



TALENT MANAGEMENT AND FIRM SURVIVAL

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The study clarified the concept of talent management and highlights its effects on firm survival, the aim of the study was to ascertain the relationship existing between talent management and firm survival, hypothesis was formulated for the study, Primary data were obtained through the administration of copies of questionnaire to the respondents. A sample size of sixty-seven (67) respondents was used for data analysis. Data obtained were analyzed using Correlation statistics. The study found that there is a significant relationship between talent management and firm survival. Therefore, the study concluded that talent management and its strategies and practices improve firm performance and create a sustainable competitive advantage that permits the firms to stand out in the market place. The study recommends that Talent documentation should be embedded in strategies so as to make explicit the knowledge developed concerning firm's specific competitive strength available to ensure firm survival. Also, firms should continually train their labour force to grow the required skills in the workforce in order to retain their employees and avoid increased mobility of labour.

Keywords: Talent Management and firm survival.

Introduction

In today's complex and dynamic business environment, organisations require a meticulous, cyclical and ongoing practice around talent management to differentiate between success and failure. Without talent, organisations are empty shelves. When organisations exist without clear-cut practices for talent management, then, it is heading for the precipice. As Lawler (2008) points out, "there is no way to achieve the rate of change, the amount of innovation the focus on customers that are needed in growing numbers of businesses without stay focused on capital".

He goes further by stating that strategy should be determined by considerations of talent and, in turn, should guide human management practices. This implies that organizations that want to triumph in quality customer service, radical change and other areas that require human capabilities need to rethink their approach to talent management. There are various studies that identified key factors for organisational success. For example, Nategh argues that innovation, speed, and integration are critical to the success of organizations. When organizations discover a drop in their performance levels and poor services or products offered they come back to remedy these shortcomings through talent management. (Alsakarneh & Hong, 2015).

For organizations to excel in this competitive and increasingly complex global economy, they must have the best talent management practices in place. An organization's ability to effectively attract, engage, develop, deploy and retain employees with the right skills and at all levels has proven to be a tool for its success and survival. It is difficult, if not impossible, for one organization to match exactly the quality and high caliber of another organization's. It is, however, practically possible for an organization to create a new product and be imitated cheaply. An organisation can also change its products and competitors will follow suit. Talent and intelligence thus become the predominant currency in the new era of globalization. Most of the organizations in this business environment realize that their competitive advantage lies in their assets namely the employees. "Revenue results in organizations with high performing talent management at 12.5% improved over target". It is therefore imperative for organizations in this modern business to apply best management practices in order to overcome this war and stay one step ahead of intense global competition. The study fills gaps in the business literature examining the relationship between talent management and business survival.

Problem Statement

Following the Nigeria financial crisis and continuous effects of globalization, firm survival has emerged as an evident challenge before human resources professionals and enterprise managers in general; most economies including Nigeria are not left out in this challenge. Central to the challenges of financial crises of globalization is employee (talent) management issues which have emerged as the most critical workforce management challenge of the immediate future. Critical analysis of workforce trends points to an impending shortage of highly skilled employees who possess the requisite knowledge and ability to perform at high levels, meaning that organizations failing to retain high performances will be left with under staffed and less qualified workforce that ultimately

hinders their ability to survive and remain competitive. Therefore, the study seeks to examine the relationship between talent management and firm survival.

Objective of the study

- i. To ascertain the relationship between Talent management and firm survival

Hypothesis of the study

- i There is no significant relationship between Talent management and firm survival

Review of Related Literature

The Concept of Talent Management

Talent management as a business success factor gained attention in 1997 when management consultancy McKinsey & Co. coined a phrase ‘the war for talent’ among winning organisations (Collings & Mellahi, 2009). McKinsey analysts interviewed several managers 1 to determine what makes the difference between successful and unsuccessful organizations and concluded that successful organizations are those with the best who have was filled with talent.

It should be noted that at this day, there is a lack of consensus among researchers and human resources on the definition of talent management. . As Aston and Morton (2005) noted, “there is no single consistent or concise definition of talent management”. Much of the literature studied shows that we are still struggling with a clear definition of talent management.

Despite this criticism, the study explores various definitions of talent management from authoritative sources. According to Paul (2013), talent management is a continuous process that involves sourcing, hiring, developing, retaining and promoting them while meeting the organization’s requirements concurrently. Talent management is an integrated set of processes and procedures used in an organization to attract, onboard, retain, develop and move talent as well as to exit talent to achieve strategic objectives (Avedon, Cerrone, Graddick-Weir, & Silzer, 2010). Talent Management as a mission critical process that ensures organizations have the quantity and quality of people in place to meet their current and future business priorities (Wellins, Smith, & Erker, 2010). Talent management is a holistic approach to optimizing human capital, which enables an organization to drive short- and long-term results by building culture, engagement, capability, and capacity through integrated talent acquisition, development, and deployment processes that are aligned to business

goals (Galagan, 2009). Essentially, the goal of talent management would be to ensure that the right skills are available at the right time and place to meet the strategic objectives of the business (Guerci & Solari, 2012). Implementation of integrated strategies, or systems designed to improve the recruitment and development of people and retain people with the required skills and a willingness to meet current and future organizational needs (Li & Wang, 2010). Talent management thus operates at a strategic, integrative level and is deeply affected by the framework which leaders of an organization have regarding the importance of talent to the effectiveness of the business (McDonnell, Lamare, Gunnigle, & Lavelle, 2010). It is obvious that talent management is an ongoing process focusing on identifying, attracting, engaging, developing, sustaining and deploying individuals who are of particular value to an organisation, either in view of their 'high potential' for the future or because they are fulfilling business or operation-critical roles. It is a process through which employers anticipate and meet their needs for human capital. It encompasses managing the ability, skills, knowledge, competency and power of employees in order to fulfill organisational needs. Talent management decisions are often driven by a set of organizational core competencies as well as position-specific competencies. The concept of talent management centers on defining both strategic and tactical practices which empower the impulsive sharing of human capital asset by its employees.

Importance of Talent Management

Nowadays, talent management is on the minds of many Resource Practitioners and academicians. Currently, the concept and practice of talent management is into what can be described as one of the vital and critical functions of HR and Business Management. For instance, in 2005, searching the term 'Talent Management' received eight million hits using a well-known internet search (Lewis & Heckman, 2006), and by 2012, the same term got twenty-five hits. The term is also receiving high interest and attention most organizations around the globe. Some years back, organizations gave keen concerns for tangible such as land, equipment, and money as well as such as brands, image, and customer loyalty. But the times have changed. Organisations have now realized human capital is the backbone for performance, success, value and wealth creation. This explains why most organisations allocate over one-third of their revenues to wages and fringe benefits of employees. As Cheese, Thomas, and Craig (2008) suggested that leaders should adopt a new talent mindset towards the workplace that is inspired by new leadership approaches, new business strategies and new leadership capabilities. Senior managers should

spend at least 30 to 50% of their time managing talent in human capital centric organisations (Lawler, 2008). In today's economy, 50% of Gross Domestic Product (GDP) in developed economies is knowledge based, which is centered on intellectual assets and intangible people skills (Dess & Picken, 1999). For organizations across the globe, talent management of knowledge workers and high potentials is of increasing strategic importance (Tymon, Strumpf, & Doh 2010; Vaiman, 2010). Organisations have learnt that, depending on what your business strategy is and what challenges you may face, at any given time you need the right talent to execute that strategy or deal with that challenge," (Gebelein, 2006). Talent management is one of the most important factors in ensuring sustainable organizational success (McDonnell *et al.*, 2011).

Some of these benefits are as follows:

- i Reduces Cost of Hiring, Training and Development:** An effective talent management practice will ultimately decrease the expenditure of organisations on hiring, training and development activities. This is true because organisations would not be frequently going through the recruitment process when they have standard systems for talent management in place, thereby minimizing the cost associated to it. It is proven that new employees cost the company 30-60 % more than the existing employee in terms of compensation only. Also, there is an additional cost incurred on training and developing the new individual. The process of recruitments itself costs organisations a lot, beginning from advertising a post, to attracting talent and finally short listing and hiring someone for the job.
- ii Helps in Understanding Employees Better:** An efficient practice for talent management gives HR managers deep insights about their workforce. They will be able to have in-depth understanding of their employees' development needs, career aspirations, strengths and weaknesses, abilities, likes and dislikes. On this basis, managers will then be in better position to determine what motivates whom and this helps a lot in job enrichment process.
- iii Leads to Placement of Right Person on the Right Job:** Through a proper talent management practice, HR manager will be able to ascertain employees' skills, knowledge, competencies and strengths. Based on this, strategic decisions on how to perfectly match employees to respective positions can be effectively taken. This can also lead to increase in job satisfaction and employee productivity, since there is a better alignment between an individual's skills, interests and his job profile.

Firm Survival

Firm survival according to Oginni (2011) is seen as operation of organizations on-going concern or sometimes refers to as manage to stay in business. Similarly, Business Dictionary.com (2014) defined firm survival as the continued existence of a company especially in a difficult or dangerous condition. Accordingly, to Lee (2006), survival of a firm in a vibrant and competitive business environment tends on how effectively the organization learns to adapt itself to the environment and capitalize on its resources fully. In the view of Akani (2015), long term survival of organization and not the financial performance should indicate success of the organization. Thus, when making decision about higher usage, her dividend, and decision to invest in growth of the organization needs to come into consideration as the survival of corporation should come first (Michael, 2011). Jones & Barlet (2008) opine that firm survival and growth are implicit organizational goals requiring the investments of energy and resources. The goal of enterprise survival underpins all other goals (Gross 1998). Paying attention to this goal contributes to the satisfaction and execution of other organizational goals (Akani 2015). The concept of survival is an unwritten law of every organization according to Gross (1998). Thus, every organization must regard survival as absolute prerequisite for serving any interest whatsoever (Akani, 2015).

Talent Management and Firm Survival

The findings in the study by Abbasi, Sohail, Cheema & Syed, (2013) also revealed that if given appropriate attention through employee skills development and job enrichment, talent management enhances the employees' present and firm survival. According to a study by Kehinde (2012) the management of talent is now central for survival of profit-making organization in contemporary organizations universally. Talent management is also necessary for a viable business environment today. Based on the literature on talent management and organizational performance, the proposed conceptual model integrates training and development, motivation, personnel planning and management of outcomes that influence performance in an organization. The spread of globalization signified a severe struggle between global companies for skilled labour force and nations started to compete for good talents (Fakhreldin, 2013). Their major aim was to have head-hunters to take good talents from their competitors (Fakhreldin, 2013). Thus, businesses contend themselves to obtain as well as keep personnel to sustain its activities and as well as growth (Gardner, 2002).

According to Williams, (2000) “in the war for talent there are winners and losers, like in business there is success and failure”. Managing talents plays an importance outcome on organization in talent identification, attraction, growth, management, engagement, retention as well as high feat while the other areas i.e. Human Resource planning, compensation and motivation are still unexplored areas in the field of talent management. Talent management also involves motivation, human resource planning amongst others.

Methodology

The study adopted the cross-sectional survey, the population of the study consists of all employees of registered and licensed firms in Asaba metropolis, a total population of 80 employees were obtained purposively from selected firms which are registered with the Delta State Ministry of tourism that are operational in Asaba. To arrive at the sample size, Taro Yameni's formula was applied/

The formula is as follows:

$$S = \frac{N}{1 + N(e^2)}$$

Where

S = Sample size

N = Population size

e = Level of significance

$$\therefore = 437$$

$$e = 0.05$$

$$= \frac{80}{1 + 80(0.05^2)}$$

$$= \frac{80}{1.2}$$

$$= 66.667$$

n = 67 respondents approximately

The data for this study were collected through the administration of self-designed copies of questionnaire to the sixty-seven (67) respondents used for the study.

4. Analysis and Results

Decision rule: Accept or reject the null hypothesis if $P < 0.05$ indicates a significant relationship, thus reject null hypothesis and accept alternate hypothesis. Conversely, $p > 0.05$ indicates an insignificant relationship, that is accept null hypothesis and reject alternative hypothesis.

Hypothesis One (H_{01}): There is no significant relationship between talent management and firm survival

Table 1. Correlation coefficient Result of the stated Hypothesis

		Talent Management	Firm Survival
Talent Management	Correlation Coefficient	1.00	.897
	Sig (2-tailed)	-	.019
Spearman's rho	N	9	200
Firm Survival	Correlation Coefficient	.897*	1.00
	Sig (2-tailed)	.017	
	N	.200	.200

Source: SPSS 20.0 outputs based on field survey 2022

Table 1 above indicates the result of hypothesis. From the table above, $P^*(.019) < 0.05$. Thus, null hypothesis is rejected and alternate hypothesis is accepted. That is there is a statistically significant relationship between employee talent management and firm survival

. The r value of 897 shows a strong relationship between talent management and firm survival. Thus, the extent of relationship between talent management and firm survival is about 89.7%. This relationship is high according to categorization adopted by Everitt and Dunn (2001).

findings

The hypothesis formulated in this study sought to examine the relationship between Talent management and firm survival. From table 1 above, a statistically significant relationship exists between talent management and firm survival ($P = .019 < 0.05$). This finding may be due to the fact that the firms have strategies, policies and practices in place to retain valuable employees.

Conclusion

The study concludes that talent management and its strategies and practices improve firm performance and create a sustainable competitive advantage that permits the firm to stand out in the market place. Talent management practices mainly focus on talent attraction, talent retention, learning, development and career management that supports firm survival in a dynamic business environment.

Business organizations should take note of the concept behind management of talent; the reality that essential to contemporary management as well as government particularly in rising nations. Worthy of note is the fact that

Recommendation

1 Talent documentation should be embedded in strategies so as to make explicit the knowledge developed concerning firm's specific competitive strength available to ensure firm survival.

2 Firms should continually train their labour force to grow the required skills in the workforce in order to retain their employees and avoid increased mobility of labour.

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