

# **THE RELATIONSHIP BETWEEN TALENT MANAGEMENT AND EMPLOYEES PERFORMANCE IN NIGERIAN PUBLIC SECTOR**

## **A STUDY OF SELECTED FIRMS IN DELTA STATE**

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### **Abstract**

*This study investigates talent management and employees performance in selected public sector firms in Delta State, Nigeria. Sample size was determined using Taro Yamani's statistical technique. 364 questionnaires were distributed to respondents, out of which 273 questionnaire were returned. Analysis of Variance (ANOVA) was conducted using SPSS-20 to compare different population of mean existing within the groups and between the groups at five point-likert scale. The study found that F-calculated value (73.166) was greater than F-tabulated (2.53) value at 5% significant level in the selected public sector firms. Hence, the null hypothesis was rejected. Study concludes that there is an existence of strong relationship between talent management and employees performance in selected private sector organization. Finally, recommendation were made in the following; that organization should align their talent management system to meet up with their business requirements; and, management should know what factors contribute to difficulties in attraction and retention of employees so that effort should be made to keep various retention factors in balance.*

*Keywords: Talent, Talent Management, Attraction, Retention, Development, Productivity*

## INTRODUCTION

The concept of talent management gained more ground and relevant due to evolution of corporate human resource and training in today's present work environment. The concept of talent management was originated in 1980s and 1990s the time when the responsibilities of human resource department/personnel department shifted from being routine administration and processing, to more complex configuration and planning duties. At a time when decision makers relied solely upon HR departments for employee management and competent evaluations, the idea of talent management was born or emerged (Ackland, 2015). During this period, most organizations realized that HR had larger role in recruiting and training the right people to fit into the work force environment. Again, HR plays vital role in developing good compensation packages which include; employees' fringe benefits, stock options and bonuses, and serving as a central point of communication for employee health and happiness (Bersin, 2006).

On the other hand, talent management deals with human capital management which consists of people, knowledge and skills. Recent study by Gardner (2002) noted that talent management is a major global challenge confronting most organizations in the world. Due to scarcity of talent, organizations around the world are competing for the same pool of talents to acquire and retain talents in order to maintain their operations and continue to grow in terms of service and profitability. Most assets of an organization such as, products, technologies and strategies may be replicated easily (Chuai et al, 2010) but human capital takes great deal of time to develop and considered as a key asset to manage and adapt to the organizational needs.

With regards to this, talent management is very useful in organizational learning and development. It changes the way firm organized and use technology, allocate resources, and measure optimal performance. Apart from that, progress of talent management is very important in developing and discovering new talented employees in the workforce. "Advances in talent management system such as human capital management technology, is useful to HR leaders implement global recruiting strategies where they domicile and to generate the insights needed to drive quality of hire, internal mobility and a proactive approach of building talent pipelines" (Oracle, 2013). Oracle Talent Management Cloud was discovered using a holistic approach, to help HR leaders manage everything from recruiting, compensation and performance management to employee learning and talent review, in a single, cohesive system.

Unfortunately, most of the advanced talent management systems have not translated meaningfully towards organizational performance due to the way firms design and manage their organizational structure. Heimen et al, (2004) argue that the way organization attracts,

develops, retains, motivates, manages and reward its employees determines the duration or extent they will stay on the job. For instant, employees who get better job offer and good working condition with another employer quit than staying on the job. To remain focused and competitive in business environment, some firms should developed attractive package, bonus, fringe benefits and flexible working hours to accommodate everyone to be able to increase organizational performance and employees' value.

In addition, Kehinde (2012) also noted that talent management system have failed in most organizations today due to lack of planning and implementation of management policies, processes and programs which have positive impact on the process of acquiring, developing and retaining talents to sustain organizational competitive advantage. The need for business organizations to continually search for new and better means of achieving competitive advantage requires that the capacity of every functional areas in the organization requires improvement to align with organizational performance.

Obviously, it is difficult to locate and nurture talent, and quite easier to dissipate and lose talent. In view of this, it is advisable for management to take note of the following issues in mind; worldwide surplus of talent but local shortage, scarcity of young people and abundance of aged people, increasing demands for innovative skills and rising deficit in fundamental skills, novel work settings, more diverse and distributed workforce, shifts in nature of works (Iqbal et al, 2013) for organizational growth and sustainability.

Due to problem statement mentioned above, objective of this study is necessitated which sought to investigate the relationship between talent management and employees productivity in selected public sector firms in Delta State, Nigeria. To fulfill study objective, the following research question is stated to guide the study;

What impact does talent management have on employee performance in public sector firm in Delta?

On the other hand, to achieve study objective, the following research hypothesis is stated to guide the study:

1. Ho: There is no significant relationship between talent management and employees performance in selected private sector organization.
2. Hi: There is a significant relationship between talent management and employees performance in selected private sector organization.

This study serves to provide good insight on how to manage effectively employees' talent (skills and expertise) in the work environment as well as guiding business practitioners to develop better management practices related to employees' talent management to meet up with global best practice.

The remaining part of this paper is structured into the following parts; conceptual review of related literature, methodology, presentation of results, analysis and discussions, conclusion and recommendation.

## **REVIEW OF RELATED LITERATURE**

In an attempt to give the correct definition of talent management, several scholars have defined this phenomenon differently making it to be more complex in understanding. Recent study by Tansley (2011) defined talent as “an innate giftedness, which is regarded as a gift”. It is also a natural ability and aptitudes. On the other hand, Wikstrom et al, (2012) noted that talent represents greater mastery of developed abilities and knowledge systematically in the field of human endeavor. According to the authors thinking, it is assumed that language learning makes humans to believe that talent is static; however talent can actually be developed, through talent management.

In addition, Stockley (2007) assert that talent management is defined as the conscious, deliberate approach undertaken to attract, develop and retain people with the aptitude and abilities to meet current and future organizational needs. According to the authors’ perspective, talent management deals with the recruitment, selection, identification, retention, management, and development of personnel considered having the potential for high performance.

On the other hand, Collings and Mellahi (2009) defined talent management as “activities and processes that involve the systematic identification of key positions which 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 human resource architecture to facilitate filling these positions with competent incumbents and to ensure their continued commitment to the organization”. Similarly, Garrow and Hirsh (2008) opined that “talent management is about doing things for your best people, investing in developing them, building their potential and assisting people to make the best use of their strengths.”

Finally, Howard (2008) assert that the purpose of talent management is to ensure that a supply of talent is available to align with the right people at the right time in the right job using measureable, predictable, and actionable skills that serve as a key to organizational success; and talent audits are a worthwhile tool in that process based on strategic business objectives.

### **Theoretical Framework**

The theoretical framework of this study is anchored on Deloitte talent management model known as Develop-Deploy-Connect (DDC). The elements of DDC model comprises of; capacity,

commitment and alignment which should be at the core of an organization's talent management strategy (Deloitte Resource, 2004).

By focusing on these three elements, organization can generate capacity, commitment and alignment in the key workforce segments, which in turn improves business performance. When this happens, the attraction and retention of skilled talent largely takes care of themselves. This research further states that organizations must not focus on metrics and outcomes (acquisition and retention), they must rather concentrate on the things the employees cares about most. Developing in ways that stretches their capabilities, Deploying on to work that engages their heads and hearts, and Connecting to the people who will help them achieve their objectives (Deloitte Resource, 2004).

The research of Deloitte further states that by focusing on these three elements, organization can generate capability, commitment and alignment for workforce segment which in turn will result in improved organizational performance. By Developing, the framework refers to providing real life employees needs to master a job and not just traditional classroom or on-line education. Importantly, development refers to "trial-by-fire" experiences that stretch capabilities and lessons learnt from peers, members, mentors and others (Deloitte Resource, 2004).

By Deploying, the framework refers to working with the key individuals to identify their deep-rooted skills, interest and knowledge. Finding the best fit in the organization and crafting the job design, and conditions that could helps them to perform. By Connecting, the framework refers to providing critical employees with tools and guidance they need to build a network that enhances individual and organizational performance, improve the quality of their interaction with others. The Develop-Deploy-Connect model is inter-connected and virtuous. An improvement in one area naturally leads to an improvement in another. For instance, people develop better skills when they are deployed in stretched assignments and connected with others from whom they can learn from and grow. Likewise, effective development occurs when people have knowledge, skills, networks and relationships they need to succeed. There are three important benefits that could result from this virtuous circle; the first one being capability, which results when capable individuals work together, they build organizational capabilities.

The second one is alignment that occurs when the right people are in the right jobs. The third result is commitment. People are more likely to master work that engages them, foster their growth and encourage productive relationship. Finally, when people feel that the organization takes keen interest in their interest, skills and connections, they are far less tempted to look for challenges out-side the organization (Deloitte Resource, 2004).

## Empirical Review

A good number of researchers have investigated the relationship between talent management and employees performance and their findings tend to be different. Recent study conducted by Lyria (2013) examined the role of talent management on organizational performance in Kenya. This study was conducted using an empirical review of previous studies related to main study to discover gap in literature and study show that previous research did not integrate talent management and organizational performance. This becomes a basis for conclusion.

On the other hand, Iqbal et al, (2013) also studied the relationship between talent management practices and employees emotional stability in Pakistan. Again, study was conducted using quantitative approach and survey questionnaire were distributed to 150 management employees working in 25 listed companies in Pakistan. Findings show that talent management practices have positive impact on performance of organizations, and employees emotional stability. According to the views of the authors talent management has contributed significantly to both organizational performance and employees emotional stability vis-à-vis.

Wurim, (2012) also conducted research on talent management and organizational productivity in a public sector enterprise, in which survey investigation method was used in collecting data and Kruskal-Wallis test statistics was used to analyze the data. The result indicate that the implementation of proper talents management policies, processes and programs significantly impact on employees productivity.

Again, Dries (2013) investigated the psychology of talent management: A review and research agenda in Belgium. The study was conducted using five comparative review of literature existing on talent management (such as; human resource management, industrial organization, educational psychology, vocational psychology, positive and social psychology) to identify gap in research. Study found that a good number of discrepancies existed on talent management such as (talent as capital; talent as individual difference; talent as giftedness; talent as identity; talent as strength; and talent as the perception of talent) which serve as a basis for theory building, methodological advances, and new empirical work.

Similarly, Collings and Mellahi (2009) also examined similar topic on “strategic talent management: A review and research agenda”. Again, study was conducted using an empirical review of previous studies related to main study to propose theoretical advancement on the definition of talent management. The authors conclude study by developing a clear and concise definition of strategic talent management and propose a theoretical model of strategic talent management which become a turning point for conclusion.

Recent study by Project Management Institute, (PMI, 2013) also investigated on the competitive advantage of effective talent management. An empirical or in-depth research was

conducted among 277 project, program, and portfolio management directors, managers, and practitioners in the field of talent management who design and administer their organization's talent management program and recruit managers for their organization. This study found that aligning talent management to organizational strategy may create enabling competitive advantage required for sustenance and growth of an organization.

Similarly, Sakineh, Mehrdad and Hasan, (2012) examined the relationship between talent management and organizational success. This research was conducted using descriptive-correlation approach and population of study involves the department of Youth and Sport in West Azerbaijan Province of Iran. Pearson correlation test was used to determine the relationship between the elements of talent management and organizational success at 5% significant level and SPSS (version 16) statistical tool was used to analyze data. The result showed that talent management has significant relationship with organizational success.

In addition, recent study by Blass, (2007) was centered on talent management and business performance. Study objective was focused to provide better understanding of the different ways through which organizations organize talent management. Research was conducted using 20 case studies involving mix of (private, public and voluntary) organizations of different sizes and sectors and survey questions were administered to representatives of senior managers and middle managers. About 1,500 responses were recorded from the population of the study. Statistical tool used in the survey involved correlation, regression and ANOVA, this was due to the nature of the variables being analyzed. Findings reveal that organizations managed talent through rotational system involving various career stages of employees to avoid the danger of setting high expectations for early developers or disregarding later developers. In conclusion, study noted that organization manage talent through transparent talent system which is embedded within organization.

Having reviewed several works written by different scholars, a gap in literature has been identified in the area of theoretical and methodological limitations. For instance, previous study conducted by Blass (2007) focused on talent management and business performance; multiple organizational sectors (private, public and voluntary) with multiple statistical tools were adopted to achieve study objective. While, present study focus on talent management and employees performance; single statistical tool (ANOVA) with only one organizational sector (five public sectors) applied to achieve research objective. Finally, study will adopt the newest version of SPSS version (20) to analyze data, as compared to the one (that is, SPSS version 16) used in previous study.



## RESEARCH METHODOLOGY

### The Study

Study adopted quantitative research approach and population of the study involved five public sector organization such as; Delta State Water Board, State Environmental Protection Agency, Delta State University, Delta State Broadcasting Services and Delta State Rural Electrification Board. Two variables were identified in this study. The performance of employees depends on the nature of organizational structure. The major challenge confronting most public sectors is how to attract and retain well-educated personnel. As a result of poor design of remunerations in most public sector organizations, it affects the way talents are retained as well as employees performance. Due to this challenge, the basis of selection of particular 5 public sector organizations is necessitated to align with study research problem and research question mentioned earlier. Dependent variable is employees performance, while talent management is independent variable.

### Sampling

The sample size used is 364 calculated using Taro Yemani's (1964) statistical formula. Thus, the formula is as follows:

$$n = N / 1 + N \cdot (e)^2$$

Where n = sample size, N = population, e = level of significance (or limit of tolerance error) 0.05, 1 = constant value.

$$n = 4730 / 1 + 4730 \times (0.05)^2 = 364; \text{ Sample size} = 364$$

Therefore, this study adopted stratified random sampling to ensure greater representativeness of the sample relative to the population and guarantees that minority constituents of the population are represented in the sample (Nworgu, 2006). Out of 364 questionnaire distributed, 273 (75%) were returned in good faith. 50 questionnaire was unreturned, whereas 41 was faulty filled.

### Method of Data Collection

Both primary and secondary data were sourced for analysis. The primary data includes data obtained from the participant by administering questionnaires. The secondary data were sourced from; thesis, publications in academic and professional journals, books, archives among others. The questionnaire was structured on five point-likert scale with weight assigned to; strongly agreed (SA) = 5, Agree (AG) = 4, undecided (UD) = 3, Disagree (DA) = 2 and strongly (SD) = 1.



## Method of Data Analysis

The data for this study was analyzed using Analysis of Variance (ANOVA). This is restricted to one-way analysis of variance. The reason for using ANOVA is to compare different population of mean existing within the groups and between the groups or determine the existence of differences among several population means. The hypothesis was tested for 5 public sector organization at 5% level of significance. Decision rule was applied to reject/accept the hypothesis at a point where F-tabulated value/F-calculated value is greater/ less than the other.

## ANALYSIS AND FINDINGS

Table 1: Tabulation of Questionnaire Responses for Five Public Sector Organization in Delta State, Nigeria.

S/No	Test Questions	SA	AG	UD	DA	SD	Total
1	Talent management practices addresses changes in the business environment	103	100	5	45	20	273
2	Talent management provides the potentials for long term competitive advantage	95	83	10	45	40	273
3	Talent management involves attracting, retaining, developing, motivating and leading employees in the organization	95	70	20	58	30	273
4	A well managed talent increases organizational productivity	92	75	26	5	35	273
5	A good talent management improves employee's performance	98	88	23	35	31	273

Table 2: Tabulation of Questionnaire Responses (Weighted Responses) For Five Public Sector Organization

S/No	Test Questions	SA	A	UD	D	SD	Total
1	Talent management practices addresses changes in the business environment	515	400	15	90	20	1040
2	Talent management provides the potentials for long term competitive advantage	475	332	30	90	40	967
3	Talent management involves attracting, retaining, developing, motivating and leading employees in the organization	475	280	60	116	30	961
4	A well managed talent increases organizational productivity	460	352	234	180	35	1261
5	A good talent management improves employee's performance	490	352	69	70	31	1012

To get the weighted value in table 2 above, strongly agree (SA) = 5; Agree (AG) = 4; Undecided (UN) = 3; Disagree (DA) = 2; Strongly Agree (SA) = 1

## Test of Hypothesis

$H_0$ : There is no significant relationship between talent management and employees performance in selected private sector organization.

$H_A$ : There is a significant relationship between talent management and employees performance in selected private sector organization.

Table 3: Anova Table

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	782748.160	4	195687.040	73.166	.000
Within Groups	53491.600	20	2674.580		
Total	836239.760	24			

F- Tabulated = F 0.05, 4, 15, = 2.53 (at 5% level of significance)

F- Calculated= 73.166

The result of Anova in table 3 above show that F- calculated value (73.166) is greater than F- tabulated (2.53) value at 5% significant level. Based on result, decision rule was applied to reject the null hypothesis and accept the alternative hypothesis, meaning that there is strong relationship between talent management and employees performance in selected private sector organization in Delta State, Nigeria.

## CONCLUSION

This study found that there is an existence of strong relationship between talent management and employees performance in selected private sector organization. This accounts why the F- cal value for five public sector organization is 73.166 and F- tabulated value is 2.53. The result of this study support with the views of existing literature which says that talent management practices has strong significant impact on achievement of business goals, employees performance and corporate profit (Bethke-Langenegger, Mahler, & Staffel, 2011).

Again, study found that the capabilities required to embrace change in the public sector organizations are ailing and that the human resource management in the public sector needs to be skilled up in terms of their talents since a well managed talent increases organizational performance. This argument also support the views of Stockley (2007) which stated that talent management is a conscious and deliberate approach undertaken by organization to attract, retain, motivate and develop people with aptitude and abilities to meet current and future organizational needs. In line with this, Lawler (2008) opined that an organizations talent injects capabilities that are very difficult for competitors to bench mark and replicate. Again, more than any other assets, talents provide the potentials for long-term competitive advantage.

## RECOMMENDATIONS

1. Organization should align their talent management system to meet up with their business requirements.
2. Again, firms should be very careful when disseminating talent management practices, sometimes talent management may unavoidably lead to segmentation and this can conflict with diversity and inclusion initiatives. Talent management systems can complement diversity initiatives by ensuring equality of opportunity to enter the talent pool and transparency over selection criteria.
3. Furthermore, talent management system should be incorporated across all aspects of human resource management. It is evident that there is link between talent management and recruitment, development, diversity, retention and succession planning practices.
4. Management should develop an integrated proactive talent management strategy, to be able to sustain competitive advantage.
5. Management should know what factors contribute to difficulties in attraction and retention of employees so that effort should be made to keep various retention factors in balance.
6. Organization should equally design good working conditions, such as bonus, flexible work hours, fringe benefits, and among others as strategy to retain and motivate employees to avoid employees quitting their jobs for better job elsewhere.
7. Again, organizations should assist employees in the process of talent development programmes by adopting a work-based learning programme and techniques as the best and the most effective in improving employee's performance.
8. Finally, managers of human capital in the public sector of Nigeria should be educated and trained in scientific method of managing organizational talents with the aim of replacing the guess work and intuition currently in use.

## STUDY LIMITATIONS AND FURTHER STUDY

The geographical scope of this study focused on Nigerian public sector with selected firms in Delta State, because of the small number of sample size the result of study cannot be generalized with other sectors/locations in the country. Due to methodological reasons mentioned above, study is limited. Further studies should take this factor into consideration and identified problem statement from another dimension or focus research on the "empirical analysis of talent management and employees performance" using case study of both public and private sector in Nigeria or other country.

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