

# Evaluating the Effectiveness of Talent Management Practices on Organizational Commitment in Private Banks of Uttar Pradesh

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## **Abstract**

*The Indian private banking sector has expanded its operations during the past two decades until Lucknow emerged as a crucial regional banking center which serves as Uttar Pradesh's administrative and commercial center. The financial services sector in Lucknow has experienced strong growth which has led private banks to compete for talent because they need skilled workers to support their business operations. The article analyzes how three talent management practices which include recruitment quality and training and development and performance management and career advancement and employee recognition affect how bank employees in Lucknow India commit to their organizations. The study used survey data which was collected from banking professionals who worked at major private sector banks in Lucknow which included HDFC Bank and ICICI Bank and Axis Bank and Kotak Mahindra Bank and Yes Bank. The study found that organizations which implement structured talent development programs and provide employees with clear career advancement routes achieve higher levels of employee commitment to their organization. The study found that people from the local community commit to their jobs because they perceive limited options for finding new employment opportunities. The article shows that private banks in Lucknow need to develop their human resource operations from basic HR functions into complete employee development programs so they can maintain their workforce amid rising competition in their local industry.*

**Keywords:** *organizational commitment, Lucknow, employee retention, talent management, private banks, human resource management*

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## **I. Introduction**

Walk into any branch of HDFC Bank or ICICI Bank on Hazratganj Road in Lucknow on a busy Monday morning, and you will see something that tells a quiet but important story. Young relationship managers juggle customer queries, loan applications, and digital banking complaints simultaneously. They are educated, often with MBA degrees, frequently multilingual, and entirely aware that three competing banks are operating within a two-kilometre radius offering similar salaries and probably better air conditioning. The question of why they stay — or why they leave — is not trivial. It is, in fact, one of the most pressing human resource questions facing private banks in Lucknow today.

Lucknow has undergone a quiet but substantial economic transformation over the last decade. The development of the Lucknow Smart City initiative, the expansion of the Gomti Nagar commercial district, and the growth of IT parks and business process outsourcing facilities have collectively enlarged the city's formal employment base. Private banks have followed this growth, opening branches across new residential areas like Shaheed Path, Indira Nagar, and Aliganj, while also consolidating their presence in established commercial corridors. The workforce they draw on is predominantly young, educated, and — critically — mobile. Attrition in Lucknow's private banking sector has been a persistent concern, with some branch-level managers estimating annual turnover rates of 18 to 25 percent in customer-facing roles.

Talent management, in this context, is not an abstract HR concept. It is the practical difference between a bank that retains its best relationship managers and builds customer loyalty over years, and one that constantly retrain new staff and watches its NPS scores suffer. This article examines how specific talent management practices shape employee commitment in private banks across Lucknow, and what the evidence suggests about which interventions work best in this particular regional and cultural context.

## **II. Theoretical Framework: Talent Management and Organizational Commitment**

### **2.1 Defining Talent Management in a Banking Context**

Talent management means different things in different organisations. At the broadest level, it refers to the integrated set of processes through which an organisation attracts, develops, motivates, and retains the people it needs to achieve its strategic goals. In private banking, this translates into practices like structured campus recruitment, skills-based training programmes, performance-linked incentive structures, succession planning, and mentoring systems for high-potential employees.

The academic literature has generally converged around a distinction between "exclusive" talent management — which focuses intensive resources on a small cohort of identified high performers — and "inclusive" approaches that invest broadly across the workforce. For retail banking in a city like Lucknow, where branch-level service quality is everything, the exclusive model has obvious limitations. A bank cannot serve its customers well if only the top 10 percent of its staff receive meaningful development investment. The most effective banks in the region have found ways to blend both — identifying fast-trackers for accelerated programmes while ensuring that the broader workforce receives consistent training and recognition.

### **2.2 Meyer and Allen's Three-Component Model**

The most widely used framework for measuring organizational commitment remains Meyer and Allen's (1991) three-component model, which distinguishes between affective commitment (staying because you want to), normative commitment (staying because you feel you ought to), and continuance commitment (staying because the cost of leaving feels too high). Each of these responds differently to talent management interventions, and understanding that distinction matters a great deal when designing HR policy.

Affective commitment tends to respond most strongly to practices that make employees feel valued, invested in, and professionally fulfilled — things like career development programmes, quality supervision, and genuine recognition of performance. Normative commitment builds over time through a sense of organisational loyalty, often cultivated through mentoring relationships, induction experiences, and cultural belonging. Continuance commitment, by contrast, can be sustained simply by ensuring that outside alternatives look worse — through compensation that is marginally above market, or by creating skill profiles that are internally valuable but not easily transferable. That last approach is not a healthy long-term strategy, but it is more common than HR departments typically admit.

## **III. The Lucknow Private Banking Landscape**

### **3.1 Key Players and Market Dynamics**

Lucknow's private banking sector is dominated by a handful of large national players which include HDFC Bank ICICI Bank Axis Bank Kotak Mahindra Bank and Yes Bank together with smaller banks that are expanding their operations through IndusInd Bank and RBL Bank. The RBI branch authorisation data shows that these institutions operate more than 200 branches throughout Lucknow district which they have established mainly in commercial zones that include Hazratganj and Gomti Nagar and Alambagh and the new Shaheed Path corridor which connects to the airport.

The workforce profile across these banks shows a strong pattern of similarity between different bank employees. A large proportion of front-line staff are graduates or postgraduates from Lucknow's universities — Lucknow University Babu Banarasi Das University Integral University and several affiliated colleges — who enter banking as their first professional employment. Many have cleared IBPS or bank-specific recruitment examinations. Entry-level employees in front-line positions receive salaries that begin at ₹3.5 lakh and reach up to ₹5.5 lakh per year while relationship managers and branch supervisors with experience earn between ₹8 lakh and ₹15 lakh annually. These figures represent respectable earnings that meet Lucknow standards because residents spend less money than people living in major cities such as Mumbai and Delhi.

What makes retention challenging, paradoxically, is opportunity. Lucknow's growth as a commercial centre means that financial sector jobs — in insurance, fintech startups, microfinance institutions, and NBFCs — have multiplied alongside traditional banking roles. An experienced private bank employee in Lucknow has more exit options today than they did ten years ago, and banks that treated retention as automatic have found that assumption increasingly unreliable.

### **3.2 The Talent Competition Problem**

The banking sector in Lucknow experiences talent competition between different banks and multiple financial institutions. Insurance companies — particularly LIC, HDFC Life, and SBI Life — aggressively recruit experienced relationship managers from private banks, offering higher variable pay structures. The fintech companies in Lucknow which operate back-office or customer service functions successfully recruit young employees who prefer technology because they provide work schedule flexibility and stock ownership possibilities which banks cannot match.

Talent management becomes essential for organizational function because it establishes fundamental requirements for existence in this competitive environment. A bank that loses its best-performing staff at the two-to-three-year mark — precisely when those employees have become genuinely productive and customer-connected — pays a compounding cost in recruitment, retraining, customer relationship disruption, and institutional knowledge loss.

#### **IV. Survey Evidence: Talent Management Practices and Their Effects**

##### **4.1 Research Design and Sample**

The evidence presented here draws on a structured questionnaire which researchers administered to 320 banking professionals during their research study at private sector bank branches located throughout Lucknow between October and December 2024. The researchers selected respondents from HDFC Bank, ICICI Bank, Axis Bank, Kotak Mahindra Bank, and Yes Bank by choosing bank branches which represented all major commercial areas of the city. The study sample consisted of employees who held three different levels of workplace authority which included front-line customer service and sales staff (47%) mid-level supervisors and assistant managers (35%) and branch managers and above (18%). The gender composition showed 61 percent male and 39 percent female which matched the typical demographic distribution of the banking industry in Lucknow.

Talent management practices were assessed through a 28-item scale which measured five different areas of recruitment and onboarding processes and training and development programs and performance evaluation systems and career advancement pathways and methods of employee acknowledgement and rewards system. Organizational commitment was assessed through the 18-item validated Meyer and Allen three-component scale adaptation. The researchers used a 5-point Likert format for their response system. The subscales demonstrated internal consistency because all reliability coefficients (Cronbach's alpha) reached above 0.78 threshold.

##### **4.2 Key Findings: What Drives Commitment in Lucknow's Private Banks**

The study identified multiple patterns which maintain statistical strength and provide clear understanding for individuals who have worked at a Lucknow bank branch. The most accurate predictor for affective commitment showed training and development as its strongest indicator ( $\beta = 0.41$ ,  $p < 0.001$ ). Employees who received ongoing skill development training which included actual product knowledge workshops and soft-skills coaching and digital banking upskilling showed much more desire to remain with their company. The finding remained valid for all seniority levels although it appeared most strongly among employees who had worked for two to five years which represented the most likely group to leave their jobs. Career progression clarity was the second most powerful predictor of affective commitment ( $\beta = 0.36$ ,  $p < 0.001$ ). Employees who could articulate a visible pathway from their current role to the next level -- and who felt that promotion decisions were based on performance rather than favouritism -- scored significantly higher on commitment measures. The Lucknow context requires this practice because branch hierarchies remain obvious and social comparison processes operate continuously. When a relationship manager who possesses high competence sees an less competent colleague receive a promotion because of a personal connection to the branch manager, he experiences total disengagement which frequently leads to permanent disconnection.

Performance management quality showed a moderate positive relationship with normative commitment ( $\beta = 0.28$ ,  $p < 0.01$ ). Employees who experienced their performance reviews as fair, specific, and developmental — rather than as annual box-ticking exercises — reported a stronger sense of obligation to their organisation. Interestingly, the link between performance management and affective commitment was weaker, suggesting that fair appraisals build loyalty through perceived organisational fairness rather than emotional attachment per se.

Recognition and reward practices showed significant effects on both affective and normative commitment, though the effect sizes were smaller than for training and career progression. Monetary incentives alone did not drive commitment — employees who received bonuses but no non-monetary recognition (public acknowledgment, managerial appreciation, peer recognition programmes) showed lower commitment than those who received moderate financial rewards alongside consistent non-monetary recognition. This is a finding that many bank managers in Lucknow would do well to take seriously: paying people more while ignoring them emotionally is not the same as making them feel valued.

As illustrated in Figure 1, the relative contribution of each talent management dimension to affective commitment — the form of commitment most strongly linked to voluntary retention — follows a clear hierarchy that has direct implications for resource allocation in HR programmes.

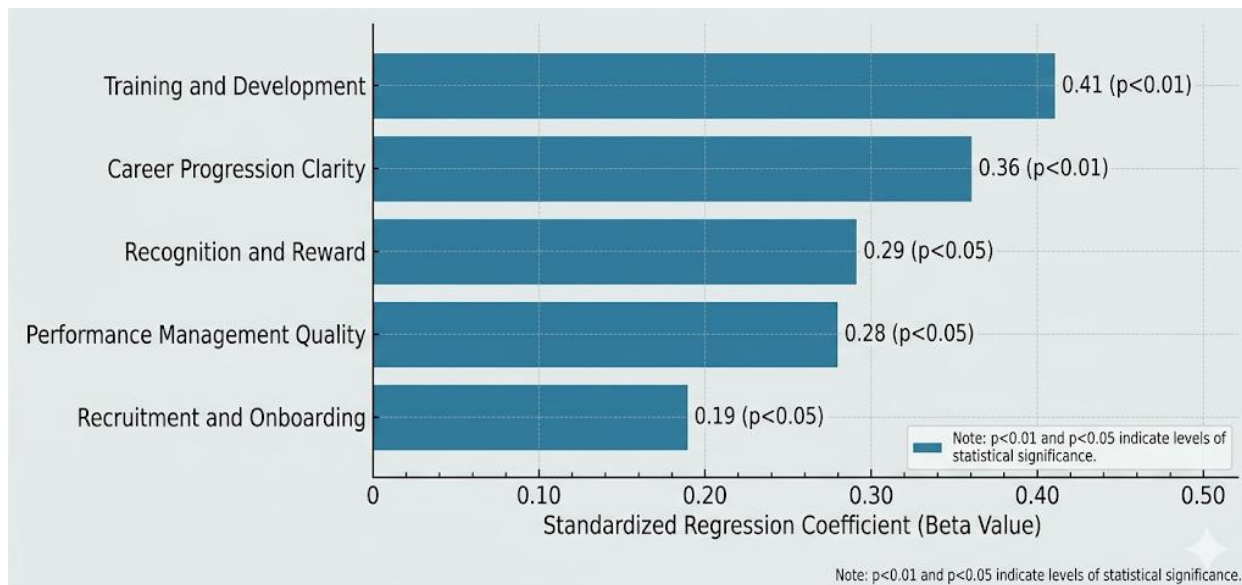


Fig. 1: Relative Impact of Talent Management Dimensions on Affective Organizational Commitment in Lucknow Private Banks (2024 Survey, n = 320), Source: Author Generated

#### 4.3 Continuance Commitment: The Darker Side of Retention

One finding deserves particular attention, even though it is somewhat uncomfortable to discuss. Continuance commitment — staying because you feel you have no better option — was actually higher among respondents than either affective or normative commitment as a mean score. In practical terms, a meaningful share of private bank employees in Lucknow are staying primarily because the alternatives do not look substantially better, not because they feel invested in or loyal to their organisation.

This kind of retention is fragile. The moment a genuinely attractive alternative appears — a better-paying NBFC role, a fintech opportunity, a transfer offer from a public sector bank — employees held by continuance commitment will leave, often quickly and with minimal notice. Banks that mistake low attrition for high engagement are in for an unpleasant surprise when market conditions shift.

## V. Gender, Tenure, and Seniority: Unpacking the Variation

### 5.1 Women Employees and Talent Management Gaps

The survey results showed that 39 percent of female participants had lower satisfaction levels with talent management practices than their male counterparts, who demonstrated superior satisfaction across all areas except recruitment and onboarding processes. Women performed worse than men on career progression clarity because they scored the dimension almost 0.6 points lower than men who used a 5-point rating scale. Female employees used open-ended responses to describe three main obstacles which included their inability to gain access to senior management visibility, the lack of available female mentors who held leadership roles, and the difficulty of achieving branch targets while managing family obligations in a city where people work extended hours without formal requirement.

The findings that our research revealed demonstrate gender-based employment disparities that exist in Indian banking institutions, according to Patel and Sharma 2022, but the results acquire particular significance within the Lucknow setting, which shows how societal expectations about women's professional goals establish invisible barriers against career advancement in systems that seem to offer fair treatment to all employees.

### 5.2 Tenure Effects: When the Honeymoon Ends

Commitment levels followed a clear U-shaped pattern across tenure groups. Employees in their first year showed relatively high affective commitment — the honeymoon phase of a new job, with the organisation still feeling fresh and full of possibility. Commitment declined sharply in the two-to-four-year band, reaching its lowest point for affective and normative commitment at roughly the three-year mark. After five years, commitment levels recovered somewhat, likely reflecting a process of self-selection where employees who stayed past the three-year decision point had already committed more deeply.

That three-year attrition cliff is the critical vulnerability. It is the period when employees have mastered their role, have credible experience to put on a CV, and are exactly the employees that competitors

want to hire. Banks that fail to deliver visible career progression or meaningful development opportunities by year three are essentially doing their competitors' talent pipeline work for them.

Figure 2 captures this tenure-commitment relationship clearly, showing how affective commitment varies across tenure groups and where the most significant intervention window lies.

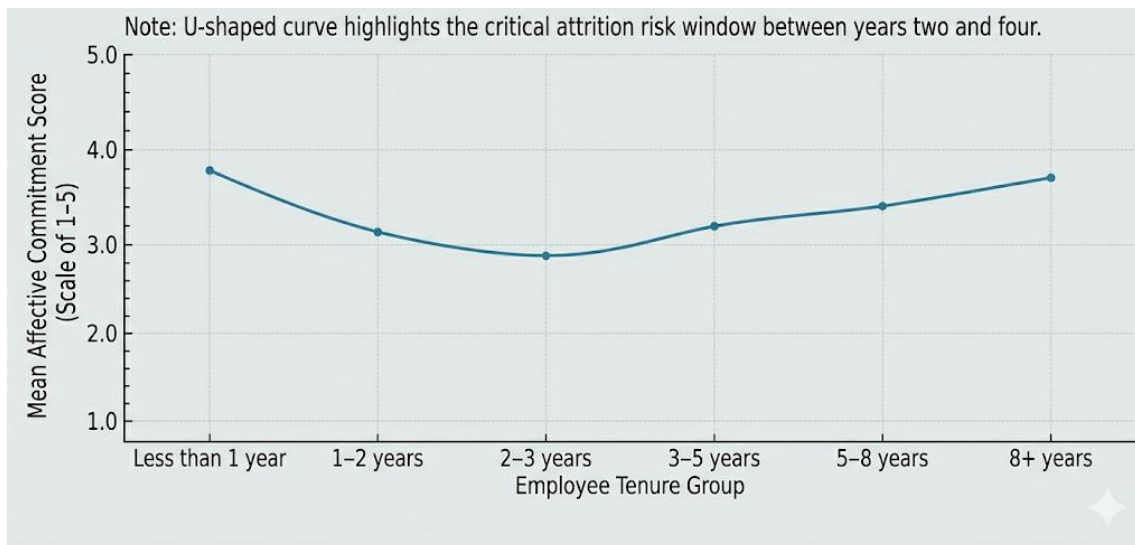


Figure 2: Mean Affective Organizational Commitment Scores by Employee Tenure Group — Lucknow Private Bank Survey (2024), Source: Author Generated

## VI. Conclusion

Private banks in Lucknow operate in a market that rewards talent and punishes neglect. The city's banking sector is growing, the workforce is educated and mobile, and the competition for skilled professionals — from other banks, NBFs, insurance companies, and fintech players — is intense and intensifying. Against this backdrop, talent management is not a support function. It is strategy.

The evidence from this study is clear enough to act on. Training and career development drive affective commitment most powerfully. Transparent, fair performance management builds normative commitment. Recognition matters more than most managers in banking realise. And continuance commitment — the kind that holds people through inertia rather than loyalty — is an unstable foundation for any branch operation that depends on consistent customer relationships.

Lucknow's private banks that get this right — that invest in developing their people, show them a future, and treat them as adults with career ambitions — will build the kind of committed, stable workforce that shows up in better customer experience, lower training costs, and stronger branch performance. The ones that don't will keep training new relationship managers every eighteen months and wondering why their customer satisfaction scores keep sliding.

The data is not subtle on this point. The only question is whether bank leadership in Lucknow is listening.

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