Successful employee retention practices: characteristics found in Danish and Icelandic banks

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Abstract: Based on the elements of social exchange theory this study sought to investigate the characteristics uncovered in large commercial banks that have successfully retained talented employees. The qualitative data was collected via 32 interviews and the participants comprised of four stakeholder groups: 1) external recruitment specialists; 2) HR managers in banks; 3) mid-level bank managers; 4) bank specialists. The results reveal that a structured and systematic investment in talent management and strategic human capital has an impact on the retention of specialist. In addition, organisational connections with employees, employee education, inclusive communication, recognition, and management recruitment practices all impact the employees satisfaction with their employer, thereby improve the retention rate. This research contributes to the literature as it validates the importance of investment in talent – supported by corporate strategies – as a way to understand trends and to plan and define retention strategies that back companies' successful retention of specialists.

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1   Introduction

In 2017, the financial services industry's turnover rate increased to 27.5% worldwide, with voluntary turnover accounting for 16.2% of the total. As the turnover rate is increasing, the average tenure is decreasing. Recruiting and training competent staff also require considerable time, effort, and money (Kampkötter et al., 2018).

Since its introduction into the managerial literature (Chambers et al., 1998), talent management (TM) has become the focus and centre of the attention of both human resource management (HRM) experts and practitioners. Since its inception, TM has received considerable attention and has developed steadily (Thunnissen et al., 2013). Consequently, TM research has expanded from the macro (Bethke-Langenegger et al., 2011) to the micro (Gelens et al., 2015) levels (Mensah et al., 2016). Scholars have discovered a link between TM and employee work attitudes, such as emotional commitment and job satisfaction (Chami-Malaeb and Garavan, 2013; Gelens et al., 2015). TM implies that organisations can improve employees' potential and performance by implementing human resource (HR) practices that are linked to their TM strategies. The decisive questions are whether TM influences on corporate performance and whether a targeted talent strategy can be profitable. While much has been claimed about TM, there is also much uncertainty around it. A literature search will turn up numerous definitions of the term 'TM', including informal personally oriented TM (Tansley and Development, 2007), TM as a rebranded version of HR planning (Lewis and Heckman, 2006), TM as succession management (Hirsh, 2000), and strategic TM (Cappelli, 2008; Bourdeau and Ramstad, 2005). Moreover, despite practitioners' increased use of TM methods, TM research continues to lacks a robust theoretical foundation (Al Ariss, 2014; Theodorsson et al., 2022).

An increasing number of organisations consider competence as the key to long-term success. According to Prahalad and Hamel (2006), talented employees have unique and highly valued talents that, when developed in the correct organisational framework, provide key organisational competencies for sustainable competitive advantage. Ulrich et al. (1995) placed the abilities in a framework known as the 'HR value proposition', which is considered "an integrated blueprint for the future of HR" (Ulrich and Brockbank, 2005). An issue that emerges from this value proposition concerns how one might build TM as a talent strategy in organisations.

In their book on the future of HRM, Michaels et al. (2001) discussed, talent scarcity, which they predicted would result in a 'battle for talent'. This fight would be based on the necessity to improve the skills of up to 60% of the workforce in order to compete in the age of the smart economy. The organisations that these authors questioned were all deemed high-performance corporations. The authors' results revealed that just 20% of the organisations believed that they had sufficient executives with talent, with only one in every four organisations prioritising talent banks. Additionally, the authors' findings revealed that 48% of the executives planned to leave their organisations in the two years following the study.

Although the notions of TM and the multidimensionality of employee retention are gaining in popularity (Narayanan et al., 2019; Goldstein, 2017; Ambrosius, 2018) empirical research has not explicitly investigated how TM relates to the many dimensions of employee retention.

There have also been studies on how TM could lead to improved employee retention, although most of these studies are either conceptual (Narayanan et al., 2019) or

practitioner articles (Theodorsson et al., 2022) which rely on anecdotal data and never examine the links experimentally. In summary, while academics, practitioners, and business executives have shown great interest in TM, little is known about how TM connects to the many dimensions of employee retention. However, this notion is enticing, since greater employee retention should ultimately lead to improved organisational performance (Kurdi and Alshurideh, 2020).

This study gap is significant because empirical data on how TM affects the key metrics of employee retention are presently lacking (Narayanan et al., 2019). The purpose of this paper is to investigate the relationship between TM and employee retention. A qualitative study is required to expand our understanding and gain fresh insights into how using TM techniques could either increase or decrease employee retention.

This research's aim is to identify the characteristics of organisations that have been successful in their employee retention in one specific setting (the commercial banking industry); shed new light on the motivational factors, especially what communication and commitment are experienced; and discuss the challenges. For these purposes, this research puts forward three research questions; In this unique research environment, how do participants understand motivation? What are the employers' and employees' expectations and perceived outcomes? What are the main obstacles?

Owning to the competitive nature of the business climate, retaining competent individuals in the banking industry has proven difficult. Building on the social exchange theory, this research attempts to determine and analyse the characteristics of large commercial banks that have been successful in their retention of specialistis. The capacity to build a culture that prevents people from wishing to leave an organisation is considered success. Thirty-four expert interviews conducted with 32 interviewees to determine the characteristics of large commercial banks that have seen successful in their retention of specialists. Four stakeholder groups participated in the interviews:

1   external recruitment consultants

2   HR managers in banks

3   mid-level bank executives

4   bank experts.

These four stakeholder groups were chosen because they were representative of both outside-in and inside-out perspectives. All interviews were conducted in Iceland and Denmark, as these nations have similar cultures (Guðmundsdóttir et al., 2015). The interviews were conducted in the interviewees' native languages. Subsequently, we used thematic analysis methods to determine the transcripts main topics, which helped us to detect patterns and relationships across the dataset and capture important data elements regarding the research purpose.

2   Literature review

The purpose of the following literature review is to summarise and synthesise the current arguments and concepts in the field of interest. The concepts that we will address here are talent retention, TM and strategic human capital (SHC). Talent retention, whose aim is to allow companies to secure a favourable position in relation to competitors, focuses on the

concrete process of retaining the recruited talent (Keller and Meaney, 2017; Tursunbayeva et al., 2018). Employers use TM to recruit staff and develop a team that is as productive as possible and likely to remain with their firm in the long term. SHC studies investigate the relationships between human capital and individual outcomes (e.g., mobility and income) that are important to firm value capture or company success (Brymer, 2015; Papaioannou et al., 2020). Employee retention is critical to an organisation's stability, growth, and income. Organisations can enhance employee retention by concentrating on four areas: effective communication, a diverse workforce, talented personnel, and growth and training programs (Chatzoudes and Chatzoglou, 2022). TM and SHC will help us to answer the abovementioned research questions.

2.1   Talent retention

Organisations value the acquisition, development, and retention of talent for numerous reasons. Employees who leave an organisation frequently take significant information and skills with them. Long-term staff member develop close ties with clients. These connections are the foundation for a virtuous circle of pleasant interactions between staff and clients.

Staff retention improves client interactions and, ultimately, profitability (Meyer, 2005; Greenwood et al., 2019).

Organisations must also bear several direct costs associated with turnover, such as interview time and administrative requirements, the payment of unused vacation leave, the cost of temporary employees or overtime for co-workers asked to fill in, and training expenses. Advertising, headhunters, and selection fees all comprise the replacement expenses. Both formal and informal training expenses add to the total load (Mitchell et al., 2001; Sarker et al., 2018; El Miloud et al., 2020). Losing skilled staff is also costly in terms of the influence on organisational morale. Organisations must also face the possibility that new personnel may underperform or will not fit into the organisational culture (Meyer, 2005). According to Roodt and Kotze (2005), when competing in the fight for talent, organisations have two choices: to become and remain an 'employer of choice', attracting and retaining individuals with the requisite profile (Cappelli, 2000); or to develop, retain, and efficiently use their current talent pool.

According to Olesen (1999), the best way to fill critical organisational openings is to retain skilled personnel already on the payroll. After all, current employees are a recognised factor, they are conversant with their organisations' internal workings. These employees have built the formal and informal networks required to help them to remain productive within their organisations, and they have been trained in the use of many of their organisations' procedures and systems (Pfluegler et al., 2018).

2.2   Talent management

Over the last two decades, interest in TM research has increased, and since 2012, empirical data have begun to emerge (Gallardo-Gallardo et al., 2015; Gallardo-Gallardo and Thunnissen, 2016; Theodorsson et al., 2022) because, of all the resources available to an organisation, competent workers and management systems are the most valuable. Following the publishing of McKinsey experts who proclaimed 'a war for talent', the high demand for and the employment of brilliant workers, as well as their management, have become critical topics of discussion. However, there remains a lack of agreement on

the definition and scope of the term 'TM', as well as the methodologies for studying TM (Lewis and Heckman, 2006; Gallardo-Gallardo et al., 2015). Although methodologies vary, TM often focuses on organisations' differentiated treatment of high-performing and high-potential individuals who are regarded as crucial professionals, either now or in the future (Savaneviciene and Vilciauskaite, 2017). This paper adapts Collings and Mellahi's (2009) widely recognised definition:

> "[…] activities and processes that involve the systematic identification of key positions [that] differentially contribute to the organization's sustainable competitive advantage, the development of a talent pool of high potential and high performing incumbents to fill these roles, and the development of a differentiated HR architecture to facilitate filling these positions with competent incumbents and to ensure their continued commitment to the organization." (p.311)

In literature, two approaches to TM have been explored. The exclusive approach adopts a restrictive view, arguing that the TM system should only include particular individuals who are considered 'high fliers' (Savaneviciene and Vilciauskaite, 2017; Iles et al., 2010; Theodorsson et al., 2022; Charan, 2011).

The inclusive approach, meanwhile, contends that every person possesses 'potential' and that, ideally, every employee contributes to an organisation's performance (Mensah, 2015). Every individual's function contributes to the overall organisational performance; nevertheless, certain individuals have unique abilities that are critical to the organisational competitiveness. Furthermore, Bourdeau and Ramstad (2005) argued that certain roles are more strategic and contribute more to the attainment of organisational goals than others do. When a star performer is in a position with minimal opportunity for distinction, adopting an inclusive approach results in overinvestment and the wasting of resources (Minbaeva and Collings, 2013).

Greater job satisfaction (Collings and Mellahi, 2009; Gulyani and Bhatnagar, 2017), emotional commitment (Chami-Malaeb and Garavan, 2013; Gelens et al., 2015), higher retention rates (Bhatnagar et al., 2007; Hughes and Rog, 2008), and employee performance have all been linked to TM (Gelens et al., 2014; Luna-Arocas and Morley, 2015). TM has been found to reduce expenditures and labour costs while enhancing competitiveness and corporate performance (Jackson et al., 2009; Ulrich and Allen, 2014). However, other scholars believe, that TM can have some harmful implications (Dries, 2013; Swailes et al., 2014). The segmentation aspect of TM can discourage, demotivate, and frustrate employees, as well as promote unhappiness and envy in employees who are not in the talent pool, leading to reduced production or greater turnover (Smith et al., 2008). TM can foster inequity, which makes it a sensitive issue (Gelens et al., 2013), and exclusion from the TM pool can make employees feel, and be regarded as, inferior, leading to poorer self-efficacy (Iles, 2013; Swailes, 2013). Consequently, Iles (2013) posed the question, 'Can TM be ethical?' Pfeffer (2001) contended that talent labelling leads to an overemphasis on 'A players' at the expense of team contributions, and Larsen et al. (1998) argued that talent labelling can lead to arrogance and complacency.

2.3   Strategic human capital

SHC studies explore the linkages between human capital and individual outcomes (e.g., mobility and income) that are significant to organisations' value captures or company performance.

Over the last decade, the area of SHC has formed and flourished considerably. Despite SHC's development, three major concepts appear to dominate the literature. Human capital refers to "[…] the knowledge, information, ideas, skills, and health of individuals" (Becker, 2002). Other scholars have narrowed their approaches to human capital to the human traits that provide companies value (knowledge, skills, talents, and other attributes) (Lepak and Snell, 1999; Ployhart, 2004; Magableh and Al-Tarawneh, 2021). Significant effort has been made to investigate the value of firm-specific human capital (i.e., characteristics that are only valuable to the employee's firm and are of no value to other firms, such as knowledge of internal norms and communications processes) and general human capital (i.e., characteristics that are valuable to multiple organisations, such as knowledge gained as part of an MBA program) for organisations, as well as why individuals would seek to gain such characteristics. Much of the discussion in this area has centred on the value of each form of human capital (specific versus general) collected by employees, as well as the value captured by the companies, with the firms requiring at least part of the value to accrue to it (Chadwick, 2017).

A developing concern in the SHC literature is analysis levels. The first debate centres on the human capital theory (Becker, 2002; Elbanna and Idowu, 2021), which is based on understanding individuals' knowledge, skills, and capacities, as well as how they make decisions about investing in attaining more human capital. Several studies, however, have broadened the issue to an organisations' pools of human capital, necessitating conceptual aggregation (Lepak and Snell, 1999; Ployhart et al., 2014; Wright et al., 1994; Saldanha et al., 2022). These studies have resulted in muddled terminology. For example, human capital resources have been defined as "[...] individual or unit-level capacities based on individual knowledge, skills, abilities, and other characteristics (KSAOs, 2022) that are available for unit-relevant reasons" (Ployhart et al., 2014). Ing et al. (2019) noted the distinction between human capital and human capital resources in their latest edited study book and stated, "To [briefly] recap, when we consider of the individual's KSAOs, then human capital is the relevant phrase."

3   Methodology

To examine what characterises banking organisations that have been successful in their retention of specialists, we used a qualitative technique inspired by Miles and Huberman (1994) and Corbin et al. (2015).

According to Corbin et al. (2015), such techniques are appropriate for delving into unfamiliar phenomena and improving understanding. We adopted an interpretivist epistemological stance, which is considered useful in investigating phenomena associated with careers and organisational behaviours (Saunders et al., 2019). Our interpretivist viewpoint aligned with our decision to conduct qualitative semi-structured interviews to determine the characteristics of organisations that have been successful in their retention of specialists. Furthermore, it has been claimed that inductive qualitative research is

appropriate for delving more deeply into the relatively new idea of sustainable careers (Corbin et al., 2015).

3.1 Conceptual framework

Based on the SHC and TM literature, this conceptual framework will help us to identify which central components are considered valuable to this study and link the components to the other aspects of and impacts on the investigation.

Figure 1 Conceptual framework (see online version for colours)
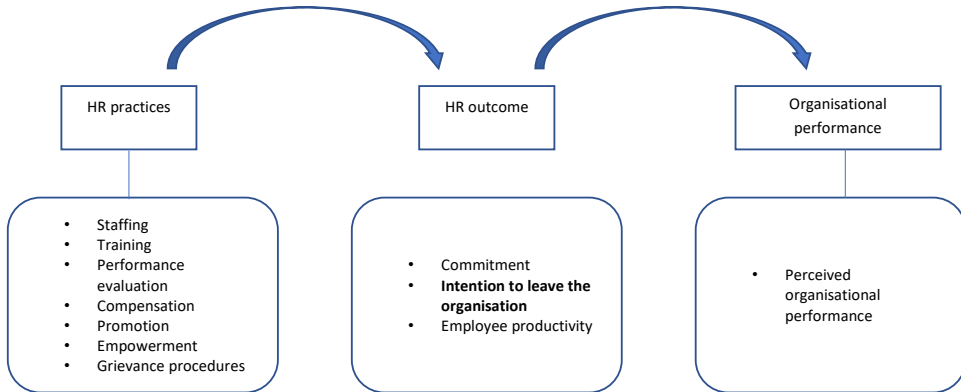

3.2 Data collection process

To determine the characteristics of the banking sector organisations that have been successful in their retention of specialist, we conducted interviews with 32 interviewees (hereinafter participants), 15 of whom were from Iceland and 17 om whom were from Denmark. Initially, we contacted 37 people with the aim of conducting semi-structured interviews. Thirty-two people decided to participate, and three people did not respond. All four stakeholder groups were interviewed until saturation was reached (Suddaby, 2006). Two of the participants requested follow-up interviews because they felt that they had more to say, which resulted in supplementary material.

The participants were divided into four stakeholder groups:

1 external recruitment specialists

2 HR managers and senior HR professionals

3 mid-level managers (with personnel responsibility)

4 specialists (with an academic degree [e.g., a BA, MA or PhD).

The sample comprised a selection of suitable participants to make it possible to appropriately research the focus of the study. The first step in the process involved a combination of purposive and convenience sampling (Whitehead and Whitehead, 2016), where a list of criteria was compiled for the respective stakeholders. Afterward, we used our network was used to book the necessary appointments. Subsequently, we employed snowball sampling, as in some cases there was a lack of data.

Figure 2   Data process
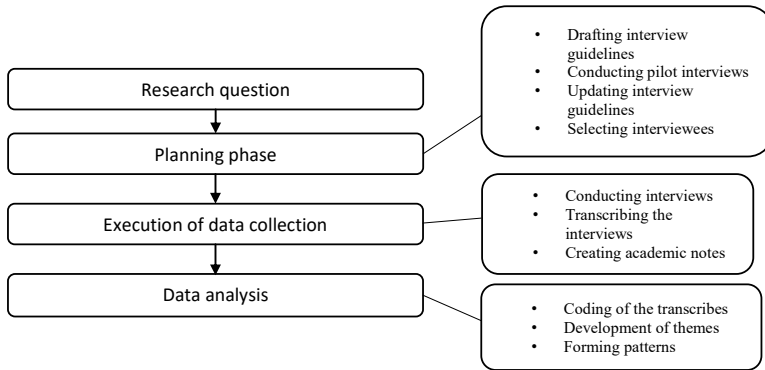
The interviews were conducted in Iceland and Denmark, respectively. The interviews were conducted in-person (excepting a few, which were conducted on Zoom and Microsoft Teams) in the respective companies where the participants worked. Regarding interview location, there was one exception, as for reasons of discretion, one participant wished for their interview to be conducted at the University of Iceland. The questions were purposefully open-ended, with suggestions used to advance the debate and elicit the participants' perspectives. All interviews were conducted in the participants' native languages (i.e., Icelandic and Danish), and they were all transcribed manually in these languages to prevent language errors that could have negatively impacted the data's validity. After we transcribed the interviews, we wrote academic notes, which reproduced the central points of each interview, in English. Initially, we developed a specific interview guide for each stakeholder group, and four pilot interviews were conducted to receive input on the guides, after which the guides were improved and updated.

In our interviews, we probed more deeply into our six core themes; a structured and systematic investment in TM and SHC, connections with employees, an engagement in employee education, a concentration of inclusive communication, recognition, and management recruitment practices. We were interested in the initiatives of the organisations that, historically, have been successful in their employee retention. These initiatives are critical to securing the right talent dynamics and, therefore, ensuring that the organisations retains their valuable employees. By interviewing these individuals, our key intention was to understand employee responses in the context of their organisational management cultures, which is a complex issue that is difficult to using quantitative approaches (Gummesson, 2000).

Table 1   Age and experience average for stakeholder groups

	Stakeholder groups			
	External recruiter	*Head of HR/senior HR*	*Mid-level manager*	*Specialist*
Age (Iceland)	60	50	48	41
Experience (Iceland)	29.67	13.4	10.5	16.75
Age (Denmark)	47	57	49	40
Experience (Denmark)	10.13	27	13.6	8.7

Admittedly, there might have been a self-selection bias because we did not know how those who agreed to participate in the interviews varied from those who declined to participate. Twenty males participated (63%). The male overrepresentation could primarily be observed in the Danish data, which shows that 71% of the interviews were conducted with males, while the Icelandic data show that only 47% of the interviews were conducted with males.

Table 2 The sample's demographic characteristics (N = 32)

Overview over participants (P)			
Participant	*Position*	*Age*	*Experience*
P1	External recruiter	62	20
P2	External recruiter	29	4,5
P3	External recruiter	41	4
P4	External recruiter	55	12
P5	External recruiter	53	25
P6	External recruiter	69	39
P7	External recruiter	59	25
P8	Head of HR/senior HR	59	31
P9	Head of HR/senior HR	55	23
P10	Head of HR/senior HR	49	1
P11	Head of HR/senior HR	40	2
P12	Head of HR/senior HR	55	19
P13	Head of HR/senior HR	55	22
P14	Head of HR/senior HR	49	23
P15	Mid-level manager	44	10
P16	Mid-level manager	40	3
P17	Mid-level manager	59	17
P18	Mid-level manager	56	21
P19	Mid-level manager	50	12
P20	Mid-level manager	43	5
P21	Mid-level manager	39	3,5
P22	Mid-level manager	52	24
P23	Mid-level manager	52	4
P24	Specialist	41	15
P25	Specialist	51	16
P26	Specialist	32	5
P27	Specialist	33	1,5
P28	Specialist	43	6
P29	Specialist	42	12
P30	Specialist	43	20
P31	Specialist	42	21
P32	Specialist	38	14

The average age of the participants was 48 years, with the range being from 29 to 69 years. This average age is somewhat similar to the Danish average of 47 and is slightly lower than the Icelandic average of 49. With an average of 14.5 years, the

participants' years of experience ranged from one year to 39 years. It is important to address how the distribution appears at the national and stakeholder levels (Table 1).

Participants were informed that they could freely withdraw from the study at any time and for any reason during the interviews. The individual semi-structured interviews lasted approximately 45–60 minutes. The semi-structured interviews allowed for a more in-depth exploration of emerging topics and themes than the scheduled questions would have permitted.

4   Findings

The following sections concern the study's key findings.

4.1   A structured and systematic investment in TM and SHC

The interview data reveal that focusing on TM and SHC is playing an increasingly important role in organisations. The external recruiters addressed these issues, and the heads of HR stated that they were seeking more investment inn these procedures within the organisational activities. Collectively, all the heads of HR mentioned a clear lack of candidates in recruitment for specialist-level positions. Their explanations were that, inter alia, other players in the banking industry present tough competition and that the banks compete with other knowledge-intensive industries, such as the engineering, energy, and the pharmaceutical industries.

> (P9) "Therefore, we have a huge task in making sure that when people talk about what kind of employees of the future are you looking for? Well, I'm looking at the 70% I've already hired. How is it to ensure that they are still in the bank also in five years? I don't want to have to use 100% new ones; I have to look at the 70% of future employees that I have already hired. I don't know which 70% it is. This forces us to structure our recruitment and invest in [the] education of our employees"

When a firm decides to invest in a pipeline to guarantee that valuable workers remain at the company, not only does it save money on, inter alia, recruiting and onboarding, but it also addresses some of the risk management consequences that voluntary resignations have.

4.2   Connections with employees

A significant observation is that the mid-level managers and the specialists believed that the systematic process of communication and interaction throughout the organisation is paramount between top management, mid-management, dedicated staff functionaries, specialists and frontline staff. It was stated that this process is critical to promoting a healthy environment that encourages employee participation, particularly for retention purposes. Creating an environment conducive to employee engagement to find ways to connect to the stakeholders within the organisations helps to create a transparency regarding objectives, decisions, and procedures throughout organisations. The mid-level managers and the specialists stated that, if done correctly, this can lead to increased employee retention.

> (P29) "I have experienced that clear communication from management has created tranquility among the employees […] you can say that there is simply less confusion [...] I have experienced that a lack of communication creates uncertainty that leads to stress […] this has a negative influence on performance [...] you don't want to stay in a workplace where you are not heard and you feel stressed"

These observations support Taylor's (1969) findings, which claimed that job satisfaction could influence employee turnover and that job satisfaction involves job routine, communication skills, centralised leadership, organisational fairness, opportunities for advancement, and task load. In several studies, internal marketing has been shown to encourage employees and boost job satisfaction, thereby lowering turnover rates (George and Gronroos, 1989).

4.3 An engagement in employee education

The mid-level managers felt that there was limited focus on managers' education. Furthermore, the mid-level managers recognised that, in their recruitment process, there was no focus on their abilities as managers, including their management training.

Owing to the atmosphere enhanced accountability, the strategic planning process has become a focus point for successful management. With the associated increase in diversity and flexibility in managerial education, as well as a corresponding shift in responsibilities and identities, there has been a tendency to confuse the concerns that have developed about middle management teams and their contribution to the strategic agenda (Leader, 2004).

> (P21) "When I became a manager there was no test of my ability to manage employees. In connection with structural changes in the department, I was asked if I would like a leadership role and I was interested in that. I think they felt they knew me[…] no one asked about my management style or management experience".

Employee education is increasingly becoming a critical concern for firms in today's competitive economic world (Bakan et al., 2011). Low turnover and absenteeism, improved employee happiness, stronger work motivation, greater organisational citizenship behaviour, increased job performance, and an indication of an organisational effectiveness are all prominent positive results of organisational commitment.

The specialists and the mid-level managers expressed that, in principle, they had been provided with resources so that they could further their education, but that, in most cases, this was deprioritised in favour of work tasks:

> (P28) "I was in a department where the atmosphere and ambitions were high, [where] people helped, and [where people] took an interest in each other. It [was] then decided that a mid-level manager would come to lead the department. He was a young man in his 30s who was used to being one of the driving forces professionally. This person had no formal manager training and we had no doubt that his merits as a specialist were the basis for his appointment as manager. This ruined the department; things were controlled by arrogance and an Excel sheet. Many of us resigned during that period [...]."

The banking industry is constantly evolving and growing, which means that the knowledge and skill set of its personnel must do likewise. Compliance issues and legislations change regularly, and it is therefore crucial for specialists in the industry to

study and understand the ever-changing situation, which means that a continuously investment in education is important. Continuing staff education only develops, and strengthens staff members' skills, which will improves their efficiency and the quality of their work:

> (P16) "I had mentioned to my manager that I had leadership ambitions and I got his full support to go in that direction. When there was a leadership position open, I applied for it and got into a process that was very focused on both why I wanted to be a leader and to what extent I had leadership talent. This happened through a series of tests and interviews. When I got the job, I attended a course for new managers and there is a continuous follow-up and networking in the management group. I appreciate it."

4.4   *A concentration on inclusive communication*

The specialists discussed the significance of inclusive language as a motivational element that can influence willingness to remain at a company. The specialists emphasised that non-inclusive language is frequently used unintentionally, with people unaware that it can exclude. With a developmental attitude, everyone is continually discovering new ways to be inclusive. The language used in an organisation is critical to ensuring that everyone feels as though they belong there. One must create a workplace where everyone feels respected and free to be themselves and where one uses the language that others use to describe themselves.

> (P25) "To begin with, our manager was incredibly focused on making sure everyone felt heard, he came by informally and talked to developers, specialists and administrative staff on an ongoing basis. After six months, there was a reshuffle, so that manager had to do something else and the new manager had a completely different communication style. The communication took place in advance via e-mail and the dialogue was not adapted to the employees at all; it was a one-size-fits-all communication that referred to an Excel sheet. It worked really badly, so people left after a short time; ultimately, the department closed down […]."

Managers who do not commit to developing an inclusive organisation are less likely to focus on the company's purpose, vision, and values. Consequently, the organisation will fail to ensure that everyone has a voice. Ensuring that every employee has a voice necessitates an agile strategy that requires managers to regularly adapt the way in which they interact with their employees. Managers who stagnate in their communication with their employees are failing in both the communicative and motivational aspects.

4.5   *Recognition*

According to all four stakeholder groups, positive feedback is useful in the motivating any financial or bank employee, and it is critical for management to convey positive recognition when it is justified. The specialists pointed out that recognition from a mid-level manager or a co-worker can do wonders for morale and said that it inspires them to focus on their roles and, ultimately, feel so comfortable that they remain loyal to the company and do not leave.

> (P32) "When my manager personally and truly acknowledges my accomplishments, we both feel pleased, delighted, and happy. There is a human connection that transcends culture to form a shared link. The strength of this

link is more than you may believe; in fact, it is the strength that binds excellent
corporate cultures together […].”

The data reveal that intrinsic rewards in the form of recognition significantly impact
specialists' and managers' motivation. Thus, a devotedly focusing on the employees
senses of accomplishment, feelings of growth, and personal development regarding
particular abilities and talents is recommended. Intrinsic rewards are related to the
workers' perspectives of the job and are thus influenced by job design; they are
sometimes referred to as non-financial and non-monetary rewards.

4.6   Management recruitment practices

The data on all four stakeholder groups shows that there is no focus on management
qualifications as special competence when the banking industry hires middle managers.
The external recruitment specialists described how some companies use personality tests
as a basis for selection, but these tests primarily focus on whether the candidate can fit
into the organisation and how intelligent the candidate is regarding logical thinking. The
HR managers explained how, in some cases, candidates are presented with a proxy case
to form an impression of the management skills. However, this method is exceptional and
only used if recruitment is done externally. The interviewed middle managers described
the same scenario, neither in connection with recruitment nor as a point in connection
with further training are management skills in focus.

> (P2) "The clients (banks) have a primary focus on what financial results the
> management candidate has shown and how that person is as a profile in relation
> to personality […] In some cases we mention to the client whether we should
> test the candidates' management skills or not [...] it never comes from them
> themselves […]."

> (P18) "I have never been tested or asked about my management skills or
> whether I am interested in management […] When I have been in the
> employment process, it has been my professional skills in the field as well as
> my results […] even if I have been asked for some personality tests, it has
> seemed like proforma if I'm being honest [...]."

It is clear that the banks do not focus on the management talents of the middle managers
whom they employ, which can significantly impact on the companies' abilities to retain
talented employees.

5   Discussion

Here, we discuss the obtained data and, when necessary, establish connections between
our findings and existing literature to answer the research questions. Additionally, we
contribute to the existing evidence in a number of instances and provide organisations in
the banking industry, whose activities depend on a workforce of skilful employees that
requires a constant assignment of foreign workers, with relevant advice.

   Our qualitative research aimed to determine the characteristics of commercial banks
that have been successful in their employee retention practices and to shed new light on
the mechanisms that lead to voluntary resignations. In this paper, we argue that an
organisation's commitment to developing a structure and investing resources in a TM and
SHC strategy plays a key role in employee motivation and, ultimately, the successful

retention of specialists in the banking industry. When a company chooses to invest in a pipeline to ensure valuable employees remain in the company, not only does it save money on, inter alia, recruitment and onboarding, but it also addresses some of the risk management consequences that voluntary resignations have.

The data show that managers believe in the importance of leading by interacting with people and that many managers wish to formally incorporate it into their corporate cultures. Many organisations, including those in the banking industry, have not been optimised for social connections (Dunbar, 1998). Rather than developing leaders based on their abilities to plan strategies, manage finances, and sell products and services, organisations develop leaders based on their capacities to engage with and assist employees. When managers seek management consultancies to rethink their organisational strategies and structures, they reinforce this viewpoint. While these consultants have outstanding technical and analytical skills, they are rarely encouraged to analyse how firms operate on a social level (Lieberman, 2013). Their methods frequently fail because they fail to secure buy-ins from employees for new concepts or managerial techniques. Changes cannot be implemented effectively unless there are buy-ins and trust among employees.

In today's rapidly changing technological reality, the favourable nature of a region's investment climate relies heavily on the quality of labour resources and investment in human capital, which are secured by formal education and ongoing advancement of a person's professional level. Scholarship and the capacity to exploit knowledge as an economic advantage have become essential components of the investment climate in recent decades. These elements primarily shape the potential of businesses and the region in general.

All types of communication have advantages and disadvantages, and an organisation's choice of technique is determined by the information that must be distributed, the identification and understanding of who the employees are, and how the employees receive the communicated content.

Inclusive communication does not, neither purposely nor accidentally, exclude or discriminate against anyone. Often, the communicator is unaware of the potentially negative consequences that communication can have, and this can damage employee motivation.

Recognising that people have varied communication preferences and requirements, all of which should be respected, is critical to establishing inclusive communication.

Furthermore, an inclusive approach to workplace communication ensures that every staff member, customer, and client feels equally appreciated and respected. Most organisations rely on effective communication to succeed. Most information originates from the top management, level but the mid-level managers are often the last outpost of communication or the first line of recipients of employee reactions. Either way, it is important that both top level management and mid-level management can communicate successfully.

6   Conclusions

The findings revealed a complex interplay of factors influencing retention rates in the banking industry. In the banking industry, the motivational factors for retention at the

specialist level are similar, although there are slight differences between Iceland and Denmark.

Generally, we found that addressing specialist shortages in the banking industry requires the development of a comprehensive, TM and SHC strategy that continuously invests in the employees, ensures an engagement in employee education, connects appropriately with employees through inclusive communication, promotes recognition, and fosters a more precise approach to management recruitment practices with a focus on managerial talent.

The banking sector has difficulties in developing an atmosphere that encourages the retention of specialists. The overcoming of the industry's difficulties in retaining an appropriate workforce necessitates consistent efforts in workforce planning, development, and financing. According to this study, increased management characteristics that emphasise leadership abilities among mid-level managers, acknowledgement of employees' efforts, and a better working environment, which could be achieved through inclusive and constructive communication, will foster the retention of specialists in the banking industry. Furthermore, policy issues such as career progression plans, fair promotional procedures, a transparent system for posting and transferring employees, and the empowering of local management for good governance, will be the key to success.

As more firms implement these ideas, research will be required to determine the ideas' long-term effects. For example, research initiatives could examine the type of training that leaders require to become more adept at mentoring others and leading via connection. Other studies could concentrate on the tactics that recruiters use to find leaders who exhibit the traits and talents required to nurture relationships, mentor, and connect. Lastly, research could be conducted to determine whether leaders who have received prior training in mentoring and fostering relationships are more effective in their roles than leaders who have not received formal training.

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