of financial performance (Barnett & Davis, 2008).

A study by Day (2007) found that one in two companies have succession planning in their system, however, only one fourth of them formally practiced succession management. In addition to this, Jackson et al. (2015) state that a talent shortage has become a worldwide issue since 35% of talented employees have not had their skills and knowledge matched to their responsibilities. Furthermore, a study of the future workplace in 2020 by Meister and Willyerd (2010) as cited in Jackson et al. (2015) claim that there will be substantial workplace changes in relation to HRM. Those changes include an acute talent shortage; online and social network recruitment will be common; talent will be obtained by moving from outsourcing to crowdsourcing; and a focus on work life flexibility, not work life balance. This confirms that the talent shortage will soon be more severe, hence, organisations should be prepared by having the right succession planning practice to find, to develop and to keep talented individuals.

The figure 3 below describes the model of the succession planning process which is important for this research topic. It demonstrates the connection of three key factors for the success succession planning which are: leaders, organisation's goals and employees.

Figure 3: Succession Planning Process Model



Source: adapted from OPM (2015), p. 2

Three main contributions need to be included for an effective succession plan: clear programme goals of the organisation, leadership commitment, and commitment of employees in learning (Nadler-Moodie & Croce, 2012). To put it in another way, it requires contributions from all sectors in an organisation to run the succession planning (Jackson et al., 2015). In addition, as shown in figure 3 below, for a succession planning process to be successful, it is necessary to link strategic and workforce planning decisions, analyse talent gaps in achieving goals, identify talent pools, develop succession strategies, implement the strategies as well as monitor and evaluate the result of succession planning (OPM, 2015).

2.5.5. Leadership in talent management:

Leadership development is crucial for an organisation to maintain its competitiveness in today's business environment. This is because the world's business environment is continually moving and changing regardless of the industry sector. Changes applied in TM are more intense in terms of speed of change, complexity in the challenges, task migration, recruitment and retention of the best talent (Oracle, 2012).

The Project Management Institute (2013) indicates that leadership skills are the most necessary and most sort after aspect of project management, apart from business and strategic management and technical project management skills. The institute comments that the leadership skillset in employees is inherited and natural while the technical and business strategic management skills can be developed and learnt, despite this, all three skillsets are necessary for a successful project management outcome.

Leadership development in an organisation helps to guide effective change of management for the organisations, contemplate the best solutions for problems and complexities, lead people, and ensures the best possible development way for professional potentials (Oracle, 2012). In addition, an open opportunity for talented individuals to develop leadership capacity will provide an incentive to join and remain with the organisation.

2.6. Competitive advantage of effective talent management:

There is general agreement that talent is the primary source of organisational competitive advantage. Talented individuals are also the high performers and the main drivers of organisational success. According to PWC (2014a), the practice of effective talent management

enhances the ability of organisations to achieve goals, timelines and budgets; this includes fewer human resources. It also reduces the risk of loss and enhances the chance of greater achievement for the organisations. The reasoning provided by the report is that when an organisation's strategy is strongly integrated with talent management, the quality of performance will be double that of those organisations without a talent management strategy. The institute provides details that without talent management, talent gaps will occur and result in a 31% lower quality product and service delivery, 29% inability to innovate, 27% inability to achieve key strategic initiatives within specific timeframes, 25% inability to growth forecasts and 20% inability to pursue a market opportunity.

Moreover, the benefits of having an effective talent management strategy in relation to HRM, include a higher quality level of employee recruitment, retention and engagement. These benefits result in the improvement in business operations and financial performance (Hughes & Rog, 2008).

There is a minimal amount of literature on the financial performance of the Laotian banking sector. A significant analysis by Keovongvichith (2012) is on the financial performance of the banking sector between 2005 and 2010. The author analysed factors associated with competitive advantage in relation to banks' financial performances, including the level of capital adequacy, asset quality as indicated by level of Non-Profit Loans, efficiency of management quality, earnings and profitability, and liquidity. The result of this research found that Laos's banks have not performed well financially, despite the government of Laos having an open policy for banking investment, the state-owned banks in particular. In the study, the author points out that Lao's banking sector might need to reform to advance the banking sector's performance in the future. Keovongvichith (2012) also suggested many improvements to the design of policies and measurements to enhance the soundness and competitiveness of the financial sector and intermediation process. This includes the legal and regulatory framework; mobilizing managerial and technical skills of personnel; payment systems; money, banking and capital markets; banking technology; and banking product lines.

2.7. Challenges of implementing talent management:

Despite effective talent management practice (TMP) being increasingly critical in organisations, some do not have talent management in their system. The challenges of TMP are reviewed in this section. According to Guthridge, Komm and Lawson (2008), the topic of talent management is

“insufficient at best, superficial and wasteful at worst” (p.50). This is because organisations tend to focus on short-term management to solve the tactical problems rather than focusing on long-term planning that is aligned with the business strategy. Moreover, the obstacles that executives face in practicing effective talent management include lack of business vision, poor communication and talent (knowledge and skills) sharing between departments ineffective line management, and lack of clear understanding about HRM’s roles and responsibilities (Guthridge, Komm, & Lawson, 2008). To manage this problem, Guthridge, Komm and Lawson (2008) suggest that talent management should be implemented at the heart of business strategy. This needs leadership and attention from executives to focus on retaining a wide range of employee population diversity regarding gender, age, and nationality, and HR practitioners should apply approaches to encourage and motivate staff.

In the UK, ‘talent management’ has been subject to non-consensus definitions of the term itself (Garrow & Hirsh, 2009). Talent management defined by CIPD is ‘the system of attracting, identifying, developing, retaining and deploying people who add value to an organisation’. The word “value” included in this definition is vague and could refer to anything positive. In addition, the term “talent” can be used to refer to high potential performers, top leaders, or normal employees in an organisation (Garrow & Hirsh, 2009). This makes the meaning of “talent” ambiguous in general. Moreover, identifying talent and its definitions can enhance the transparency of the process of recruitment and can cut across employment opportunity equality, but it can also discriminates between talented and non-talented workers, creating the feeling of employment insecurity, less engagement and less motivation in non-talented workers (Garrow & Hirsh, 2009).

Apart from attracting, recruiting and retaining talent, the practice of talent management also faces difficulties in many organisations and employment institutions as outlined below:

- **Attracting:** 65% of organisations experience problems attracting top performers (Towers Watson, 2014). Moreover, PWC (2014a) reports that 93% of CEOs recognised a state of paralysis in the work run and that change was needed in terms of HRM practice to find new ways to attract talent. In the Laos economy, there is a shortage of skilled workers and having low technology development is a burden in attracting talent from developed countries. Although, the coming agreement of AEC allows workforce movement within the ASEAN countries, there should be a system to attract the right potential staff for the right job.

- **Recruitment:** The ADP survey in HR magazine, “The Workforce View”, finds that there is a lack of fresh talent, recruitment activity is the most significant issue of talent management which has led to talent gap. In relation to this issue, ADP claims that in Asian regions the recruitment environment is different from anywhere else. CEOs in Asian organisations regard HRM to be important regarding talent availability, talent management and workforce planning. However, there are no experienced HRM experts accountable for talent strategy in Asian organisations. This has led to the young talent resignations in Asian economies to be as high as 20% within the first year of employment. Whereas, in European economies, there is lower attrition but higher disengagement level. This could be the result of the difficulties in finding a job in static European economies.

- **Retaining talent:** 56% of organisations experience difficulty in retaining high-potential and top performers (Towers Watson, 2014). However, a survey by the Global Talent Management and Rewards study finds that the use of Employer Value Proposition (EVP) can help organisations in achieving four times higher chances to retain talented individuals and enhance their performances (Towers Watson, 2014). In relation to the Laos environment, Southiseng and Walsh (2013) study of HRM in the telecommunication sector in Laos has found that talent development has not been a focus of the management team, despite the fact that performance outcome satisfaction increased after training and development activities. There seems to be a lack of awareness from the top leadership team of the importance of HRD and HRM in the organisations. Southiseng and Walsh (2013) further suggest that the education system has a great influence on the talent management aspect, since there is limited formal recognition of HRM practices in the education system in Laos; the concept of effective talent management could be difficult to be understood and applied in the Laos organisation. Similarly, Du Plessis, et al (2013) state that recruiting and retention of senior management helps the banking sector in Laos to remain competitive. There is, however, still minimal development and application of HRM practice and policies to hiring and retaining these high performing staff members.

2.8. Role of HR managers in talent management:

This section reviews the roles of HR practitioners and HR managers concerning talent management to address the value of HR roles. The literature regarding the role of HR professionals in TM is expanding due to its importance in current day business practices.

Based on Ulrich and Brockbanks (2005) and Ulrich (1998) as cited in Armstrong (2009) HR professionals have four main roles: (1) managing strategic human resources as being a strategic partner to an organisation; (2) managing employee contribution by being an employee advocate; (3) managing transformation by being a change champion; and (4) managing HR infrastructures to support line managers by being an administrative expert. Within these roles, by and large, the first three are being very little acted on while a great deal of emphasis is being placed on the last role, that of managing HR infrastructures to support line managers. (Guess and King (2004) as cited in (Armstrong, 2009).

As a strategic partner, HR practitioners are experts in the design of work systems in the organisation. They play an essential part in plans and objectives for the organisations and ensure them to be well developed and achieved. The design of work systems involves recruitment, rewards management, training and development, and succession planning (Hughes & Rog, 2008). Apart from the roles that are implicit in the preceding discussion, HR roles in relation to talent management are to ensure that organisations acquire and retain essential talent to fill the positions as well as making sure that employees are being motivated and engaged into what they are doing. They also have to deal with organisation development, performance management and employee relations in order to drive the operation and ensure the survival, goal reaching and development of the organisation (Hughes & Rog, 2008).

As an employee advocate, the HR practitioners focus on the needs of employees through listening, understanding and empathizing (Armstrong, 2009). In this role, the HR professionals help in designing training and development programmes, gain sharing strategies, profit sharing strategies, organisational development interventions, problem solving (Murthy, 2013) and regular communications to align people to work (MacKenzie, Garavan, & Carbery, 2012).

As a change champion, the HR manager plays an important part in the ongoing evaluation of the effectiveness of HR function (Murthy, 2013); initiates constructive changes in other business departments (Murthy, 2013); and contributes to identifying mission, vision, values, goals, strategies and action plans of the organisations as well as ensuring the achievement of those business strategies (Hamlin, 2016; Murthy, 2013; Ulrich, 2013).

As an administrative expert, HR professionals primarily focus on administrative matters, record keeping, and adherence to rules and regulations (Armstrong, 2009). They have responsibility for employee benefits administration, and often payroll and employee paperwork (Murthy, 2012).

2.8.1. Managing different types of talent:

Talented individuals come with their own personalities and expectations. Dealing with different individuals requires managers to have an understanding about personalities and specific approaches. This section has linked the theory of organisational behaviour to the management role of HR managers to find out the suitable approaches for dealing with different types of talent.

Personality is an internal state of psychological characteristics that define and reflect the way an individual reacts to their environment (Mustafa, 2013). Appannaiah, Reddy, and Kavitha (2010) state that personality displays the setting of thoughts, feelings, behaviours and in many other ways which make each individual different from others. The type of personality of a human can be determined by two factors: heredity and environment (Mustafa, 2013; Nelson & Quick, 2013). Scholars agree that every individual has individual differences. Cooper, Johnson, and Holdsworth (2012) claim that people are different in terms of hopes, fears, talents, experiences, beliefs, attitudes and ways of thinking. Similarly, Nelson and Quick (2015) agree that individuals are different in their “skills, abilities, personalities, perceptions, attitudes, emotions, and ethics” (p. 36). In an organisational setting, individual differences play a part in organisational behaviour, employment relationship and organisational performance (Cooper et al., 2012).

To identify personality traits of highly talented individuals, Nelson and Quick (2015) and other authors highlight the Big Five Personality Traits based on the Trait theory for studying of human behaviour. The big five personality traits include extroversion agreeableness, conscientiousness, emotional stability (neuroticism), and openness to experience (Komarraju, Karau, Schmeck, & Avdic, 2011; Nelson & Quick, 2015). An individual talent who has extroversion traits would be gregarious, assertive and sociable. While agreeableness traits shine in an individual who is altruistic, compliant, modest, and cooperative (Matthews, Deary, & Whiteman, 2009). Conscientiousness traits are found in an individual who is hardworking, organised and dependable (Matthews et al., 2009; Nelson & Quick, 2013; Northouse, 2016). Emotional stability is in individuals who display calmness, self-confidence and remain cool. Finally, openness to experience is present in creative, curious and cultured individuals (Nelson & Quick, 2015).

Another perspective of the study of personality, based on Carl Jung, and mentioned in Myers and Myers (2010), says personality type is evaluated based on the orientations of individual talents (extroversion and introversion), perceptions (sensing and intuition), judgement and evaluation (feeling and thinking), and attitudes (judging and perceiving). For this concept, Nelson and Quick (2015) explain that this refers to the talent’s feeling of comfort in interacting with other people

(extrovert) or alone (introvert). The way that they perceive things is based on reality (sensing) or based on their gut feeling (intuition). They make judgements and evaluations based on relationship, mercy and circumstances (feeling) or on analytical, clarity, justice, rules and theoretical concepts (thinking). They make decisions based on what they believe (judging) or what the fact is (perceiving).

Table 1: The Big Five Personality Traits

| | |
|--------------------------------------|--|
| <i>Extraversion</i> | The person is gregarious, assertive, and sociable (as opposed to reserved, timid, and quiet). |
| <i>Agreeableness</i> | The person is cooperative, warm, and agreeable (rather than cold, disagreeable, and antagonistic) |
| <i>Conscientiousness</i> | The person is hardworking, organized, and dependable (as opposed to lazy, disorganized, and unreliable). |
| <i>Emotional stability</i> | The person is calm, self-confident, and cool (as opposed to insecure, anxious, and depressed). |
| <i>Openness to experience</i> | The person is creative, curious, and cultured (rather than practical with narrow interests). |

Source: adapted from Salgado (1997), pp. 30-43

2.9. Talent management practice in the banking sector:

In this section, literatures and discussion in relation to talent management will refer to the banking sector in particular. Michaels et al. (2001) postulated that "...talent is shorthand for a key employee who possesses a sharp strategic mind, leadership ability, communication skills, the ability to attract and inspire people, entrepreneur instincts, functional skills and the ability to deliver results" (p.10). In organisations, talented employees can be administrative experts, employee champions, change agents or strategic partners. Banking institutions, in particular, are a talent intensive industry that needs high quality banking and finance professionals and leaders to lead to the optimum benefits and growth (Bachher & Monk, 2012)

According to the IBS Center for Mangement Research (2013), talent management is one of the factors that helps the organisations to compete locally and grow internationally, expand banking product lines and improve banking technological innovation. Talented employees contribute

substantial benefits for the organisations, especially young talent that is creative and embraces new changes. This view is agreed to by Rahim (2016) who believes that human capital is the strongest asset for banks. In order for banks to be successful, it is necessary to first, hire the right people with the right skills and put them in the right positions to run the work (Nel & Werner, 2014). In other words, it means talent acquisition.

Research in the same field by Rahim (2016) highlights the concept that the recruitment and selection process in the banking sector has to be transparent and ethical. The researcher reasons that banks are a service-providing sector that requires both virtue and competence in human resources to provide a fast and quality service to customers.

Talent acquisition is the process to find, acquire, assess and hire talent competent to fill the vacant roles and to address the organisations' goals. In many banking companies, recruitment is a part of talent acquisition duties (Khan & Islam, 2015). The talent acquisition is a modern term concerned with a strategic function involving procurement and workforce planning. In the Standard Chartered Bank, procedures of talent acquisition encompass nine steps, namely: (1) identify vacancy and evaluate need, (2) develop position description, (3) develop recruitment plan, (4) select search committee, (5) post position and implement recruitment plan, (6) review applicants and develop short list, (7) conduct interviews, (8) select, hire and (9) finalize recruitment (Khan & Islam, 2015).

In relation to the talent identification in succession planning process, Blass and April (2008) posit that the talent identification process is not well explored in the banking sector. M&G Investment bank, for example, identified talent from the process of self-selection, testing and role model feedback. The survey asked employees if they thought their organisations considered them to be talented or high potential staff. Employees that consider themselves to be talented are likely to be in quite a good position at their work. In contrast, those who were not thought of as being talented may be disappointing, disengaging and looking for jobs elsewhere. Those who do not know are caught in the transparency loop of knowing that their organisations have made judgements on people, but not knowing what the judgement on them is. How long they remain engaged may depend on how well their managers lead them into thinking that judgements about them are positive without actually confirming this one way or the other.

A study about talent management in relation to motivation and job satisfaction has found that job dissatisfaction, layoff threats and quick turnover are directly linked to the lack of motivation of

bank employees. Blass and April (2008) found that the level of job satisfaction and motivation of banking officials increased when their jobs are secure, welfare policies are practiced, and job characteristics and job stability are identified. Another research by Lenka (2016) points out that job satisfaction is very important to the wellbeing of the organisation. In the study, Lenka (2016) found that the most dominant factors affecting banking officials' satisfaction are related to socio-personal factors including age and income, and relationship with subordinates, superiors and peers. Jehanzeb, Rasheed, Rasheed, and Aamir (2012) studied the financial related motivator in the banking sector and highlight that applying a reward system in banks can motivate and increase the level of job satisfaction of staff members. However, this view has been disagreed with by Kruse (2015) who claims that rewards are less effective for talented and high performers because they are more concerned about their career succession path and flexibility of their job conditions.

Keovongvichith (2012) discusses the subject of management effectiveness in the Laotian banking industry and states that it depends on many aspects such as education level and expertise of management. To measure the management effectiveness in banks, they often use the operating expense efficiency and the cost of management over deposits. In the discussion, the same author makes the point that the management of Laos banks during 2005 were faced with a high operating cost, interest rate, over staffing, lack of performance assessment and incentive systems. From the points made here, it is possible to imply that effective HRM and TMP could have addressed the operational cost problem by handling talent recruitment, workforce planning, performance appraisal, and motivation; which are the responsibilities of HR practitioners and line managers.

2.10. Chapter summary:

In this chapter, the researcher reviewed the literature about concepts, theories and practices of TMP in general and particularly in the banking sector in Laos. The general concept of TM, SHRM and STM has been defined and previous studies are reviewed as well. The process of traditional talent management practice including attracting, recruiting, developing and retaining as well as succession planning and leadership were reviewed. In addition, the competitive advantages and challenges in each process of TMP have been reviewed as well in order to raise the awareness in managing talent in organisations. Lastly, the roles of managers in TM have been discussed and different types of talent in organisations, based on the theory of organisational behaviour, have been reviewed as well.

In chapter 3 the research methodology is discussed.

CHAPTER 3: RESEARCH METHODOLOGY

3.1. Introduction:

This chapter will focus on the research methodology applied in this study. It starts with an overview of the theory and research paradigm. Then the quantitative and qualitative approaches, semi-structured interviews and reasoning behind using a qualitative approach are discussed. The scope of this research project, sample selection methods, data collection and data analysis is also presented. In addition, the validity and reliability of this research is explained with a discussion of the ethical considerations of this research project to conclude the chapter.

3.2. Methodology:

3.2.1. Research methodology:

A research methodology is a tool for researchers to conceptualize their research subjects and other related aspects such as theories, paradigms, and methods used in their research (McGregor & Murnane, 2010). Rangahau (2015, para. 1) explains that research methodology refers to the theory of the research and the reasons for the way the research has been designed. It involves a systematic application of methods that allows researchers to draw sound inferences to answer research questions (Perri & Bellamy, 2011). Research methodology includes the application of suitable methods for data creation, collection, coding, organisation, and analysis (Perri & Bellamy, 2011). Methodology and method are two different concepts that relate to each other (Collis & Hussey, 2013). Methodology is the background theory on philosophy and science. It is the knowledge of different research methods used on the research. While, a research method is the use of those theories from methodology in the real practice (Collis & Hussey, 2013). It refers to a particular method adopted by researcher in a research project. In other words, understanding of the research methodology is knowing where to go while understanding the methods is knowing how to get there. The level of reliability and validity of the research depends on how the research method is designed and implemented (Drost, 2011). Therefore, it is very important to comprehend the methodology's key concepts when designing research.

3.2.2. Research paradigm:

A research paradigm formulates principles on which the scientific practice is oriented (Collis & Hussey, 2013; Flick, 2015). Given the fact that the research paradigm is determined by the research methodology, it helps researchers to articulate the blueprint of their research and form suitable methods that will efficiently address their research aims and objectives (Ng & Coakes, 2013). As a result, it is a priority task of a research project to select the most appropriate research paradigm (Saunders, Lewis, & Thornhill, 2012, 2015).

Basically, there are two main types of research paradigm: the positivism and the interpretivism (Collis & Hussey, 2013; Saunders et al., 2015). The philosophical inquiry of positivism is that there is an existing fact of the social phenomena that needs to be investigated objectively. This reality is independent and value free of those who observe it (Flick, 2015). This paradigm enables researchers to uncover the underlying hidden facts and problems through observation and experiment, constructing and testing hypotheses with collected information and findings (Saunders et al., 2015). The positivism often relates to the quantitative data and statistics which, in fact, is the study of theories to examine the relationship between various factors (Bryman & Cramer, 2012). Those variables will be generalised and tested in a deductive way in order to find answers to the research issue and questions pertaining to it.

By contrast, the interpretivism research paradigm implies that researchers can view the social reality from a social and subjective position (Denscombe, 2014). This fact may be perceived differently by each individual depending on the support theory, experience and maturity of the researchers (Denscombe, 2014). As a result, these of the researchers' aspects could determine the paradigm of the research study. The interpretivism is often associated with the qualitative research method in which the study is based on investigation of social phenomena in order to sort out problems or find answers by interpreting people's perceptions, then comparing them to the hypotheses (Insiri, 2016). This can often be done by writing verbal descriptions of the phenomena and finding out the similarity between underlying patterns and themes (Denscombe, 2014). The purpose of designing this type of paradigm is not the outcomes' generalisation but it is to focus on the observation and interpretation that is transferable to the readers (Flick, 2015; Muijs, 2010; Saunders et al., 2015).

From all the specific features of both research paradigms, positivism, which focuses on forming and testing variables, will not be investigated in this research. As for this research project, it explores the phenomena of Human Resource Management; specifically, Talent Management

Practice in the banking sector in the Laotian context. Therefore, the characteristics of the interpretivism paradigm corresponds to the purpose of this research.

3.2.3. Quantitative and qualitative research approaches:

3.2.3.1. Quantitative approach:

The quantitative approach is the method of collecting numerical data for analysis and has a mathematical basis so as to make a description, an explanation, and a prediction of social phenomena possible (Bryman & Bell, 2015; Muijs, 2010). Creswell (2014) points out that the quantitative method involves a process of gathering, analysing, translating and reporting on the information, which in this type of research can be both by survey and experimental. The quantitative approach is normally used in the research study to confirm, reject or remodel the hypotheses through the connection of the empirical theories and the findings from the experiments (Donley, 2012). The raw data of the research will be processed through a statistical programme or other computer software resulting in the numerical output values used for testing the research hypotheses (Bryman & Cramer, 2012) . These outcome values can be further developed in the qualitative research.

Data processed through the quantitative approach is precise and valid for every research project (Knowles & Michielsens, 2011). The quantitative research output is usually derived from the statistical programme and computing software; accordingly the output numerical value in research finding could represent the research population in general (O'Gorman & MacIntosh, 2014). In a research study of a large target group and a research problem that requires explanation of trends, this approach could help researchers achieve the general phenomena test (Babbie & Rubin, 2008; Creswell, 2014; Saunders et al., 2012).

In addition, the quantitative approach could benefit researchers in terms of time and budget in the data collection and dissemination process (Adams, Khan, & Raeside, 2014). In a data collection process, population samples are collected from a preferably large sample size and a questionnaire can be conducted either face to face with or distant from the researchers (Creswell, 2014). Questionnaires can be in the form of a survey using predefined answers which only permit participants to select the given choices (Bryman & Cramer, 2012). Moreover, the data analysis process is run by the statistical computer software which allows the researchers to connect the research results to the hypotheses and different theories quite easily (Bryman & Cramer, 2012).

However, there are some limitations to the quantitative approach. Donley (2012) found that the quantitative approach could be obstructive. This is because the relevant respondents are normally selected randomly and they can only focus on the predefined questionnaires and answers (Donley, 2012). To add to this Creswell (2014) and Flick (2015) comment that the quantitative approach could not effectively capture opinion, belief, emotion or other in-depth complex matters of the participants, particularly when assumptions of respondents beyond the predefined answers would not be part of the research situation. These characteristics of this type of research approach could result in some error existing or imperfection of findings (Bryman & Cramer, 2012). However, in saying this, quantitative approach surveys need to include open ended questions (qualitative research) that enable the participants to provide answers that are not included in the predefined questions. This enables new knowledge to be recovered concerning the research topic of interest which could also be further investigated using further research opportunities (Bryman & Bell, 2015; Donley, 2012).

3.2.3.2. Qualitative approach:

A qualitative approach is a method to study social phenomena that are difficult to quantify (Bryman & Bell, 2015; Donley, 2012). The method includes observing and interviewing human subjects to discover reasons for underlying behaviours, attitudes and beliefs (Donley, 2012). Unlike the quantitative method that collects and analyses samples in a deductive fashion, the qualitative method tends to go through those processes in an inductive fashion (Cameron, 2011). The employed qualitative research would go through a wider and deeper conversation to extract the key meaning of complex matters in the environment (Cronholm & Hjalmarsson, 2011). The interview transcripts from the data collection provide rich textual data that can be analysed subsequently by a qualitative method (Cachia & Millward, 2011; Cronholm & Hjalmarsson, 2011). For that reason, to reveal a cause or origin and to deal with the complexity of the research problem, the qualitative approach, that is capable of reaching the key meanings that are more in-depth (Denzin & Lincoln, 2011), is used.

The qualitative method is suitable for a study of new phenomena that require investigation, theory development, justification and uncovering a new discovery (Adams et al., 2014; Garcia & Gluesing, 2013). This point was viewed and supported by Myers (2013) that this type of method is suitable for research that is new and has only a few relevant publications. In addition, Garcia and Gluesing (2013) suggest that this type of research can be effective when used to study the characteristics of cultures of specific groups. Drew (2014) also points out that this method can be

used for researchers to collect the deepest data from business elites as the conversation grows during the interview. An interview conversation during the data collection process is quite flexible and uses a natural conversational flow style, which enables respondents to answer questions freely without constraint (Braun & Clarke, 2013; Donley, 2012). In addition, throughout the interview session interviewers can clarify or modify questions for participants in case of lack of understanding or misunderstanding of the questions and asking a follow-up question to extract the answer (Braun & Clarke, 2013; Donley, 2012). This will help enumerators to get precise answers from participants and, at the same time, prevent misinterpreting data (Braun & Clarke, 2013).

However, there are some criticisms regarding the results collected by the qualitative method (Creswell, 2014). Data collected from the qualitative interview is difficult to enumerate and requires systematic interpretation technique to define patterns or themes from the answers (Braun & Clarke, 2013). Its findings cannot fully generalize the whole population because the sampling method of qualitative approach is normally from a small target group of the population (Creswell, 2014). Furthermore, it aims to achieve a new discovery and a deeper understanding of the behaviour and social phenomena; however, the result of the studies can be interpreted differently by the various audiences (Bryman & Bell, 2015).

In regard to this research the focus is on the perceptions of HR manager's and higher position official's perspectives towards the importance of talent management in the banking sector. It utilizes the qualitative approach to gain understanding of the general perception of HR managers in the banking sector through questionnaires and interviews and analyses of the data through the interpretivism paradigm.

3.2.4. Rationale for selecting a qualitative approach to the research:

The researcher considered the specific characteristics of both research methods and decided that the qualitative approach is more flexible for the Lao context. For this research the qualitative approach is very critical to scrutinize the perceptions of HR managers and higher positions and other complex elements in organisations, which the quantitative method may fail to capture. The target population of this research is the HR managers in banks in Laos, of whom there are only a small number in these positions in banks. Consequently, employing qualitative tools for data collection and analysis, such as an interview, in this situation would add more value to the opinions of participants who are HR managers in banks. Second, the aim and focus of this research are related to the complex elements of TM and HRM, particularly the benefits that talented employees

create and the strategy to retain them in organisations. An interview approach is more flexible by providing more open questions to extract in-depth and insightful answers from the participants (Bryman & Bell, 2015; Donley, 2012). In addition to this, an interview is a mutual communication between researcher and participants. When there is an unclear question or answer both of the parties can ask for a further explanation to get the meaning of questions and answers right (Braun & Clarke, 2013; Donley, 2012). Moreover, when sensitive questions are being asked, the researcher can manage the participants' emotional effect level by using facial expression, body language or words to reassure them (Braun & Clarke, 2013; Donley, 2012). Therefore, a qualitative method should be suitable as well as being a time and cost-effective technique for this research topic.

3.2.5. Research method: Semi-structured interview:

A semi-structured interview is one of the methods used for data collection in qualitative research. It explores data grounded in participants' experience and those theory laden interview questions that have an unfixed structure (Galletta & Cross, 2013). The questions used are open-ended and do not need to follow a strict order or an agenda driven format (Doody & Noonan, 2013). This style of interview allows the participants to answer questions as widely and freely as they wish (Flick, 2015). In this way, the semi-structured interview helps researchers to explore participants' personal views and gain insight into individual experiences (Galletta & Cross, 2013).

The semi-structured interview also promises to yield a more complete story as it relates to the research focus (Galletta & Cross, 2013). Based on the participants' answers, researchers can link the continual up-coming questions or ask follow-up questions to encourage the participants to provide the key information that address the research objectives (Zohrabi, 2013). Other than that, to yield a more complete story, the researchers can discuss the topic with the participants in the form of exchanging information and knowledge (Willig, 2013).

Acknowledging the advantages of interviews, the researcher has chosen this semi-structured interview to execute this research study.

3.3. Method of Sample Selection:

3.3.1. Sample selection:

In a study, it is almost impossible to collect data from every single member of the population (Bryman & Bell, 2015). Researchers have to select an appropriate sample size from a group for the research (Flick, 2015). The selected sample, meanwhile, should represent the whole population group (Creswell, 2014).

For this research, the judgement or purposive sampling was used to select samples. By using this sampling technique, researchers would have freedom to choose the samples which determine the traits of the population that serve the research key study focus (Engel & Schutt, 2014; Pathik, Habib, Habib, & Maryam, 2014). Given the fact that this research needs to investigate the practice of talent management in the banking sector in Laos by the banks' Human Resource Managers, the researcher could select banks to interview from the total available banks in Lao PDR based on the researchers own judgement. Therefore, the sample size for this research is derived from interviews with eight HR managers from different banking companies in Laos.

3.3.2. Sample selected for semi-structured interview:

The participants for this research study were people who work at the human resource managerial level in banks. However, since this research applies judgment sampling, the participants' criteria for this research project can be expanded to those who work as HR and line managers or higher positions in banks. This view has been supported by Hunter and Renwick (2009) and Alfes, Truss, Soane, Rees, and Gatenby (2013) that not only the HR manager alone can effectively provide information about employees, those who are line managers or above can also be involved in managing, development, performance and wellbeing of employees below them. These people are believed to be the best samples from whom the researcher can obtain relevant information about talent management in their workplace.

According to the research focus, the population of this research is the HR managers in the banking industry. The sample population was collected from eight out of 40 banks, without discrimination of bank types, whether commercial, retails, investment or any other types of banks. In this sampling population, the researcher has opted to interview one HR manager or a representative from each bank as the research sample.

3.4. Method of data collection and analysis:

3.4.1. Data collection:

To find out answers for research questions and address the research aim, data collection is an important process. This study embraces the qualitative approach that is derived from the interpretivism paradigm. It collects data by interviewing the target populations to represent the larger group. With this aim, the researcher has applied the lottery sampling technique by drawing eight bank names from the total number of banks that got back to the researcher with positive feedback in the stage of distributing interview request letters. Moreover, the semi-structured interview method and self-administered questionnaires for data collection are employed in this research to collect evidence and detailed information supportive to the research objectives.

As this research project aims to gain deeper and better understanding of talent management and its roles in retaining talent in the banking sector in Laos, it is believed that data collection by the assistive tool of methods employed will allow the researcher to collect, analyse, combine findings, and draw conclusions containing high validity and reliability information (Borrego, Douglas, & Amelink, 2009; Creswell, 2013).

3.4.2. Recruitment processes of the research participants:

After the research proposal and ethics application were approved by the Unitec Ethics Committee, a request letter for interviews was sent to all forty banks' directors or CEOs in Laos. It included attachments of information for participants, ethics approval letter, questionnaires, organisational consent and participant consent forms. These documents were sent out in the form of hard copies to the banks. Then, after there was an approval from the banks the key person was identified to answer the interview. The researcher then informally contacted the key person via e-mail and phone to provide information about the research project. In identifying the key person, it had to be the bank directors or CEOs that are the key players who were the main targets for the researcher. Then the researcher arranged a formal face to face meeting at a time and place suitable and convenient to the participants to explain participant information and to conduct interviews; such as their office or offsite in a neutral location outside working hours such as a coffee shop during lunch break. The location chosen by the participants were the most comfortable to them to ensure full disclosure and no threat or coercion from their higher management level. The location for all of the interviews was in Vientiane, which is the capital city of Laos, and is where the headquarters of all banks in Laos are located. The average interview time length was 40 minutes.

3.4.3. Pilot study:

A pilot study is a preliminary study or a pre-testing about the feasibility of research methods such as questionnaires, a design of sampling frame and techniques, or testing whether the research protocol is realistic and doable (Teijlingen & Hundley, 2001). In regard to this research, two human resource managers were interviewed to pre-test the questionnaire to ensure that questions were clear and easy to understand. After the pre-test interview, the researcher asked for feedback from the respondents of what should be improved such as questions, and technique of asking questions to avoid ambiguity or misunderstanding. Finally, changes were made according to the participants' feedback to improve and perfect the questions for the real interviews.

3.4.4. Data analysis:

The qualitative data analysis is the process of systematically applying logical research methods to condense, display and verify data with the goal of discovering useful information and suggesting conclusions of the research (Miles, Huberman, & Saldaña, 2013). Miles et al. (2013) explain the three flows of analysis processes as follows: Firstly, data condensation is one form of data analysis. This stage is to sharpen, categorise, organise and discard data in such a way that final conclusions can be drawn and verified. Secondly, data display is to organise, compress and assemble information that allows conclusion drawing and action. Finally, drawing and verifying conclusions can be made upon interpretation of the patterns, explanations, casual flows and propositions of themes found. Conclusion runs in parallel with the interview transcription notes, coding methods, themes development and the sophistication of the researchers. The qualitative conclusion can be done through selection, summary or paraphrase and submission of larger patterns, whilst the verification is finding the plausibility, sturdiness and conformability of the conclusion made.

For this research, it applies the thematic coding technique to analyse the collected data. Thematic analysis is to construct themes and patterns from the contextual meaning of raw data (Tracy, 2012). Coding is the process of organising and conceptualizing data from the interviews into written words representing the main ideas of answers given (Horvat & Heron, 2013). By applying the thematic coding into the analysing process, the researcher will start to see the themes of answers through the identification and the categorisation of codes which allows the researcher to see the codes that have similarity in terms of meanings and patterns corresponding to research questions (Denzin & Lincoln, 2011).

To expand the explanation of the coding method; the grounded theory claims that there are two main coding processes: primary and secondary coding (Tracy, 2012). The primary coding (or open coding) is used to represent data's descriptive meaning in the beginning and may evaluate and code the data more than two times depending on the data (Tracy, 2012). The secondary coding is beyond the stage of the primary coding. It allows the researcher to display and interpret the codes (Tracy, 2012). From the specification used of both coding processes, the researcher can then identify and display codes into concepts.

Apart from the coding processes, memoing has also been used as a tool for analysing data in research. Memoing refers to recording the observation and analysis that the researcher has found in reflective writing forms during interviews, coding themes or categories and analysing data (Horvat & Heron, 2013). For this research, memoing helps a lot in recognising and tracking back what has been observed during interviews.

In conclusion, the researcher took the steps listed below for this research study:

- Gathering data: Record each interview, then transcribe and translate the conversation into English. The manuscripts are sent back to the participants for reviewing the accuracy once translation has been completed.
- Drawing themes: Summarise and classify raw data into themes or patterns based on the research questions and objectives. After this apply codes to the themes developed for further analysis. This is to conceal the names of the participants and organisations. For example, this research applies codes H1, H2 to H8 representing human resource managers number one to eight.
- Verifying themes code: Verify codes and themes by rechecking the logic, appropriateness and accuracy. If any themes inspected are inappropriate, or incorrect or lack supporting information, they will be readjusted or rematched to find out the most solid result for the research study.
- Drawing conclusion: Write a report based on the validated findings and implications from the above process. A further advanced discussion, argument or comparison between the actual findings and the literature can be made in this step to test the hypotheses. From this, a conclusion that reflects the research aims can be drawn.

3.5. Validity and reliability:

Validity refers to the accuracy of measurement which determines the truthfulness of the research results (Drost, 2011; Golafshani, 2003). Reliability, in similar vein, refers to the consistency of the results over time (Creswell, 2014; Zohrabi, 2013). It also refers to the accuracy level of the results that represents the total population under a variety methodology (Drost, 2011; Golafshani, 2003). When a research study delivers these two qualities, it is a solid study that has both authenticity and trustworthiness. To ensure that this research is valid and reliable, there are many steps that the researcher has considered and carefully employed as follows:

- To ensure that the total population is involved in the research, the researcher distributed a letter of request for an interview together with the information for participants and the contact details of the researcher. Samples were chosen by the lottery sampling technique, however, participants were defined to be the human resource managers or representatives who understand the human resource management system in their organisations best. As a result, participants are all human resource managers in banks.
- To assure that interview questions are logical and easy to understand, the researcher has carefully developed the questions, checked with the academic support centre and conducted two pilot interviews. Feedback was open and welcomed from the participants, to improve the quality of questions and interviews.
- To enhance the trustworthiness of the research, documents distributed to participants and their organisations are translated and certified by the consulting company from English to Lao. The interviews are recorded to help researchers in transcribing information and to ensure that information was given by the participants and not by the researcher who made it up.
- To ensure the accuracy, data analysis is carefully processed through the thematic coding and memoing methods.
- To avoid bias in this research, information from a wide range of sources is used including academic studies, journal articles and government documents in the field related to human resource management and financial and banking companies.

This research project strives to focus accurately on every process of the study and it is achieved by assuring an unbiased sampling selection, a pilot study, transcriptions trustworthiness, an analysis accuracy and a wide range of resources used. Consequently, the validity and reliability of the research findings will be enhanced.

3.6. Ethical considerations:

Research ethics is a vital issue for every research project, the qualitative research in particular; because it is an in-depth study about social phenomena (Tracy, 2012). Cooper and Schindler (2013) define ethics as a standard of appropriate manner of people in interacting with others in an appropriate way. Research ethics aims to prevent unethical conduct of researchers while conducting a research project (Cooper & Schindler, 2013). Such conduct would involve immoral behaviour, invading of participant's privacy and revealing confidential information.

This research project carefully followed the guidelines of the Unitec Research Ethics Committee (UREC, 2009), and received the UREC approval number 2015-1035 granted from the 23rd June 2016 to the 23rd June 2017. It was performed professionally in terms of protecting participants' rights and privacy in accordance with confidentiality law and privacy policy.

Carrying out interviews in Laos, and not focusing on any particular ethnic groups, this research has avoided bias and prejudice against the research population. During an interview, every participant has the rights to opt out or withdraw from this research project if they feel that they are at risk of harm.

In addition, the research studies the system of talent management and human resource management in banks by studying the HR managers' perceptions. It has no intention to harm any organisations or participants. To make sure that the researcher has protected the privacy and rights of the involved organisations and participants, their identities would be de-identified, would not be revealed to unauthorised people and not mentioned in the thesis. Moreover, information given by the participants and their organisations to the researcher will be kept confidential and will be destroyed after five years. Only the researcher and the supervisor have access to the information.

In regards to the transcription, the researcher is the key person that transcribed all the interviews. Once transcription is completed, the participants will have the right to check their own transcript only. The participants were able to change, amend the transcript or withdraw from the project within two weeks after viewing the transcript if they wished. This is to minimise any harm that participation may have caused them.

3.7. Chapter summary:

This chapter focussed on the research methodology and methods applied in this research project. Firstly, the interpretivism paradigm is the foundation of this research as it enabled objective interpretation from the data that was obtained. Secondly, the qualitative approach is selected in this research because it allows an in-depth and broad study of HRM and TM as well as the complex perception of HRM in banks. Thirdly, the semi-structured interview is employed to obtain flexibility of the questions and enhance the answers from the respondents. Fourthly, the sample selection and data collection are processed through the purposive sampling method and lottery sampling technique, accumulating altogether eight samples from the total population. Furthermore, data analysis is done through the thematic coding technique with the help of the memoing technique during the processes of interview analysis. In addition, all of the processes of the research have been rechecked for validity and reliability of the results of the study. Finally, ethics issues were considered for this research.

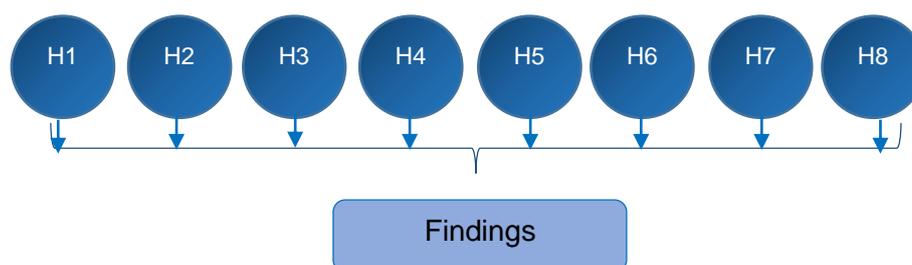
In chapter 4 the findings are presented.

CHAPTER 4: FINDINGS

4.1. Introduction:

This chapter presents the empirical findings of the data collected from the semi-structured interviews. An interview was executed with one HR manager from each of the eight selected banks in Vientiane in Laos, to explore HR managers' perceptions regarding the practice of talent management in the banking sector. The findings provide insights into HR managers' knowledge about TM and the current roles of HR managers. The findings also identify key aspects of TMP and the benefits of these practices for the banking sector. In addition, talent retention practices by banking organisations and barriers to effective retention were also identified. This is to find out answers corresponding to the main research question "How does the banking sector in Laos practice talent management to enhance its business performance and competitive advantage?" Testing of two hypotheses were (1) talent management practice was valued by the banking sector in Laos and (2) talent retention was valued by the banking sector in Laos. Six main research questions were asked in order to get key meanings from the participants to fulfil the aims, the main research questions and test the hypotheses of this research.

A qualitative study employing a semi-structured interview was conducted with data collected from observation, interview and document collection (Yin, 2008; Merriam, 2009). Ethical issues have been carefully considered as a part of this study. In terms of the data collection process, the researcher sought to protect the participants by removing personal information from the interview transcripts and not including any identifying information in the interviews quoted within the thesis text. The approaches were undertaken to ensure that this research study does not harm the participants in accordance to the Unitec ethical consideration outline. Codes, in support of this purpose, are applied to all eight participants from eight organisations as follows: H1, H2...H8. The "H" identifies the human resource managers in the banking sector in Laos to protect their identity. Therefore, the coding graph of this research can be demonstrated as follows:



4.2. The interview results and findings:

4.2.1. Identifying the level of familiarity with talent management:

The first question was asked to examine the general awareness of talent management by HR bank managers.

Interview Q1: Are you familiar with the term “talent management”?

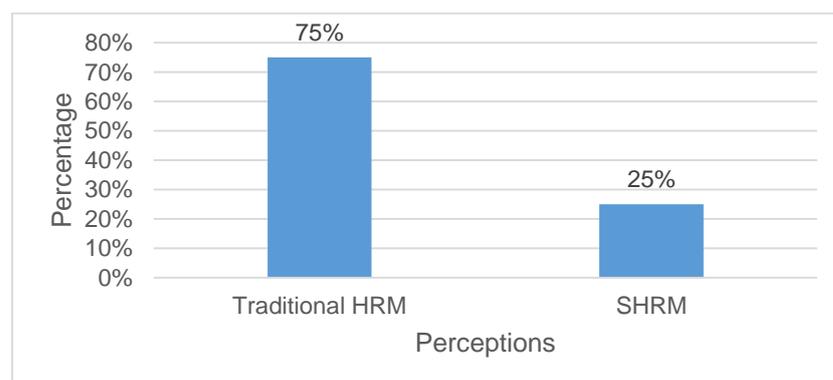
All the participants said that they have come across the term “talent management”. So, the researcher continued to ask them the next question.

Interview Q2: How do you understand the term “talent management”?

The purpose of these questions was to answer the research questions (1) and address the research objective (1). Examining the awareness and general knowledge of the participants about TM, enables the researcher to describe the understanding of participants and note whether they have come across the term TM. In the literature, the term talent management has various meanings and can be categorised in three different themes: (1) the traditional HR practices such as recruitment, selection, training, and performance measurement; (2) the strategic HRM such as HR planning, strategic HR management, and succession planning; and (3) the general management issues such as leadership, talent pools, an individual’s potential, the development of talented employees, and attraction and retention of personnel (Hatun, 2010).

From the interviews, eight HR managers understood the term talent management in a convergent way from the literature. Further to this result, six out of eight participants (65%) understood TM as traditional HRM practices while two participants (25%) describe TM in relation to strategic HRM. The findings are presented below;

Figure 4: The understanding of HR managers regarding talent management in the banking sector in Laos (n=8)



Theme 1: Traditional HRM

Participants shared their opinions about talent management and its functionality. They generally understood talent management as the management of talent in the organisation.

Talent management involves many HRM tasks such as recruitment, training and development, and retaining talented employees in the organisation [H2, and H5]. Some participants mentioned different practices and activities of talent management such as talent search, performance evaluation and managing employee engagement [H7].

Talent management is about managing highly skilled workers in an organisation through special practices such as supporting them to grow in their areas of expertise [H1, and H6].

They also provided explanations about the process of talent management:

It is about searching, developing and training and retaining talent and high potential employees. For example, we currently need the talents in three categories: IT, compliance and English communication skills. Those who have the skills, we would support them by providing them with training, assigning more challenging tasks apart from their everyday roles. We monitor and evaluate their performance, if they deliver good outcome, they are likely to be promoted in regardless of years or terms of employment [H8].

Theme 2: SHRM

Participants viewed TM as part of SHRM and explained that TM is the management of knowledgeable, talented and high potential employees including people in high positions. The meaning of Talent Management to these participants is the way of connecting the business strategic plan and objectives to the management of those valuable people through the process of human resource management.

I understand talent as standout employees that have knowledge and abilities beyond others. Talent adds value to the organisation. So talent management here relates to the management of talent capital that is in line with the objective and growth plan of the organisation which includes talent recruitment, development and retention [H3].

The term talent management is about the management of talented and high potential staff who have the right skills, abilities and who add value to the organisation. The management of talent is similar but more complex than the typical HRM. Talent management involves

many HR tasks such as talent recruitment, development, retention programmes, succession planning and other strategic HRM and workforce planning [H4].

4.2.2. Identifying the current roles of HR managers regarding TM in the banking sector in Laos:

Interview Q3: What are your main responsibilities in the organisation as an HR manager?

This question is asked to address the research question (2) and the research objective (2). It is imperative to understand the roles and responsibilities of the participants because it will allow the researcher to identify what they do in the organisations concerning talent management and human resource management. Moreover, asking this question face to face allowed the participants to present themselves in person to the researcher.

Based on the literature, themes of HR manager roles in relation to TM can be categorised into four functions: (1) a business and strategic partner, (2) an employee advocate, (3) a change champion and (4) an administrative expert. Participants generally answered that they had responsibilities of being an administrative functionary to the banks (100%). Two out of eight participants (25%) acted as a strategic partner and only one participant (12.5%) had the role of an employee advocate.

Theme 1: An administrative expert

My main responsibilities are to take care of general HR operational management tasks such as workforce planning, human resource training and development in both leadership and technical skills, payroll, performance evaluation, employee relationship management, and coordination between departments, branches and outside organisation such as BOL [H1, H2, H4, H5, H6, and H8].

My responsibilities are the general HR admin, payroll, recruitment, development, HR strategy, employee performance review, succession planning, TM programme and staff engagement activity and survey [H3].

Interestingly, there is one participant who added another role namely being the secretary to the director [H7].

Theme 2: A strategic partner

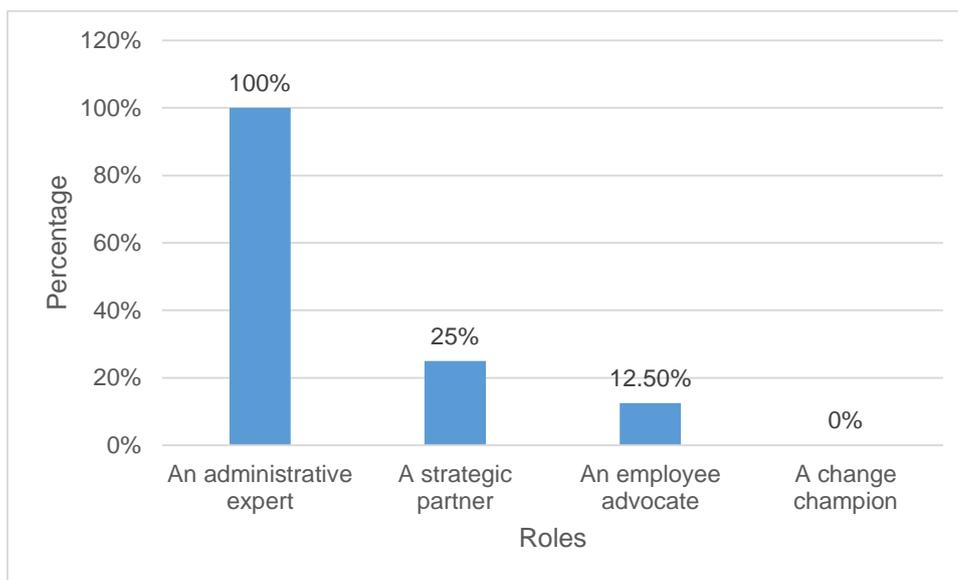
My responsibility is the strategic HRM, I create short and long-term strategic plans to maintain workforce demand with workloads and business goals such as recruitment, training and development and termination...Apart from that my responsibilities are

managing people in terms of job performance, life and mental wellbeing, as well as conflict management [H5, and H3].

Theme 3: An employee advocate

Apart from the HR operation tasks, I do workforce planning, design and conduct training, and development, design HR policy, employee consultant about the work system of the organisation, and problem-solving [H4].

Figure 5: The current roles of HR managers on TM in the banking sector in Laos (n=8)



Interview Q4: Are talent management tasks more or less important than other HRM tasks?

In this question, the researcher anticipated getting answers that could be useful in knowing to what extent bank HR managers consider that TMP is important as compared to HR management tasks?

It can be observed from the transcripts that participants did not directly answer which of the two tasks is more important. Participants, however, mainly agreed that the TM tasks are more challenging than the HRM tasks. The participants often explained that both are important and cannot be separated from one another. There were some participants who provided information about people management and different approaches to lead and win the employees' hearts.

They are equally important. But the TM would take more work. Some employees are not aware that they are identified as talented or highly skilled workers in the organisation. We have to bring their capacity out and help them plan their career path. In our organisation, talent management is not the main focus of HR, the department is the key actor that is taking care of TM. For example, training and development [H2].

Talent management is a part of HRM and HRM is the whole process of people management in an organisation which involves both talented and non-talented employees. Talent management focuses on managing the human capital needs and organisation goals. I would say it is a quite complex and challenging task because it is about managing the talented few in organisation. It requires different approaches to manage different kinds of people; that's how the HRM is challenging [H1, H4, H5, and H6].

I think TM is more challenging than the typical HRM task. In HRM, HR practitioners have to keep a close eye on the average employees' performances and ambitions in order to support what they need in order to perform better and become an outstanding employee. Which is not a too complex task for HR practitioners... TM are quite complex tasks because it is about managing standout talented individuals in the organisation. Talented individuals may not only have the right skills set, right behavior and expertise in their work, but they also have high expectations and ambitions. They have different drives. Some focus on benefits and pay rise, others focus towards the position promotion, development opportunity to uplift their skills. We cannot offer every talented individual the same standards. This is because they place a degree of value on different things and may not openly express their interest and drives. We have to inspect and observe based on their behaviours, and interests. It takes time to understand people and we have to be careful and mindful about this... [H3].

Interview Q5: What are the key competencies that HR managers should have in order to help your organisation practice effective talent management?

This question digs deeper into the skills and knowledge necessary for an HR manager in the bank to carry out appropriate work tasks in relation to TM.

Themes for this question from the interviewees can be categorized in two skill sets: technical awareness and people skills.

Theme 1: Technical skills:

The technical skill is mentioned by four of the participants (50%). They perceived it as knowledge about banking and finance and HRM.

I think an HR manager should be a wise person and have broad knowledge in many areas such as economics, social, political, accounting, finance, business management, IT, and most importantly they should be knowledgeable in HRM [H1, H5, and H8].

I think it is necessary for an HR manager to have a broad knowledge especially in banking and the financial sector [H5, and H6].

Theme 2: People skills:

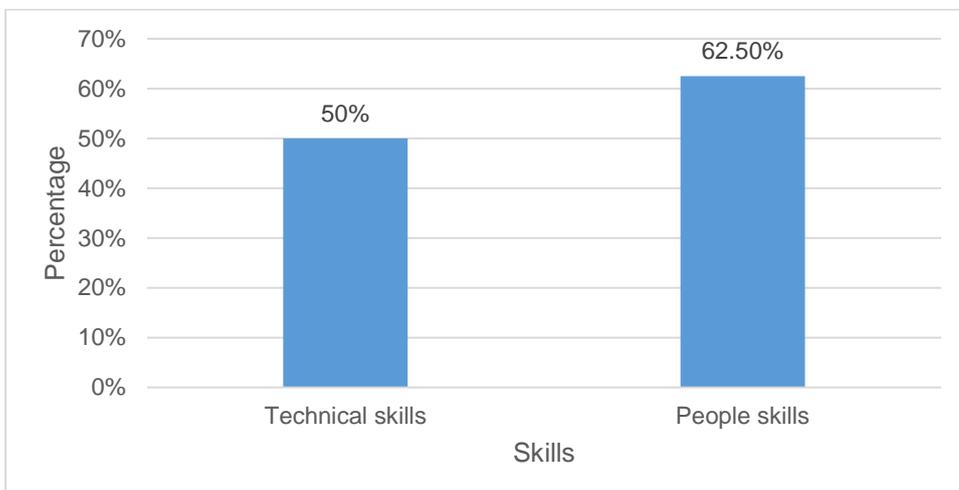
Five participants (62.5%) also commented that people skills are the necessary skills that a HR manager needs to have. This includes listening skills, communication skills, fairness and equality, understanding peoples’ behavior and psychology related skills.

To me, an HR manager should have people skill, knowing what kind of personality and attitude their subordinates have, i.e. they should be competent in organisational behavior and psychology in order to understand people and deal with different characteristics of people [H1, and H8].

First, an HR manager should understand what an HR manager is. Next, I think the necessary characteristic of an HR practitioner is to have a sense of fairness and equality. An HR manager should be fair in whatever the issue is. HR managers will be hearing two different stories at all times. So, I think it is important for them to not take sides. We should not prejudge people for making mistakes once or twice or over compliment people for a one-time success. We should have our information to back us up in making decisions. [H3].

An HR manager should deliver good communication skill such as being a good listener who possesses analysing skills, and knows how to motivate and encourage people. Communication skill would make an HR manager the first person that subordinates want to consult with and to speak openly when facing problems [H5, and H7].

Figure 6: Key competencies that HR managers refer to when practicing talent management (n=8)



4.2.3. Identifying the current talent management practices employed in the banking sector in Laos:

This section involves two questions, as shown below, to address objectives and question (3) of the research to identify the practices of TM in the banking sector in Laos.

Interview Q6: What are the talent management practices in this organisation?

This question identified practices of TM that banking companies employed. By asking this question, the researcher discovered practices that banks used to encourage talented individuals to work for (recruit) and stay with (retain) their current organisation. It was found that three out of eight participants (37.5%) placed emphasis on talent sourcing, talent relationship management, and rewarding policy, while four out of eight participants (50%) placed an emphasis on talent development in TMP.

Theme 1: Talent Sourcing

It was found that HR managers sought to look for inexperienced talented and potentially skilled recruits from academic institutions.

We actually conduct both talent search in the market, i.e. new graduate from university and internal talent development. Our practices are to maintain the balanced talent pool in the organisation with the organisational tasks [H3, H5, and H7].

Theme 2: Talent Development

We do provide training and development for our staff so that both talented and non-talented employees get acquainted with their jobs and can perform well up to the requirement of their department [H3, H5, and H7].

We focus on giving our employees the opportunity to show and develop their capacities in the area they are good at in order to get them ready to become the future successors [H1, H3, and H5].

Our organisation conducts a career development discussion every 6 months: HR practitioners will try to listen and understand our employees' ideas of change in career. We welcome those changes and would support them with appropriate methods [H3].

Theme 3: Talent Relationship Management

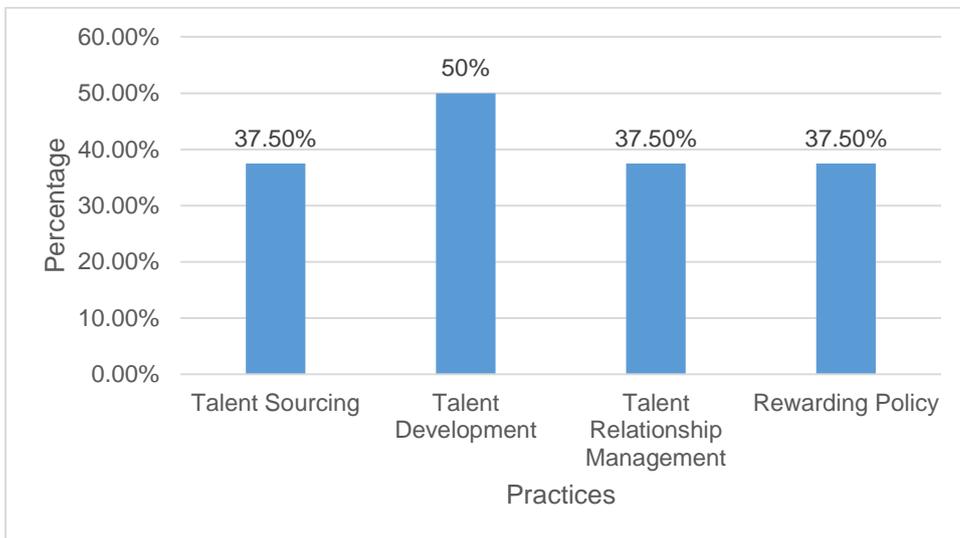
We try to create a great workplace for everyone. This does not only refer to the facilities at work but also how we treat our people in the organisation. Here we provide flexible

work time for our people in some positions. We treat them on fairness and equality basis. We are open for feedback and encourage them to have their voices heard. We want our talented people to know that we value them and would very much like them to stay with us [H2, H3, and H5].

Theme 4: Rewarding Policy

My organisation practices rewards to manage our people. Talented workers want to be valued for their contribution and one of the methods to meet their expectation is to reward them both financially and non-financially [H5, H7, and H8].

Figure 7: The practices of talent management in the banking in Laos (n=8)



Interview Q7: What are your perceptions about those current practices of talent management?

The question examined the perception of each participant towards the practices of talent management in their own organisations which were currently being implemented. This allowed the participants to further express their thoughts about the effectiveness of TMP and what should be improved:

I think the practice provides an opportunity for talent to climb up the corporate ladder which is good as it can encourage people to be with the bank, but it is not fully sufficient. There should be a clear system because skilled and high performers want to work with an organisation that has a clear system [H1].

It helps retain the staff. It makes staff feel like they belong to the bank [H2].

I think it is a good system. The practice does not limit the ability and capacity of employees. It helps promote multi-tasking and also offers development opportunity for all. Talent management helps the HR manage the available talented people better and is the open door for these talented people to understand their options in terms of career planning. This will be beneficial for the organisation in terms of operational effectiveness. I am satisfied with the outcome. Talented individuals are successful in their roles. This might not be 100%, but I am happy in terms of a number [H3].

I think it is an effective practice in terms of motivating the average ordinary individual to try harder to step up. The identified talented individuals can be a role model for others [H4].

Our priority is HR, technology, and customer service. We believe that if we have a good TM system and banking technology it will support the customer base. But for now, our TMP is still limited [H5].

As we do not practice TM, it is difficult to manage the expectations of our talent. There is a hidden conflict of interest between talents and managers and the top leader. For example, we do not use KPI in performance evaluation currently. So, there is no real performance outcome and target to evaluate the staff performance. We base the evaluation on the team or the whole department result, everyone earns the same bonus rewards. It is a bit unfair for the ones that contribute more and work harder. I think TM in our organisation is still new. We still have to design a new management system of HR. the reward management for our talents [H6, H7, and H8].

4.2.4. Identifying key benefits that TMP provides to banking organisations in terms of organisational performance and competitive advantage:

To study how talent is important for the banking industry, it is necessary to identify key benefits that talented individuals contribute to their organisations. This question is to fulfill the objective and question (4) of the study.

Despite only two organisations executing talent management in their system, the researcher asked the question to open the perception of participants in relation to a talented workforce and talent management:

Interview Q8: How important is talent for the organisation?

Most of the participants talked about quality of a talented individual. They referred to talent as a talented individual who has the right skill set and right behaviour to fit in organisation. It also involves attitude and character and an ability to learn and to grow with the organisation of the individual. This can be understood to mean that HR managers in the banking sector in Laos, refer to talent as a knowledgeable individual who brings about benefits and competitiveness to the organisation. In addition, participants generally had a convergent view that talented individuals are a valuable resource for an organisation. However, they placed divergent values on talents.

Three participants (37.5%) valued talents in terms of organisational benefit and outcome efficiency;

Talents help lower the amount of workforce and time needed in dealing with daily operation and unexpected departmental problems. They perform excellently in their roles and their contributions are very effective and efficient [H6, and H7].

Talent has high ambition, experience, understanding of the system of banking and policy from HQ which is necessary for a bank employee and is difficult to find [H2]

Five participants (62.5%) valued talents because of the competitiveness that they have brought.

Talents are the pride of our organisation. Talents not only have the right skills set in knowledge and abilities, but also the right behaviour and personality such as collaboration, respect, and commitment. Talents have the initiative to supply comment and feedback in a humble way to convince people. They are role models in helping to motivate other employees. Talented individuals help by enhancing the organisational capacity and customer satisfaction which contributes a positive energy to our organisation's image. They define the quality of the bank [H1, H3, and H5].

Talents are the trade secret of the organisation, losing them means losing the trade secret [H4].

Without talented individuals, this organisation would be paralyzed. They are the main contributors to the success of the bank business which results in a high return on investment/profitability. They drive the day to day operation. In particular there is high competition in the banking marketplace, talent is the one that creates new products and service to serve the needs of customers. For example, our new bill payment products, tax payment products [H8].

To continue the momentum, the next question was as follows:

Interview Q9: Based on your experience in this organisation, how does TMP improve your organisation's performance?

Based on the interviews, the participants conveyed that TMP helps driving the organisations performance. The benefits can be categorised into four different themes: enhancing day to day operation, enhancing greater business goal achievement, initiating new products and easing talent resourcing.

Theme 1: Enhancing day to day operation:

TMP helps to improve the efficiency of day to day operation and the whole operation in general. With the practice of TM, the organisation's operation management is more cost effective and less time and a smaller workforce are required [H4, H5, H7, and H8].

Theme 2: Enhancing greater business goal achievement:

What I can see is that TMP supports employees to perform up to their optimum abilities. Our banks have lower NPL, unpayable debts and higher accumulation of deposits [H1, H5].

We have to mirror it to the business goal. But to answer the question I think the practice of TM helps to enhance the financial performance, and return of investment [H2].

Theme 3: Initiating new products and activities:

The practice encourages our banks to embrace new changes. For example, we have expanded our customer base from previously only serving customers on agricultural business, we are now serving SME with non-agricultural related business. It is a big change [H7].

TMP helps in supporting employees to have initiative and to be creative in producing products and service to serve the market needs [H3, H7, and H8].

Theme 4: Stabilising the employment course of talented individuals:

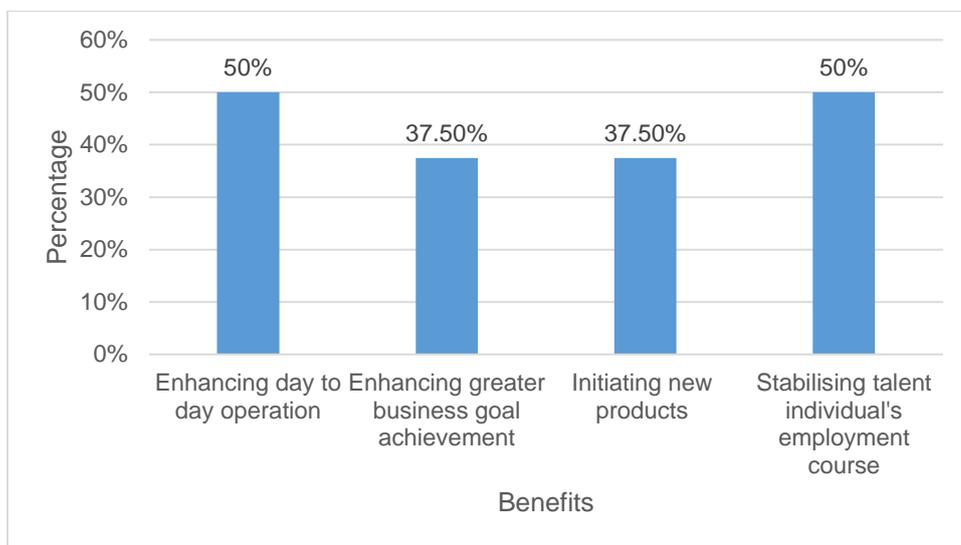
It helps to close the gap of vacant roles in the recruitment process. We do not have to attract and recruit new employees from outside the organisation every time when an employee is leaving. Instead, we can promote our successor who is already familiar with the organisation culture and can mingle with the people and environment here. We do

have a short contract expat working for the bank, 1-2 years. When we practice TM, we can develop our local talent successors to replace the expats when their contracts expire. The work outcome might not be 100% perfect, but our successors will spend only a little extra time to catch up [H3].

I would say that the practice of TM will increase the size of the talent pool in the organisation automatically. We will be able to attract more talent coming into our bank. Because the system is attractive so we can attract more of them in the talent market [H6, and H8].

TMP helps retaining talents and reducing staff turnover [H1, and H3].

Figure 8: Key benefits that TMP provides to the banks in Laos in terms of organisational performance (n=8):



Interview Q10: How does TMP enhance an organisation's competitive advantage?

The researcher has found that three out of eight participants (37.5%) responded that TMP helps banking companies to gain more customers through excellent service. Two participants (25%) mentioned that TMP helps the organisation to survive and compete with other companies.

Theme 1: Gain customer satisfaction

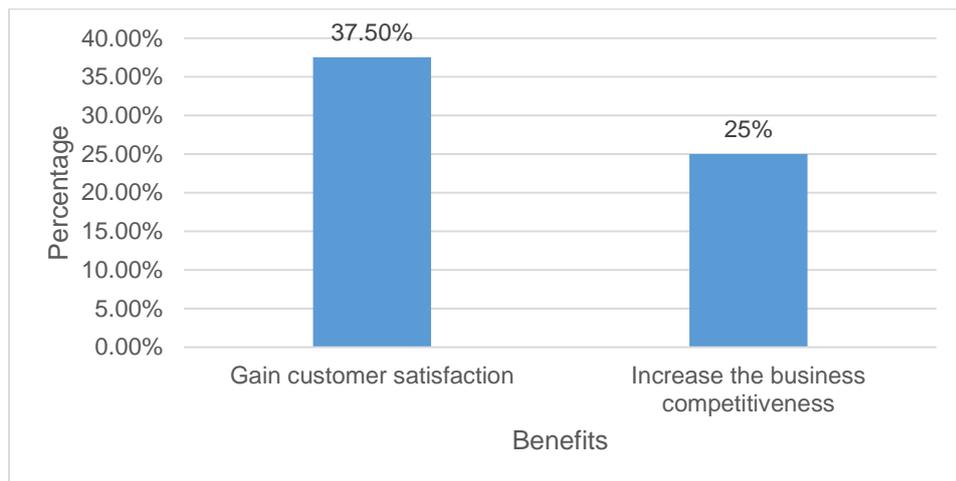
We have received lots of positive feedback from our customers. I guess that customer satisfaction and loyalty are one of the competitive advantages obtained from TMP [H1, and H5].

Well, I would say that the TMP enriches the culture of sharing and reasoning of ideas in our organisation. This culture teaches staff here to know how to justify their thinking and ideas in order to convince others which helps to win customer trust. I think it is the advantage of having TMP here [H3].

Theme 2: Increase the business competitiveness:

I think it is vital for the survival and competition of banks in this industry to have creative and visionary employees. What I can see is that TMP helps in identifying the quality of talented workers. The more an organisation has skilled workers the easier the organisation will reach its goals and be competitive. Without our talented staff and TMP this bank would not be as strong and competitive in the financial market [H3, and H8].

Figure 9: Key benefits that TMP provides to the banks in Laos in terms of competitive advantages



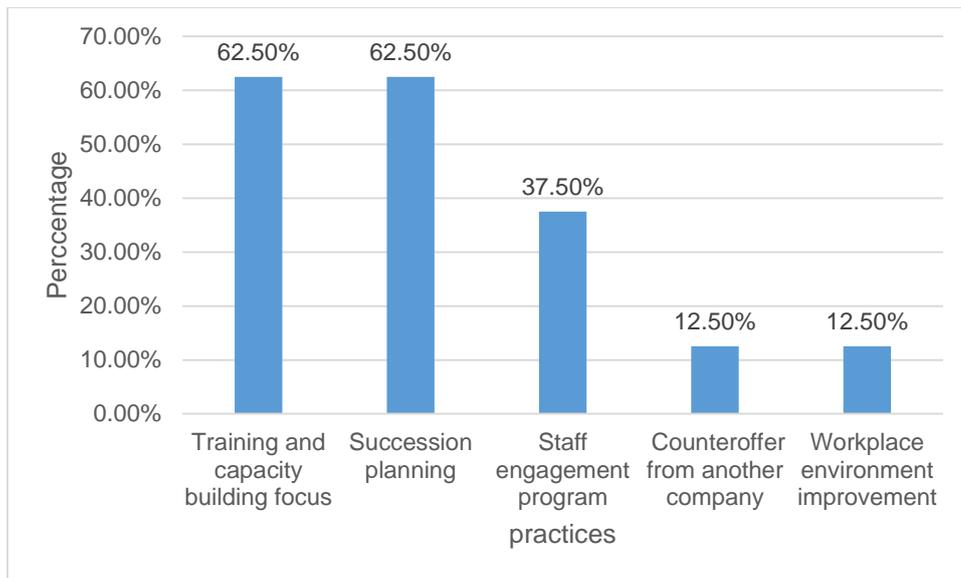
4.2.5. Identifying current practice of talent retention in the banking sector:

When asking a previous question of general TMP, the researcher tried to scrutinize talent retention. The two questions were asked to extract answers for the research objective and research question (5) as follows:

Interview Q11: What are practices for retaining talent in your organisation?

By identifying the talent retention practice in banking organisations in Laos, the researcher could visualize how talented and highly skilled workers in this industry are being taken care of. The findings revealed that banking HR managers use a variety of methods and practices to retain their available talented individuals.

Figure 10: The practice of talent retention in the banking sector in Laos (n=8)



- **Training and capacity building focus**

Our organisation focuses on training and capacity development for employees by open learning and development opportunity for them through job rotation and multi-tasking. This is to help them gain the skills necessary for their work so that they can do their work better [H2, H4, H5, H6, and H7].

We offer an opportunity for employees to show their ability by assigning work outside their roles so they can show their abilities and competencies. They are also given power to make decisions in relation to the assignments. If they need assistance or a particular training or workshop they can request it with their managers. This can make them see that their talents are being recognized and valued [H4, H5, H6, and H7].

- **Succession planning:**

We apply the succession planning programme by encouraging staff to have a clear development goal and career goal to grow together with the organisation [H3, and H8].

We select them as successors, and promote them to be a member of the Lao People's Revolutionary Party (LPRP) [H6, H7, and H8].

- **Staff engagement programme:**

We place emphasis on staff engagement programmes by having a closed employee survey and feedback between sections and across sections. We make it conversational but keep it

confidential. The survey is about organisation workplace, line manager, and leadership [H3, H4, and H8].

- **Counteroffer from another company:**

Sometimes, we have to counter an offer from another bank by adjusting pay up to 20-30% or as offered by the competitors [H2].

- **Workplace environment improvement:**

We try to create a workplace culture that is pleasant for our employees [H5].

Interestingly, some organisations do not recognise or are aware of the practices that they use for retaining talent.

Here, we don't have a specific practice to retain talent. But what we do is we use employee policies such as the availability of leave of absence (for education), a tour programme to travel overseas for a holiday [H4].

We do not have a special practice or policy to retain talent. We do pay normal benefits and salary rate, and offer insurance, double bonus, and personal leave for our staffs [H1].

Interview Q12: What are your perceptions about those current practices of retaining talent?

This question follows up on the previous question (11), allowing the participants to continually express their perception towards the identified practices in relation to talent retention in Laos banking organisations. In addition, it also allows the researcher to examine the effectiveness of those practices from the participants.

- **Effective:**

It was found to be quite okay. The staff are all satisfied and happy [H1].

...I think this practice is effective as it helps to motivate and to enhance the level of staff engagement [H2].

I think it is quite effective. We have quite a number of skilful people here in our organisation and they are happy to be part of our bank. We are like a family here. Some people were offered a higher salary and benefits by another bank but they chose to stay with us. I think one of the reasons is because of the organisational environment, the system and the clear policy and regulation that we have [H5].

It is quite effective, talented people are being valued and they are proud to be a part of the organisation as well as of their jobs and responsibilities [H7].

- **Ineffective but would not want to change:**

It is quite challenging to retain talented individuals because they have quite a lot of high expectations. They want to be recognized for their abilities and would also want to have more opportunities for development than others. HR have to find ways to meet these expectations. We might be able to supply that demand, but it is difficult for us to figure out to whom we should give those opportunities and ensure that we are not spending over budget in retaining our talents. If their need is monetary benefits, then it would be easy for them to be taken by other companies. We have the rule that we cannot counter negotiate with the salaries offered. We do have our standard level from the survey conducted yearly. Those who stay should always have a clear goal for their career path, and should love to stay with our organisation because we have our standards that cannot be exceeded. We are concerned about the issue of equality and fairness to all. I would say our practice is not fully successful. We lose our talents and potential talents from time to time. Nevertheless, we are able to build successors to replace departed ones [H3].

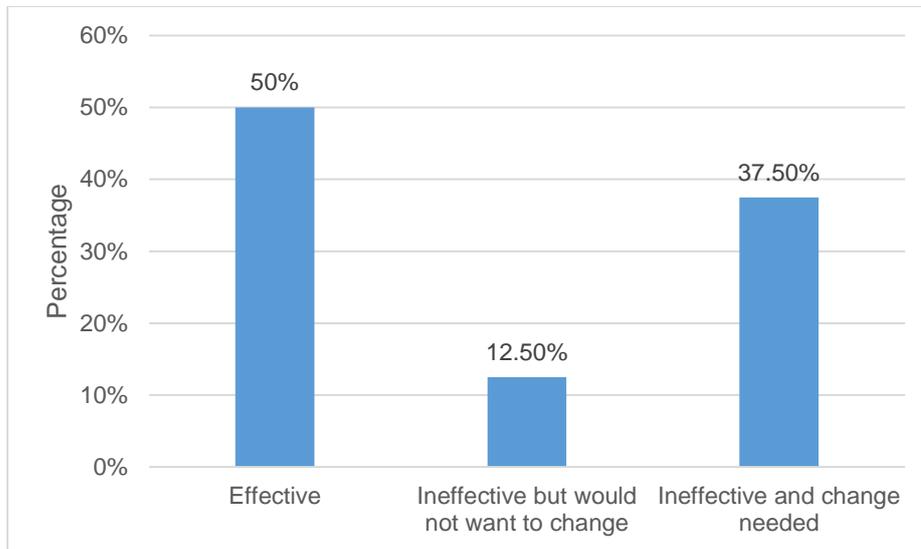
- **Ineffective and change needed**

We have not had experience with the worst case recently. There is not an issue that our talented employees are being bought out by other companies. But since there is an increasing number of banks in Laos, recently 43 banks, I think the competition is more intense and our practice is not good enough. I would say that there is a need from the top leader and management team to recognize this problem and recognize that HRM function is important [H4].

I think we are bounded by the BOL. The bank is a state-enterprise bank so we strictly follow the BOL regulations, including HR and other operation functions. I think it limits us in following the current world business situation [H6].

I think it is quite effective but will be insufficient in the future. We will need more HRM to take care of our available talents [H8].

Figure 11: Perception of the HR managers about the current practices of talent retention (n=8)



4.2.6. Determining factors that hinder talent retention in the banking sector in Laos:

The objective of this question was to identify factors hindering good TMP in the banking sector in Laos, particularly the talent retention in this industry. By asking the questions below will address the objective and main question (6) of the research. Talented employees are the drivers of the organisations' operation and help organisations to remain competitive in the marketplace. Therefore, talent retention is a real concern for organisations in general. Without these skilful and competent workers, the whole operation process could be paralysed.

In this regard, the researcher explored how important talent retention is perceived to be in the organisation by asking the following question:

Interview Q13: Do you think it is difficult to retain talent in the organisation?

From the interviews, it was found that six out of eight interviewees (75%) accept that retaining talent is becoming more difficult because of an increase in the number of new entrants to the banking sector; while two (25%) think that it is not difficult to retain talent because they are reputed to be the best bank in Laos. This reasoning is related to the brand image of the company which is one of the important factors for talented individuals when choosing an organisation to work for.

Yes, there are many new emerging banks and financial institutions that lack ground systems who are wanting to take our talents to help in building their systems and attracting customers. This happens and especially in the customer relation (credit loan) department [H1, H2, H3, H4, and H5].

Sometimes, we know well what our employees want. They want special training and development, higher pay, being recognised. But we cannot accept every demand easily. There are still gaps and big hurdles in the organisation structure for us to work out [H6].

Only two participants (25%) said that retaining talent is not a difficult issue, because they are one of the best banks in Laos and have never been losing talent to their competitors.

We have never experienced losing talented people to other organisations [H7].

I don't think that it is difficult to retain talented people for us. This is because we are one of the best banks in the country and people want to work with us. They value the stability of the bank that can secure their employment better than any short-term benefits [H8].

Interview Q14: What could be the obstacles to retaining talent in the organisation?

According to the interviews, the majority of participants said that the obstacles to retaining talent could be categorised into two factors, internal and external. The internal factor mainly derives from the manager's leadership. While the external factor derives from an increase in the competition in this industry.

Theme 1: Internal factor

- Lack of talent management policy:

We don't have a policy for our talented and high performers. I think that's the main obstacle for us to retain them. We tend to focus on normal HRM. We still lack a policy to manage our talented people such as succession planning, talent retention, talent relationship management. I want to implement TM, but it will require strong leadership from the top to support this policy [H2, H4, and H6].

Theme 2: External factor

- Competition from the same industry:

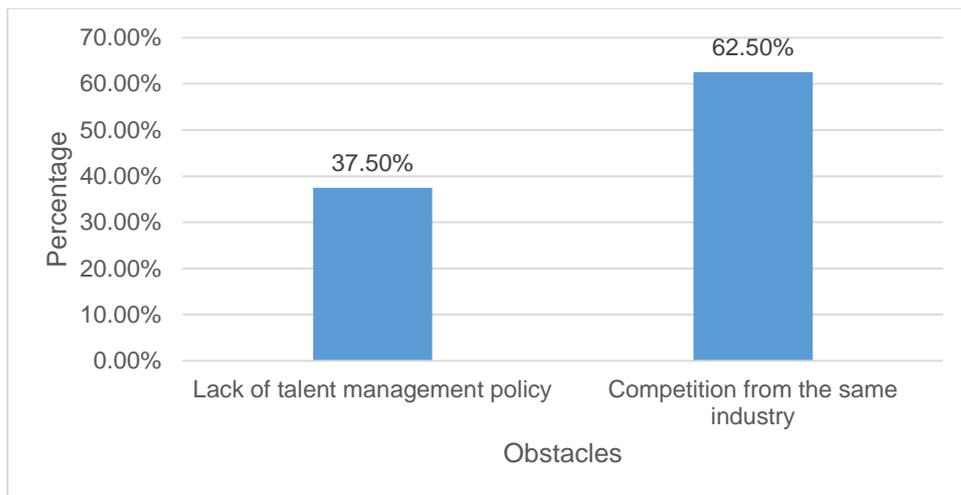
One of the obstacles is the increase in the number of new entrants in banking and financial business. The new banks create competition in this industry and talent hunting becomes

more intense [H1, H2, H5, H7, and H8].

When employees come to us with proposals for higher pay and benefits, sometimes, we cannot accept their proposals [H2, and H5].

It is the conflict of interest between individuals and the organisation. They are offered higher pay benefits by other companies and start to make comparisons [H2, and H7]

Figure 12: Factors that hinder talent retention in the banking sector in Laos (n=8)



To understand better what could be improved to enhance talent retention in the workplace, the researcher asked for suggestions from the participants by asking:

Interview Q15: How can organisations enhance talent retention?

It was found that suggestions are mainly related to internal factors; that is leadership from the management level in the organisation.

Leaders of the bank have to be more supportive to their subordinates. We have to be more proactive in supporting the development of necessary skills [H5, H6, and H7].

I think the organisation should have a clear career path and development plan for employees as well as communicating with them in order to manage their expectation. It is important to let employees understand what position they are in, what they are doing, and where are they heading, to allow them to know the end result if they are not successful, what can they do and where can they be? Some talent might be upset because they did not get promoted after many years of working. So we have to make it clear and transparent for them [H3].

4.3. Chapter summary:

This chapter portrays the important findings of the semi-structured interviews in the study of the topic – talent management in the banking sector in Laos. The findings are categorised into six key themes which are highlighted as follow:

- **The understanding of HR managers on TM:** Participants had generally come across the term talent management and could explain its basic definition. Meanwhile, six participants perceived TM to be a related task to human resource management, while two participants described it as an HR strategic management. Based on the understanding of HR managers, TM in relation to HRM involves (a) recruitment; (b) development; (c) retaining; and (d) performance evaluation, while TM in relation to SHRM is related to (a) workforce planning; and (b) succession planning.
- **Roles of HR managers:** Overall, participants had the responsibilities of being an administrative expert to the banks. Two participants said that they had been involved in the strategic role. Only one participant is partly acting as an employee advocate and none are involved in the role of a change champion for their organisation. When comparing between the HRM tasks and the TM tasks, the participants avoided making judgements on which ones were more important. They stated that TM and HRM are equally important, however, the TM is more challenging. In relation to the key competencies, it was found that apart from the technical and people skills, it is important for HR managers to have the quality of fairness and equality in order to carry out effective TMP.
- **TMP:** Resourcing talent, talent development, talent relationship management, and rewards are the main practices of talent management in the Laos banks. However, 50% of the participants said that their TMP is effective only in some certain areas such as motivating the non-identified talented staff and retaining talented employees in organisation, and stretching the capacity of talented individuals by training and development. While all of the respondents agreed that their TMP is not yet sufficient and their TM system need to be reviewed.
- **Key benefits that TMP provides:** Talented and skilled workers have been commonly acknowledged to be a critical human capital resource for the banking industry by managers. They are a pride, a secret holder, an attractor, and a contributor for bank success. In relation to their performance improvement, the most significant benefits are related to day to day operation and talent resourcing. These benefits have been accepted by 50% of participants.

Other benefits are said to be business goal achievement and new products and activities initiation, which were agreed by 37.5% of the participants. In regards to the competitive advantages that TMP provides, 37.5% of the participants agreed that TMP enhances customer satisfaction. 25% of the HR participants mentioned that TM brings in competitiveness to the organisations, which contributed to the available talented employees and a stronger brand image of the company.

- The practice of talent retention: There are several methods of talent retention that banks used, but the three most used are training and capacity building focus, a staff engagement programme, and a succession planning programme. In this finding, 50% said that their practices are effective and are bringing satisfaction to the management. While 12.5% noticed that their practice is ineffective, however, they would not need to change at this stage. Moreover, 37.5% accepted that their practices are ineffective and need to improve.
- Factors that hinder talent retention: Retaining talent that is available in organisations is found to be difficult by the majority. Three out of eight HR participants (37.5%) said that the obstacles of talent retention were from internal factors such as the lack of talent management policy in organisations; six participants (62.5%) said that the obstacles are caused by the external factors i.e. an increase in the competition in the same industry.

In chapter 5, analysis and discussion of the findings are presented.

CHAPTER 5: ANALYSIS AND DISCUSSION OF THE FINDINGS:

5.1. Introduction:

The previous chapter reported the findings taken from the data gathered from the semi-structured interviews with eight HR managers from eight banks in Laos. This chapter analyses and discusses the findings of the study, bearing in mind a range of scholarly HRM and organisational management literature which could help to contextualise the findings. The findings are arranged into themes for discussion which are based on the research objectives and questions outlined in chapter 4. Moreover, as part of this analysis, the research questions and objectives are answered and the hypotheses of the research are tested.

5.2. Analysis and discussion:

5.2.1. Research question (1): How familiar are HR managers with the term talent management?

Talent management in the banking sector is the main focus of this research, therefore, it is necessary to identify how well the participants understand the term “talent management”.

It can be seen from the findings that all of the participants (100%) generally understood the term and could give a definition of talent management. The definitions of TM provided by HR managers were largely related to traditional HRM (75%) and only 25% of the participants discussed the term in relation to SHRM. Those who understood TM in terms of traditional HRM generally explained that TM is about recruitment, development and retaining talented employees in the organisation. Although the three main tasks of TM were identified, it is somewhat surprising that these tasks were not discussed nor linked to organisational goals. From this data, it can be seen that in this research, the majority of HR managers in the banking sector in Laos generally focused on the management of people without linking the focus to organisational business strategies. The understanding of HR managers seemed to be a narrower view of talent management in comparison to much of the HR contemporary literature, which indicates a need for HRM and talent management systems in the financial sector in Laos that focus strongly on organisational strategies. This finding contradicts the study of Guthridge, Komm, & Lawson (2008) that TM should be implemented at the heart of business strategy or it will be ineffective, superficial and resource wasteful. HR managers should align long-term workforce planning to the business strategy. Since HR managers in the banking sector in Laos had limited insight into TM, it can be

difficult for the banking organisations in Laos to implement and practice TM effectively to achieve their business purpose.

Another view from 25% of the participants, was that they linked TM to SHRM that is, talent management is about the management of talented individuals and high potential employees who have the right skills and abilities and add value to the organisation. These participants stated that talent management is similar to the typical HRM but more complex. Talent management involves many HRM tasks in order to bring the needs of talented employees into line with the organisation's objectives and growth plan. These include tasks such as talent recruitment, training and development, retention programmes, succession planning and other strategic HRM. These comments in relation to talent management are aligned to many scholars work such as Lewis and Heckman (2006); Hatum (2010) and MacKenzie et al. (2012). They state that talent management refers to integrating the importance of both strategies and systems of HRM to attract, recruit, motivate, develop, deploy and retain the most intelligent employees to meet the organizational goals, development and competitiveness.

Given the participants' comments in the data, it can be concluded that HR bank managers in Laos are familiar with the term "talent management" as 100% of them were capable of explaining what talent management is and what the fundamental tasks are of managing talented individuals in an organisation. However, the majority of the participants understood the concept of talent management in terms of traditional HRM approaches and did not link it to business strategy. In this regard, research question (1) is answered in a positive way, where HR managers are familiar with the term talent management and research objective (1) has been addressed. Overall, the findings can be understood as leading to two propositions as outlined below:

***Proposition 1a:** The bank HR managers have a familiarity with the term "talent management". However, they are more likely to understand it as the traditional HRM.*

***Proposition 1b:** The bank HR managers are not aware of the connection between human resource capital and the organisation strategies.*

5.2.2. Research question (2): What are the current roles of HR managers regarding talent management in the banking sector in Laos?

The second question in this study sought to determine the roles of HR managers in the banking sector in Laos on TM. By understanding the roles of HR managers on TM, the researcher would gain a deeper insight into how talented individuals are being managed in the banking organisations

in this country. From the interviews, it was found that the bank HR managers mainly hold the role of administrative expert. They had secondary responsibilities in other roles such as strategic partner and an employee advocate. However, none of them exercised the role of a change champion.

In the findings, the primary role of HR managers in banks in Laos regarding TM is the daily HRM and TM administration. The role focuses on administrative matters, employee benefits, and organisational regulations and policies; i.e. resourcing, payroll, coordinating and training. These tasks are a systematic process which facilitated the function of the whole business operation, however, they involved a lot of paperwork. In support of this finding, Murthy (2013) and Armstrong (2009) have previously agreed that HR professionals were mainly occupied in the role with a focus on administrative matters. The concept of administrative roles of HR managers is explained by Ferreira, Erasmus and Groenewald (2009) that it is central to organisation operation as the role helps managers to maintain resource availability to enable organisational functions.

Another common role of the HR managers in banking is as a strategic partner. In this role HR managers created short- and long-term strategic plans to maintain workforce demand with workloads and business strategies. HR managers also had to ensure that their talented individuals are motivated and engaged to perform best at their jobs. For the role of a strategic partner of HR practitioners, they created HR strategic plans from recruitment to termination of employment of talented individuals. The relevance of this finding fits well to the notion of Hughes and Rog (2008) that as a strategic partner, HR managers have a role to develop short-term and long-term workforce planning and HRM strategies to fit in with the growth plan of the organisations. The planning of workforce involves tasks such as recruitment, performance management, talent development planning, and succession planning.

However, their responsibilities are dominated by the HRM day to day operational tasks. Furthermore, the researcher often heard complaints from respondents about the overloading of HR work tasks. The participants also claimed that their organisations lacked sufficient HR staff to carry out the administrative role so that they could share their time with other strategic or development roles. This finding of the domination by administrative tasks supports the notion of Guess and King (2004) and Lawler (2005) that in many cases HR managers can only position themselves in the role of HR administrator and less with other HR manager roles. In this regard, the theme answers research question (2) and the research objective (2).

Skills for handling TM tasks by HR managers:

In connection with the above roles, there are skills that an HR manager should have in order to handle HR manager roles and responsibilities (Armstrong, 2009). Those skills would help managers in delivering effective TM outcomes to their organisations. The findings indicate that technical and people skills are the two skills needed by an HR manager. The technical skills are mentioned by five out of eight managers (62.5%) while people skills are mentioned by seven managers (88.5%).

HR managers viewed technical skills as obligatory in handling TM tasks. Technical skills are knowledge about and proficiency in the specific type of work or activity. They include competencies in a specialized area, analytical ability, and the ability to use appropriate tools and techniques (Northouse, 2016). In the view of the HR managers in banking, the technical skills needed are related to knowledge of HRM, banking and financial fields as well as the other areas that are affiliated to the banking business such as social, political, economic, cultural, global and information technology (IT). A HR manager needs to be a wise person who is informed and mindful regarding the banking system and regulations and the management of the business. A possible explanation for this could be that an HR manager should be a knowledgeable person who understands the internal and external business environment affected by the exercise of HR policies and practices (Armstrong, 2009). The competency in the business environment of HR managers would allow them to effectively develop HR strategy to drive the performance and competitiveness of the business. Hence, they also need to have conceptual skills especially if they are part of a top management team and be part of designing organisational and business level strategy as well as integrating HR strategy with the business strategy.

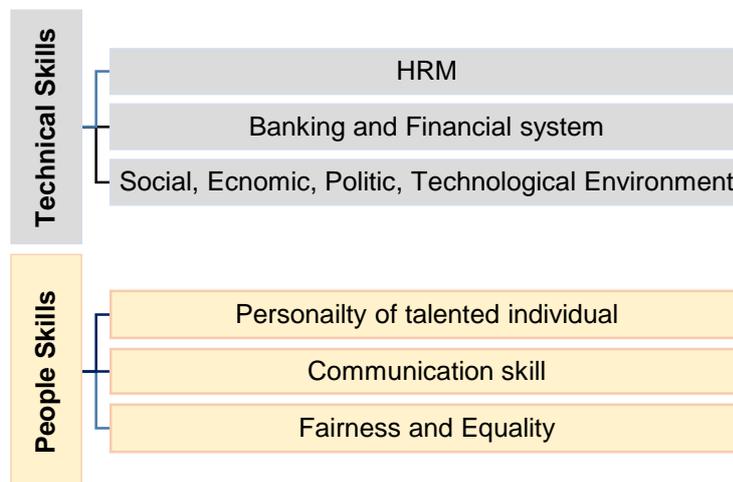
Another crucial skill to deliver effective TM, as viewed by HR managers, is people skills. The skills are the ability to identify different types of personality of people. Having people skills to some extent is helpful for HR managers to deal with different types of talented individuals in organisation in diverse departments. The concept of people skills is directly connected with the concept of Northouse (2016) that people skills are the awareness of perspectives of others and the ability to work with people. "It is the abilities that help a leader to work effectively with subordinates, peers, and superiors to accomplish the organisation's goals" (p. 45). Moreover, the communication skill was mentioned by HR managers as being necessary for breaking distances between HR managers and people at either higher or lower levels. The ability to communicate helps the HR manager to build a strong relationship with people from different backgrounds

(Thipphonephosy, 2016). The communication skill could enable HR managers to deliver quality consultancy for talented employees when they faced problems and sought consultancy. HR managers who possess this skill would be comfortable for followers to approach and speak openly. In addition, in the scope of the HR managers' people skills are also referred to the quality of fairness and equality. People in organisations should be fairly and equally treated. HR practitioners in managerial roles must be just and fair and execute their roles with transparency. For example, recruitment and selection processes should be carried out with transparency and fairness.

However, from this finding, it was obvious that the conceptual skills were absent. The reason for this is unknown but is assumed to be determined by the limited level of understanding of HR managers in this sector in Laos. In the literature, conceptual skills are one of the skills of leaders, enabling them to work with ideas and concepts. These skills allow leaders to deal with abstractions and hypothetical notions comfortably (Northouse, 2016).

Therefore, the graph explaining skills that HR managers should have to carry out effective TM could be demonstrated as follows:

Figure 13: Skills that HR managers think they should have to carry out effective TM



Source: Developed by the researcher based on the research findings.

5.2.3. Research question (3): What are the current practices of talent management in the banks in Laos?

This section attempted to find answers to question (3) and testing hypothesis 1 of the research—*H1: Talent management practice was valued in the banking sector in Laos.* TMP is one

dimension of HR management for which there is no one-size-fits-all management. In fact, the practices and styles of TM are diverse and depend on the nature of an organisation and its surrounding environment. However, when we take a close look at TMP in the banking sector, it can be seen that TMP focuses on related organisational activities for the purpose of maintaining a suitable talent pool. It is done through attracting, recruiting, developing, and retaining talented individuals in the most strategic roles for organisations (Bluen, 2013; Hatum, 2010; Vaiman et al., 2012). The results of this investigation show that HR managers in banking organisations exercise four TM approaches:

From the interviews, 50% of the HR managers highlighted that their organisations focused on talent development such as training and career planning support. The training provided included job orientation, on the job training, coaching and monitoring, and specialisation training. Short-term training and workshops ranging from one week up to one month are usually arranged, either for internal or external training. A particular specialisation training would also be provided upon request from the line managers, or sometimes talented individuals themselves. Training on particular topics were seen to be necessary for performance improvement at the department level. Participants answered that talent development was one of the TM tasks. And 37.5% of the participants commented that their organisation focused on both developing areas that talented individuals are good at and improving areas that are weak, but more on the latter. In regards to the career planning support, only one participant (12.5%) said that career development discussion is provided in the approach of consultancy service for talented individuals. However, it is interesting to find out that banking organisations spend only 3% of their annual budget on training and development for employees. This budget range in fact is two to five times lower in comparison to the global trend in learning and development (L&D) that is increasing to 6-15 percent. Deloitte (2015) recommends that annual spending on training and development should be at least 10% and the provision of L&D should address the needs of the business and learners. HR managers supported the allocation of training and development to 10% on the job training or pair work, 20% to coaching and monitoring and 70% to the actual work practice of the total training and development new recruited employees. In addition, talent development dimensions were still an incomplete structure in the Laotian banks. To ensure appropriate talent development systems, Blas and April (2008) recommend that support for talent development should include: (1) a flexible standard career path for talent to follow after being identified as talent in the organisations; (2) the focus of organisation development areas; (3) the provision of specific supports to the talent pool within the organisations; (4) the key sector that has an influence on career of talented individuals;

and (5) the consultations provided for career development and progression for talented individual through a connected conversation.

Referring to the interviews, banks appear to have their focus on development areas which are IT, English language and compliance. There is much greater effort required for the banks in Laos to put in to improve other talent development factors.

Three out of eight participants (37.5%) said that their organisations were resourcing fresh talent like university graduates and developing internal talent available within their organisations. HR managers are searching for talented individuals in the academic market within the country to fill the growing needs of human capital in three main areas: IT, compliance and English language. The reason for searching for recent graduates is due to the limited amount of ready-made talent available in the market. For this reason, banking organisations are likely to employ inexperienced talented employees and train them later on. The banking sector in Laos has the potential to grow a lot. However, development in the sector is still at the beginning stage and resources available, such as technology and human capital, are still minimal. Highly skilled people with great insight into banking will be needed for banks for current and future growth. This implies that there is a shortage of competent talented individuals available in the banking market. Although, recent graduates are likely to be creative and favour change which could be a potential benefit for organisations, they are inexperienced and require investment in time and budget from organisations in L&D to become ready to deploy their talent.

Three HR managers (37.5%) placed the level of importance of talent relationship management as high in the practice of TM. From the interviews, HR managers encouraged talented individuals to build a strong relationship in their role through creating a work-friendly facility, an open policy for feedback and a flexible work time and work station. Workplace facility was seen as one important factor for talent. HR managers tried not only to create a comfortable workplace that allows talented individuals to do their tasks with ease, but they also tried to create a workplace facility that comforts the heart and soul of talented individuals. One HR manager mentioned that she persuaded her organisation to have a reflection room that all staff members can use as a place for self-reflection. The room was equipped with entertainment, books, and couches. Talented individuals can use this room when they need the time to be alone, when they have a bad day, when they have dealt with difficult customers or even when they have domestic problems. Employees can use this reflection room until they feel that they are feeling alright to get back to work. Moreover, HR managers also encouraged their staff to place feedback for organisational

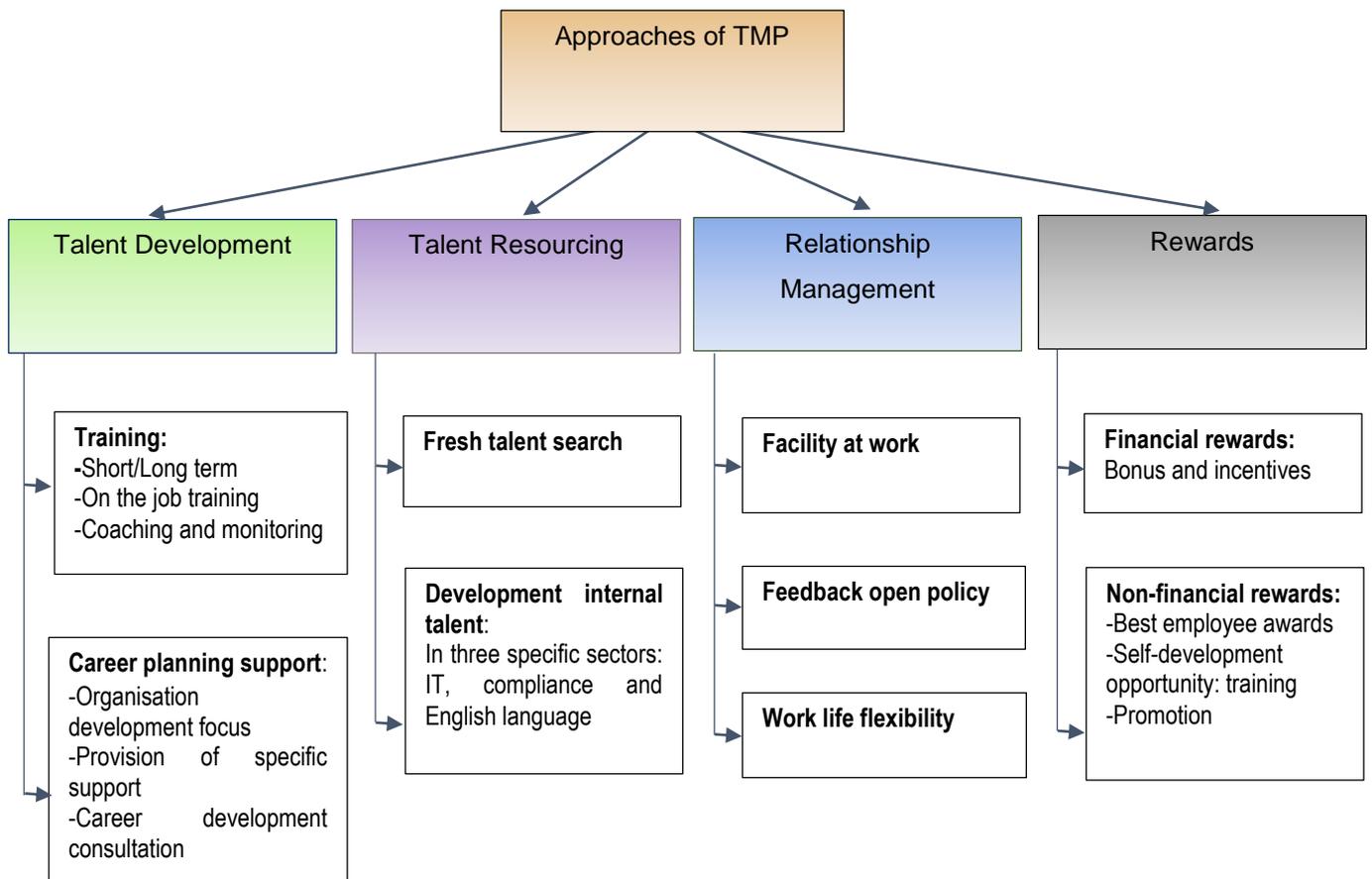
improvement without affecting their employment. Talented individuals can give feedback through words or letters, directly to the HR managers or indirectly to the comment boxes.

As Laos culture is quite reserved, it is much less likely that people would walk in and comment on people or their organisation, HR managers have put a comment box in common areas such as elevator, toilets, and office's entrances to encourage people to give feedback. One last aspect in relation to relationship management that HR managers mentioned was the increase in flexibility in work life and personal life of talented individuals. Some positions, such as back operation officers who are not facing with customers such as IT and accounting people are allowed to come to work later than other positions. They are also not required to wear a uniform to work on a regular work day. These practices enabled talented individuals to have more flexibility in their work life. The practices helped to enhance the relationship between talented individuals and the organisations as well as their roles. This finding appears to support the literature by Armstrong (2009) who stated that talent relationship management is concerned with a good workplace and culture, and the recognition of the value of people in their organisation.

Three HR managers (37.5%) answered that their organisations use rewards as one of the practices of TM. The rewards are both financial and non-financial. For the non-financial reward, talented individuals can be selected as the best employee of the year and offered a professional training and development opportunity to further expand a wider range of skills and knowledge. In the state-enterprise banks, talent will be offered the opportunity to become members of the Lao's People Revolutionary Party which is a very privileged position in the official government. In regards to the financial related reward; incentives and bonuses are paid to talented individuals who achieve their performance target outcomes. This finding indicates that rewards can, to some extent, attract, retain and motivate talented employees. However, surprisingly, banking organisations do not practice the measurement of performance achievement such as Key Performance Indicators (KPI). This makes the rewards calculation difficult for HR managers and line managers. The whole department has to share the same amount of total rewards, not a talent individual alone who contributed most to the department's achievement. This seems to be unfair toward talented individuals who are hardworking and can possibly cause disengagement. The finding that rewards can alter staff's behaviour in such conditions is contradicted by the literature. When a reward system is ambiguous, it can suppress the engagement and motivation levels of talented individuals in organisations (Eisenberger & Cameron, 1996). Moreover, talented individuals could feel that their contributions are not being recognised when rewards have to be shared by the whole department, including colleagues that do little or do not contribute to the achievement at all

(Shechner et al., 2012). From this finding, HR managers should construct reward policies and measurements that support the achievement of business goals. Armstrong (2009) makes the comment about reward management that giving people rewards should be in accordance to what the organisation values and what value people can create. More important is that the reward systems should be achieved with fairness, equality, consistency and transparency.

Figure 14: Approaches of TMP by the HR managers in the banking sector in Laos



Source: Developed by the researcher based on the research findings.

5.2.3.1. Answering the hypothesis (1):

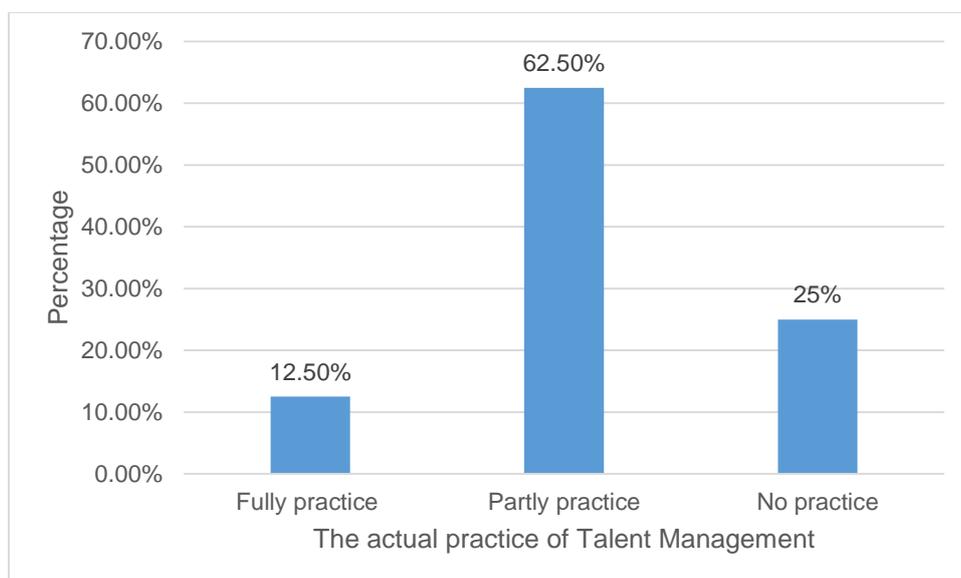
H₁: Talent management practices are valued by the banking sector in Laos.

H₁₀: Talent management practices are not valued by the banking sector in Laos.

Based upon the findings, it is important to note that talent management did not exist in the management system of two organisations (25%). It existed in the HRM system but had not been fully practiced by five organisations (62.5%) and was fully practiced by only one organisation (12.5%). Organisations that did not fully practice TM revealed that the HR system was still incomplete. There would be a need for effort from the HR department to develop TM policy. In addition, the support from the leader to put TM into practice is also very important.

From the above discussion, the research question and research objective (3) were answered. The results of these findings can be used to summarise **hypothesis (1)** in that it partly corresponds to the result. Talent management practice has a limited value as perceived by the banking sector in Laos. There was an implementation of talent management such as talent resourcing, development, relationship management and rewarding system. However, those activities have been seldom practiced in a traditional HRM manner. In addition, only one out of eight organisations (12.5%) officially recognised and practiced TM in their people management system. Because of these reasons, **H₁ is accepted** and **H₁₀ is rejected**. It can be summarised that **in this research** HR managers in the banking sector in Laos place a limited value on the practice of TM in the organisation.

Figure 15: Banking organisations in Laos practice TM



5.2.4. Research question (4): What are the key benefits that talent management provides to banking organisations in Laos in terms of organisational performance and competitive advantage?

In the literature, effective talent management is the key driver of an improvement in organisational performance (Lawler, 2005). It also contributes to service excellence and a competitive advantage of the organisation (Wirtz, Heracleous, & Pangarkar, 2008). This section analysed and discussed the findings of key benefits that talent management provides to banking organisations in Laos in terms of organisational performance and competitive advantage.

Organisational performance derived from the practice of TM:

It can be seen from the interviews that the practice of TM benefits the banking organisations in Laos in many ways. The most significant benefits are related to day to day operations, creativity enhancement and talent sourcing which were discussed by 50% of participants. Another benefit highlighted is business goal achievement which was found by 37.5% (three out of the eight participants).

The day to day operation in the banking sector in Laos was seen to be more effective because of the practice of talent management. Daily operation of work tasks delivered a higher level of satisfaction to department managers. With the use of TM, everyday operation in banks require less consumption of resources and time. This includes both front and back office operations such as customer service, IT and accounting. Moreover, risks to day to day operations derived from controllable factors, such as human error, fraud or system failure were found to happen less often and they were more controllable. The fact that operational risks can cause damage to reputations, have legal or regulatory implications, or lead to financial losses, means that banks are trying to minimize the risks through a control framework and by monitoring and responding to potential risks. "Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit" (BCEL, 2015, p. 59). In this study, talent management which helps talent to perform to their best capacity, helped in facilitating each control to operate smoothly. From the data collected, it is possible to make an inference that TMP enables the business operation to be more effective in terms of cost saving (time and resources) and risk minimisation for daily operation.

Three out of eight participants (37.5%) said that talent management helps a business to achieve its goals and objectives. The HR managers revealed that the goals of the department in customer

service were more achievable because of TM. The practice of talent management has enhanced the effectiveness of financial performance, return on investment and had stabilised the cost of investment for the banking businesses. This can be seen by the lower risk of unpayable debts, fewer non-performing loans, and deposit saving targets achieved. For BCEL bank alone, the cost of investment from 2011 to 2012 was well controlled and had fallen from 56% to 41% which is in line with the regional average from such countries as Cambodia, Thailand and Vietnam (BCEL-KT, 2012). BCEL's Return on Investment (ROI) was 17.6%, and asset quality was among the top tier of Indochina banks, plus non-profit loan (NPL) was equal to 1%. Importantly, there was a strong loan/deposit growth of 56.4% for the second quarter of 2012. The use of the International Accounting Standard (IFRS) helped improve the level of substandard and doubtful loans from 20% and 50% to 100%. From these data, BCEL had a stability of 130% (BCEL-KT, 2012). This finding indicates that the talent management factor is one of the contributing factors that helped banking businesses' goals to become achievable which is aligned to the notion of Kumari (2016) that TMP supports an organization in meeting its goals and objectives.

Another performance benefit derived from TMP is the positive energy in the organisation, particularly the products and activities initiated by talented individuals. This viewpoint was expressed by four out of eight participants (50%). From the interviews, the participants agreed that there had been more creation of financial products and services to serve the market needs and the growing economy. For example, online tax payments, bill/phone payments, stock exchange, goal trading, housing mortgages, car loans, mobile application and SMS banking. In addition, the customer baseline has been expanded. There is a broader customer base. Banks that previously focused on serving large businesses only had now expanded to serve SMEs, household customers and development projects. From the data, it is possible to infer that TMP is supporting the positive energy of talented individuals to create innovation in the form of products and services for the organisations. According to IBS (2013), talent management is one of the factors that help organisations to compete locally and grow internationally, expand banking product lines and improve banking technological innovation. In order to explain this, a study of creativity by explaining that creativity is independent from the technical forces but it can be enhanced by the right setting and context that organisations provide. The practice of talent management helps in creating the workplace environment that talented people would like to work in. It is helping them to have more initiative in producing products and services for the organisations.

A stability in employment course in the banking sector was also brought about by the practice of talent management. This point was mentioned by four participants (50%). The succession

planning in particular is helping HR managers to retain the available talent and promoting successors to take a critical role when there is talent leaving an organisation. HR managers must prepare immediate sources of talent to facilitate the work flow in an organisation, reducing time and cost of hiring and the frequent process of recruitment and selection of new employees. This talent sourcing in the banking sector could bring about more stability and lower staff turnover. This finding is in line with the idea of Khan and Islam (2015) that TMP helps organisations in acquiring talented individuals to fill the vacant roles and meet goals and objectives. In addition, it is recognised by Cannon and McGee (2011); Jackson, Rothwell, Brower, Jones and Ressler (2011) that TMP helps organisations to prevent a sudden talent shortage. This includes recruiting unmatched skilled talent into the organisation. Therefore, the practice of talent management is helping the HR manager in banking businesses to stabilise the employment course of talented individuals.

Given these above findings, it can be summarised that talent management practices can enhance organisational performance in terms of day to day operation, goals and objectives achievements, and product initiation. TMP also has an important strategic element where it encourages talent to continually think differently and behave differently towards its customers and these unique ideas and behaviours can help an organisation be more competitive by creating competitive advantage.

Organisational competitive advantages derived from the practice of TM:

It is a fact that talent management is increasingly an important tool for organisations to gain competitive advantage through human capital (Meyers, van Woerkom, & Dries, 2013), The Chartered Institute of Personnel and Development (CIPD) in the UK reported in 2012 that only 6% of organisations considered talent management systems to be effective (Meyers et al., 2013).

In terms of competitive advantages that the practice of TM provides, three out of eight participants (37.5%) pointed out that there is an increase in customer satisfaction. This can be seen from positive feedback that organisations had received, particularly from the frontline customer service where there is an interaction with customers. Customers tend to be more convinced by well experienced and professional bankers. By receiving excellent service, not only are the relationships between the bank's employees and customers built up, but trust and loyalty that customers give to the bank are also developed from the repeated positive service impressions. The reasoning behind this performance excellence is explained by Markos and Sridevi (2010) who state that it is because talented individuals have a high level of engagement in their roles. TMP

underpins engagement and drives performance of talented individuals in providing a superior service to its customers.

Two participating HR managers (25%) emphasised an increase in the competitiveness of their bank as a result of TMP. This arose from two main factors: (1) the greater talent pool available; and (2) the stronger organisational brand image. First, talented and high performers themselves are the key competitive advantage for organisations. Talented individuals possess skills and expertise that are hard to imitate (Barney, 2001). They are collectively valuable assets that banks can have. Talented individuals are also key drivers, innovators, leaders and role models for people in the organisation. Because of this, organisations can use talented individuals to leverage their potential to create greater benefit over the long run if they retain them. The more that TMP is effectively practiced, the more likely that organisations will have a great pool of talent. Second, talented individuals and potential staff are proficient in their fields and can deliver consistent service excellence in an efficient manner. This has created positive feedback and customer satisfaction, resulting in a great reputation and brand image for banks that practice TMP.

From these two factors, it is possible for banking organisations in Laos to achieve competitive advantage and be competitive in comparison to other banks through the application of TMP.

Table 2: Benefits that TMP brings to the banking organisations in Laos:

| | Performance enhancement | Competitive Advantage |
|-----------------|--|---|
| Benefits | Day to day operations | Customer satisfaction: Trust and loyalty |
| | Achievement of business goals and objectives | Competitiveness: Greater talents and stronger brand image |
| | Products and activities initiation | |
| | Stability in employment course | |

Source: Developed by the researcher based on the research findings.

5.2.5. Research question (5): What is the current practice of talent retention in the banking sector in Laos?

This section focuses on practices of talent retention in the banking sector in Laos. It also tested hypothesis 2 of the study—*H₂: Talent retention is valued by the banking sector in Laos.* According to the interviews, several practices were used to retain talent. The three main practices

that HR managers used were related to training and capacity building, succession planning, and staff engagement. The findings also found two very unlikely practices, being counter offers and improvement in workplace environment.

Apart from being used for the general talent management, training and capacity building programmes were used for talent retention in organisations. This practice was mentioned by five out of eight participants (62.5%). HR managers provided reasons why the practice of training and capacity building programmes add value to an organisation. They show that organisations are concerned with the career development of talented individuals as well as a business profit. Talented individuals do not feel that they are being deployed and locked up in a certain job. In the views of HR managers, this opportunity offered by organisations was more valuable than the financial rewards. These findings to some extent, confirm the theory of Kahn (1990) as cited in Gruman and Saks (2011) that “training can be the important source of the constructs that comprise psychological capital. Talented employees tend to be more capable when they feel secure, have self-efficacy, hope, optimism and resilience, which are important dimensions of security. All of the psychological capital variables can be developed through training” (p. 131).

From the interviews, HR managers said that training and capacity building could provide advantages for both parties, talented individuals and organisations. HR managers explained that training programmes provided for employees can help to improve immediate work assignments. The skills gained from training and capacity building programmes are also practical for employees’ future roles. This offer becomes one of the convincing factors for employees. Therefore, when talented individuals start to compare benefits offered by other organisations, this factor could make them consider staying. These findings align to the report of Dewhurst, Guthridge, and Mohr (2009) from McKinsey company, that to retain talented employees, the monetary factor is not always the most effective method. In fact, from the company end, training and development opportunities provided by organisations are found to be a more effective approach for talent retention. The reason is that talented individuals tend to look for longer-term benefits in their careers. They place more value on opportunities for growth in their careers with the organisations rather than on the short-term financial benefits (Du Plessis et al., 2014; Wallace et al., 2012; Kruse, 2015).

In addition, participants mentioned that their organisations are providing conditional long-term training for up to three years. The condition was that staff had to sign an agreement to return to the organisation after their training course is completed and stay with the organisation for at least

an equal amount of time to the training course. If the employees break the contract, they have to pay back training costs and a fine is applied. This method fits well with the suggestion from Cappelli (2008) as cited in Bamberger, Biron, and Meshoulam (2014) that organisations can share the cost of the development of employees in several ways and one of them is applying a “golden handcuffs” agreement. The agreement will specify that if talented individuals leave their job before a certain time, they will have to pay back their own staff development costs.

Succession planning was found to be the second most used practice for talent retention in the banking sector in Laos. From the findings, four out of eight organisations (50%) are found to have succession planning programmes as part of their HRM system. HR managers said that banks did not solely focus on getting the most talented and highest potential performers, but were encouraging line managers to identify successors and were also supporting talented individuals to have clear development goals and career goals within the organisation. By practicing this, it can enhance the optimism in talented individuals for their development in their career path and future position within their organisation. This resulted in the retention of many key employees and identified successors. Given that banks in Laos are programming succession planning into their system to retain key talented individuals, the findings show that succession planning brings about the variables of psychological capital security to talented individuals. “Professionals who know they are in line to fill crucial positions are likely to feel more committed to their jobs and less inclined to pursue other opportunities. They will know that not only is there a place for them in their company's future, but their employer is committed to their professional growth” (McDonald, 2008, p. 18). Succession planning is “a systematic approach to build a talent pool to ensure leadership continuity, develop potential successors in the way that best fits their strengths, identify the best candidates for categories of positions and allocate resources to talent development” (Mourougan, 2015, p. 32). This requires engagement of the top leaders, especially by the CEO and CFO. This has been confirmed by McDonald (2008) that to make succession planning and talent development run smoothly, it would require involvement from the organisational leadership.

Ross (2013) studied the approaches to define talent. He found that when organisations define and focus on the attributes of talented individuals, it suppresses talented employees from standing out for success. He suggests organisations should recognise distinctive talent (skills and knowledge) and success and to ask more relevant questions around how employees are encouraged to leverage the talent (skills and knowledge) that they have into success. This will enable a more holistic approach to engage talented and potentially talented employees.

Another practice for retaining talent agreed by two of the eight participants (25%) is the employee engagement programme. In the literature, staff engagement is the mutual commitment between company and employees. It helps in unlocking employees' potential to drive high performance and capturing their heads and hearts, resulting in discretionary effort. Talented individuals will become loyal, highly productive, and excited about their work if they are engaged in the work. In contrast, when they are disengaged, they are more likely to be absent from work, be careless, make mistakes, and cause accidents because they are not involved and attentive in their work (Kerfoot, 2008). Engagement is a key driver of retention (Gruman & Saks, 2011). From the interviews, participants answered that their organisations used staff engagement surveys as a practice for talent retention, for example surveys about the workplace, line managers, and leadership in the context of employee management. They mentioned that the organisation was receptive and responsive to feedback and survey results from employees. The use of surveys increased the level of staff engagement which is shown in the result of the annual survey. Interestingly, these findings seem to contradict the notion of Conlow and Watsabaugh (2013) that staff engagement surveys can be a useful tool for assessing the level of staff engagement but not for managing the level of staff engagement. Conlow and Watsabaugh (2013) support the application of leadership to enhance talent engagement and create a sense of ownership in talent. They explain that managers have to be listening and be open to feedback, acknowledge the involvement of ideas and contribution from talent, being communicative and supportive of the development/coaching needs in accomplishing work tasks. Similarly a study by Dewhurst et al. (2009) said that talented individuals tend to be more engaged and motivated if they receive praise and commendation from their immediate manager, attention from leaders and opportunities to lead projects. Gruman and Saks (2011) also confirmed the use of staff engagement surveys that focus only on aggregate levels of psychological engagement, do not cover improvement of the engagement level. Gruman and Saks (2011) suggest that to manage the level of engagement, performance management consisting of a performance agreement/goal setting, performance monitoring/ facilitation, performance appraisal, feedback and improvement of performance, should be practiced.

Lastly, HR managers in the banking sector in Laos applied the following three practices of talent retention: (1) training and capacity building, (2) succession planning, and (3) talent engagement; though talent engagement tends to be demonstrated by surveys and cannot stimulate the engagement level. In this regard, research question (5): What is the current practice of talent retention in the banking sector in Laos? is answered in the positive and research objective (5): To

determine current practices of talent retention that the banking sector in Laos applies, has also been addressed.

5.2.5.1. Answering the hypothesis (2)

H₂: Talent retention is valued by the banking sector in Laos.

H₂₀: Talent retention is not valued by the banking sector in Laos.

From the findings, there are many practices that HR managers used to retain their available talents. The practices are such as training and capacity building, succession planning, staff engagement, counter offering and improving in workplace environment. Though the practice of talent engagement does not completely correspond to the purpose of talent retention, the other behavioural concepts of talent retention practices are positive in the relationship of retaining talented individuals in the organisations

It can result in the conclusion that **H₂ is accepted and H₂₀ is rejected.** Therefore, “**Talent retention was valued by the banking sector in Laos.**”

5.2.6. Research question (6): What are the factors that hinder talent retention in the banking sector in Laos?

Talent retention in the banking industry in many countries has been a critical issue. As in Lao, this industry is in a growth phase, making the need for talent to stimulate the growth very challenging for HR managers. The role of HRM in retaining talent is becoming a priority for many banking organisations. Therefore, if this research is able to identify the obstacles to talent retention in the banking sector in Laos, it could help HR managers to be aware of them and to keep those obstacles to a minimum. From the interviews, three out of eight participants said that the obstacles to talent retention from internal factors was the lack of talent management policy in an organisation; while six participants said that the obstacles caused by external factors were the increase in the competition in the banking sector market.

Lack of a talent management policy is one of the top factors hindering the retention of talented employees in the banking sector in Laos. This was pointed out by three out of eight participants (37.5%). It was found from the interviews that banking organisations tend to focus on the normal HRM procedures when it is time to manage talented individuals in the organisation. There is no policy for TM such as talent retention, succession planning or relationship management to manage

the personal needs of talented individuals. Given the fact that different treatment is needed for talented and non-talented individuals, treating them with the same policy could be one of the reasons that banking organisations lose their talented workers from time to time. The study in the same sector by Du Plessis et al. (2014) aligns with this finding that talented individuals were not properly treated by HR managers. HR managers tend to focus on financial rewards as the motivating and talent retaining factors in the organisation. Talented individuals, in fact, are claimed to be the first group to readily leave their organisation without prior warning if they are offered better working conditions elsewhere (Du Plessis et al., 2014). Talented individuals are being motivated by different factors, based on their attributes and values (Nelson & Quick, 2015).

From the discussion of the previous section, talented individuals placed more value on career advancement opportunities such as opportunities for training and development, flexible work schedules and supportive work relationships than on the short-term benefits of financial rewards. These conditions are above the financial factors necessary for HR managers to use to engage and retain talented individuals. In this discussion, it can be seen that TM is the key to not only the management of engagement but also of retention. Lack of TM in banking organisations can lead to ineffective people management and business goal achievement. Therefore, it is important that HR managers in the banking sector take initiatives to create a TM policy in order to manage talent in the organisations. HR managers can start by providing “comprehensive process and administrative support, methods and tools, training and guidance to function leaders” as reported by Janssen (2012, para. 13)

One unanticipated finding was that an increase in the competition from the same industry was found to be the most significant obstacle to talent retention. This was mentioned by five out of eight participants (62.5%) who were interviewed. From the interviews, HR managers revealed that the number of banking and financial entrants is growing very fast due to the expansion of the economy and the supportive investment policy from the government of Laos. This has made the number of banks grow from 36 in 2015 to 43 in 2016. The increase in banking companies has brought an intense competition between banks as well as the search for talent in the employment market. Hence, the power of employment negotiation was on the side of talented individuals. In fact, many HR managers revealed that they had experienced being approached by highly skilled individuals looking for career growth plans, work-life balance, compensation, pay rises, and offers from other companies. Due to the limitations of pay adjustment, some proposals of pay rise are rejected and some talented individuals were lost to other companies. In addition, the banking sector is working increasingly hard on retaining talent. There are cases in which HR managers

have to consider counter offers to benefits being offered by other companies, adjusting their salary base to up to 30% (H2). Given the fact that this hindrance in talent retention is an external factor that cannot be controlled by the HR manager, this finding was an unexpected outcome of this research. However, there are many empirical studies that mention the relationship between an increase in competition and the difficulty of talent retention (Das & Baruah, 2013; Dewhurst et al., 2009; Irshad & Afridi, 2012; McDonald, 2008). Therefore, an implication from this is that the finding is logical and it confirms the previous information that talent retention has a strong link to the level and the number of competitors that exist in the banking sector in Laos.

5.3. Deductions and conclusions pertaining to the analysis:

This chapter focussed on a discussion of the research findings in order to answer six research objectives, six questions and two hypotheses identified in Chapter One. According to the discussion of the findings, it is possible to make some deductions based on the findings and results.

From the analysis and discussion, the familiarity of HR managers towards TM could be described as an understanding of traditional HRM concepts. It can thus be deduced that HR managers in the banking sector in Laos generally understood the three main tasks of TM which include recruitment, development and retaining talented employees. However, only a minority are aware of integrating the importance of business strategies and HRM to implement TM to help organisations in meeting goals, development and competitiveness. Given this fact, a deduction is that HR managers still lack a comprehensive understanding of TM which could possibly impede effective TMP in banking organisations. This is because the understanding of HR managers is the main driver of the total HRM function of the organisation.

In terms of roles of HR managers in TM, it was found that bank HR managers had many roles. It can be deduced that they mainly had the role of administrative expert and had lesser responsibilities for roles such as strategic partner, employee advocate, and change champion respectively. Their responsibilities are dominated by the day to day operational tasks of HRM such as resourcing, payroll and coordinating. In fact, this role is central to an organisational operation as the role helps managers to maintain resource availability to enable effective organisational function and decision making. Another role of an HR manager as a strategic partner was found to be the case for 25% of the participants. HR managers had responsibility for the development of short-term and long-term strategic workforce planning to handle the growth plan of the organisations. This workforce planning involves the process throughout recruitment, development and termination of employee's jobs that should be in accordance with the strategic

growth plan of the organisation. In relation to the skills necessary for HR managers to have for handling TM, technical skills and people skills are found to be required. Additionally, the quality of fairness and equality were also commented on as the necessary characteristics of an HR manager.

In regard to the current practices of talent management, banks in Laos applied talent development, talent resourcing, talent relationship management, and rewards systems. However, the approach of these applications leads to the deduction that there is immaturity and ineffectiveness of TM in the banking sector in Laos by HR managers can be highlighted as follows: First, the annual spending on talent development was under the standard range required to close the skill gap in organisations. Besides, some talent development dimensions were missing in the practice of the talent development process. These involve (1) a flexible standard career path for employees to follow after being identified as a talent in the organisations; (2) the focus of organisation development areas; (3) the provision of specific supports to talent pool within the organisations; (4) the key sector to influence on career of talented individuals; and (5) consultations on career development and progression to talented individuals through a connected conversation. Second, talent resourcing predominantly relies on newly graduated talented individuals available from academic institutions. This suggests the shortage of ready-made talent available in the banking and financial market. Although, the new graduates are likely to be creative and favour change, they are also inexperienced and require organisational time and budget to transform them into competent and ready to use resources. Third, relationship management could enhance the relationship between talented individuals, their roles and organisations. HR managers have to create a work-friendly facility and open feedback policy and flexible work time and work stations to achieve a relationship with management and increase the quality of work outcomes. Finally, rewards of both financial and non-financial nature are applied in organisations. Talented individuals can be selected as the best employee of the year and offered a professional development opportunity to further expand a wider range of skills and knowledge as the non-financial reward. Whereas incentives, e.g. bonus schemes are paid to talented individuals who achieve their performance target outcomes as the financial rewards. However, KPI as a measurement for performance was not used and rewards were allocated to the whole department and not to specific individuals. From this finding, HR managers should construct reward policies and practices that support the achievement of business goals. In addition, the rewards system should be achieved with fairness, equality, consistency and transparency.

From the view of HR managers in the banking sector in Laos, it could be deduced that the benefits of talent management practice were in relation to the improvement of performance and competitive advantages. In terms of performance improvement, TMP facilitated day to day operation for all departments, and eased goals and objectives achievements. It also enabled talented individuals to initiate the financial products and activities for the banks as well as stabilising the employment course for the talented individuals. Regarding competitive advantages, Laotian banks gained benefits that underpin customer satisfaction and competitiveness. The trust and loyalty from customers to the banks was derived from the satisfaction they received from the bank's services. The contribution of skilled talent to the company helped to build a stronger brand image. These to some extent are the competitive advantages that organisations receive from TMP.

It can be deduced from the findings that talent retention was practiced by the HR managers in the banking organisation in Laos. Approaches for talent retention have been found among training and capacity building programmes, succession planning and staff engagement. However, some of those approaches have not been effectively practiced. Firstly, training and capacity building offered a contracted opportunity for self-development. It was found to be an effective tool for retaining talented individuals as they placed value in developing their professional skills more than on other monetary factors. Secondly, succession planning focused on promoting talented individuals to have development goals and career goals within the organisation. This approach is positive but requires supportive leadership in the organisation to make the leadership succession possible. Finally, talent engagement as a tool for staff engagement was done through the focus of employee surveys. This approach seemed to be ineffective and did not manage the engagement level of talented individuals. Thus, HR managers are recommended to use the approaches of performance management to manage employee engagement.

It could also be deduced that there are factors hindering talent retention in the banking sector in Laos. The internal factors were derived from lack of TM policy in the organisation and the external factors were from the increase in the competition in the banking and financial market in Laos. It could be deduced that due to the lack of TM policy, it affected talented individuals' engagement and motivation which had an influence on organisational goal achievement and talented individuals' retention. It is deduced that HR managers could take accountability in creating TM policy for the result of TM. In terms of an increase in competition between of banking companies in Laos, it has created a talent shortage for banking organisations and at the same time it has increased the power of negotiation by talented employees in terms of pay and benefits. HR managers should pay extra attention in salary adjustment to retain them.

Overall, the findings pointed out that talent management and talent retention have been practiced in a few Lao organisations. Moreover, the approaches of the practices were incomplete. Talent management in the banking sector in Laos is still a new concept and the system requires improvement.

5.4. Chapter summary:

This chapter analysed and discussed the findings of the study based on the objectives and research questions. The analysis and discussion was carried out through the application of a range of scholarly HRM and organizational management literature to contextualise the findings and to make appropriate deductions. Moreover, as part of this analysis, the hypotheses of the research were tested and successfully answered.

In the last chapter, conclusions and recommendations of the research project are provided based on the research findings.

CHAPTER 6: CONCLUSIONS AND RECOMMENDATIONS:

6.1. Introduction:

This final chapter provides conclusions and recommendations from the results of the TM inquiry in the banking sector in Laos PDR, based on discussions of the research questions from the previous chapters. It starts by drawing conclusions on important findings and discussion regarding each research question. The strengths and limitations of this study as well as opportunities for future research are then highlighted and finally, recommendations for TM in the banking sector in Lao PDR are made.

6.2. Conclusion of the research project:

This research project applied the qualitative and interpretive approach. The findings within the study are taken from the data gathered from the semi-structured interviews with eight HR managers from eight banks in Laos.

6.2.1. Familiarity of the HR managers with the term “talent management:”

Through the viewpoints of the bank HR managers about TM in the banking sector in Laos, it is can be noted that almost all of them understand TM as the traditional human resource management approach which consists of three typical TM tasks namely talent resourcing, development and retention. However, it is quite surprising that those HR managers did not mention the interrelation of TM, organisational goals and strategies. Indeed, it is quite obvious that talent management in general refers to integrating the importance of both strategies and management of HRM to attract, recruit, motivate, develop, deploy and retain the most intelligent employees to meet the organisational goal, development and competitiveness (Hatun, 2010; Lewis & Heckman, 2006; MacKenzie et al., 2012). The tasks comprise many TM related activities to fulfil effective TMP apart from the three fundamental tasks mentioned by the participants to underpin the business strategies and address the business goals. Because of the understanding of HR managers regarding the term “talent management,” this appears to have an influence on the total TM and HRM in an organisation. The concern is that if TM is not implemented by aligning it with the business strategy it will be “insufficient at best, superficial and wasteful at worst” (Guthridge, Komm, & Lawson, 2008, p. 50).

The results of this study imply that the majority of the HR managers have a limited understanding of the term 'talent management'. HR managers in the banking sector in Laos generally focus on the management of people without linking the focus to organisational and business level strategies. The understanding of HR managers seemed to be a narrower view of talent management in comparison to much of the HR contemporary literature, which indicates the need for improvement of HRM and talent management systems in the financial sector in Laos and to focus more strongly on organisational strategies.

6.2.2. The roles of HR managers in talent management in the banking sector in Laos:

In the organisations, HR managers have many roles and responsibilities related to people management. From the study, it appears to be that HR managers in the banking sector in Laos are likely to have more than one role. Within the four roles mentioned in the literature (an administrative expert, a strategic partner, an employee advocate and a change champion), the HR managers are primarily responsible for the role of the administrative expert. There are a few HR managers who sometimes take on the roles of strategic partner and employee advocate combined with the normal roles of HR managers in banks. However, it was found that HR managers in this industry do not execute the role of 'change champion' in the organisation. The reason for this is that HR administration is a central organisation operation as it focuses on administrative matters, employee benefits, and organizational regulations and policies. To some extent, it requires a lot of paperwork and can be time consuming. Since organisations lack HR practitioners, the HR managers have to allocate much of their time by performing the administrative role and less time on other roles. This finding confirms the relevance of Guess and King (2004) and Lawler (2005) who find that in many cases HR managers can only position themselves in the role of HR administrator and less in other roles.

The research also shown that there are skills necessary for HR managers to have in order to handle the roles of HR practitioners related to TM. The skills include people skills and technical skills. The technical skills which were highlighted are competencies in HRM, knowledge of banking and finance, and awareness of social, economic, political and technological environments. In addition, the people skills necessary are about the ability to understand the personality of a talented individual, have effective communication skills and understand the quality of fairness and equality.

6.2.3. The current practices of talent management in the banks in Laos:

Talent management is a new term for the banking sector in Laos. TM policy is included in the HRM system by 75%, of the banks. Of this number, only 62.5% of the banks partly practice the policy due to incompleteness of the HRM policy.

For the banking sector in Laos, many approaches are used. The approaches used for TMP include talent development, talent resourcing, talent relationship management and rewards. The practice of talent management is an important means of effective performance and competitive advantage for the banking sector in Laos.

Talent development is the most used approach in comparison to other approaches such as talent resourcing, talent relationship management, and rewarding policy by banks in Laos, since it is employed by 50% of respondents. It is able to be implemented through the provision of training and career planning support. For training activities, organisations appear to focus more on improving skills that are weak or lacking in individuals, and less on developing areas that are already strong. Whereas, career planning support was found to be the least likely to be provided by the Laos banks. It was found in only one in eight banks (12.5%). From this result, it can be suggested that there should be a greater effort by the banking sector in Laos to ensure appropriate talent development systems. This effort should include improvement in annual spending and budget allocation on L&D. Deloitte (2015) recommended that L&D budgets should be increased to a minimum of 6%. Another effort should be to place emphasis on talent development to close the skills gap. Blas and April (2008) suggest five talent development dimensions that banking should develop, which involve: (1) a flexible standard career path for talent to follow after being identified as talent in the organisations; (2) the focus of organisation development areas; (3) the provision of specific support to the talent pool within the organisations; (4) the key sector to influence on career of employees such as HR manager, HRM department or other people and departments within the organisation; and (5) consultations on career development and progression with talented individuals through a connected conversation.

Talent resourcing largely relies on recently graduated talented individuals available from academic institutions. This suggests the shortage in ready-made talent available in the banking and financial market. Although the fresh graduates are likely to be creative and embrace change, they are also inexperienced and require organisational resources (time and budget) to be invested in them to transform them into competent and ready to use resources.

Talent relationship management is used to enhance relationships between talented individuals, their roles and organisations. Based on the results, the HR managers have applied the approach of work-friendly facilities an open feedback policy, flexible work time and work stations to achieve good relationships with management. HR managers believe that these approaches will comfort the mind and the body of talented individuals. It will also allow them to have more work/life flexibility. These approach for talent relationship management will create a good workplace that is attractive for talents (Armstrong, 2009).

Rewards are used as a method for motivating talented individuals, both non-financial and financial rewards. According to the results of this research study, rewards can effectively attract, retain and motivate talented individuals in the banking sector in Laos, although KPI is found to not be used.

6.2.4. The key benefits that talent management provides to the banking organisations in Laos in terms of organisational performance and competitive advantage:

The results that emerged from the findings about the benefits of TMP can be separated into two themes; that of organisational performance and competitive advantage. In relation to the organisational performance, there appear to be four key benefits that rely on TMP. Firstly, TMP improves the business operation effectiveness in terms of cost saving (time and resources) and risk minimisation for daily operation. Secondly, it allows the business to achieve its goals and its objectives (Kumari, 2016). Talent Management Practice was found by HR managers to help in improving financial performance, return on investment and stabilizing the cost of investment for the banking businesses. This can be the result of a lower risk of unpayable debts, fewer non-performing loans, and deposit saving targets achieved for the banks in Laos. Thirdly, it encourages the talented individual to take initiative in creating financial products and activities for the banks. More financial products and services are produced to serve the market demand. Fourthly, TMP helps to stabilise the employment course of the employees within the banks. It appears that TMP is able to source immediate talent to fill the vacant roles and to facilitate the work flow in organisations (Khan & Islam, 2015). This helps in reducing the time and cost of hiring and preventing sudden talent shortages (Cannon & McGee, 2011; Jackson, Rothwell, Brower, Jones, & Ressler, 2011).

In terms of competitive advantages brought about by TMP, customer satisfaction and more competitiveness were reported by the HR managers of the banking sector in Laos. First, in regard

to customer satisfaction, TMP underpins the engagement and performance of talented individuals in providing service to customers (Markos & Sridevi, 2010). This underpins not only the relationship between banks and customers but also the trust and loyalty of the customers to the banks. Second, in relation to the competitiveness, TMP helps to create a greater talent pool and a stronger brand image for organisations. Talented individuals are a collection of talent and expertise which are valuable assets for banks (Barney, 2001). The more TMP is efficiently practiced, the more likely that an organisation will have greater pool of talent. In addition, expertise and skills of talented employees are a competitive advantage for banks to deliver service excellence to customers. This bring about the positive results in respect of bank's reputation and brand image.

6.2.5. The current practice of talent retention in the banking sector in Laos:

Although talent management is a new concept of HRM in the banking sector in Laos, this aspect of talent retention has attracted the attention of HR managers. There are three main practices of talent retention used in the banks in Laos namely: training and capacity building, succession planning, and staff engagement. The training and capacity building are the key methods for filling the psychological gaps of talented individuals concerning their employment. The methods will enhance their security, self-efficacy, hope, optimism and resilience, which are important dimensions of security (Gruman and Saks, 2011). Therefore, it is a more effective method to retain talents compared to other short-term financial benefits (Dewhurst, Guthridge, and Mohr, 2009). As recommended by Cappelli (2008), organisations can provide long-term training and development courses for talented individual with conditions applied in respect of the cost of development by sharing and specific contracts.

In addition, succession planning is another key approach for retaining talent. Succession planning is “a systematic approach to build a talent pool to ensure leadership continuity, developing potential successors in the way that best fits their strengths, identify the best candidates for categories of positions and allocate resources to talent development” (Mourougan, 2015, p. 32). Based on the results, banks are trying to encourage line managers to identify their successors and support talented individuals to have a clear development goal and career goal within the organisation. From this finding, it requires organisational leadership such as the involvement of leaders, especially by the CEO and CFO to make succession planning and talent development run smoothly (McDonald, 2008).

Moreover, staff engagement is an approach used to retain talent. It helps in unlocking the employee's potential to drive high performance and capturing their full involvement, resulting in discretionary effort. However, according to the results, the banking organisations applied engagement surveys to enhance the level of engagement of talented employees. This finding contradicts some literature that the surveys do not result in the improvement of engagement. To enhance the engagement level of talented individuals, it is recommended to apply leadership to create a sense of ownership of organisations to individuals (Conlow & Watsabaugh, 2013); and to apply performance management to clearly measure the work quality outcome and to avoid ambiguous or unfair rewards which could be one of the main cause of employee disengagement (Gruman & Saks, 2011).

6.2.6. The factors that hinder talent retention in the banking sector in Laos:

Based on the results, the two most influential factors hindering talent retention in the banking sector in Laos are the lack of a talent management policy and the increase in the competition in the banking industry. Regarding the lack of TM policy, banks in Laos do not have sufficient specific polices for talent retention, succession planning and relationship management to address the motivation and engagement of talented individuals. According to Nelson and Quick (2015) talented individuals are attracted by career advancement opportunities, flexibility in work life and supportive work relationships more than by the short-term benefits of financial rewards. Without a TM policy, these attractive factors for retaining talent would not exist. Moreover, the increasing competition in banking has allowed talented individuals to have more power of negotiation in terms of employment and benefits. To response to the risk of losing talent, the banks apply a counter offer approach in some cases such as offering pay rise and higher incentives. However, banks still lose talented people from time to time (Das & Baruah, 2013; Dewhurst et al., 2009; Irshad & Afridi, 2012; McDonald, 2008).

6.3. Strengths and limitations of this study:

6.3.1. Strengths:

There are several strengths in this research study. It has applied semi-structured interviews as the method which enables the researcher to have flexibility in asking questions to gain in-depth information on specific topics from the participants. Therefore, this research has a strong validity

of data collection. Moreover, it carefully followed the research ethical guidelines to prevent any negative consequences that might have affected the participants. In addition to this, all participants are HR managers of the banking companies who have experience and broad knowledge about HRM, including TM, in the banking sector in Laos. Therefore, these selected participants are a reliable source of data for this research topic.

6.3.2. Limitations:

Despite the strengths provided above, there are some limitations in this research project. First, the population sample of this project are the 8 participants representing 8 different banks in Laos. Although, the samples can represent the banks in Laos in general, it is still considered to be a small sample size to generalise about the whole banking sector in Laos. Second, the findings largely described the situation of TMP in the banking sector in Laos. However, this study was limited by the absence of segregation of the type of banks; i.e. corporate bank, commercial bank, state-enterprise bank, etc. Therefore, discussions, analyses and recommendations might not be applicable to some types of banks. Third, the research project was only a snapshot at a particular point in time. The HRM situations of the banks in Laos are varied and might have different results if the same study is undertaken in other industries.

6.4. Opportunities for future research:

The findings of this research study pave the way for future study in the area of talent management for the banking and financial companies that would like to enhance their performance and achieve a competitive advantage. This research project examined and described the phenomena of talent management and talent retention in the banking sector. However, it did not assess or evaluate the practices of either dimension. In terms of directions for future research, further work could assess the effectiveness of TMP in the banks in Laos. It would be worthwhile to scrutinise what has been effectively practiced by bank HR managers and what has been missing in terms of TMP.

Another possible area of future research would be to investigate why talent retention in the banking sector has not been fully valued by the HR managers. A progression of this further work would be to analyse the factors that influence talent retention and determine what could be done to eliminate those factors. The issue of talent retention is an intriguing one which could be usefully explored in further research and the banking sector would obtain benefits from other studies.

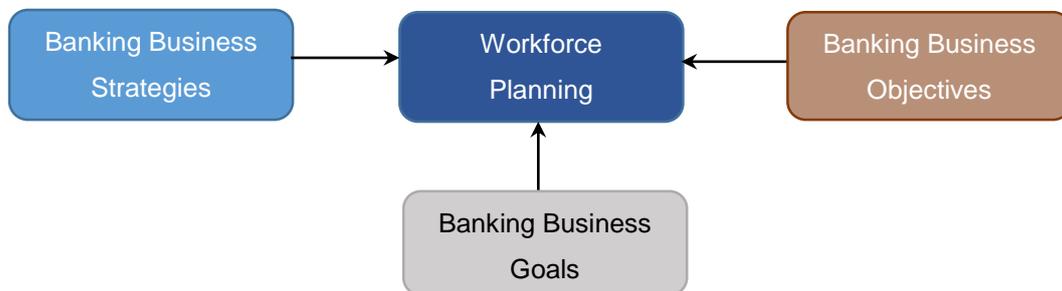
6.5. Recommendations for talent management in the banking sector in Lao PDR:

6.5.1. Recommendation one:

Talent management must link to banking business strategies.

The results of the research indicate that business strategy is almost absent from TM practices by HR managers in banking. This implies that TMP is simply practiced at the surface level of HRM, which is ineffective and does not address the purpose of TMP. In order to manage the workforce effectiveness, HR managers should always align business strategies, business goals and business objectives to workforce planning strategy. Aligning these three dimensions to workforce planning is likely to help HR managers to preserve the organisation's values. Moreover, it could help in attracting, recruiting and retaining talented individuals and ensuring the goal achievement and competitive advantage from those talented human resources are at their most effective levels of achievement.

Figure 16: A conceptual framework of workforce planning:



Source: Developed by author based on recommendation

6.5.2. Recommendation two:

Performance management and rewards should support the achievement of business goals

Employment engagement can be enhanced by the right approach of performance management and rewards policies. It is recommended for the banks to apply KPI as a performance measurement to avoid employee disengagement, increase transparency, fairness, equality and consistency in rewards (Armstrong, 2009; Eisenberger & Cameron, 1996; Shechner et al., 2012). Moreover, rewards policies set up should support the achievement of business goals and should be achieved

with fairness, equality, consistency and transparency to enhance the level of employee engagement of talented individuals.

6.5.3. Recommendation three:

The leaders, line managers and HR managers need to appreciate the role of talent management in the organisation in order to initiate the development and practice of TM within the organisations.

The research outcomes suggest that HR participants in the banking organisations in Laos generally placed limited value on TMP. There are only a few banks which have TM in their HR system and fully practice it. Talented and non-talented employees are being managed in the same basket of HRM, using the same approaches, which could lead to talent disengagement. Moreover, favouritism in people management still occurs in Laos' banks. These are problems that would need attention from people in leader positions. TM is the management of people who are most capable and contribute to the company. If these people are not well taken care of, or are being misled by their line managers, the company will have a higher chance of being left behind by competitors. Talented employees will always be lured away by other banks. Therefore, it is not just putting people into the right position at the right time that HR managers should pay attention to but it is also creating an environment that makes them stay and work happily so they can perform at their optimum level for the company.

Despite the fact that TM is still a new concept for HRM in Laos HR managers, line managers and leaders should take note of TM in the following ways:

(1) HR managers:

- Enhance knowledge about TM: Improve knowledge and management skills of TM.
- Create TMP and promote it within the organisation: Create TMP by using the SHRM as a blueprint and connect it to the business strategies of the organisation. TMP including activities such as attracting, recruiting, developing, retaining, succession planning, KPI and other talent relationship activities should be developed and promoted at all levels in banking organisations in Laos.
- Implement and develop TM: Practice and continually develop the TMP based on the business environment opportunities and threats (internally and externally), business strategies, objectives and goals.

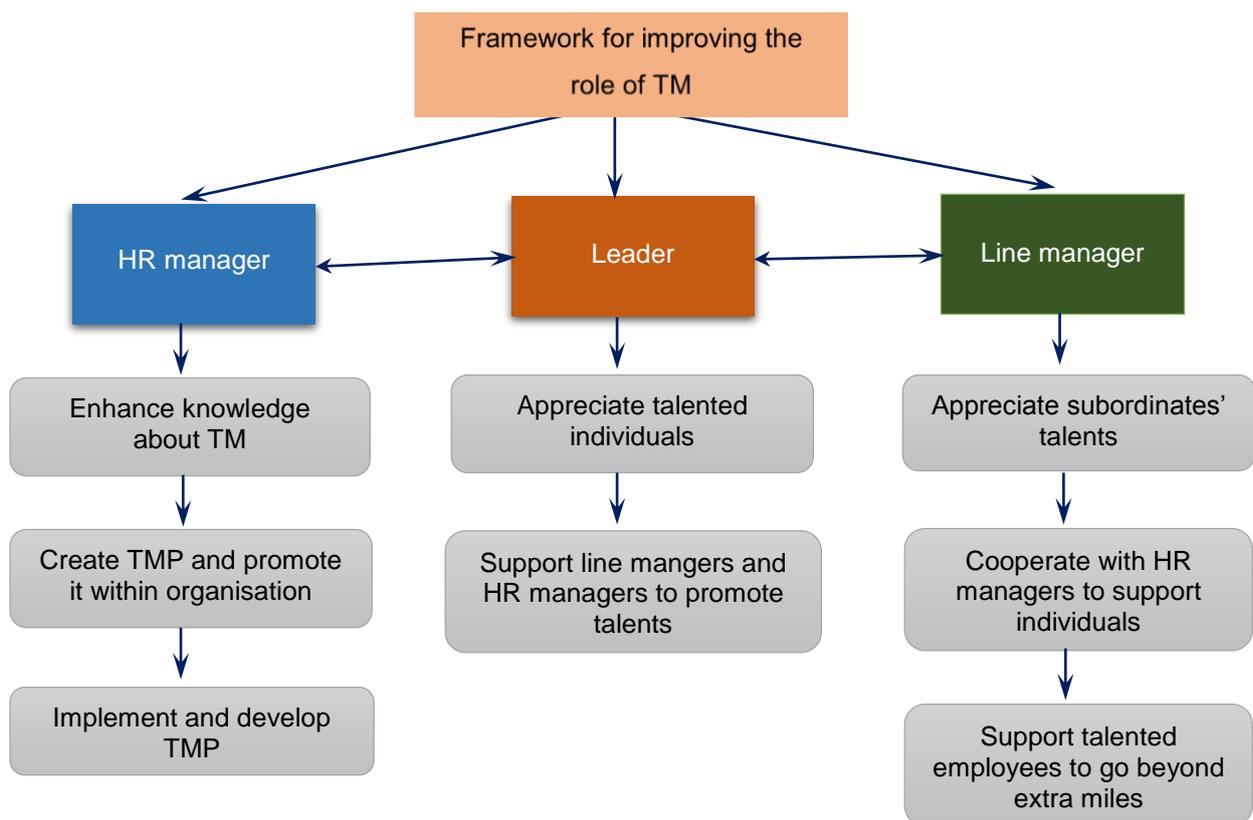
(2) Line managers:

- Appreciate performance of subordinates: Be fair and equal to all when managing them
- Cooperate with HR managers to support individuals to create better work results: Work environment, training and development needed, applying rewards
- Support talented employees to inspire them to go beyond the extra mile: offer them opportunities to show their abilities

(3) Leaders:

- Appreciate talented individuals: Set talents search and development in place as one of the company 'strategies or goals to support/motivate talented individuals.
- Support line managers and HR managers to keep improving TMP.

Figure 17: Framework for appreciating the role of TM:



Source: Developed by author based on recommendation

6.6. Chapter summary:

Talent management as part of HRM is one of the most important functions for an organisation's performance and competitive advantage enhancement. In the banking sector in particular, TMP has a significant influence on the daily operation, employment stabilising, goal achievement and the initiation of new products by talented individuals. These factors have an influence on the accomplishment of the business goals and competitiveness of the organisations. However, the concept of talent management is still new for the banking sector in Laos, and often displays imperfections in the way it is applied in the organisations.

This research project revealed that talent management does exist in the banking sector in Laos, but the understanding of HR managers towards its terms is limited. In addition, TMP and talent retention are acknowledged by HR managers, despite the results showing that banks in Laos place a limited value on TMP. There are many approaches to TM and talent retention applied in the banks in Laos to promote the effectiveness of HRM in the organisation such as talent development, talent sourcing, talent relationship management, rewards, and succession planning. However, half of the respondents viewed these practices are ineffective because the organisation still lose their talents to other companies from times to times.

In addition, this study makes important recommendations regarding the field of TM in the banking sector. It is recommended that Laos' banks should take their business strategies into account when designing workforce planning in order to achieve the targeted organisational goals and objectives. Moreover, the research project suggests that there should be greater efforts from the three main parties: leaders, line managers and HR managers to make sure that they understand the importance of TMP, the part it plays with competitive advantage and that these three parties implement TMP in their banking organisation practices in Laos.

In conclusion, from this research study it can be concluded that talent management in the banking sector in Laos is still a new concept to many HRM key players (HR managers) of the banks. The practice of TM is still too minimal to make it effective and valuable for talented individuals and organisations. Moreover, the TM system requires review and improvement in order to enhance the business performance and competitiveness of the banking sector in Laos.

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APPENDICES

APPENDIX 1: Semi-structured interview questions:



Interview Questions

I. Examining the level of familiarity of talent management by HR managers in the banking sector in Laos.

1. Are you familiar with the term “talent management”?
 - If yes, what is your understanding about the role of managing talent in your organisation?
 - If no, the interviewer will explain briefly about this term
2. How do you understand the term “talent management”?

II. Identifying the current roles of HR managers regarding talent management in the banking sector in Laos.

3. What are your main responsibilities as a HR manager in your organisation?
4. Do you think the talent management tasks are more or less important than other HR tasks? Why or why not?
5. In your view, what are the key competencies that HR managers should have in order to help your organisation practice effective talent management?

III. Identifying current practice of talent management practice that banking sector employed.

6. What are the talent management practices in your organisation?
7. What are your perceptions about those current practices of talent management?
 - Do you think that those activities are sufficient and effective? Why or why not?

IV. Identifying the key benefits that talent management provides/ could provide to the banking sector in Laos:

8. How important is talent for the organisation?
9. Based on your experience in this organisation, how does TMP improve your organisation's performance?
10. How does TMP enhance organisation's competitive advantage?

V. Determining the current practices of talent retention that the banking sector in Laos applies:

11. What are practices for retaining talent in your organisation?
12. What are your perceptions about those current practices of retaining talent?

VI. Determining the challenges of talent retention in the banking sector in Laos:

13. Do you think it is difficult to retain talent in the organisation?
 - If yes, what could be the obstacles? Why?
 - If no, could you please explain what the factors supporting talent retention are? Why?
14. What could be the obstacles to retaining talent in the organisation?
15. How can organisations enhance talent retention?

APPENDIX 2: Information sheet



Information for participants

“Talent management’s role in retaining employees in the banking sector in Lao PDR”

Synopsis of project

My name is Khaikham Xaynhaphoum and I am a postgraduate student at Unitec Institute of Technology, New Zealand, studying a Master of Business qualification. In order to fulfil the programme’s requirement, I am conducting a research project on the topic of **“Talent management’s role in retaining employees in the banking sector in Lao PDR”**. This research project will help develop a research guideline of Human Resource Management (HMR) in Strategic Talent Management for the local employees who are the high performers displaying high potential for their organisations.

What we are doing

The aim of this research is to explore HR managers’ perceptions regarding talent management in how to retain talented employees in the banking sector in Laos and to identify the most suitable practices of Talent Management to enhance banking business performance and improve competitive advantage for the organisations.

By taking a part in this project, you will provide useful information to the researcher to be able to understand about the current perception that HR managers have about talent importance within an organisation. In addition, the information given will allow the researcher to find out the key benefits and likely obstacles for good talent management practices which are aligned to the degree of motivation and retention of employees in the banking sector in Laos.

What it will mean for you

We would like to request an interview to ask some questions related to your perception about talent management and talent retention in your organisation. The interview will be at the most

convenient time to you between early August 2016 and late October 2016. The interview is expected to take approximately one hour at a time and place convenient to you.

All of the information provided will be confidential. Although names and email addresses will be collected, these will not appear in the final report- participants will be referred to only by a code or pseudonym so they cannot be identified by their employer or anyone else known to them. You have the right to withdraw from the project within two weeks after the interview and the data they provide will not be used.

The interview will be recorded but no digital images will be taken. A copy of the transcribed interview will be sent by post or email (whichever is preferred) to you to make any desired changes.

You also have the right to see the final report if you wish. The de-identified information that you give may be published in a reputable banking journal or presented at a conference.

At any time if you have any concerns about the research project you can contact my supervisor or myself:

Professor Pieter Nel, phone +64 9 815 4321 ext. 7026

Email: pnel@unitec.ac.nz

Researcher: Khaikham Xaynhaphoum, Tel (Lao mobile): + 856 20 96006682,

Tel (NZ mobile): + 64 220 900 832.

Email: khaikham_xyp@hotmail.com

UREC REGISTRATION NUMBER: (2016-1035)

This study has been approved by the UNITEC Research Ethics Committee from 23 June 2016 to 23 June 2017). If you have any complaints or reservations about the ethical conduct of this research, you may contact the Committee through the UREC Secretary (phone: 09 815-4321 ext. 8551. Any issues you raise will be treated in confidence and investigated fully, and you will be informed of the outcome.

APPENDIX 3: Participant consent form



Participant Consent Form

Research Project Title:

“Talent management’s role in retaining employees in the banking sector in Lao PDR”

I have had the research project explained to me and I have read and understand the information sheet given to me.

I understand that I don't have to be part of this if I don't want to and I may withdraw at any time prior to the completion of the research project.

I understand that everything I say is confidential and none of the information I give will identify me and that the only persons who will know what I have said will be the researchers and their supervisor. I also understand that all the information that I give will be stored securely on the computer of researcher for a period of 5 years.

I understand that my discussion with the researcher will be taped and transcribed.

I understand that I can see the finished research document.

I have had time to consider everything and I give my consent to be a part of this project.

Participant Name:

Address:

Email:*Phone:*

Participant Signature: *Date:*

Project Researcher: *Date:*

UREC REGISTRATION NUMBER: (2016-1035)

This study has been approved by the UNITEC Research Ethics Committee from 23 June 2016 to 23 June 2017. If you have any complaints or reservations about the ethical conduct of this research, you may contact the Committee through the UREC Secretary (phone: 09 815-4321 ext. 8551). Any issues you raise will be treated in confidence and investigated fully, and you will be informed of the outcome.

APPENDIX 4: Organisational consent form



Organization Consent Form

I, (name) _____, (position in organisation) _____ of
(name of organisation) _____ give
consent *for Ms Khaikham Xaynhaphoum* to undertake research in this organisation as discussed
with the researcher.

The consent is subject to approval of research ethics application no 2016-1035 by the Unitec
Research Ethics Committee and a copy of the approval letter will be forwarded to the
organisation as soon as possible

Signature:

Date:

UREC REGISTRATION NUMBER: (2016-1035)

This study has been approved by the UNITEC Research Ethics Committee from 23 June 2016 to 23 June 2017. If you have any complaints or reservations about the ethical conduct of this research, you may contact the Committee through the UREC Secretary (phone: 09 815-4321 ext. 8551). Any issues you raise will be treated in confidence and investigated fully, and you will be informed of the outcome.

APPENDIX 5: Ethics Approval Letter

Khaikham Xaynhaphoum
133 Rosebank Road
Avondale
Auckland 1026



21.7.16

Kia ora Khaikham,

Your file number for this application: 2016-1035

Title: Talent management's role in retaining employees in the banking sector in Lao PDR.

Your application for ethics approval has been reviewed by the Unitec Research Ethics Committee (UREC) and has been approved for the following period:

Start date: 23.6.16

Finish date: 23.6.17

Please note that:

1. The above dates must be referred to on the information AND consent forms given to all participants.
2. You must inform UREC, in advance, of any ethically-relevant deviation in the project. This may require additional approval.

You may now commence your research according to the protocols approved by UREC. We wish you every success with your project.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Nigel Adams'.

Nigel Adams
Deputy Chair, UREC

cc: Pieter Nel
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ORCID number (Optional):

Full title of thesis/dissertation/research project ('the work'):

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Degree: Master of Business

Year of presentation: 2017

Principal Supervisor: Prof. P. S. Nel

Associate Supervisor: Mr Alan Lockyer

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