

TALENT MANAGEMENT AND ORGANISATIONAL GROWTH: A STUDY OF SELECTED MANUFACTURING FIRMS IN ABA, ABIA STATE

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ABSTRACT

Talent management and growth of manufacturing firms are research carried out to evaluate the effects of talent acquisition, talent retention, and career development on a firm's profits and market expansion. The researcher obtained a sample of two hundred and thirty-six (236) respondents from three manufacturing firms in Aba, Abia using questionnaire. The sample was collected by random technique while the three organizations were judgmentally chosen based on their possession of some desired characteristics. Analysis of variance and multiple regression was performed on the data using version 20 of the SPSS. The statistical results show that talent management has a positive and significant relationship with organisational growth in the context of profitability and market expansion. The study, therefore, concluded that talent management enhances a firm's growth. It is recommended that human resource management adopts the talent acquisition technique as a strategy to increase the profits of the firm, talent retention should be seen as a necessary strategy to keep the best employees capable of adding value to the market expansion activities of the organization, career development opportunities should be given to employees. Market expansion and profits should be pursued from a talent management perspective for reliable results, and a talent management unit as a sub-section of human resource management should be created for efficiency and effectiveness.

KEYWORDS

Talent acquisition, talent retention, career development, market expansion, profit, talent management, firm's growth.



INTRODUCTION

The hiring and retention of high performing employees is a common concern of managers. The standard of organizational output is often attributed to the quality of employees doing the work. Since individual performance translate to organizational performance, human resource managers continually endeavour to hire the “best brains”, develop and retain them with a view to impacting positively on the growth of the organization. This is the fundamental concern of talent management.

Ghosh (2019) defines talent management as the organized strategic process of getting the right talent into the organization and helping them grow to their optimum capabilities, keeping organizational objectives in mind. The components of talent management have been identified and categorized in empirical and theoretical literature. Moore (2013) identifies eight of the components as talent acquisition, talent retention, strategic employee planning, performance management, learning and motivating, compensation, career development and succession planning. Talent acquisition entails bringing new talents into the organization while talent retention is the cultivating of such talents for continuity. Career development as another component of talent management enhances the retention component and the notion that hiring from within is not only an option but often preferable. It involves the provision of advancement opportunities to the employees (Moore, 2013).

Talent management is supposed to foster organizational growth. Growth is an advancement in structure and operation of an organization (Dawes, 2018). Many criteria exist for measuring organizational growth, such as market expansion, profits, revenue, etc. Market expansion is the offering of a product to a wider section of the existing market. Profit on the hand is part of revenue that remains after costs have been deducted. It is the desire of every organization to expand its market and increase profits. This study attempt to assess the effects of talent management on organizational growth.

Statement of the Problem

The need to make a research on talent management and organizational growth is brought about by some factors. First, there is a high level of staff turnover in many organizations in recent times. In the United States alone, more than 18.6% of the total employees in the workforce of private companies desert their jobs annually and 84.2% are from the manufacturing sector (Sumitani, 2020, Trip 2020). The Nigerian work environment is not left out: rather than the usual 3.5% average staff turnover rate for all employment, the country in the past three years is recording 13.8% average, with over 90% coming from industries like food, construction, sales entertainment and hospitality (Tom & Eke, 2020).

Secondly, the growth of business organizations is a continual pursuit by managers, making an empirical study that bothers on growth like this kind necessary. This research is therefore carried out to examine the relationship between talent management (talent acquisition, talent retention and career development) and organizational growth in terms of profits and expansion in selected manufacturing firms Aba, Abia State.

Review of Related Literature

Talent Management

Martin (2010) defines talent management as the full scope of human resource processes to attract, develop, motivate and retain high-performing employees. Carpenter, Talya and Erdogan (2018) define talent management as the anticipation of organization and the planning to meet those needs. Ghosh (2019) defines talent management as the methodically organized strategic process of getting the right talent into the organization and helping them to grow to their optimum capabilities, keeping organizational objectives in mind. Moore (2013) and carpenter, Talya and Erdogan (2018) have identified the component of talent management as talent acquisition, talent retention, career development, strategic employee planning, performance management, learning & motivating, compensation and rewards and succession planning.

Talent Acquisition: Carpenter, Tailya and Erdogan (2018) refer to talent acquisition as the process of identifying and acquiring skilled workers to meet organizational needs. Lybrand (2018) defines talent acquisition simply as finding the right person for the job. In a corporate setting, talent acquisition is placed under the human resource department and involves sourcing, attracting, interviewing, hiring and on boarding employees.

Talent acquisition is different from recruitment. Recruitment addresses a company’s short term need by using people to fill vacancies. Talent acquisition on the other hand is an overall business strategy that acknowledge that people or talents can play a huge role in an organization’s future success.

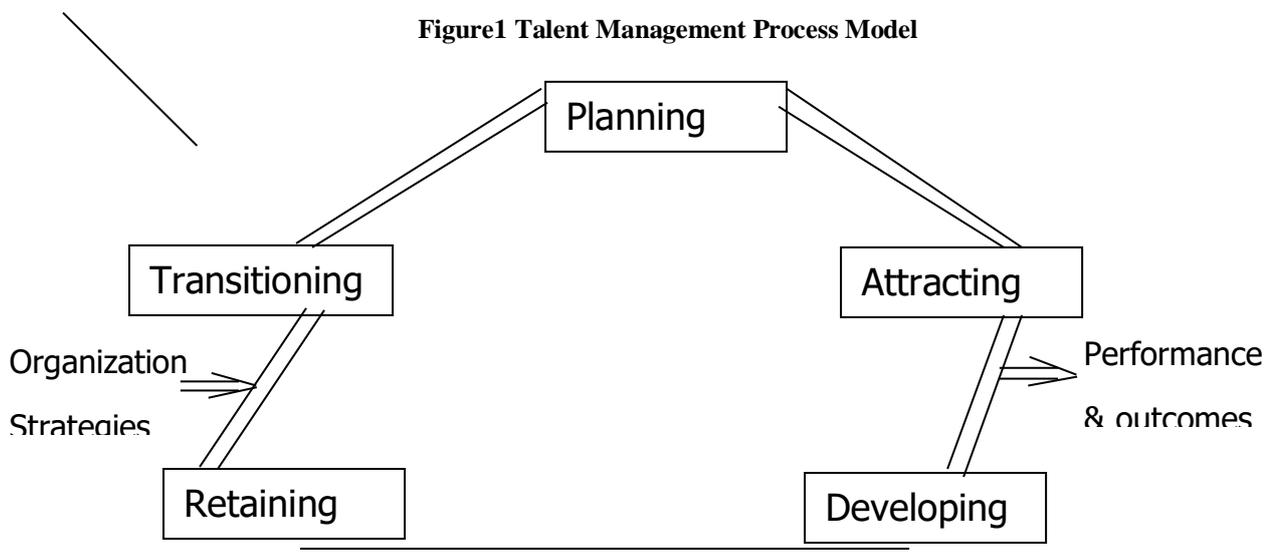
Career Development: Bowsbey (2002) defines career development as the lifelong process of managing learning, work, leisure and transitions in order to move towards a personally determined and evolving preferred future. In talent management, career development looks at how employees manage their careers without and between organizations as well as how organizations structure the career progress of their employees. In today’s world, employers look for ways of facilitating career development and encourage employees to drive their own careers.

Talent Retention: Pope (2009) explains talent retention as the act of retaining employees to work in the organization on a long term basis. According to Pope, organizations groom new employees into skilled personnel and hence want to retain them for a long time. Talent retention takes different measure, so that talents continue to work in the organization for maximum period of time. It fosters long-term association between the employees and management.

Talent retention enables the organization to possess skilled and experienced workforce which is useful for increasing the productivity of the organization. This invariably leads to growth. Organizations with poor talent retention culture hardly grow as desired. Thus, creating effective retention strategies is one of the most important tasks facing managers.

Talent Management Model

Monitazian (2016) describes a model of talent management. According to him, the elements of talent management can generally be categorized into five- planning, attracting, developing, retaining and transitioning.



Source: Adapted from Monitazian, (2016).

- Planning:** Monitazian (2016) described the planning stage of the talent management model as being comprised of three key sub components, namely; understanding the organization’s business strategy, evaluation and measurement/analytics and developing a workforce plan. It is critical to align the talent management approach with the organization’s strategy. The environment of the business is taken into account when assessing the organization’s business strategy. Developing the workforce plan takes into account previous initiatives, an assessment of the workforce profile and performance to date. A workforce plan is then developed based on the current workforce situation and the future desired state.

- **Attracting:** Attracting involves employee value proposition, marketing and talent acquisition (Monitazian, 2016). Employee value proposition (EVP) articulates to employees a realistic statement of the value the organization can offer to an employee. The EVP forms part of the marketing which is the next stage in the attraction process. Depending on the workforce plan and how much talent the organization needs to attract, the marketing strategy is developed.
- **Developing:** The developing stage comprises the following: on boarding, performance appraisal, learning and development capability framework and career development. On boarding is the creation of best possible transition in the workplace and communicating business vision, culture and role accountabilities dearly as soon as possible to new employees. Its structure depends on the talent needs of the organization.
- **Retaining:** Retaining involves culture and remuneration strategy. Culture is made up of many elements, which reflect in the talent acquisition process and the experience workers have when they first commenced work. It also manifests in the remuneration strategy. Role accountabilities, communication and perception of being valued by the organization all help to form the culture of retention.

Organizational Growth

The new Business Dictionary (2020) defines organizational growth as the process through which the structure of an organization increases. Many criteria exist for measuring organization's growth, such as market expansion, profits, revenue, sales, market share, customer retention, product success, etc. Irrespective of the criteria used, growth is evaluated with respect to organizational objectives.

Market Expansion: Market expansion is the offering of a product to wider section of an existing market. It is a business growth strategy. Organizations usually adopt market expansion strategy when their growth in existing markets reaches the peak. Companies investigating potential markets must take stock of their capability and assets. These may include new or existing product with appeal in untapped areas. Different strategies can be used for market expansion depending on the nature of expansion that the organization intends to embark on. The framework provided by Ansoff (1957), (cited by Dawes 2018) provides four key strategies for market expansion-market penetration, market development, product development and diversification.

Profit: Horton (2019) defines profit as an absolute income or revenue above and beyond costs or expenses. Profits are measured in terms of various yardsticks which include return on equity, return on assets, return on investment, net profit margin, gross profit margin, cash flow margin, etc. high profits indicate growth (Horton 2019; Dawes 2018).

Empirical Review

Some researchers have been made on talent management and its effects on organizational outcomes. Oden (2020) studied the effects of talent management on employee productivity in Delta State. The study involved a sampling 273 subjects and analysis of the data by z-score at 5% level of significance led to the finding that well managed talents led to increase in organizational productivity and that talent management provided the potentials for long term competitive advantage.

Lee (2019) examined talent management and development strategy in Singapore. The study employed quantitative comparative analysis of development levels in the country for a period of twenty-eight years and correlated with staff strength as the chosen measure of talent availability. The statistical analysis of the secondary data yielded the result that economic development was directly correlated with talent in the workforce. The coefficient of multiple determination $R^2 = 0.1861$, indicating an 18.61% of talents on economic development.

Ariss (2014) researched on talent management and future research direction in Memphis. The study involved a collection of 1624 samples by interviews and analyzing the primary data using discriminant analysis. The results suggested that talent management had the prospect to contribute over 82.4% result quality of all organizational outcomes in the next twenty years. The study recommended a necessary establishment of talent management unit in every organization as a strategic approach.

From the foregoing, it is hypothesised that;

H₀₁: There is no relationship between talent management ad organisational growth.

Research Methodology

From a total population of 576 workers of three selected manufacturing firms in Aba, a sample size of 236 was drawn by the simple random technique, using questionnaires. The Taro Yamane’s formula was used as a guide to determine the appropriate sample size, as follows:

$$= \frac{N}{1 + Ne^2}$$

$$= \frac{576}{1 + 576 \times 0.05^2} \text{ at 5\% level.}$$

$$= 236.$$

Judgmental techniques was applied in choosing the three manufacturing firms based on their possession of the characteristics sought for, such as large number of employees, availability of a human resource department headed by manager with distinct sub-units, free access to the company, etc.

After establishing the reliability of the questionnaire through a test re-test method and verifying its validity through the help of research professionals who ascertained the correctness of the question items in eliciting the right Reponses, it was personally administered to the respondents in their offices. The resulting primary data were analysed with multiple regression as the key statistical tool using the version 20 of the Statistical Package for Social Science (SPSS) software.

Data Analysis

Table 1 Model Summary

Coeff. of Multiple Determination (R)	R-Square (R ²)	Adj. R ²	Durbin Watson	Std Error of Estimate
0.462	0.213	0.202	1.370	α = 2.0219

Sig. =.000^b

Predictors

TA Talent Acquisition

TR Talent Retention

CR Career Development

Dependent Var: ME Market Expansion

FP Firm’s Profits.

Discussion of Findings

Table 1 provides the model summary of the regression analysis. From the table, the adjusted coefficient of multiple determinations is 0.202. The implication is that talent acquisition, career development and talent retention can bring about 20.2% changes in market expansion and firm's profit. The Durbin-Watson test for autocorrelated yielded a statistic of 1.370 showing that there is insignificant autocorrelation within the variables. The standard error of the estimate is 2.0219 which is not significant at the 5% level, indicating a reasonable degree of accuracy in the estimation.

Earlier studies by Oden (2020), Lee (2019), Ariss (2014), etc. made findings similar to the ones in this study. All underscores the importance of talent management in the organization. Oden (2020) in "Effects of Talent management on productivity" discovered from the analysis of 273 sampled in Delta State, that talent management has a highly positive effect on employees productivity Lee (2019) in a study of Singapore economic development and talents in the workforce found out that talents alone influenced economic development by 18.61%. Ariss (2014) also discovered in a study at Memphis that talents could account for 82.4% variations in the quality of organizational products.

Conclusion

Talent management is positively related with organisational growth in the context of market expansion and profitability. This implies that a combination of talent acquisition, talent retention and career development have similar positive relationship with expansion and profitability. Further interpretation shows that talent acquisition, talent retention and career development can jointly asset influence on expansion and profits and bring out 20.2% variations. It is therefore concluded that talent management enhances a firm's growth.

Recommendations

Based on the finding of the study, it is recommended that:

1. Human resource management adopts talent acquisition techniques as a strategy to increase the profits of the firm.
2. Talent retention should be seen as a necessary strategy to keep the best employees capable of adding value to market expansion activities of the organization.
3. As a strategy to expand the organization's market and increase profit, career development opportunities should be given to employees.
4. Market expansion and profits should be pursued from talent management perspective for reliable results.
5. The top management should create talent management unit as a sub-section of human resource management, for efficiency and effectiveness.

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