



Talent Management Effectiveness in Vietnamese State-Owned Banks

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Abstract. In the constantly changing digital context, state-owned commercial banks have implemented positive changes in their human resource development strategies. To meet the government's objectives for human resource development in the banking field, it is crucial to explore current talent management practices and assess their effectiveness in this industry. This study addresses the identified gap based on the objectives of reviewing the talent management practices employed by Vietnamese banks and evaluating the effectiveness of these activities. This research employed qualitative method as well as quantitative method to serve the research objectives. Twenty semi-structured in-depth interviews with middle-level managers from different banks were conducted. Furthermore, 300 quantitative questionnaires containing measurement scales were sent to managers and staff at the banks to assess the efficiency of talent attraction, engagement, development, and retention. Findings reveal that state-owned commercial banks have developed an increasing level of commitment to talent management activities with obtained tangible results. However, there are still downsides related to talent training, engagement, and the measurement of talent management effectiveness for different reasons.

Keywords: Bank Managers, Challenges, Effectiveness, Organisational Performance Practices, State-Owned Commercial Bank, Talent Management Activities, Talent Management, Vietnam; Banking Industry.

1. INTRODUCTION

There has been significantly increasing interest among researchers and scholars worldwide in talent management, which is considered a crucial practice for enhancing organizational performance (Hasan, 2016; Thunnissen, 2016; Obedgiu, 2017; Crane & Hartwell, 2019). Nonetheless, managers and business leaders continue to find talent management challenging to navigate. Despite the growing diversity in research within this domain, there remains a demand for further exploration into the factors influencing talent management effectiveness across different levels and contexts (Crane & Hartwell, 2019; Dang, 2021; Dang et al., 2023; Thunnissen, 2016; Thunnissen & Buttiens, 2017). As stated in previous research (Theodorsson et al., 2022), there is still a significant lack of integration among theoretical viewpoints in the field and disparities persist between the interests of practitioners and academia. Under the impact of digitalization and the COVID-19 pandemic, talent management practices have been transformed in various sectors, including the banking sector (Dang et al., 2023; Theodorsson et al., 2022). The banking sector is facing a significant shortage of skilled talent, making it one of the primary industries grappling with major challenges in recruiting and retaining employees (Theodorsson et al., 2022).

In Vietnam, the banking sector plays a significant role in contributing to the national economy and social development. Vietnamese banks have put a lot of effort into strategic planning for human resource development. When the COVID-19 epidemic started in 2019, it had a major effect on the Vietnamese financial sector. Businesses needed to reevaluate their operations to be prepared to develop and enhance their financial performance, which was made necessary by the outbreak (Atayah et al., 2023). The worldwide COVID-19 pandemic has irreversibly changed people's experiences as consumers, workers, supervisors, and employees. Significant structural changes have been accelerated by the crisis in a number of sectors, including the banking sector. To increase the efficacy of talent management strategies in particular and strategic human resource planning in general, these changes must be taken into account when analysing the business environment.

Industry 4.0's cutting-edge technology and circular economy principles can significantly increase competitiveness and productivity while fostering sustainable practices and reducing negative environmental impacts (Ha et al., 2023). Banks must reevaluate their growth strategies and carefully analyze the opportunities and challenges posed by the pandemic, particularly within the context of digital transformation and post-pandemic recovery. In the 21st century, the rapid advancement of information technology and the Industry 4.0 revolution have profoundly transformed nearly every aspect of business operations. This includes the restructuring of workplace training (Hoang et al., 2023) and workforce development (Ozkan-Ozen & Kazancoglu, 2022). Beyond Industry 4.0, Industry 5.0 also holds the potential to enhance sustainability at both the organizational and supply chain levels (Ghobakhloo et al., 2024). Amid these rapidly evolving circumstances, banks must prioritize attracting talented employees who can leverage their knowledge, skills, and efforts to propel business operations forward. Nevertheless, current literature still involves a research gap regarding the examination of the impact of challenging factors at various levels, both within and outside banks, and banks' ongoing changes in the COVID-19 context on talent management, especially within the Vietnamese banking industry.

State-owned commercial banks are banks where the state capital accounts for more than 50% of the bank's shares. Currently Vietnam has state-owned commercial banks such as Vietcombank, BIDV, Vietinbank, and Agribank. In Vietnam, state-owned commercial banks play a central role and serve as economic pillars,

supporting the government in maintaining monetary stability. These banks take a leading role in applying directives from the state bank for socio-economic stability. State-owned commercial banks have made positive changes and improvements in their human resource development strategies in recent years. The effectiveness of the human resource function greatly influences an organization's internal performance metrics, and human resource management practices have a strong impact on overall organizational performance (Talukdar, 2017). Employee behaviour is also impacted by multiple factors that can affect the human resource management system, including the ethical culture in the organization, individual emotions, the national culture, and greed (Antonaras et al., 2023), as well as management experience (Zhang et al., 2024) and technological innovation (Erkişi & Sağlam, 2022). To ensure the fulfilment of the government's human resource development objectives in the banking sector, it is crucial to undertake research projects aimed at exploring the current talent management practices and examining the talent management effectiveness of state-owned banks. Despite the growing emphasis on talent management research in the Vietnamese banking sector, earlier studies, such as those by Doan et al. (2023), Dang (2021), Dang and Pham (2023), Nguyen and Doan (2016), and Dang et al. (2023), have primarily focused on the challenges of talent management and strategies for attracting and retaining talent across the sector as a whole, without specifically examining the effectiveness of talent management in Vietnamese state-owned banks. Research focusing on assessing the effectiveness of talent management in Vietnam's public banking sector has been limited.

Based on the identified research gap, this study aims to review talent management practices applied by state-owned commercial banks in Vietnam and examine the effectiveness of these banks' talent management activities. The research questions are proposed as the following: 1. How is the current situation of talent management practices adopted by state-owned commercial banks in Vietnam?; 2. How is the effectiveness of talent management practices (including different aspects such as talent recruitment, talent development and talent retention) undertaken by state-owned commercial banks in Vietnam?; 3. Which managerial implications can be provided to enhance the better effectiveness of talent management practices in state-owned commercial banks within Vietnam?

To investigate the views of bank managers regarding talent management efficiency, qualitative research was conducted: 20 semi-structured interviews were conducted with middle-level managers from selected banks. In addition, 300 quantitative survey questionnaires were distributed to the banks' employees and managers to evaluate the effectiveness of talent attraction, engagement, development, and retention using measurement scales.

This study enhances the theoretical understanding of talent management in state-owned enterprises within emerging economies, focusing on challenges and opportunities in Vietnam's banking sector, including digital transformation and post-pandemic recovery. It underscores the need for tailored and integrated talent management frameworks to boost organizational performance and support long-term human resource development. Practically, the research offers actionable recommendations for Vietnamese bank managers, such as improving training programs, aligning them with performance metrics, and standardizing retention strategies. These measures can enhance organizational efficiency and competitiveness, contributing to economic growth and supporting sustainable development in Vietnam's banking sector.

2. LITERATURE REVIEW

2.1. Theories of Motivation

Motivational theories can help explain a talent management approach that targets employees with exceptional qualities or achievements, viewing them as unique individuals who require distinct management strategies based on their abilities. Talented employees often recognize their own value and therefore expect preferential treatment from their employers (Kaewsaeng-on, 2016). As a result, organizations that focus on these individuals can address their needs for esteem and self-actualization, as described in Maslow's hierarchy of needs, developed by Maslow (1954). Moreover, they can provide intrinsic motivators—such as opportunities for growth, advancement, achievement, recognition, and responsibility—based on Herzberg's theory (Gawel, 1997). Herzberg theory was developed by Herzberg (1966). Furthermore, talented employees can be seen as Theory Y individuals (McGregor, 1960) who find work enjoyable, seek and accept responsibility, and are self-directed. According to McGregor's theory, proposed by McGregor (1960), maximizing the motivation of these employees involves encouraging their participation in decision-making, assigning them challenging tasks, and enhancing their sense of responsibility.

2.2. Person–Environment Fit Theory

This theory emphasizes the creation of talent pipelines to guarantee a steady supply of skilled employees for both current and future needs, fostering a talent-centric mindset in the organization (Meyers & van Woerkom, 2014). This approach seeks to ensure that employees who are developed and promoted internally are deeply familiar with the organization's culture, strategy, and management policies, aligning with person–environment fit theory, which was developed by Caplan (1987). According to this theory, talented employees should feel a strong sense of belonging and alignment with their organization (Meyers & van Woerkom, 2014). The theory underscores the importance of a contextual fit for talent. This emphasis on contextual fit is crucial because it can be a challenge to transfer other significant qualities of talent, such as dedication and allegiance to alternative settings. Hence, this theory fortifies the rationale behind viewing talent management from a succession planning

perspective.

2.3. Relevance of the Selected Theories

The theories mentioned above are pertinent to this study, as they provide a rationale for the importance and impact of talent management within organizations. Talent management programs can offer benefits that address the needs for esteem and self-actualization, which can drive motivation in talented employees, in line with Maslow's hierarchy of needs (Maslow, 1954). Additionally, these practices can deliver intrinsic motivators, as outlined in Herzberg's theory (Gawel, 1997). Talented employees may also find motivation through the lens of Theory Y (McGregor, 1960), as they seek greater autonomy, responsibility, and recognition in their roles. Furthermore, Person–environment fit theory reinforces the value of a succession planning approach to talent management. Based on motivation theories and Person–environment fit theory, enhancing the effectiveness of talent management can boost employee motivation, deepen talented employees' familiarity with the organizational environment, and foster a strong sense of belonging and alignment between employees and the organization. Ultimately, this alignment supports organizational goals, strengthens banks' competitive advantages, and promotes banks' sustainable development.

2.4. Talent Management Definitions

Reb et al. (2019) categorize talent management into four primary perspectives. The first viewpoint suggests that talent management practices mirror human resource management activities, essentially portraying talent management as a rebranded version of human resource management, hence lacking substantial differentiation (Vrontis et al., 2021). The next approach concentrates on developing organizational succession plans by nurturing and cultivating talented human resources, ensuring an adequate supply in alignment with the organization's present and future needs and developmental direction (Vrontis et al., 2021). The third perspective views talent management as the process of identifying, developing, and assigning talented individuals to key positions within an organization based on established criteria (Reb et al., 2019). Lastly, the fourth perspective asserts that talent management involves identifying pivotal positions within the organization to initiate subsequent human resource management processes, emphasizing the management of key positions rather than key personnel (Reb et al., 2019).

2.5. Institutional Context - Talent Management in State-Owned Commercial Banks in Vietnam

State-owned commercial banks in Vietnam have undergone positive changes and improvements in their human resource development strategy in recent years, encompassing all aspects of talent management strategy, including recruitment, training and development, allocation, and retention of talent. Specifically, their recruitment activities are systematically structured with clear, comprehensive, and detailed regulations. The recruitment policies are increasingly refined, attracting quality young candidates who are systematically trained to meet the timely demand for essential job positions, contributing to rejuvenating and gradually enhancing workforce quality. Additionally, the workforce size in these banks has been increased, with a continuously growing workforce meeting the expansion needs of businesses (State - Owned Commercial Banks, 2019).

2.5.1. BIDV

With its recruitment policy, the BIDV bank holds an advantage in sourcing talent for common positions by organizing annual recruitment drives overseen by its headquarters. However, the bank has not been sufficiently robust, nor has it invested adequately to attract talent, especially at the expert and leadership levels (BIDV, 2023). In terms of training and personnel development, BIDV's planning for personnel training and development is categorized into three levels: senior leadership, middle management, and departmental management. As for departmental management development, training primarily occurs through job-related tasks, job rotations, and training programmes within BIDV aimed at enhancing the necessary managerial competencies for the designated positions (BIDV, 2023). Regarding the strategy for evaluating and retaining talent, BIDV employs a balanced scorecard and key performance indicators (KPIs) to assess employees' job performance. BIDV consistently supports staff in learning, development, and self-challenging, providing opportunities for advancement to those with capabilities and determination. Moreover, BIDV has policies in place for appropriate recognition and commendation, together with other benefits.

2.5.2. Vietcombank

Recruitment activities at Vietcombank have achieved high efficiency and flexibility due to a distinctive recruitment mechanism for experts, experienced candidates, and highly educated workers. This operates alongside traditional recruitment mechanisms for candidates in conventional operational positions (Vietcombank, 2023). Through its specific bank policies during recruitment periods, Vietcombank ensures a pool of highly qualified candidates, gradually adding top-tier personnel into its system. Presently, Vietcombank has diversified its recruitment methods by investing in digital transformation, upgrading, and perfecting an online recruitment software system centralized at its head office. Furthermore, to attract talented students and access high-quality human resources, Vietcombank closely collaborates with reputable universities for exchanges, research, and programme implementation. Vietcombank focuses on both the quantity and quality of its human resource development training to maintain a high-quality workforce (Vietcombank, 2023). Vietcombank's talent retention

and remuneration policies revolve around fairness and competitiveness to incentivize work and enhance productivity, quality, job efficiency, and loyalty to the bank. Individual remuneration is directly tied to professional expertise, job responsibilities, assigned tasks, and work performance.

2.5.3. Vietinbank

Vietinbank also prioritizes recruitment for identifying and enlisting high-quality personnel for the bank. Their remuneration policy stands out in their talent management system. According to the bank's 2022 annual report, its salary system is established following international norms based on the 3P principle: pay for position, pay for individual capability, and pay for job performance. This aims to achieve three main objectives: ensure employees' regular salary stability, motivate employees to increase labour productivity, and provide flexibility in annual salary allocation (Vietinbank, 2023). Beyond the general benefits offered to all employees in the system, there are four special regimes specifically applicable to officers with outstanding achievements, holding important positions, or being identified as potential talents (Top 500 programme). Vietinbank implements personnel assessments and rotation to develop and recognize job effectiveness through its Job Grading Restructuring Project. Additionally, the bank focuses on early talent identification to establish comprehensive training and development pathways for mid-level and strategic managerial positions. Within the State-Owned Joint Stock Commercial Bank group, Vietinbank has pioneered the implementation of flexible management training for high- and mid-level managerial staff, aiming to enhance coordination efficiency among individuals and units while empowering active engagement and staff cohesion (Vietinbank, 2023).

2.5.4. Agribank

Agribank's recruitment efforts prioritize enhancing the quality of its workforce, encompassing both managerial roles and operational staff, through two main strategies. (i) Continuing the policy of prioritizing recruitment for outstanding candidates graduating from reputable universities in Vietnam. (ii) Strictly implementing the rotation process for employees regarding positions and workplaces, particularly for roles prone to risks or negative impacts, such as accounting, credit, treasury, and banking control. This involves rotating staff with familial relationships, assessing constraints in appointments and task assignments, and similar approaches. Their innovative recruitment strategies have successfully attracted a substantial number of high-quality personnel who meet the job requirements (Agribank, 2023). Additionally, the bank regularly conducts practical programmes and collective activities to provide opportunities for staff to network, exchange professional experiences, gain deeper insights into Agribank's culture, understand their roles and responsibilities, and derive motivation to contribute to the bank.

2.6. Identified Research Gap from Review of Previous Related Studies

Studies on talent management (TM) within the banking sector have notably increased, particularly drawing attention from academia toward this emerging field, even in developing nations like India and Ghana. These studies, exemplified by the works of Hosen et al. (2018); Mawlawi and El Fawal (2018); and Akar and Sharma (2018), have played a pivotal role in acknowledging the significance of TM strategies in both enhancing bank performance and ensuring employee retention. They have also provided valuable recommendations for implementing effective TM strategies, especially in the public and private banking sectors. Moreover, these studies serve as academic references, contributing to the existing research literature and methodologies. This, in turn, encourages further exploration of TM which considers varied perspectives, methods, and contexts to validate and expand upon the prior research findings.

In a Vietnamese context, there have been growing research efforts focusing on the topic of talent management in the Vietnamese banking sector, e.g., Doan et al. (2023), Dang et al. (2023), Dang and Pham (2023), and Dang et al. (2021). Those studies mostly analyze talent management challenges, investigate talent identification factors, and identify ways of attracting and retaining talent within the whole sector. There has been a lack of research concentrating on examining talent management effectiveness in the public banking sector of Vietnam. This study aims to fill this gap by reviewing talent management models applied by SOCBs and inspecting the effectiveness of these banks' talent management practices. Such effort can be seen as a theoretical contribution, especially when talent management is still an evolving topic. This paper can be a useful reference for future research regarding this emerging issue, and helps to enrich and expand the academic comparison of talent management practices between different social settings and different fields. This research can also create suggestions for future studies to develop research models or frameworks about talent management effectiveness with the application of mixed methods.

2.7. Proposed Conceptual Framework

Given the current theoretical gap identified in the literature, this research builds on and refines the work of Cooke et al. (2014) and Dang et al. (2023), aiming to enhance the understanding of talent management process. This also addresses issues highlighted by previous researchers, such as Thunnissen (2016), Thunnissen and Buttiens (2017), Hosen et al., (2018), and Theodorsson et al. (2022), regarding the need to establish a theoretical foundation and systematically analyse how contextual factors influence the talent management process.

The conceptual framework developed in this study may be applicable to various other contexts, including different sectors and nations, despite the distinctive features of the Vietnamese banking sector. This is because

multi-level influencing factors share common implications. Emerging economies like Vietnam often exhibit similar traits, such as high market volatility, economic growth rates, and investment potential. Furthermore, despite its unique characteristics, the banking sector is similar to other service sectors in that it is highly competitive and affected by social and economic factors. Although the framework may have certain limitations regarding generalizability, the research findings are expected to be relevant and applicable in similar contexts.

Building on the theoretical foundation and prior research discussed in the literature review, this study proposes a talent management model with clearly defined steps (Figure 1). These steps offer practical guidance for bank managers to enhance talent management effectiveness and align with the processes outlined in the proposed framework. The initial step focuses on developing a talent identification framework that prioritizes skills, abilities, and performance (Dang, 2021). Next, the second step stresses the importance of integrating a succession planning program into the human resource management system, ensuring its alignment with the organization's overall business strategy. This approach is corroborated by interview findings showing that various banks incorporate talent management strategies into their succession planning initiatives (Dang et al., 2023). The third step specifies actionable measures for bank managers to implement talent management programs effectively. These measures include leveraging technology in talent management systems, designing practical training programs, fostering employees' career aspirations, and formulating retention strategies to address high mobility and market competition. This step directly addresses challenges highlighted by interview participants regarding contemporary talent management issues. Finally, the fourth step emphasizes the need for a robust performance evaluation system to ensure the fair and accurate assessment of employee performance, which is essential for proper appraisal (Dang et al., 2023).

Environmental scanning is necessary throughout the process of talent management implementation as internal and external contingency factors, such as the industry, mode of establishment, regional headquarters, and key organizational actors, influence the development and alignment of human resource management over time (Olejniczak & Froese, 2024). This framework is relevant to this study as it provides a comprehensive view of talent management flow, beginning from talent conceptualization and ending with talent performance evaluation system. Talent management effectiveness is directly influenced by the consistency and reasonability of the flow and needs to be measured with reliable metrics which are associated with an effective talent performance evaluation system. Such system should provide adequate, trustworthy and relevant information for further corrective actions that can enhance talent management outcomes. The framework also indicates that internal factors of banks such as business strategy, leadership mindsets and talent identification schemes are directly related to talent management effectiveness. This can be justified later based on the research findings.

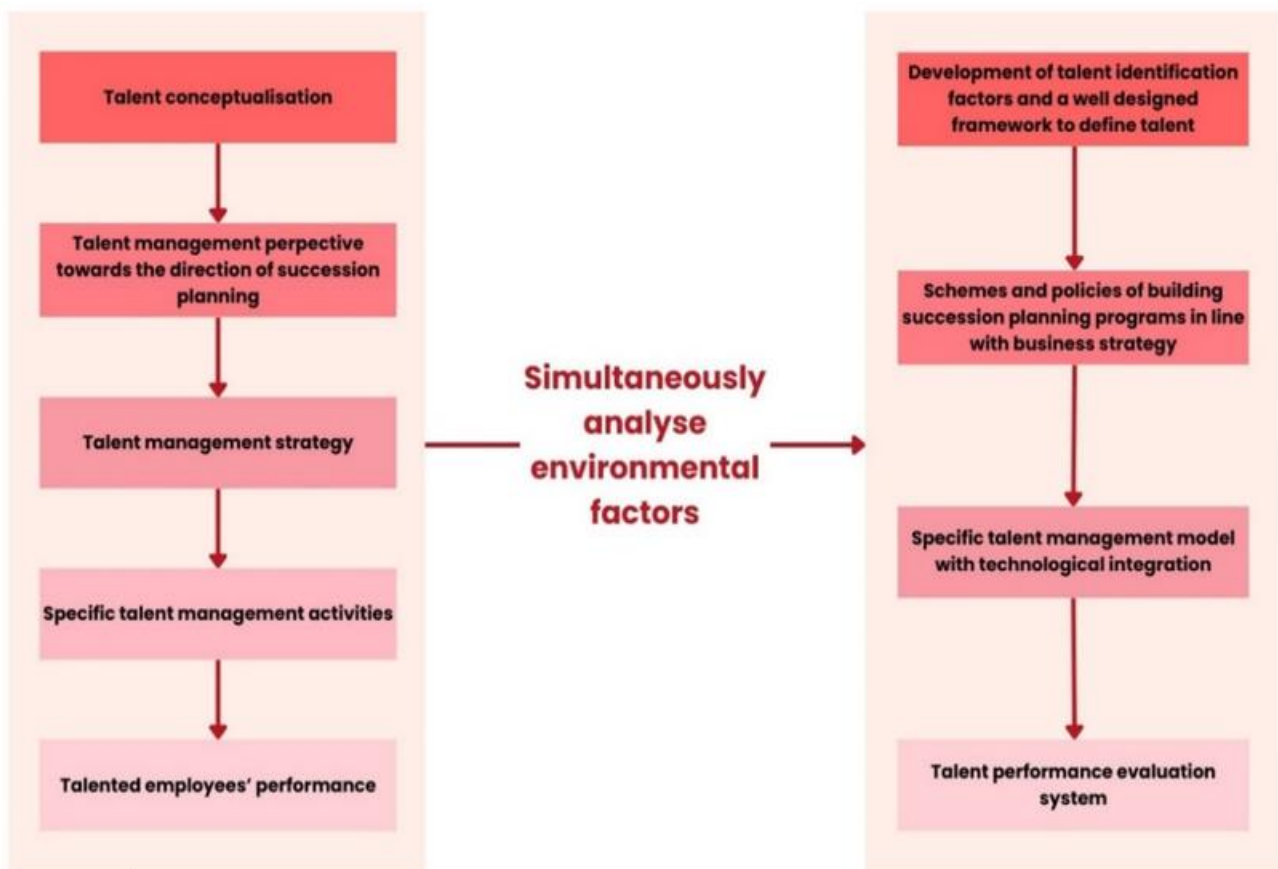


Figure 1: Proposed framework about guidance of talent management flow in the Vietnamese banking sector. Intended recipients: bank managers.

3. RESEARCH METHODOLOGY

This study applies mixed methods, including qualitative research method and quantitative method. Mixed methods design has been previously applied in related studies on talent management such as Mohammed et al. (2019), Dang (2021) and Park (2022).

3.1. Qualitative Research Method

The research for this study employed a qualitative research method to investigate the views of bank managers about talent management efficiency. Specifically, 20 in-depth interviews were conducted with 20 middle-level managers from four different state-owned commercial banks in Vietnam: Vietcombank, BIDV, Vietinbank, and Agribank. These key personnel are directly or indirectly involved in talent management practices such as attracting, recruiting, growing, and retaining talents. Therefore, the interview data are expected to provide reliable information about talent management efficiency in Vietnamese state-owned commercial banks. The participants are coded as HRM (human resource manager), GM (general manager) or LM (line manager).

This research used purposive sampling to select the interviewees to ensure the results of the study are suitable for the field of talent management in the Vietnamese banking sector. The criteria for selecting each respondent include two main elements: their positions as middle level managers in banks and their direct involvement in talent management practices. Specifically, this approach ensured that the surveyed respondents had both extensive and pertinent knowledge of the research topic. By using these methods, the authors were able to reach an adequate number of suitable participants for the interviews.

The authors designed the interview questionnaires to align with the study's objectives, drawing on previous qualitative research by Kaewsang-on (2016), Thunnissen and Buttiens (2017), van Zyl et al., (2017) and Dang (2021). The authors contacted all the potential interviewees by telephone or email to ask them to participate in the interviews. Then, the date and time of the interviews were set. The interviews lasted 30–60 minutes each and were recorded with the interviewees' consent. The authors stayed impartial during the interviews and did not affect the answers, striving to receive truthful and clear responses free from biases. The interview transcripts were coded using NVivo version 12 to identify and analyse emerging issues in the research area. The interview questionnaire is provided in the appendix 1. The researchers used thematic analysis to analyse the interview data. By using this technique, the researchers were able to identify and interpret the common themes that emerged, and therefore understand the research problem from the perspective of the interviewees (Saunders & Lewis, 2017).

3.2. Quantitative research method

Alongside the interview findings, the researchers distributed quantitative surveys to employees and managers at the banks to assess the effectiveness of talent attraction, engagement, development, and retention using a measurement scale (Mujtaba & Mubarik, 2022). Following sample size guidelines, with a minimum sample size of 4 to 5 times the number of variables in the research model (Bryant & Yarnold, 1995), this study required at least 130 observations (5×26). To enhance robustness and reliability, however, a survey with 300 observations was conducted, resulting in 280 valid responses. This Likert scale was designed with five levels were applied in the measurement scale. Convenience sampling was applied for the distribution of the quantitative survey to ensure the high number of responses. Besides, Cronbach's alpha analysis was applied to examine the measurement scales' reliability, while Exploratory Factor Analysis (EFA) was employed to identify the structure of observed data and identifying constructs that underlie observed phenomena. The ethical considerations for this study encompassed participant agreement, voluntary involvement, and the assurance of anonymity and privacy. The individualities of both the participants and the banks involved were kept confidential, with no names or identifying details being revealed.

4. RESEARCH ANALYSIS

4.1. Qualitative research analysis

The themes emerged from the results are in accordance with the three main research objectives: current situation of talent management programs and mechanisms adopted by the studied banks, the effectiveness of these programs and recommendations to improve the effectiveness of talent management. Based on the analysis of the interview results and the survey results, the term talent management is relatively new in the banking sector in Vietnam, especially in state-owned commercial banks. State-owned commercial banks mainly focus on nurturing and developing talent through conventional activities within the human resource management system, emphasizing training and succession planning for the following generation. It is apparent that talent management has not received substantial investment, nor is it standardized as a distinct category within the human resource management system. Moreover, the term talent management is not commonly used in specialized programmes targeting talented individuals within state-owned commercial banks in Vietnam. Some interviewees expressed unfamiliarity with this term.

Nevertheless, all the interviewed management professionals acknowledged significant progress and improvement in recent years regarding the attention and investment in developing and retaining talented human resources within state-owned commercial banks. Specifically, the leadership of these banks has shown an increasing interest in diversifying training and updating training programmes. The system for storing employee records and assessing work efficiency has also undergone enhanced development with various technological

updates. The employee welfare system within state-owned commercial banks remains relatively stable compared to the foreign and private banking sectors and has become more competitive with policies aiming to attract, develop, and retain suitable human resources.

As per the interview results, the four state-owned commercial banks have established specific human resource and talent management policies, demonstrating their commitment to attracting, training, developing, evaluating, and retaining talents to build a high-quality, passionate workforce that is dedicated to the respective banks. The key findings are collected in Table 1.

Table 1: Main findings regarding talent management activities in the studied banks.

Talent management activities	Special features	Examples
Talent recruitment	The studied banks can take advantage of brand reputation in the domestic market, which is helpful for attracting a large pool of candidates.	Vietcombank operates a centralized online recruitment system.
Talent training and development	All four state-owned commercial banks invest in fostering workforce quality through diversified training methods, specialized training programmes for each job position, succession planning for key personnel, and vocational training courses for operational and new employees.	BIDV and Agribank are viewed as pioneers in enabling talents to travel abroad for training for the purpose of product diversification and service quality enhancement.
Employee evaluation and talent retention	All the studied banks use regular employee assessments as the basis for approval, succession planning, and reappointment. Each bank has different salary and bonus structures to retain their employees, and the employees' incomes have increased over the years. Beyond salary and bonus policies, these banks offer various welfare schemes to attract and retain talented employees.	BIDV is seen as a pioneer in establishing a system comprising a balanced scorecard and KPIs to evaluate employee performance and conduct competency assessments based on competency frameworks. Vietinbank took the lead in implementing flexible management training for mid- and senior-level management to foster employee engagement, and increase labour productivity to create a high-quality workforce capable of swift task execution.

When asked about the relationship between talent management activities and employee performance, nearly all management professionals agreed that there is a positive correlation. This means that as talent management programmes are financially backed and improved, employees' work efficiency tends to transform positively in terms of attitude, task-handling abilities, and work motivation, and their level of commitment to the organization increases. Specifically, as articulated by LM3: "Activities such as talent management can foster employee engagement and unity, enhancing income based on job completion levels and elevating employee dedication."

Aside from the aforementioned positive effects, there are limitations and challenges in evaluating and measuring the effectiveness of talent management in general and talent training programmes in particular. The interview and survey results indicate that more than half of the managers remain unconvinced about the actual effectiveness of training programmes because some courses are more informative and based on targets rather than actual employee needs. Moreover, the pressure to meet KPIs, job rotations, and increased workloads in the post-pandemic economic context leads to higher employee stress and difficulty in focusing during such courses. For instance, LM5 noted: "The effectiveness of talent development training is not clearly measured due to numerous formal and general training programmes. Many vocational and unrelated training courses make work effectiveness unclear. High work pressure makes it challenging for learners to schedule and meet job requirements. Job rotations may assist in better risk management and diverse skill training; however, it's difficult to adapt to constant new tasks and inherit KPIs from predecessors."

Similarly, LM3 shared:

"In my assessment, the effectiveness of skill training and talent development courses is around 5/10. While some content is useful, most are still general and lack specific, accurate solutions, with fewer practical applications. Specialized courses yield more practical benefits."

These managers suggest that banks should design courses based on actual needs to address work issues and serve specific target groups instead of organizing many diverse generalized classes. Notably, despite the highlighted similarities in the respondents' opinions about the effectiveness of talent training programs, there is still a considerable difference between participants. In specific, while general managers and human resource managers emphasize the need for more training courses about leadership, management competency and digital skills, line managers focus on more on training courses about technical issues and expertise aspects.

Besides, 12 interviewees mentioned that focused training could also save the banks costs and resources and save the learners' time. All the human resource managers stated that organizing training courses is also one of the KPIs in human resources departments. Managers in this department acknowledge the difficulty in designing and allocating annual training programmes that meet job targets, foster employee career development, and provide specific satisfaction and benefits for the learners. Furthermore, as all the studied banks have large business scales and many branches throughout Vietnam, half of the interviewees recognize that it is very challenging to ensure the clarity of internal communication and the consistency of talent management across bank branches.

4.2. Quantitative Research Analysis

Regarding the quantitative survey, 300 surveys were distributed and 290 were returned, of which 280 were valid. The survey used the talent management effectiveness scale proposed by Mujtaba et al. (2022) to help gauge the level of agreement among managers and employees regarding the effectiveness of various aspects of talent management programmes, measured on a Likert scale ranging from 1-strongly disagree to 5-strongly agree. As per the results, all Cronbach's alpha coefficients were above 0.8, ranging from the minimum of 0.859 (Identification of Critical Positions) to the maximum of 0.936 (Talent Development), demonstrating the reliability of all the measurement scales.

Upon evaluating Cronbach's alpha for reliability, the EFA analysis produced a KMO coefficient of 0.908, exceeding the 0.5 threshold, indicating that the EFA results are highly suitable for exploring the factor structure of the measurement scales. Furthermore, Bartlett's test yielded a Chi-Square value of 4,310.185 with a significance level below 5%, confirming that the EFA factor analysis results are statistically significant. The factor rotation results also demonstrate that the 26 variables are specifically grouped into the five factors: Identification of Critical Positions, Talent Acquisition, Talent Development, Talent Engagement, and Talent Retention. The average results are shown in Figure 2.

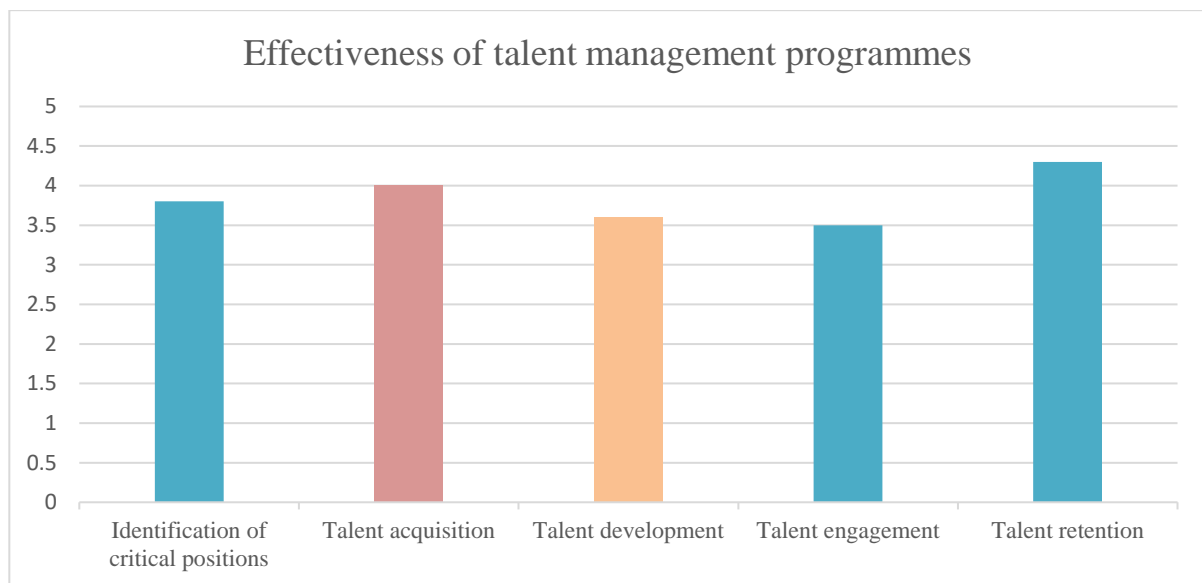


Figure 2: Average survey results of the effectiveness of talent management in the studied banks.

Based on the survey results, talent acquisition and talent retention appear to be the two areas where the effectiveness is the most significant. This can be reasoned by the fact that these banks have significant strengths in terms of brand credibility, governmental affiliations and stable working conditions, which support their ability to attract and retain talents. This fact is recognized by over the half of the interviewees as well as secondary data about these banks' status in the section of literature review. Talent development and talent engagement are the areas where the effectiveness seems to be the lowest, compared to the other areas. This can be explained by existing difficulties the banks are facing in terms of their talent development, training programs, consistency in talent management implementation and internal communication, which have also been revealed from the interviews.

To recapitulate based on the qualitative and quantitative research findings, talent management initiatives result in tangible benefits such as enhanced job performance and fostered employee commitment. However, there are still drawbacks related to talent training, development, engagement and evaluations of talent management effectiveness for a number of reasons. These reasons include the lack of a talent mindset, the lack of valid training outcome evaluation schemes, and the lack of alignment between training programmes and performance objectives. Moreover, it is difficult to maintain consistency in the implementation of talent management schemes and strategies across bank branches due to the large firm size. The summarized main factors affecting talent management effectiveness of the studied banks include: high level managers' vision and interest in talent management, leaders' commitment to talent management direction and programs, design and structure of training programs, the match between training programs and actual needs of banks, the clarity of internal communication and the consistency of talent management activities across bank branches, valid training outcome evaluation schemes, the alignment between training programs and performance objectives and other related factors such as banks' brand credibility, governmental affiliations and stable working conditions.

5. DISCUSSION

The interview results and secondary data from the literature review indicate that state-owned commercial banks in Vietnam have directed their focus towards building and implementing succession planning schemes to be integrated with their talent management systems. This supports the view that talent is highly context-

dependent and should be cultivated and developed. Their focus on human resources planning is in accordance with the nature of the banking sector, given its regulatory, procedural, and structural specificities. The core functioning of the banking sector relies on planning and commitment to plans. This study's findings are consistent with various research theories, such as motivation theories and person–environment fit theory (Caplan, 1987), and the findings of prior studies including Meyers and van Woerkom (2014), Ho et al. (2021), Dang (2021) and Dang and Pham (2023). The person–environment fit theory posits that talent should be nurtured and developed in the working environment for a certain period to strengthen the fit between workers' capacity and personality and the environment, which ultimately leads to superior job performance. Succession planning schemes in state-owned commercial banks can foster the fit between talent and the working environment by leveraging the context dependency of talent.

The finding of the progressive advancement in talent management activities of the Vietnamese public banks are in line with previous studies such as Dang (2021), Doan et al. (2023) and Dang et al., (2023). Previous studies such as Ho et al. (2021), Dang et al. (2023) and Dang and Pham (2023) explored various factors influencing talent management process; however, these studies did not yet focus on examining banks' internal factors which create constraints for talent management effectiveness in the public banking sector. The remaining constraints and difficulties in ensuring and measuring the talent training effectiveness found in this research indicate that there is a high demand for an integrated system for talent management initiatives. Such a system should ensure consistency in talent management processes, including alignment between talent management programme execution and the actual requirements and expectations of both employees and managers. It should also ensure the reliability and validity of performance measurements. Additionally, it is essential to develop a healthy and friendly working environment which reduce emotional exhaustion, increase motivation (Ibrahim & Olaley, 2024), foster knowledge sharing by establishing common goals, building trust, and strengthening interpersonal relationships (Nguyen et al., 2021) for enhanced individual performance (task and contextual) and organizational performance (Stefan et al., 2024). Figure 3 provides some suggestions for an integrated talent management process with succession planning. There should be an integration of digitalization in talent management process, which can be named as digital talent management. This would be in line with the trend of digital human resource management (Strohmeier, 2020).

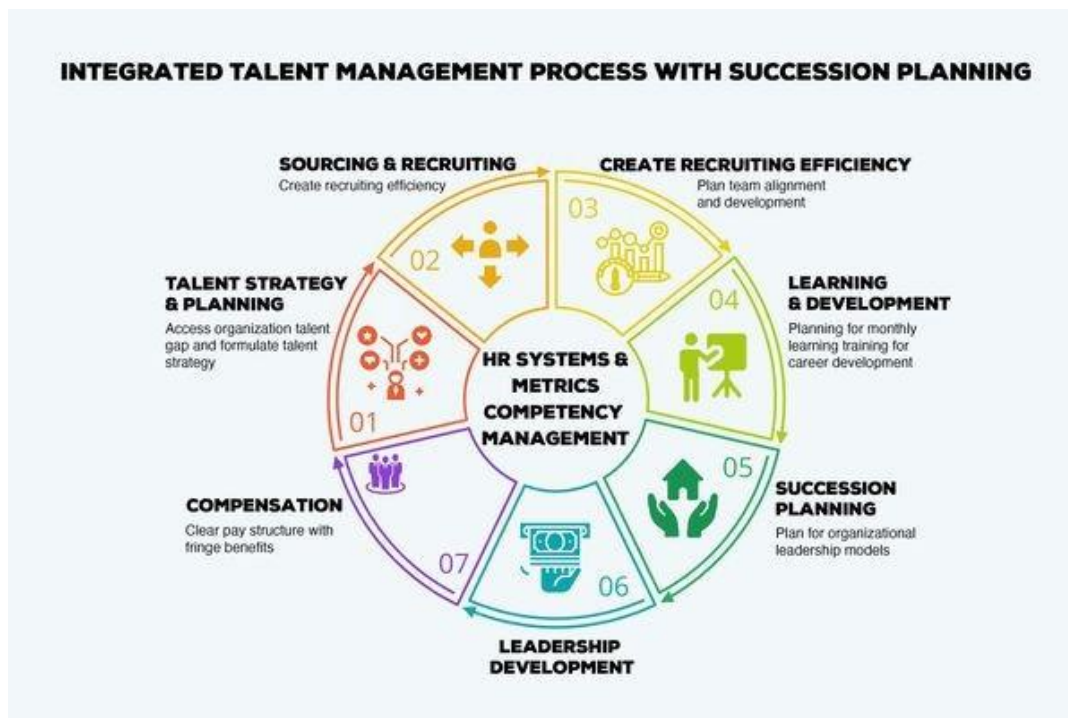


Figure 3: Integrated talent management process with succession planning.

6. CONCLUSION

The research highlights that Vietnamese state-owned commercial bank prioritize building internal talent pipelines through succession planning, offering development opportunities and clear career paths for high-performing employees. This approach emphasizes training and equipping talent to meet organizational needs over external hiring. Significant investments have been made in talent training, development, retention, and technological advancements in employee record management and performance assessment systems. However, challenges remain in talent training programs, engagement, and measuring talent management effectiveness, underscoring the need for a more integrated and effective talent management process with a focus on succession planning.

Addressing the lack of empirical studies on talent management effectiveness in the public sector of emerging economies, this study advances academic understanding of talent management in evolving business

environments, with a focus on Vietnam's public banking sector. Theoretically, it responds to the call for more thorough research on talent management across various sectors and regions, as highlighted by several scholars (Cooke et al., 2014; Dang et al., 2021; Thunnissen, 2016; Thunnissen & Buttiens, 2017; Dang & Pham, 2023; Dang et al., 2023). Although the generalizability of the findings is limited, this paper serves as a valuable reference for future research on this emerging topic, contributing to a broader academic comparison of talent management practices across diverse social contexts and industries. Additionally, this study provides a foundation for future research to develop models or frameworks for examining factors evaluating talent management effectiveness, with potential for using mixed methods to deepen insights. The research findings pave the way for future theoretical evolution in the domain of talent management in general and encourage more empirical research on talent management within the public sector in particular.

The study provides practical recommendations for Vietnamese bank managers to enhance training programs, align them with performance metrics, and standardize talent retention strategies, which could boost organizational efficiency and competitiveness in Vietnam's growing economy. Effective talent management in state-owned banks supports broader socio-economic goals, such as financial stability and workforce development. Additionally, the findings offer insights for education by showcasing Vietnam-specific applications of global talent management theories and contribute to societal benefits like improved job satisfaction, career advancement, and social stability.

6.1. Managerial Implications

This study has various managerial implications, which are drawn from the interview results. The interviewees suggest that there should be more focus on integrating talent pipeline development into their long-term management strategies. Additionally, banks should research their internal staffing requirements to ensure that the talent pipeline can adequately meet their workforce needs. It is also necessary to conduct environmental analysis to assess external and internal factors which influence talent management flow and talent management effectiveness, as highlighted in the proposed framework.

The interview findings emphasize the importance of enhancing employee training and skill development, particularly in technology and change management, through both online and in-person courses. Reliable frameworks to evaluate training outcomes are recommended to ensure organizational value. Additionally, fostering a flexible and supportive work environment is crucial, including promoting intergenerational interaction, optimizing remote work models, and ensuring employee well-being through psychological support and a positive workplace atmosphere (Vui-Yee, 2018). A socially responsible HR management system is suggested to improve employee engagement, retention, and organizational citizenship behavior (Ha & Doan, 2024; Ahmed et al., 2024). Bank leaders are encouraged to update HR policies to adapt to market and regulatory changes. For younger employees, recruitment behavior, organizational image, and source credibility are key factors influencing organizational attractiveness (Buitek et al., 2023).

6.2. Limitations and Recommended Future Research Directions

The study has some limitations, such as the absence of in-depth perspectives from talented employees and high-level managers in banks. Moreover, the findings have limited external validity, understood as limited generalizability, due to the purposive and convenience sampling techniques used in the research.

Future research should incorporate the perspectives of additional stakeholders and utilize quantitative methods to examine the impact of variables such as training modes, program frequency, leadership, and technological innovation on talent management effectiveness. Comparative studies across different contexts, such as Vietnam versus Western countries, or across various sectors, could enhance the understanding of talent management practices. Building on this study's findings, future work could apply theories like person-environment fit and motivation theories to develop and empirically validate models or frameworks focusing on talent management effectiveness, particularly in talent attraction and retention.

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APPENDIX

Qualitative interview questions

1. What talent management programs, mechanisms, or HR activities does your bank have in place? If any, what are these programs/activities?
2. How effective are these programs/activities? How does your bank measure or evaluate the effectiveness of these talent management programs/activities?
3. What differences exist between the planned and actual talent management programs/activities, as well as between different branches and regions within your bank's system? If there are differences, please explain these differences and their causes.
4. In your opinion, what are the internal and external challenges to talent management currently and in the future within the banking sector in the current context?
5. How can these challenges/barriers be overcome? How does your bank address the obstacles in talent management?
6. Based on the challenges mentioned above, do you have any recommendations to improve the effectiveness of talent management in state-owned joint-stock commercial banks in Vietnam?
7. Are there any other issues you would like to recommend or mention regarding the identification and retention of talent?

Quantitative survey questionnaires (Mujtaba et al., 2022)

Identification of critical positions		SD	D	N	A	SA
Rating Scale: 1. Strongly Disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly Agree						
1	My company identifies key positions in line with the strategic goals of the organization	1	2	3	4	5
2	My company designs the roles of key positions aligned with business strategies	1	2	3	4	5
3	In my company, the competencies of important positions are prepared on the basis of the desired output	1	2	3	4	5
4	In my company, the capabilities of key positions are identified in line with the requirements of the current and upcoming projects	1	2	3	4	5
5	My company develops an inventory of available skills/employees to match the requirement of key positions	1	2	3	4	5
Talent acquisition		SD	D	N	A	SA
Rating Scale: 1. Strongly Disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly Agree						
1	My company prefers to identify talent within the organization to fill the key positions	1	2	3	4	5
2	My company uses an employer brand to attract potential talent of the market to fill the important positions	1	2	3	4	5
3	The sustainability practices of my company support to acquire high performers	1	2	3	4	5
4	The professional/social network of my company supports to hire the best talent of the market	1	2	3	4	5
5	Social media is an important source for my company to acquire talented people	1	2	3	4	5
Talent development		SD	D	N	A	SA
Rating Scale: 1. Strongly Disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly Agree						
1	Competency training of my company helps to acquire a specific skill set to meet current and future job requirements	1	2	3	4	5
2	Technology supports me in performing my tasks with perfection	1	2	3	4	5
3	Challenging assignments of my company encourage me to think beyond the box	1	2	3	4	5
4	The job rotation policy of my company improves my skills	1	2	3	4	5
5	In my company, mentorship supports me in performing my tasks with excellence	1	2	3	4	5
Talent engagement		SD	D	N	A	SA
Rating Scale: 1. Strongly Disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly Agree						
1	My company gives me autonomy in assigned tasks to exhibit my full potential towards achieving organizational performance	1	2	3	4	5
2	Involvement in the process of decision-making engages me to contribute to the company's performance	1	2	3	4	5
3	My emotional attachment with the company forces me to concentrate on my work	1	2	3	4	5
4	Effective communication regarding clarity of my role and nature of work motivates me to work with full dedication	1	2	3	4	5
5	My company trusts the integrity of talented employees, which encourages me to work with full capacity	1	2	3	4	5
Talent retention		SD	D	N	A	SA
Rating Scale: 1. Strongly Disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly Agree						
1	My company provides career development opportunities to retain key employees	1	2	3	4	5
2	Managerial support of the company inspires me to continue my job	1	2	3	4	5
3	The conducive environment of my company motivates talented employees to stay a longer period	1	2	3	4	5
4	Attractive compensation and benefit incentives engage me to work with my company	1	2	3	4	5
5	My company provides more avenues to high performers for work-life balance	1	2	3	4	5
6	My company applies a performance-based rewards and recognition policy to motivate high performers to remain in the organization	1	2	3	4	5

Figure 4: Quantitative survey questionnaires