

# **TALENT MANAGEMENT AND EMPLOYEE ENGAGEMENT: A STUDY OF GUARANTY TRUST BANK IN ILORIN METROPOLIS**

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## ***Abstract***

*It is commonly understood that engaged employees are motivated to contribute to the success of the organization. Literature also reveals that work engagement which comes from job satisfaction is derived from effective talent management practices, which results in lower employee turnover and productivity of the organization. Survey research method was adopted. Simple random sampling technique was employed to select respondents from the stratum of managers and non-managerial staff from each branch of the Bank. While 178 respondents represent the study sample size. Questionnaire was the main instrument of Data Collection. Data obtained were analyzed with the help of Statistical Package for Social Sciences (SPSS) software. Pearson Product Moment Correlation analysis was used to test the hypotheses at 0.05 level of significance. The findings revealed that there is a positive and significant relationship between talent management and employee engagement and also that employee engagement and labour turnover are significantly related. The study concludes that talent management has significant effect on employee engagement and invariably labour turnover in GT Bank Ilorin, Nigeria. The study recommends that Effective and efficient talent management must be put in place. This implies; right recruitment, development, motivation and retention of talents to minimize Employee disengagement.*

**Keywords:** Talent Management, Employee Engagement, Labour Turnover, Employee Commitment and Job Performance.

## ***INTRODUCTION***

The concept of talent management is a natural evolution of ‘human resources’ (HR). According to Josh (2006), the evolution ranged from personnel to strategic human resources to talent management. The term “talent” refers to a marked natural ability or skill. Thus, to a layman, talent management may connote the identification of inbuilt potentials of employees and the development of them to achieve organizational goals. However, in this context, “talent” is a more elaborate term as it is used to define highly skilled workers. As the name implies, talent management has to do with managing the ability, competency and power of employees within the organization. This means that talent management involves hiring the most skilled individuals in the right position that is, putting round pegs in round holes and developing them to enhance their potentials thereby creating a sense of loyalty to the organization in terms of employee commitment, engagement and job satisfaction.

It is commonly understood that engaged employees are motivated to contribute for the success of the organization. Literature also reveals that work engagement which came from job satisfaction is derived from effective talent management practices, which results in lower employee turnover and productivity of the organization. CIPD (2008) reports reveals that now organizations are placing more importance to talent management which results in more job satisfaction and engagement. Hewitt survey revealed that almost half of the companies studied planned to increase or sustain employee learning, engagement and development budgets through management of its talent during the economic slowdown (Beechler & Woodward, 2009). Important element of talent management is total reward management which enables employees to be contented and satisfied at workplace four times leading to employee engagement and organizational success,

In view of this, it has been observed that more emphasis is placed on performance than on competency because of the dangers associated with not meeting targets in the banking sector. Thus, employees are highly pressured to improve their present performance while little or no room is given for development of talent to improve future performance. This pressure is what brings about job insecurity, absenteeism, burnout and other traumas that cause disengagement in the workplace. Therefore, this study shows the relationships between Talent Management and Employee Engagement in the banking sector.

## **LITERATURE REVIEW**

### **2.1 Conceptual Framework**

#### **2.1.1 Concept of Talent Management**

Duttagupta, (2005) defined talent management as the strategic management of the flow of talent through an organization. Its purpose is to assure that a supply of talent is available to align the right people with the right jobs at the right time based on strategic business objectives. Warren (2006) talent management as the identification, development, engagement, retention and deployment of talent. To him, the term is often used more narrowly to describe the short and long term resourcing of senior executives and high performers. To Collings and Mellahi (2009) talent management is defined 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 potentials 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.

Heathfield (2010) talent management as an organizations commitment to recruit, retain, and develop the most talented and superior employees available in the job market. Thus, SHL (2008) talent management as an integrated, dynamic process which enables organizations to define, acquire and develop the talent that it needs to meet its strategic objectives.

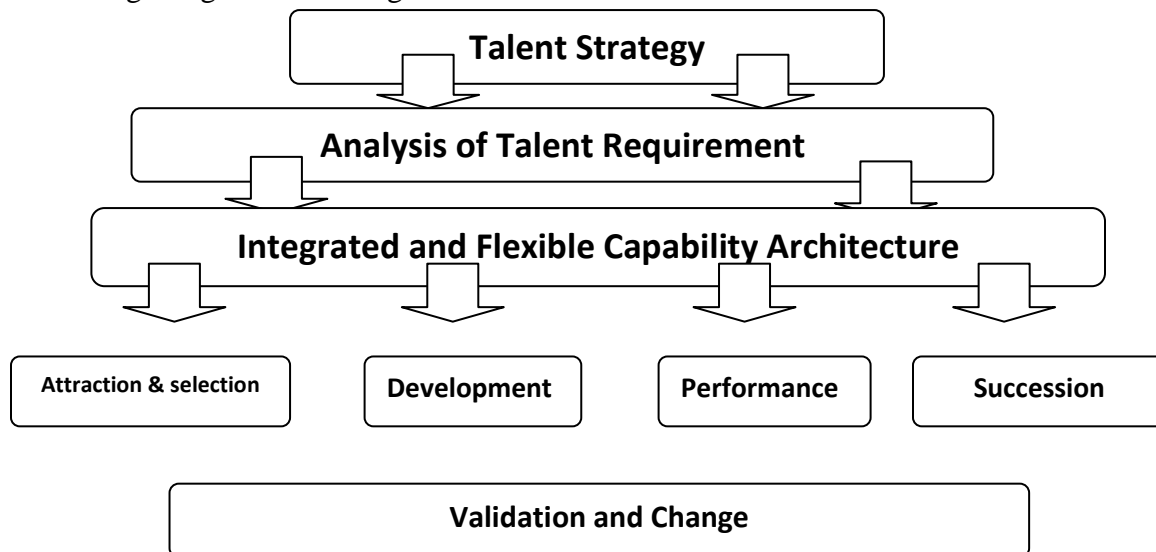
#### **2.1.2 Concept of Employee Engagement**

According to Kahn (1990) Personal Engagement means the harnessing of organizational members selves to their work roles in engagement people employ and express themselves physically, cognitively and emotionally during role performances. In another study engagement as where “an employee puts forward an innovative and cooperative attitude towards their job roles beyond what the organizations specified for them to carry out such roles with the overall aim of achieving orgnaizatonal objectives” (i.e going the extra mile). Also, employee engagement according to Schaufeli (2002) and Schaufeli and Bakker (2004) refers to a work related state of mind which is positive and fulfilling as well characterized by dedication, vogor and absorption demonstrated by staff towards their job roles and organization.

## 2.2 Talent Management Framework

A framework is as a basic conceptual structure. Talent management is made up of different parts which makes it a whole. All the parts or activities of talent management must be truly integrated. In addition, he noted that organization need a single approach that can be used to link talent management to their business strategy across different departments, specialism and applications, or the process risk becoming so complex, hard to explain and opaque that it, fall into disuse. As such, he suggested a framework as seen in the model below:

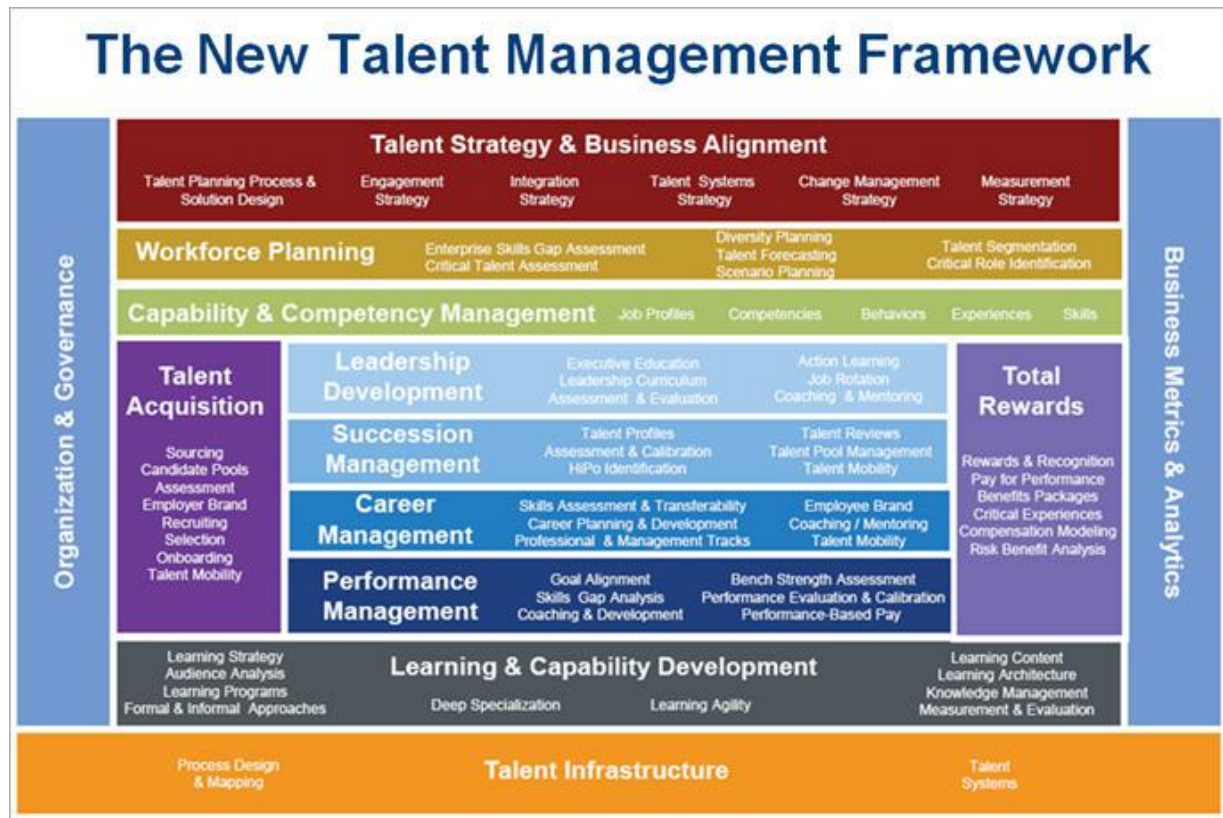
Figure 1 Integrating Talent Management



**Source: SHL, 2008**

This is a single integrated approach and it is achieved by using a coherent meaningful operating language that ensures the consistent and relevant measurement of talent requirements.

Also, Bersin Associates (2010) gave a framework for talent management. According to them, talent management process has evolved to a model that ensures business alignment and facilitates talent mobility- the dynamic internal process of moving talent from role to role- at the leadership, professional and operational levels.



Source: Bersin Associates, 2010

## Measuring the effectiveness of talent management remains a challenge:

Measuring the effectiveness of talent management has remained an uphill task for many organizations, partly because the metrics that really matter are the most difficult for companies to capture. These metrics may include employee's satisfaction, retention rates, employee productivity, diversity of management team, etc.

### 2.4 Relationship between Talent Management and Employee Engagement

Employee engagement is a multidimensional construct (Jyotsna, 2007). The concept emanates from two concepts that have won academic recognition and have been the subjects of empirical research- Commitment and organizational Citizen Behavior (OCB) (Robinson, Perryman and Hayday, 2004; Rafferty et al, 2005). In fact, it has evolved from employee satisfaction in the 1990s (employees' happiness), employee commitment in 2000s (employee motivation) and now, employee engagement from 2007. According to Gibson, (2006), employee engagement can be defined as a heightened emotional connection that an employee feels for his or her organization that influences him or her to exert greater discretionary effort to his or her

work. Also, Gallup Consulting, (2008) described the term as the extent to which employees are psychologically connected to something or someone in the organization.

Employee engagement can be likened to a positive employees' emotional attachment and employees' commitment. In addition, Schaufeli et al (2002) defined engagement as a positive, fulfilling, work-related state of mind that is characterized by vigor, dedication, and absorption. They further stated that engagement is not a momentary and specific state, but rather it is "a more persistent and pervasive affective-cognitive state that is not focused on any particular object, event, individual, or behavior" (Schaufeli et al. 2002). Yet engagement is different from satisfaction as Gubman (2004) states that engagement means "a heightened emotional connection to a job and organization that goes beyond satisfaction" that enables people to perform well, and makes want to stay with their employers and say good things about them. In short, there is a psychic income at work that makes people feel socially accepted and respected: In fact, Luthans and Peterson (2002) state that Gallup has empirically determined employee engagement to be a significant predictor of desirable organizational outcomes such as customer satisfaction, retention, productivity and profitability.

## **2.4 THEORITICAL CLARIFICATION**

### **2.4.1 Human Capital Theory**

The researcher used human capital theory which emphasizes the value added that investment in people by organization generate worthwhile return. The theory further suggests that investment in people leads to economic benefit for the individual and the organization as a whole (Sweet land, 1996). Talent management and its link to the organization performance can be expounded by the resource based theory which provides explanations on how firms can create value by managing their resources including its employees (Ngari, 2013). The theory indicates that a resource has to be valuable that is it must enable a firm to employ a value creating strategy by being rare and inimitable (Barney, 1991).

### **2.4.2 Hierarchy of need theory**

Maslow (1908-1970) need hierarchy theory was used to expound on concept talent attraction and is based on the assumption that, human needs can be classified into five categories

as follows; at the bottom is the physiological needs which are fundamental and must be satisfied before all other needs. Saleemi, (2006) noted that an organization can help individuals satisfy their needs by providing good pay, proper working conditions and other benefits. In the context of this study, the researcher argued that Maslow's theory could be used by firms listed in the NSE to attract employees through favourable working conditions as supported by Mwangi (2009) who observed that organizations could provide basic needs through fair wages and safe working conditions. Once the physiological needs are satisfied, safety needs become significant. This need consists of physical safety or protection against fire, accident and economic securities against unemployment. An organization can influence safety needs by providing job security, pension plans, Insurance plans, safe and healthy working conditions, Nzuve, (2009). It was deduced that employees could be attracted to organizations that satisfied their safety needs by having job benefits such as pension plans and safe working conditions.

Next in the hierarchy is the social needs; man is a social being, therefore he has a need to belong and to be accepted by others. Social needs include need for love and affection, association with and acceptance by various social groups (Saleemi, 2006). It could therefore be inferred that employees were attracted to work for an organization that satisfied their social needs by having good work –life balance as well as having good social net-working (Kelly, 2013). Self-esteem involve how others see us at work and can be enhanced by working for an organization with good employer brand and allowing employees to gain qualification at work. In addition, employees would be attracted to work for organizations that give them room to grow to their full potential thus realizing self-actualisation (Mwangi, 2009).

### **2.4.3 Equity Theory**

The following theories were used to explain the concept of talent retention and organization performance; first was the equity theory of motivation as advanced by Adams (1965). The theory is related to the potential rewards that are promised to an individual. The major tenet of the theory is balance or equity. For example, an individual motivation level is determined by how he/she perceive equity, fairness and justice practiced by the management (Nzuve, 2007). The implication is that the higher the degree of employees perceiving fairness, the more they are motivated to perform and also their levels of commitment increases and hence they are loyal to the organizations and are likely to remain there for long. This theory is based on

the assumptions that individuals are concerned both with their own rewards and also with the reward of others in the same rank, and employees anticipate that an organization will treat them with fairness and equitability in terms of the input they make and the reward they receive.

## **2.5 Empirical Review**

Nurul, Norzanah & Roshidi (2014) conducted research on the Relationships between Talent Management Practices, Employee Engagement, and Employee Retention in the Information and Technology (IT) Organizations in Selangor. This study seeks to determine the relationships between talent management practices (managerial support, employee career development, and rewards and recognitions), employee engagement, and employee retention within IT organizations in Selangor. This is a quantitative study. The research instrument comprises of a self-administered questionnaire. A convenience sampling technique was used for this research. A total of 581 respondents responded valid questionnaires and it gives an average response rate of 77 % for the study. Data gathered were initially analyzed using SPSS version 20.0. The findings of Pearson correlation analysis indicate talent management practices (managerial support, employee career development, and rewards and recognitions) have positive correlation with employee engagement.

Isiaka & Lukman (2017) carried out a study on Talent Management and Employee Turnover. The questionnaire was used to as the survey method of primary data collection. Correction coefficient and t-student distribution were methods used in the analysis of data gather. The study results showed that there is relationship between talent management and employee turnover.

Ali (2014) conducted research on effect of talent management on employee's retention. The research method is a descriptive survey. The population consists of staff of Istahan University in Iran. The sample included 280 employees, which were selected randomly. Data have been collected by a researcher-developed questionnaire and sampling has been done through census and analyzed using SPSS and AMOS software. The results indicate that there is a significant relationship between talent management, employee retention and organizational trust.

## **METHODOLOGY**



In this study, survey research method was adopted. Survey research focuses on population for intensive study and analysis. Hence, to ensure that adequate and reliable data are obtained for analysis, questionnaires were used for data collection. The population of the study includes all the staff of Guaranty Trust Bank branches in Ilorin, kwara State. The study used simple random sampling technique to select respondents so as to ensure that every member of the population have an equal chance of being included in the study. 178 respondents were drawn from the targeted population. The sample comprises of management staff, senior staff (both management and non-management) and junior staff.

Likert scale of five points was used to enable the respondents give their opinions to items in the questionnaire based on the following grades: Strongly Agree (SA) = 1, Agree (A) = 2, Undecided (UN) = 3, Disagree (D) =4, and Strongly Disagree (SD) = 5. The data collected were analyzed using the Statistical Package for the Social Sciences (SPSS) to generate frequency distribution, tables and percentages. The method used in analyzing the data gathered for the purpose of this research is Pearson Product Moment Correlation analysis.

## DATA ANALYSIS

### Hypothesis 1

**H<sub>0</sub>:** There is no significant relationship between talent management and employee engagement

**H<sub>1</sub>:** There is significant relationship between talent management and employee engagement

The result of the correlation in table 4.1.1 reflects that Talent Management is positively correlated to Employee Engagement ( $r=.524$ ,  $P<.01$ ). The magnitude of the above discuss correlation is greater than 0.3 in the absolute terms, which shows the moderate correlations between the said variables. In the case of this correlation, the null hypothesis would be rejected and the alternative hypothesis would be accepted as the P-value is less than 0.05. This concludes that there is significant relationship between Talent Management and Employee Engagement.

**Table 4.1.1 Pearson Correlation Between talent management and employee engagement**

	TM	EE
TM Pearson Correlation	1	.524**

EE	Sig. (2-tailed)		.000
	N	150	150
	Pearson Correlation	.524**	1
	Sig. (2-tailed)	.000	
	N	150	150

\*\* . Correlation is significant at the 0.01 level

(2-tailed).

Where TM: Talent Management

EE: Employee Engagement

## Hypothesis 2

H<sub>0</sub>: There is no relationship between Employee Turnover and Employee Engagement.

H<sub>1</sub>: There is a relationship between Employee Turnover and Employee Engagement

Table 4.1.2 summarizes the results of the correlation. This table reflects that Employee Engagement is positively correlated to Employee Turnover ( $r=.615$ ,  $P<.01$ ). The magnitude of the above discuss correlation is greater than 0.3 in the absolute terms, which shows the moderate correlations between the said variables. In the case of this correlation, the null hypothesis would be rejected and the alternative hypothesis would be accepted as the P-value is less than 0.05. This concludes that there is a relationship between Employee Turnover and Employee Engagement.

**Table 4.1.2 Pearson Correlation Between Employee Engagement And Employee Turnover**

		EE	ET
EE	Pearson Correlation	1	.615**
	Sig. (2-tailed)		.000
	N	150	150
ET	Pearson Correlation	.615**	1
	Sig. (2-tailed)	.000	
	N	150	150

**\*\*.** Correlation is significant at the 0.01 level (2-tailed).

Where EE: Employee Engagement

ET: Employee Turnover

## **4.2 Discussion of Findings**

This study has successfully assessed the various relationships between Talent Management and Employee Engagement. The findings which shows that there is relationship between talent management and employee engagement is in line with the work of Luthans and Peterson (2002) stated that Employee Engagement is a significant predictor of desirable organizational outcomes such as customer satisfaction, retention, productivity and profitability also Isiaka & Lukman (2017) which their findings shown a positive and significant relationship between talent management and employee turnover. Bersin (2009) outlined that Talent Management leads to retention of quality people and contribute to the organization's sustainable competitive advantage. Many authors quoted in this study agreed to a large extent that Talent Management and Engagement have a positive relationship. This shows that the study is consistent with previous work in the same subject area. In the course of carrying out this work, it was discovered that employees derive motivation from the task itself. As such, Talent Management should be focused on ensuring engagement in their jobs so as to attain positive outcomes like job satisfaction and reduced employee turnover.

## **5.1 CONCLUSION AND RECOMMENDATIONS**

### **5.2 Conclusion**

The study has established that there is significant relationship between Talent Management and Employee Engagement. The study also concludes that there is a relationship between Employee Turnover and Employee Engagement.

### **5.3 Recommendations**

In light of the findings of the study, the followings recommendations were made:

- 1 Managers must learn the importance of giving employees opportunity to advance in their career as it makes them happy and unwilling to resign.

- 2 Training, development and education should be key functions in order to enhance employee commitment and improve future performance in the long run.
- 3 Effective and efficient talent management must be put in place. This implies; right recruitment, development, motivation and retention of talents to minimize Employee disengagement.

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