

Talent Retention and Job Performance: The Mediating Role of Perceived Organizational Support

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Abstract

The motive behind this paper is that there is still a need for more empirical work on talent management in the banking sector, given the fact that the field of talent management has received much attention from scholars, investors and practitioners. The study was using analysis concept from the survey. The sample population is made up of 272 selected bank workers at kwara state, Nigeria. The research employed both stratified and simple random sampling methodology and administered 251 questionnaires to selected bank employees. Data obtained were analyzed using the partial least square-structural equation modelling. The finding shows that perceived organizational support mediates the relationship between talent retention and job performance, and that talent retention has a significant impact on job performance in Nigeria's banking sector. The study adds to the current body of information about talent retention by offering further insight into how perceived organizational support mediates the impact of talent retention on job performance and applying equity theory as a complement to the mediating variable.

Keywords: Talent Management; Talent retention; Talent Attraction; Motivation; Training

1. Introduction

The field of talent management has generated a tremendous degree of interest from practitioners and scholars right from the time that McKinsey consultancy coined the phrase "the war for talent" in 1997. The notion of talent competition is grounded in two basic assumptions—scarce expertise and competitiveness of the workforce due to limited job opportunities (Mathew, 2015; Turner & Kalman, 2014). Through effective talent management practices, the war for talent has increased the need to retain talent for sustained competitive advantage (Oladapo, 2014; Saadat & EskandarI, 2016). Talent management's fundamental task is to attract, motivate and maintain organizational talent (Armstrong, 2017; Gallardo-Gallardo & Thunnissen, 2016). It is mainly implemented to tackle the challenge of retaining talent, and is thus widely recognized as a predominant talent retention strategy (Dessler, 2014; Narayanan, 2016).

As such, a common strategy for retention is a major question to ask. Therefore, a possible and important area of research is to understand the difference between the talented employees and other classification of employees in accordance with their responsibilities. In fact, recruitment has become a daunting problem for both the public and private sectors in the contemporary globalized economy as both compete for similar talent pools (Fahim, 2018; Haider, Rasli, & Akhtar, 2015). Researchers have already validated that retention of talent can improve the performance of banks, and their absence can hamper optimal performance (Hancock, Allen, Bosco, McDaniel, & Pierce, 2013; Samuel & Chipunza, 2009). Focusing on maintaining talent in these banks can never be over-emphasis, however, because like a computer, a company can struggle to function effectively if key elements such as procedures, structures, and architecture are misaligned or disrupted by conflict between those elements, and just like a machine again, a

business needs to be planned, run, and maintained. The expertise – the human capital employed by the company – performs these roles.

2. Theoretical literature review

The study was based on Adams's equity theory that focuses on the relationship of exchange where employees give something and expect something in return. What is given by the employee is called inputs. On the other side of the exchange is what is being received by the employee, called outcome. Apart from inputs and outcomes, the third variable is called the reference person. The theory is based on the assumptions that individuals are concerned with their own rewards as well as the rewards of others in the same rank, and employees anticipate that they will be treated fairly and equitably by an organization in terms of their input and the rewards they receive. He also argued that not only are the impacts of inequity on men substantially underpaid, but also overpaid. The worker will feel frustrated and unhappy when they get less than they deserve due to what they have got, and if they get more than their value, they will feel bad as well. Adams calls this "guilt" when over-rewarded advantageous inequity, whereas when under-rewarded calls "rage" reaction. Usually this anger is directed at other people and institutions that have caused inequity, and sometimes it is self-directed where no other party is targeted for punishment or retaliation. Furthermore, Levinson (1965) suggests that those workers who view their work feedback as incompatible with the compensation they earn would try to resolve that perception through either low output to turnover outcome.

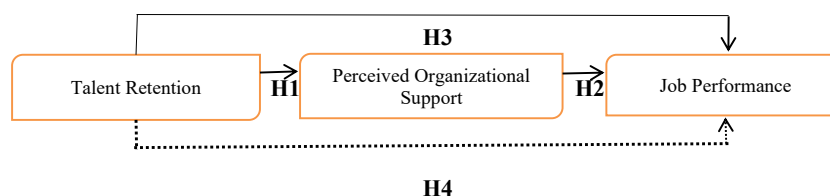


Figure 1: Research framework of the study

————> Direct Effect
> Indirect Effect

3. Talent retention and perceived organizational support

The perceived organizational support, specifically intended to contain the level of employee turnover (R. Eisenberger, Stinglhamber, Vandenberghe, Sucharski, & Rhoades, 2002). Talent turnover is the outcome of lack of employee retention. However, perceived organizational support according to Robert Eisenberger, Cummings, Armeli, and Lynch (1997) is the belief employee has that organization value their welfare and contributions to the organization. So, having that in mind will keep the employee to remain and loyal to the organization. Various studies findings have shown a moderately strong and negative correlation between perceived organizational support and talent turnover, where increased perceived organizational support is likely to lead to a decrease in talent turnover (Rhoades & Eisenberger, 2002). These results suggest that those organizations that are perceived to care about their employees' well-being are less likely to have their employees who leave their organization by choice. Employees evaluate the amount of assistance and equipment provided to them by the organization to help them complete assignments, as well as being given training and development in areas that are of interest to the employee (Lamastro, 2002). The study therefore, hypothesis that:

H1: Talent retention has a positive effect on perceived organizational support.

4. Perceived organizational support and job performance

Results from previous studies on perceived organizational support have shown that perceived organizational support has a positive relationship with job performance because a happy employee is a productive employee. where an increased perception of supervisor support leads to higher performance levels in employees (Yiing & Ahmad, 2009). These results indicate that when management are supportive of their employees, they are likely to improve job performance levels overall. To ensure a high performance from the employee the organization has to inculcate a good mindset in the employee that they value their contributions and that they also care about their well-being. A research analyzing the relationships between perceptions of the work atmosphere and job performance found that perceived organizational support was positively and substantially linked to job performance (Babin & Boles, 1998). It means that as employers are more supportive of their employees, they are more likely to be happy with their work. The study therefore, hypothesis that:

H2: Perceived organizational support has a positive effect on job performance.

5. Talent retention and job performance

Talent retention is important in realizing a full return on investment (Tlaiss, Martin, & Hofaidhllaoui, 2017). Talent retention is the foremost driver of all the factors that can influence the effectiveness of organizations in the future (Buckingham, 2001). The effect of the persistent scarcity of talent could make organizations incapable of growth and distract from their ability to acquire or retain a competitive advantage, thereby endangering their survival (Boshard & Louw, 2010). The breakdown of organisations, as it counteracts sustainable economic development, adversely affects the macroeconomic climate, which in effect negatively affects a decent quality of life for all. Organizations looking to retain a competitive edge rapidly shifted towards the implementation of structures to maximize the importance of talent for this reason. This is illustrated in the works of (Kadiri, Iskiaka, & Lukman, 2017), who find that the banking sector is increasingly competing to recruit highly qualified workers in different technical fields; in an effort to have a distinct advantage on the market. Hence the study, hypothesis that:

H3: Talent Retention has a positive effect on Job Performance.

H4: Perceived Organizational Support mediate the effect of talent Retention on Job Performance.

6. Methods

A survey research design was employed to analyse the Mediating role of perceived organizational support on talent retention and job performance. The population of the study was 272 employee of the selected banks in kwara state, Nigeria. The study employed both stratified and simple random technique. The stratified was used to group the participant into strata base on their unit and cadre in the banks and simple random sampling technique was employed in order to enable every member of the population have an equal chance of being included in the study. Minimum sample size of 107 was determined through G-power when applied for this study with a medium size effect of 0.15 with 5000 sample. However, 251 questionnaire was administered to the staff of the selected banks and the data collected was analyzed through partial least square-structural equation modelling (PLS-SEM).

Table 1: Measures

S/n	Constructs	Items	Cronbach's Alpha (α)	Sources	Scale
1	Talent retention	6	0.92	Loganathan (2019)	5 point
2	Job performance	6	0.91	Williams and Anderson (1991)	5 point
3	Perceived organizational support	8	0.90	Neves and Eisenberger (2014)	7 point

Measures of all the variables were based on 5 and 7-point Likert scale ranging from (1= Strongly Disagree to 7= Strongly Agree). Previous studies have shown that there are different views on Cronbach's values and that Cronbach's alpha above 0.6 should be considered acceptable (Gaikar & Marakarkandy, 2015; Hair, Marko, Lucas, & Volker, 2014).

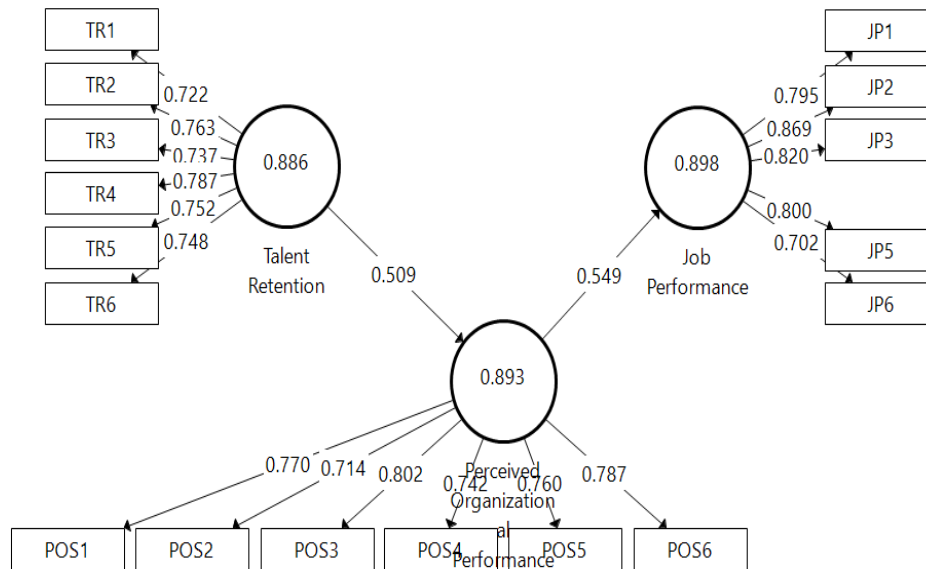


Figure 2: Measurement model diagram

Note: POS 7, POS 8, JP 4 were deleted due to low loading

Table 2: Analysis of measurement model

Constructs	Items	Loading	CA	CR	AVE	VIF
Job Performance	JP1	0.795	0.858	0.898	0.639	-
	JP2	0.869				
	JP5	0.8				
	JP6	0.702				
	JP3	0.82				
Perceived Organizational Support	POS1	0.77	0.856	0.893	0.582	1
	POS2	0.714				
	POS3	0.802				
	POS4	0.742				
	POS5	0.76				
	POS6	0.787				
Talent Attraction	TR1	0.722	0.84	0.886	0.565	1
	TR2	0.763				
	TR3	0.737				
	TR4	0.787				
	TR5	0.752				
	TR6	0.748				

Note: POS 7, POS 8, JP 4 were deleted due to low loading

Table 3. Fornell-Larcker Criterion

	1	2	3
1. Job performance	0.799		
2. Perceived organizational support	0.549	0.763	
3. Talent retention	0.591	0.509	0.752

Note: The diagonal values are the AVE's square root while the off-diagonal values are comparisons.

Table 4: HTMT Criterion

	1	2	3
1. Job performance			
2. Perceived organizational support	0.63		
3. Talent retention	0.655	0.566	

7. The Analysis of Structural Model

Hair et al. (2014) propose that the structural model should be examined; implying that the analysis should look at R², beta and t-values through a 5,000 sample bootstrapping process. It was also proposed that the predictive significance (Q²) and the effect sizes (f²) should also be stated in addition to the basic steps.

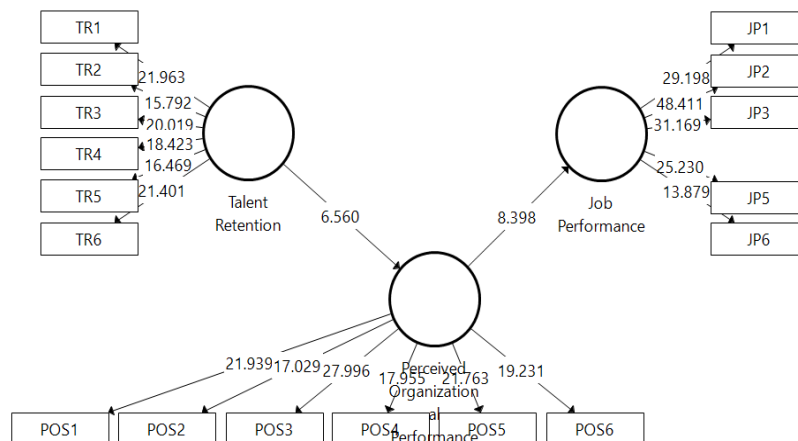


Figure 3. Bootstrapping Diagram

Note: POS 7, POS 8, JP 4 were deleted due to low loading

Table 5: Direct Effects Bootstrapping CI

HA	Variable Relationship	Std-Beta (β)	SE	t-value	p-value	f ²	LL-2.5%	UL-97.5%	R ²	Q ²	Decision
H1	Talent Retention -> Perceived Organizational Support	0.509	0.078	6.558**	0	0.35	0.328	0.635	0.259	0.139	Accept
H2	Perceived Organizational support -> Job Performance	0.549	0.065	8.497**	0	0.431	0.392	0.649	0.301	0.178	Accept

H3	Talent Retention -> Job Performance	0.279	0.07	3.972**	0		0.131	0.4			Accepted
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Note: t-value were computed through bootstrapping with 5000 sample. * $p \leq 0.5$, ** $p < 0.01$, *** $p < 0.001$, H_A = Hypotheses

Table: 6: Indirect Effects

H_A	Variable Relationship	Std-Beta (β)	SE	t-value	p-value	Decision
H4	Talent Retention -> Perceived Organizational Support -> Job Performance	0.279	0.071	3.94**	0	Mediation

Note: t-value were computed through bootstrapping with 5000 sample. * $p \leq 0.5$, ** $p < 0.01$, *** $p < 0.001$, H_A = Hypotheses

The structural equation model results were presented in table V, IV and figure III above. The results as displayed in the table shows that R^2 value is 0.26, implying that 26% of the variance in job performance is explained by the talent retention. Perceived organizational support in turn contributes 30% of the variance in job performance based on the R^2 value of 0.30. Table V and figure III show that the beta path coefficients were positive and on the expected direction and were statistically significant at ($p < 0.01$).

To measure the effect size (f^2) the study used Cohen (1988) criteria, which were 0.02, 0.05, and 0.35 reflect small, moderate and large effects to calculate the effect size. From table V above it can be observed that with 5 (small effect) and 1 (medium effect) all the relationships had significant effects. Also the bootstrapping analysis further shown that all the three indirect effects, $\beta = 0.509$, $\beta = 0.549$ and $\beta = 0.279$, are significant with t-values of 6.558, 8.497 and 3.972. The indirect effects 95% Boot CI Bias corrected: (LL = 0.328, UL= 0.635), (LL = 0.392, UL= 0.649), and (LL = 0.131, UL = 0.4), do not straddle a 0 in between indicating there is mediation effects are statistical significant. The results of mediation analysis are presented in Table IV above. Furthermore, the Q^2 value is greater than 0 the model has predictive relevance for a certain endogenous construct and otherwise if the value is less than 0 (J. F. Hair, Black, Babin, & Anderson, 2010). The two Q^2 values for job performance ($Q^2 = 0.178$), and perceived organizational support ($Q^2 = 0.139$) are more than 0 suggesting that the model has sufficient predictive relevance. Thus, H_1 H_2 , H_3 and H_4 were accepted.

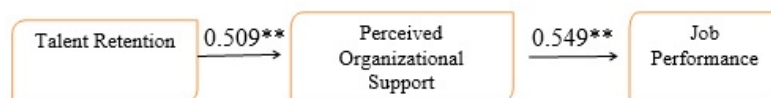


Figure 6. Analysis of research model

Note: ** $p < 0.01$

8. Discussion of Findings

The first hypothesis stated that talent retention had a significant effect on perceived organizational support. The analysis presented indicated a positive and statistically significant effect on the perceived organizational support (table V and III). This results was corroborated with the findings of the Kadiri et al. (2017); Tumwesigye (2010) whose findings shown that talent retention and job performance is positively related and significant to banks performance. The second hypothesis also established that perceived organizational support has a significant effect on job performance. The analysis however, showed a positive and statistically significant

effect of perceived organizational support on job performance in the selected banks. This relationship has been proved in the studies relating to other sectors. Kirkland (2017) found perceived organizational support to significantly influence job performance in the banking industry. The third hypothesis of this study stated that talent retention has a significant effect on job performance. Results indicated that, talent retention had a positive effect on job performance. This has been shown that retention of key staff of the organization play a greater role on the performance of the organization however, previous studies findings have shown the similar result (Ardayanfitri & Wahyuningtyas, 2017; Loganathan, 2019). The last hypothesis considered the mediating role of perceived organizational support on the effect of talent retention on job performance in the selected banks. The results as presented in table V and III indicate that, perceived organizational support mediate the relationship between talent retention and job performance.

9. Conclusion

The study concludes that talent retention has significant effect on job performance in the in the selected banks in Kwara state, Nigeria. It was also discovered that perceived organizational support mediate the relationship between talent retention and job performance. talent turnover is very harmful to the growth and development of bank, its also reduces organization's productivity because cost of attraction are high. In order for organization like banking sector to retain their best hands motivation of employees should be put in place such as extrinsic and intrinsic incentives (Vaiman & Vance, 2008). Also the best way to retain talents in the organization is making sure that the employees are competitively compensated.

10. Practical implication

This study will enable human resource managers of these banks to develop policies to promote management of talent within the banks. The research of this nature, will give a better insight to higher qualifications, well educated workforce to be engaged and is most often times more prolific and achieves greater results. The aforementioned is the reason the organization want to make sure is looking at only the best of the best at point of recruiting new employees. This study will also provide a guide for shareholders and investors in banks to predict the survival of their business, since favourable employee innovativeness will translates to new ideas and in turn survival of the banks.

11. Theoretical implication

This study made two theoretical contributions. Firstly, it proves that talent retention of the selected banks have an effect on job performance and that perceived organizational support mediate the relationship between talent retention and job performance. Past research on these topics have concentrated primarily on the private sector, where there is significant competition. The current research also incorporates equity theory in order to reinforce the mediating function of perceived organizational support that could not be extended to their analysis from previous studies.

12. Limitations and direction for the future research

This study is not without it limitation in the sense that restriction of the case study to selected banks in Kwara state only out of the 36 States in the country make the findings of the study difficult to generalized also majorities of the previous studies on talent management focused on engagement, turnover, commitment, training and development (Ayub, 2017; Kadiri et al., 2017). This study also examined talent retention on job performance: a mediating role of perceived organizational support. It is therefore, recommended for future research to focus their study on the other components of talent management such as succession planning, reward management, total quality management, knowledge management and the performance management.

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