

Talent Retention and Organizational Performance: A Competitive Positioning in Nigerian Banking Sector

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Abstract

The study examined how best an organization can retain and manage talented employees to ensure survival and growth in the banking industry. The descriptive research design was adopted. The survey sample size was one hundred and eighty five (185) and was analysed as a whole. Self-administered questionnaire was adopted in order to obtain adequate and valid data for the study and the responses obtained were subjected to some analyses with the use of Statistical Package for Social Sciences (SPSS) AMOS 21, with the adoption of Structural Equation Modelling (SEM) to obtain correlation between observed variables and also regression between the dependent and independent constructs of the study. However, the results from the survey indicate that pay has positive significant implications on employees' commitment and involvement. This suggests that decision makers should incorporate these variables (salary, bonus, incentives, reward, and profit sharing) into their employment relation strategies and policies which ultimately lead to increase the level of commitment and involvement among the employees.

Keywords

retention, motivation, survival, pay, commitment, involvement

1 Introduction

Nowadays organizations realize that people, intellectual capital, and talent are ever more critical to organizational success. Most organisations have become poachers of talent, instead of developers of talent. As soon as organization identifies a talent, it becomes imperative to stimulate talent development and management that increases competitive advantage. Continue success of any organisation is dependent on the employees' contribution and commitment (Baum and Kokkronikal, 2005). The talent it possesses in the form of its employees skills and competencies, leading to organisational capability (Boudreau and Ramstad, 2005), has become the key to success in today's highly competitive business environment (Lockwood, 2006). Stockley (2013), defines talent retention as the mindful, thoughtful approach embark on to fascinate, improve, attract and retain people with the skills and abilities to meet current and future contingencies of the organizations. Talent retention is concerned with staffing, identification of skills and abilities, retention, supervision and management, development of employees to increase performance. Thus, talent retention as a wider concept focuses on how best an organization can entice, preserve, attract, improve, manage, retain and maintain necessary talent (D'Annunzio-Green, 2008).

Boudreau and Ramstad (2005) establish that a larger percentage (73%) of the executives in United States of America come to an understanding on the significant relationship between talent retention and business strategy in achieving organizational success. This implies that for organization to achieve operational excellence, there is need to integrate talent retention with organizational/business strategy. Researchers Rose and Kumar, (2006); Lawler, (2005); Farley, (2005); Ordonez de Pablos, (2004) posited that organizational success and distinctive advantage becomes realistic and inevitable if only the human resources are seen as assets to be encouraged, satisfied and motivated for higher performance. In addition, organisations in full swing have begun on the inside to bull's eye, develop, improve, manage and retain talented employees using standards/benchmarks that will help to meet future organizational contingencies and strategic capabilities (Huang, 2001). In other words, succession

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