

# **A Research of Taiwan Financial Holding Group After Merger Key Talent Retaining Importance and Satisfaction : A Case of Under Finance Holding's Subsidiary**

*Chin-Cheh Yi<sup>1</sup>, Hsiu-Fei Chen<sup>2</sup>, Li-Chun Hsu<sup>3</sup>, Pei-Wen Liao<sup>4</sup>*

<sup>1,2,4</sup>National Taiwan Normal University, 129, Ho-Ping E. Rd., Sec1, 106, Taipei, Taiwan,

<sup>3</sup>National Dong Hwa University, No.1, Sec.2, Da Hsueh Rd. Shoufeng, Hualien, Taiwan

*jack541011@gmail.com<sup>1</sup>, 8022@yuanta.com.tw<sup>2</sup>, u290070056@yahoo.com.tw<sup>3</sup>, pearl908m015@gmail.com<sup>4</sup>*

## **Abstract**

The financial industry in Taiwan must continually reinvent itself in order to better compete with others. Every financial holding corporation has to become more proactive towards the goal of being No.1 in this industry. In the process of reorganization, the competition environment is expected to be along the lines of "The big is always big" and "Necessity of integration between different industries is high". Following these concepts, the financial holding corporation should be focusing on "talent", with emphasis on personnel integration and continuous training. With the competition in the finance industry becoming so intense, being able to command and maintain a core pool of invaluable human resources will be the strategic key to the final victory.

This thesis adopts the method of questionnaire survey and takes the subsidiary of a financial holding company as a research subject. In the course of this research, we also provided a questionnaire to understand the attitude and satisfaction level the talents have for the job. Through this research, we will be able to provide the subject company recommendations for retaining their talent in the company. This research uses the Importance-Performance Analysis to process quantitative data. We found that the items that are located in the focus areas include "the job is full of challenge and fulfillment", "the opportunity for promotion", and "employee welfare and payment". We provided some recommendations based on these parts to the subject company for reference.

Keywords: Taiwan Financial Holding Group, Key Talent, Retaining Intention, Importance-Performance Analysis

## **Introduction**

### **Research Background and Motive**

Facing the finance holding of industrial competitiveness, how to catch key talent in an important moment. At the same time, the rapid of human integration, must be the final winner strategy. Failure to integrate the human resources, will lead to the problem of key personnel leave. Therefore the issue of human resources, throughout the merger wave of the financial industry and become the financial industry must to face one of the key questions. Therefore, during the merger of financial institutions, the problem of "human resources", it is necessary to intervene sooner may be the better, so the merger is also the greater the chances of success.

Pre-president of General Electric of Jack Welch (2007) once said: "talent is the most important priority, people are the right, and the organization will be on right. It is useless, just only to follow strategy books to do. Talent is an important strategy in first step." Therefore, in the process of organizational change should be how to retention key talent, to allow talent to retain in a good organization. In order to ensure t organizational change will operate to success and transformation.

Based on the above-mentioned, organizations for the sake of expanding the scale of the financial industry and to lay financial holding in the field, after merger on September 24, 2007, and to complete the whole procedure lasted a total of more than two years, during which one of the priorities of human resources department are effective to retention. To achieve the purpose of talent retention, human resources department in the acquisition process and the formal merger, succession planning and promote a number of retention strategies. This study expects to understand the retention of key talent has become an important motive.

## Research Purpose

Based on the above-mentioned research background and motivation. Therefore, this study to offer research purposes follow as:

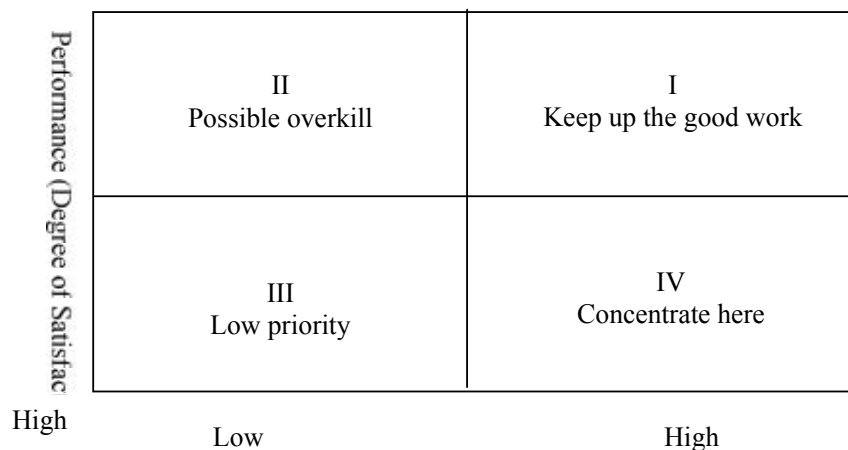
1. From the collation of relevant literature, the entire work items of key talent should consider the sorting of importance and satisfaction degree.
2. The use of I.P.A. (Importance-Performance Analysis) to understand the work items of key talent importance and satisfaction degree.
3. The integration of research results, the study makes recommendations and the follow-up study with the reference direction.

## Methodology

Martilla and James (1977) suggested a simple structure of I.P.A. (Importance-Performance Analysis) from the key talent retention study in the financial industry. They proposed a simple two-dimensional framework to describe the relationship between the degree of satisfaction and the degree of importance. Sethna (1982) found that I.P.A. is an effective tool for use in identifying critical parts of services that remain be improved. Martilla & James\_1977\_suggested a four-step process to conduct the I.P.A. approach, which are:

- Listing every item and then developing a questionnaire based on these listed items.
- Giving a score to these items associated with of “Importance” and “Performance” for every service items. The first indicator of Importance is to reflect a talent’s degree of care in the intention to stay factors. The second indicator of Performance is specified to capture a talent’s degree of satisfaction in the intention to stay factors.
- Assigning the scores for each of those intention to stay items in a two-dimensional diagram using Performance as the X axle and Importance as the Y axle.
- Dividing the entire diagram into four cells, using the mean scores on each axle as the dividing point (see Figure 1).

Figure 1 The Diagram of Importance-Performance Analysis



Where\_

Cell I\_ Keep Up the Good Work: It means that talents care more about the intention to stay items in this cell and express a high level of satisfaction. Usually, items in this area are the main sources that constitute the main strength.

Cell\_ G Possible Overkill: It means that talents care less about the intention to stay items in this cell, but they satisfy these performances. It means that companies may over emphasize the role of those items.

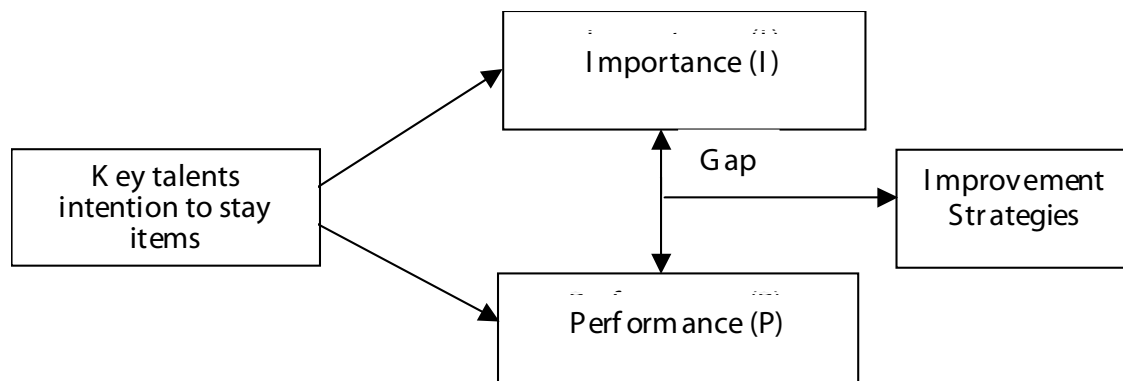
Cell III\_ Low Priority: It means that talents care less about the intention to stay items in this cell, and they are not satisfied with these performance either. It appears that items in this cell are not important issues.

Cell IV\_ Concentrate Here: It means that talents care more about the intention to stay items in this cell, but they are not satisfied with the performance. In other words, the intention to stay items is the apparent weak points of the factors. Companies need to pay more their attentions on items in this region and identify the solutions as soon as possible.

### Research Structure

The study based on the overall research structure in Figure 2, intends to explain how the gap between Importance and Performance can be appropriately handled with the different intention to stay items.

Figure 2 A Graphical Illustration of the overall research structure



### Research Object Selection

The object selection according to different attributes, for examples, age, degree, seniority, department, professional title, carries on the key talent intention to stay factors of importance and satisfaction degree questionnaire survey, the total effective of 16 questionnaires (by main acquire company and the company being acquired, the key talent's population proportion 3:1 for principle).

### Data Analysis

Data through a questionnaire survey to the item of the top-low average scores to sort, confirmed the case company's the key talents to be an importance level in the following Table 1.

Table 1 The Key Talent items' Importance Level Sorting

No.	Items	Average	Sorting
1-2	The company's future development	4.94	1
1-1	The company's image	4.75	2
1-6	Promotion and development opportunities	4.63	3
1-9	Pay compensation and employee benefits	4.56	4
1-3	Enterprise Culture	4.38	5
1-7	Education & training and learning environment	4.38	6
1-10	Atmosphere of the work colleagues friendship	4.38	7
1-4	Challenging work and a sense of accomplishment	4.13	8

1-8	Competent leadership style and management methods	3.94	9
1-12	Work and family to balance Work loading	3.25	10
1-5		3.06	11
1-11	Working environment (office equipment, security, convenience and comfort)	2.75	12

Data through a questionnaire survey to the item of the high-low average scores to sort, confirmed the case company's the key talents to be a satisfaction level in the following Table 2.

Table 2 The Key Talent items' Satisfaction Level Sorting

No.	Items	Average	Sorting
2-2	The company's future development	4.69	1
2-1	The company's image	4.50	2
2-10	Atmosphere of the work colleague s friendship	4.13	3
2-7	Education & training and learning environment	4.00	4
2-3	Enterprise Culture	3.81	5
2-11	Working environment (office equipment, security, convenience and comfort)	3.81	6
2-4	Challenging work and a sense of accomplishment	3.75	7
2-12	Work and family to balance	3.69	8
2-5	Work loading	3.38	9
2-8	Competent leadership style and management methods	3.38	10
2-9	Pay compensation and employee benefits	3.31	11
2-6	Promotion and development opportunities	3.06	12

This article will affect to the key talents intention to stay factors to take the degree of importance and satisfaction indicators shows for Table 3.

Table 3 The Key Talent items of the Importance and Satisfaction Level's Cross Analysis

Items	Importance level		Satisfaction level	
	Average	Sorting	Average	Sorting
The company's image	4.75	2	4.50	2
The company's future development	4.94	1	4.69	1
Enterprise Culture	4.38	5	3.81	5
Challenging work and a sense of accomplishment	4.13	8	3.75	7
Work loading	3.06	11	3.38	9
Promotion and development opportunities	4.63	3	3.06	12
Education & training and learning environment	4.38	6	4.00	4
Competent leadership style and management methods	3.94	9	3.38	10
Pay compensation and employee benefits	4.56	4	3.31	11
Atmosphere of the work colleagues friendship	4.38	7	4.13	3
Working environment (office equipment, security, convenience and comfort)	2.75	12	3.81	6
Work and family to balance	3.25	10	3.69	8
<b>Total Average</b>	4.08		3.79	

Based on the above reasons, the extent of importance indicators for the horizontal axis<sup>°</sup> X axle<sup>°</sup>, the extent of importance indicators for the vertical axle<sup>°</sup> Y axle<sup>°</sup>, total average(4.08, 3.79) for the central in the following Figure 2.

Figure 2 The Key Talent items of the Importance and Satisfaction Analysis Coordinates

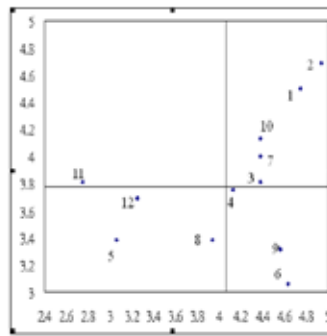


Table 4 The Impact of the Key Talents intention to stay indicators

No.	Items	No.	Items
1	The company's image	7	Education & training and learning environment
2	The company's future development	8	Competent leadership style and management methods
3	Enterprise Culture	9	Pay compensation and employee benefits
4	Challenging work and a sense of accomplishment	10	Atmosphere of the work colleagues friendship
5	Work loading	11	Working environment (office equipment, security, convenience and comfort)
6	Promotion and development opportunities	12	Work and family to balance

Cell I\_ The company's image, the company's future development, enterprise Culture, challenging work and a sense of accomplishment, and education & training and learning environment

Cell II\_ Working environment (office equipment, security, convenience and comfort)

Cell III\_ Work loading, competent leadership style and management methods, work and family to balance

Cell IV\_ Challenging work and a sense of accomplishment, promotion and development opportunities and pay compensation and employee benefits

Based on the above findings, the researchers is cell IV for the three content of the "Challenging work and a sense of accomplishment", "Promotion and development opportunities" and "Pay compensation and employee benefits", follow-up recommendations in cases related to improvement of corporate planning program to strengthen the key talents intention to stay.

## Conclusions and Suggestions

### Conclusions

Based on the Martilla & James(1977) Point out that Importance-Performance Analysis (I.P.A.) shows°GThe items of the company's image, the company's future development, enterprise Culture, challenging work and a sense of accomplishment, and education & training and learning environment°Abelong to the "Keep up the good work".

Express the key talent of the case company is located in this area very seriously and high satisfaction. It can be deduced that the five items to impact the key talent intention to stay on the main factors, the proposed case the company should continue to maintain its standards. This study is by I.P.A. analysis method, first to the quantify survey data, sorted out in the conclusions of the importance indicators to proposed by the company of an important basis for the program.

Table 5 Data Analysis Results

The Cell of IPA	Items	Suggestion
Cell I The both of the high importance & satisfaction	The company's image	Keep up the good work(Opportunities): Recommended that this area of items in addition to development of the continuation can be further strengthening social responsibility, and do more public service to a sustained upgrade in company image.
	The company's future development	
	Enterprise Culture	
	Education & training and learning environment	
	Atmosphere of the work colleagues friendship	
Cell IV The high importance & the low satisfaction	Challenging work and a sense of accomplishment	Concentrate here(Threat): Proposals should be for each item, put forward proposals for improvement to strengthen the will of the key talent intention to stay.
	Promotion and development opportunities	
	Pay compensation and employee benefits	

### Suggestions

According to the results of the analysis, for locating in the area of “Concentrate here” items to provide case company as a reference for future improvements.

#### 1. Challenging work and a sense of accomplishment

(1) Appoint talents to tasks: Depending on their specialties and provide a secure working environment for the key talents. At the same time, the work distribution in the workplace, but also because of great importance to get the balance of main acquire company and the company being acquired. It is necessary to establish trust as soon as possible, not because of so and the staff have been lost or were not taken seriously the feelings, can play the M & A effectiveness in practical. (2) Reserved staffs: Handles reserved staffs training class regularly, causes the achievements performance outstanding staff, feels company's value, and has the forecast to the career planning, also has keeps the key talents effect.

#### 2. Promotion and development opportunities

(1) To establish promotion and development opportunities: Researchers discovered in the research process that the case company promotion rules not to be explicit, regardless of main acquire company and the company being acquired are unable to understand that why the opportunity to promote and the mechanism in the future. This part suggested that the case company must establish and the performance appraisal by all links the promotion system, with the staff communication sufficiently. The key talent to promote can enable to have the endeavor goal, is willing to stay for a long time in the company continues to career development. (2) Implementation of Job rotation: “Rotation” is the ability to elevate in an important way, the company should provide more information, so that staff can be diversified development, in addition to upgrading the internal human qualities, can also be reached by the benefits of appoint talents to tasks, which career development staff is also very important element.

#### 3. Pay compensation and employee benefits'

(1) Salary and Reward: In part of the salary and reward, because the case company has handled the market competitiveness salary to adjustment, therefore the present the key talents think satisfaction, suggested must continue to compare the salary standard of the exterior competitive market in the future, take does reference of as the year adjustment. In the long-term reward planning, for example: Stock option, bonus variation and so on to consider. (2) The staff of welfare: the key talents think that does not so special to compare with other large group. Most respondents are look-

ing forward to the case company can provide employees traveling, had also been suggested that staff should provide care program for family day activities , it is suggested that case company employee benefits program to plan flexible, employees in accordance with demand for selection freedom. In order to improve employee satisfaction, lead to the key talents intention to stay benefits. (3) Human Resources for the company and the retention of the implementation strategy, the key talents have not fully felt, or key talents do not think that the strategy associated with the retention of the question. So strengthen their internal marketing strategies. In order to achieve the key talents understand the purpose and significance, or review the effectiveness of strategies in order to avoid inappropriate resources situation to use.

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