TALENT MANAGEMENT AND EMPLOYEES RETENTION IN NIGERIAN UNIVERSITIES

Stanley Aibieyi, Ph.D
Associate Professor-Institute of Public Administration and Extension Services, University of Benin, P.M.B 1154, Ekehuam Campus, Benin City, Edo State, Nigeria
G.S.M:08050283517, E-mail: saibieyi@yahoo.com

Oghoator Igiebor Henry, Ph.D
Western Delta University, Oghara, Delta State, Nigeria
henry.oghoator@wdu.edu.ng, Cell: +234-8023453968

Abstract
Organizations are run by people, processes, technology and capital but it is the aspect of the human side of the organization that makes decision. The quality of employees at the disposal of an organization determines result. The competitiveness of Nigerian universities and shortage of competent staff makes it pertinent for universities to attract, retain and motivate highly talented employees. The purpose of this paper is to examine the relationship between talent management and employee retention. Talent management is represented by performance management, employee’s empowerment, compensation and reward. While employees retention is represented by organizational culture. The study employed primary source of data through administered questionnaires and Secondary sources of data were also used while reviewing related literature. Test of equality, Pearson correlation and ordinary least square regression techniques were utilized for the data analysis. The result indicated that performance management (X1=2.09) was significant and positively related to organizational culture. Employee empowerment (X2) was significant and negatively related to organizational culture. Compensation and reward (X3=52) was positive and had insignificant impact on organizational culture. The study therefore recommended that universities should adopt a proactive performance management system to have a more transparent and dynamic institutional culture so as to encourage and retain skillful and talented employees

Key Words: Talents, Employee Retention, Management, Organizational Culture, Empowerment
INTRODUCTION

At the onset of the 20th century, managers in the workplace were concerned primarily with tangible resources like, land, capital, and equipment. However, emphasis has shifted to knowledge, abilities and intangible people skills (Dess and Picken 1999). Perrine (2005) posits that these changes have led to the development of talent management. Thus, attracting, selecting, engaging, developing and retaining employees are the focus of talent management (Towers, Perrin 2003). The scope of talent management falls into five categories namely: Recruitment, performance management, succession planning, training and development and retention. However, the major focus of this paper is the retention aspect of talent management. De long and Davenport (2003), Schramm (2006) opined that employee retention is a strategic opportunity for any organization to maintain a competitive work force. Messmer (2006) suggests that retention is improved when employees are offered compensation and benefits, have a supportive work culture, can develop and advance, balance work and life activities. Universities in Nigeria are now highly competitive. For them to survive and maintain their ratings they need to attract, develop, retain and motivate competent staff. Universities, like any organization needs to strategize in order for them to deliver excellent services and products that can attain a competitive edge.

(Deros, et al: 2009) Talent management programs strive to develop and retain high potential employees and this provides organization with competent staff that will impact on its performance. It is people that create value by using corporate assets to create services that others need. Brundage (2010) highlighted the importance of talent retention by stating that effective talent management is a continuous process and it must be part of organizational culture. The future of universities in Nigeria depends on the acquisition, development and retention of talented people to create the leadership capacity and talent required to implement new strategies so as to meet current and future needs. Besin (2008) defines talent management as a set of organizational processes designed to attract, develop, motivate and retain key people.

Mendez (2011) defines talent management as identifying mission – critical values, competencies and talents needed in the current and future workforce. Retention of talent is critical to preserving skills of such employees. Mendez posits that an organization needs to invest in order to be successful. Nigerian university landscape consists of over 128 universities at present. These are private and government owned institutions. These universities offer various services and are homogenous in nature. The Nigerian universities environment is highly competitive as they all offer similar courses that are accredited by the Nigerian university commission. (NUC) In light of similarities in courses and services offered, the universities need highly skilled employees to drive their institutions.

STATEMENT OF THE PROBLEM

Talent management is based on the fact organizations are run by people. Processes, technology and capital are important, but it is people who make the decisions. It therefore follows that the quality of employees at the disposal of an organization determines productivity.

The competitive nature of Nigerian universities environment and shortage in the number of competent people has made it important for them to attract, retain and motivate highly skilled employees. In the past, universities employ first degree holders as lecturers. Recently, the emphasis is on doctoral degree holders.

Despite this development, various talents kept moving from the universities to other sectors of the economy or even relocating abroad.
It is against this backdrop that talent management and employee retention in Nigerian universities is examined.

**OBJECTIVES OF THE STUDY**

The objectives of this study are:

1. To examine the relationship between employee retention and performance management.
2. To examine the relationship between compensation, rewards and employees retention.
3. To examine the relationship between employee empowerment and employees retention.

**RESEARCH HYPOTHESES**

The following are research hypotheses formulated for this study:

1. \( H_0 \): There is no significant relationship between employees retention and performance management.
   \( H_1 \): There is a significant relationship between employees retention and performance management.
2. \( H_0 \): There is no significant relationship between compensation (rewards) and employee’s retention
   \( H_1 \): There is a significant relationship between compensations (rewards) and employee’s retention.
3. \( H_0 \): There is no significant relationship between employee empowerment and employees retention.
   \( H_1 \): There is a significant relationship between employee’s empowerment and employee’s retention.

**LITERATURE REVIEW**

In every competitive and dynamic environment, where growth is largely a product of creative and technological advancement human capital is one of the most important assets. This paper deals with the importance of talent management and the need for universities to attract, develop, motivate and retain competent employees.

**DEFINITION OF CONCEPT: TALENT MANAGEMENT**

Talent is the core competencies of the organization and represents a small percentage of employees (Berger and Berger 2003). Hansen (2007) posits that talent refers to core employees and leaders that drive the business forward. They are high fliers and inspire others to crave for superior performance.

Lewis and Heckman (2006) suggest that talent management involves identifying mission-critical values, competencies and talents needed in the current and future workforce; clarifying the methods that will be used to recruit, hire, develop, manage and retain high performing workforce. Laff (2006) asserts that talent management is not just a new fancy word for finding and developing employees. Talent management requires a systematic view that calls for dynamic interaction between many functions and processes. It involves attracting, developing, motivating and retaining competent and highly skilled employees with leadership ability. Besin (2008) defines talent management as a set of organization designed to attract, develop, motivate and retain key people. Talent management requires systematic views that call for dynamic interaction between many functions and processes. Talent management is a term that extends over a wide range of activities, such as succession planning, human resource planning, employees performance management etc.

Schweyer (2004) opines that talent management is an ongoing, proactive activity. It therefore follows that those saddled with this responsibility ensures that there is a constant flow of talented employee within the organization. Boninelli and Meyer (2004) posit that human
capital is the source and fountain of innovation and the mainstay of insight. They add that money speaks but does not conduct analysis. It therefore means that the most important resources are the human resources who set all other resources into productivity. Universities have become more aware of investing in their employees now more than ever before. This is a consequence of the fact that organizations are beginning to appreciate that in order to maintain an edge in the global economy they are required to accentuate the need of developing and retaining their specialized personnel. For this reason organizations realize the financial benefits that may accrue to them from these employees often referred to as human capital (Buicaglia 2006).

Human capital tells about people’s skills, ability and its role for achieving the organizational goals. The professionals have to move away from simple administration to some objective oriented approach for the organization by retaining key employees. Human resources professionals are facing the problem of employee turnover. Several factors like social and personal problems of the employees have been identified for employee’s turnover. Key and Moncarz (2004) opined that the turnover of key employees causes loss of key skills, threats to growth of organization and can lead to disruption of organizations’ operations.

The rate of turnover also impacts on cost because of new recruitment and selection procedure which involves a lot of money, time and energy. Frank (2004) defines retention as the effort by an employer to keep desirable workers in order to meet set objectives. Morton (2005) assets that organizations are working on retaining their employees by following different strategies to retain their top talents. Recruitment must be made according to the organizational needs and its future objectives by keeping in view the retention of the employees. Uren (2007) asserts that organizations must have the capability for attracting the talent out of the resource pool and in this regard the organization career site is most important.

Talent management encompasses career development by the organizations Human Resource department and not leaving the role of staff development to individuals and their initiative. The responsibility of developing human capital is saddled with human resources management. In this study a total of 500 questionnaires were distributed in 3 universities. Namely: universities of Benin, Ambrose Alli and Benson Idahosa. Only 325 were returned and these are the respondents used in this study.

Table 1: Distribution of Respondents by Work Experience.

<table>
<thead>
<tr>
<th>Marital</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 years below</td>
<td>34</td>
<td>14.5</td>
</tr>
<tr>
<td>6-9 years</td>
<td>176</td>
<td>74.9</td>
</tr>
<tr>
<td>10 years and above</td>
<td>25</td>
<td>10.6</td>
</tr>
<tr>
<td>Total</td>
<td>235</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2014

Table 1 above shows the work experience of the respondents who returned valid questionnaires distributed. 34 (74.9%) of the respondents had a work experience of 5 years and below, 176 (74.9) of them had a work experience of six to nine (6 to 9) years and 25(10.6%) of the respondents had a work experience of ten (10) years and above. This means that majority of the respondents had a work experience of between six to nine (6-9).
DATA PRESENTATION AND ANALYSIS FOR THE VARIABLE

In this study we examined the relationship between talent management and employees retention. The study employed primary source of data through administered questionnaire drawn from organizational culture. It focused on Performance management, employee’s empowerment, compensation and reward. In analyzing our data, we conducted test of equality, Pearson correlation and ordinary square regression techniques.

Table 2: Test of Equality
The test of equality result is presented in table below:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Means</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Y</td>
<td>4.06</td>
<td>0.19</td>
</tr>
<tr>
<td>X1</td>
<td>4.43</td>
<td>0.22</td>
</tr>
<tr>
<td>X2</td>
<td>3.87</td>
<td>0.28</td>
</tr>
<tr>
<td>X3</td>
<td>3.59</td>
<td>0.15</td>
</tr>
</tbody>
</table>

Source: Own Calculation 2014

Value prob
Anova F – test 596.06 0.0000
Welch F – test 802.96 0.0000

From the table, it is revealed that the mean variance of organizational culture (y) is 4.06 and the standard deviation value is 0.19. This therefore means that there is less variation in the organizational culture. The means variance of performance management (X1) is 4.43 and the standard deviation is 0.22. This implies that there is less variation in performance management. Employees’ empowerment (X2) has a mean variance of 3.87 and a standard deviation value of 0.28. This shows that there is less variation in employees’ empowerment within the sampled universities.

Table 3: Correlation Matrix

The Pearson correlation matrix result is presented in table 5 below:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Y</th>
<th>X1</th>
<th>X2</th>
<th>X3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Y</td>
<td>1.00</td>
<td>0.01</td>
<td>-0.13</td>
<td>0.02</td>
</tr>
<tr>
<td>X1</td>
<td>0.01</td>
<td>1.00</td>
<td>0.08</td>
<td>-0.05</td>
</tr>
<tr>
<td>X2</td>
<td>-0.13</td>
<td>0.08</td>
<td>1.00</td>
<td>0.06</td>
</tr>
<tr>
<td>X3</td>
<td>0.02</td>
<td>-0.05</td>
<td>0.06</td>
<td>1.00</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2014

In the table above, we focused on the correlation between talent management and employees retention. The result shows that performance management (X1) has a weak positive correlation relationship with organizational culture (0.01) and employees empowerment (0.08) while a weak negative correlation with compensation and reward (-0.05). Employees’ empowerment (X2) has a weak positive correlation relation with performance management (0.08) and compensation and reward (0.06) while there is a weak negative correlation with organizational culture (-0.13). A careful look at the correlation coefficient, observed that a weak positive correlation relationship exist between the dependent and the explanatory variables.
Table 4: Ordinary Least Square Regression Result.

In order to test the significance of the variable, ordinary least square regression techniques was adopted and the result is presented table 4 below.

### Table 4: OLS Regression Result

<table>
<thead>
<tr>
<th>Variables</th>
<th>Coefficient</th>
<th>T-test</th>
<th>Prob-Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>3.75</td>
<td>9.13</td>
<td>0.0000</td>
</tr>
<tr>
<td>X1(1)</td>
<td>0.11</td>
<td>2.09</td>
<td>0.0374</td>
</tr>
<tr>
<td>X2</td>
<td>-0.08</td>
<td>-0.08</td>
<td>0.0385</td>
</tr>
<tr>
<td>X3</td>
<td>0.52</td>
<td>0.52</td>
<td>0.5974</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2014

R\(^2\) adj. = 2.914397

Prob (F-stat) 0.03333115

From table 4 above, it would be observed from the coefficient of determination (R\(^2\)) value of 0.024052 that about 2% of the systematic variations among the sampled opinion are jointly explained by the explanatory variables. This means that the low value of R-squared is attributed to the exclusion of other possible variables that might contribute to talent management and employee retention. This means that the model has a low predictive power. The F-statistic value of 2.914397 and its associated p-value 0.03333115 shows that the model on overall is statically good. This means that there exists a significant linear relationship between the variables.

Following from the above, it should be noted that performance management (X1=2.09) has a significant positive impact on organizational culture at 5% level of significance. This indicates that improvement on performance management would lead to more transparent and dynamic organizational culture. In the case of employee empowerment (X2), the variable has a significant negative impact on organizations at 5% level of significance. This means that employee empowerment has an adverse effect on organizational culture. This in other words means that increase in employee empowerment would bring about deviation from the organizational culture. The variable, compensation and reward (X3-52) had an insignificant positive impact on organizational culture at more than 10% level of significance. The insignificant positive impact is because the variable failed the t-test. The result from this study will therefore form the basis for policy implication and recommendation.

**DISCUSSION OF FINDINGS**

From the empirical findings, using test of equality, Pearson correlation and ordinary least square regression, it would be observed that the Anova F-test value of 596.06 and its associated probability value of 0.0000 shows that there is variation among the given variables tested in the sampled universities following the test of equality. It would be deduced from the correlation matrix result that a weak positive correlation relationship exists between the dependent and the explanatory variables. The ordinary least square regression results also revealed that performance management (X1=2.09) has a significant positive impact on organizational culture at 5% level of significance. The performance management and performance measurement as a process and communication around total reward are crucial underpinnings of an effective compensation and organizational culture system that differentiates and truly rewards performance. This therefore suggests that we should reject the hypothesis one that there is no significance relationship between performance management and organizational culture.
Employees’ empowerment (X2) has a significant negative impact on organizational at 5% level of significance. This means that empowerment has an adverse effect on organizational culture. This therefore suggests that we should reject the hypotheses two that there is no significant relationship between employees’ empowerment and organizational culture.

The variable, compensation and reward (X3=52) have an insignificant positive impact on organizational culture at more than 10% level of significance. This therefore suggests that we should accept the hypothesis three that there is no significant relationship between compensation and reward and organizational culture.

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS
Summary of Findings.
In this study we examined the relationship between talent management and employees retention. The study employed primary source of data through administered questionnaires drawn from organizational culture, performance management, employees empowerment and compensation reward. The result showed that;
1. Performance management (X1=2.09) has a significant positive impact on organizational culture at 5% level of significance. This indicates that improvement on performance management would lead to more transparent and dynamic organizational culture.
2. Employees empowerment (X2), the variable has a significant negative impact on organizational culture at 5% level of significance. This means that empowerment has an adverse effect on organizational culture.
3. Compensation and reward (X3=52) has an insignificant positive impact on organizational culture at more than 10% level of significance.

CONCLUSION
The purpose of this study is to examine the relationship between talent management and employee retention. Talent management is seen as encompassing career development by the organization’s human resource and not leaving the role of staff development to individuals and their initiative. The responsibility of developing human capital is saddled with human resource management that is domiciled in the office of the registrar of the universities.

The benefits derived from talent management include reduced hiring cost, a well negotiated salary structure; efficient and effective inspired and committed team and consequently improved efficiency in service delivery. Such university then will assume a new status as a fulfilling place to work. This will in turn assist in attracting new talent, which is the reason for implementing talent management in the first place (Elegbe 2010). The talent management process have been implemented in any organization include talent planning, recruitment, talent development, compensation and rewards, performance management and employee empowerment, employees engagement and organizational culture.

Finally, the result showed that performance management (X1=2.09) was significant and positively related to organizational culture. Employee empowerment (X2) was significant negatively related to organizational culture. Compensation and reward (X3=52) was positive and had significant impact on organizational culture.
RECOMMENDATIONS

The recommendations of the study are given below:

I. Universities should adopt a proactive performance management system to have a more transparent and dynamic organizational culture, therefore encouraging retention of employees. 
   
II. Universities should be conscious on how it empowers its employees because it could bring about violation of the organizational culture. Empowerment of employees may erode the culture of the universities.

i. The management team should show recognition and appreciation for work well done as this may assist in employee retention and enhance the culture of the universities.

ii. The management team should identify other variables other than compensation reward that will assist in retaining employees and in building a dynamic organizational culture.

References


