

**Assessment of Talent Management Strategies in Nigerian Banking Industry: A study of selected Money Deposit Banks in Port Harcourt**

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**Abstract:** this paper assessed the talent management strategies in Nigerian banking industry. The paper adopted a survey design, and the study was conducted using a sample of 80 top and middle level management staff drawn from six banks in the Port Harcourt metropolis. Data was collected using a five point likert scale and the study covered three old generation and three new generation banks. The statistical tool used for data analysis is the Non-Parametric one way ANOVA test using 20.0 version of statistical package for social sciences (SPSS). The study reveals that competitive strategy (CS) is the predominant talent management strategy used by Nigerian banks as it has the lowest p-value from the ANOVA table which is also lower than 0.05 level of significance (i.e  $0.000 < 0.05$ ). Change management strategy (CMS) showed a p-value of 0.001 while human resource planning strategy (HRPS) showed a p-value of 0.08. the paper however recommends that a careful mix of competitive strategy, human resource planning strategy and change management strategy should be adopted in talent management to avoid frequent organizational memory loss which at the lon-run affects the performance of the organization negatively.

**Keywords :** change, competitive, human resource planning, Management, strategy, Talent

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## Introduction

In Nigeria today, banks are engaged in a near cut-throat competition that has seen many banks merge in order to muster the needed resources while others either liquidate or submit to a take-over (acquisition) by stronger domestic or even foreign banks. One of the resource of banks that is regarded as germane in this war of competition is the human resource. While it is believed by scholars and practitioners that human resource is the most important factor in a mix of factors that drives organizational success, how it is managed tend to differ from one organization to the other. Again, the introduction and implementation of treasury single account by the federal government has made it impossible for banks to keep within an unnecessary time frame public sector funds, this is gradually creating another round of liquidity challenge in the banks. The banks therefore need employees who can think outside the box to creatively manage the situation and sustain their competitive drive in the market. This calls for attraction and retention of employees with special talent

The concept of talent management over the years has received diverse meaning; Lewis & Heckman (2006) says that there is a disturbing lack of clarity regarding the definition, scope and overall goals of talent management. They found three recurring ideas concerning the meaning of talent management: the first defines TM as a collection of typical human resource department practices, the second idea is about talent pools, and how to ensure an adequate flow of employees into jobs throughout the organization and lastly, the third views TM and talent as a generic good and resource, which can be managed to high performance. Whelan, Collings, & Donnellan (2009) add a fourth stream of thought on talent management, which focuses on identifying key positions that can influence the competitive advantage of the firm. They further suggest that the definition of talent management 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 potential and high performing incumbents to fill these roles, and the development of a differentiated human resource architecture to facilitate

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filling these positions with competent incumbents and to ensure their continued commitment to the organization. According to Cappelli (2008), talent management is a tool for companies to achieve their overall objectives – namely to earn money. Therefore, he argues, companies need to understand the costs and benefits of talent management choices. The main risks for the business in terms of talent management is to have a mismatch between the supply and demand of employees and their skills, and furthermore to risk talent development investments when failing to retain the employees. In the long run, these risks stand in the way of making money through the business. Blass (2009) writes that talent management seems to be the intercept between strategy, succession planning and HRM, drawing primarily on development strategies, recruiting and retention strategies, and reward strategies, supported by good data sources, monitoring and measurement.

### LITERATURE REVIEW

According to Davis, Maggie and Neil (2007), talent management is the set of activities related with the recruitment, development and retention of talented people who are able to achieve a superior performance in a particular company, the talent management activities should be conducted through a strategy, it means, a deliberate and structured corporate approach to realize the talent management. The key factor of this definition is that we are looking for a superior performance, it means, to hire people able to do the work is not enough, the talent management strategy is defined to create a talent pool in the organization which will give to the organization a sustainable competitive advantage based in its employees. According to Berger and Berger (2004), the function of talent management professionals can be divided in four different tasks. The first one is the forecast, which is the foresight of the possible promotion of employees, according to their income, their past experience and the talent showed, in this manner the Talent Management professional can see which employees are talented people and include them in the talent pool. The second task is to create measurement scales for the potential performance. The third one is to identify the core competences that the organization needs and fostering them in the employees, between these powers, it is possible to find the result orientation, the communication skills, the creativity, the innovation, critical judgments, customer orientation, leadership, team work and so on. And finally the last task of the Talent Management professional is to select a coaching guide, who helps the talent pool to develop those competences and to keep their motivation. We can associate these four tasks with each of the activities of management talent as defined above, the two first are more related with the recruitment of the talent pool, the third one is part of the development of the talent pool and the fourth one is part of the development and also part of the retaining of the talent pool.

Talent management is the systematic attraction, identification, development, engagement/retention and deployment of those individuals with high potential who are of particular value to an organization (CIPD, 2006).

In short the talent management strategy is based on the following pre-tentative solutions: (a) talent management is a typical basis for a firm to use for sustained competitive advantage; (b) talent management is indicated if a firm's performance is better than its competition over the long term; (c) talent management is properties of organizational system and holistic in nature; (d) The existence of effective talent management in a firm differentiates it from other firms; (e) talent management is not an end, it is a continuous process till sustained superior performance is achieved.

### The Need for Talent Management

Sojka, (2010) posits that the need for introducing talent management results also from the characteristics of the existing workforce which is currently in the process of transformation and liable to significant changes. The changes are as follows

*Changes in the workforce trends:* Global organizations realize the alarming reality that significant demographic, economic, social-political and technological changes dramatically transform the workforce too. Changes in the birth-rate, in the age of retirement and the workers' requirements reduce the volume of the workforce and cause significant skill shortages, while, on the other hand, the removal of the business barriers, progress in communication and the latest economic findings highly prioritize the global and virtual workforce. Degradation in cultural norms, decrease in birth-rate and diminishing migration barriers create preconditions for significant workforce diversity. The knowledge of the economy, of information technologies as well as the altered employment contracts give rise to the origin of an autonomous and strengthened group of workers. The workforce finds itself amidst unstoppable and radical transformation. It is getting:

- ❖ Smaller in numbers and insufficiently skilful;
- ❖ More and more global;
- ❖ Virtual;
- ❖ Significantly diverse;
- ❖ Autonomous and self-contained.

Understanding the complexity of this trend of the workforce is crucial as these changes characterize the future generation of talents from which organizations will benefit in the years to come.

*Workforce smaller in numbers and insufficiently skilful:* For organizations all over the world the issue of taking new job positions is a huge and potentially long-lasting struggle. This phenomenon consists in the necessity to change the numbers, specifically the quantity of workers available, and the quantity of workers who are available and who, at the same time, also have the required skills. The population in the productive age is reduced significantly also by groups of middle-aged people who retire much earlier as a result of strengthening the advantages of the planned retirement and the growing prosperity. The governments of numerous countries try to reduce the workforce shortage on their domestic labour markets by supporting employment for graduates, women and the disabled people.

*Global dimensions of the workforce:* The traditional geographic borders surrounding the workforce are disintegrating fast. The reforms opening economic markets

and technological progress create global labour market. Workers are no more limited in their abilities to only one region or country. Now they can work for organizations located anywhere in the world. In this global labour market, workers are ever more redeployed to places where their utilization is the most effective. This global labour market is typical not only of jobs in information technologies but more and more of workers in industry and of professions which used to be isolated in the past. And, similarly to workers, the job positions are allocated to places where the needs of organization are best linked in relation to the workforce, abilities, costs and capacities. Low cost communication technologies and the growing level of education in the developing countries create possibilities of redeploying work positions for the purpose of reducing the operation costs all over the world.

*Virtuality of the workforce:* The definition of co-workers and the meaning of the collocation “to be at work” have changed and nowadays the above terms mean workers on the other side of the globe linked by means of the latest communication technologies. Employees worldwide and in each industry are liberated from their desks and their working schedules. Increased use of high speed broadband networks and PDAs – personal digital assistants - in combination with the growing proportion of products that can be transmitted electronically have changed the notion of workplace and workday completely. A fixed workplace is no more the requirement for work to be carried out. A number of workers available on the phone, i.e. they are available for work any time, is increasing. This characteristic brings a new level of satisfaction and synchronization of work and life to some workers.

*Diversity of workforce:* Changes in the birth-rate, migration patterns and cultural norms have absorbed the workforce of all ages, origins, nationalities and lifestyles. Workers enter a workforce group earlier and stay longer. There are more generations in a workforce group than in the previous years. The growing consumer society connected with the growing prices necessary for education motivates ever more teenagers to enter a workforce group. They are followed also by older workers who are motivated by expectations of a longer life, cultural changes and marketability of their experience and hence they stay in their work longer. A great number of women are made to join the workforce especially by loosening of the cultural norms and economic necessity. Men and also women take jobs which, in the past, were carried out by the workers of the other gender. Ever more men carry out the traditionally women’s jobs, such as a librarian, secretary, nanny, kindergarten teacher, nurse or typist. Unfortunately a lot of men in the traditionally women’s jobs show a high level of stress and discrimination and also the majority of women are convinced that they do not have the same job opportunities as men.

*Autonomy and self-containment:* Workers themselves start to take control of the direction and structure of their working life. Technological and economical forces give them the space for bigger authority at work and on the labour market. The trends aiming at the work related knowledge and communication based on technology give workers the ability to decide how they are going to carry out their work. Educated workers have expert systems available which are not

subject to the management and enable them to make logical decisions in many fields. By means of the Internet and Intranet they have access to the news about the competition, information about business trends, which increases their ability in decision making.

#### **Talent Management: Strategy Perspective**

*Process perspective:* There is the process perspective which proposes that it includes all processes needed to optimize people within an organization. This perspective believes that the future success of the company is based on having the right talent – so managing and nurturing talent is part of the everyday process of organizational life.

*Cultural perspective:* There is the cultural perspective that believes talent management is a mindset and that you must believe that talent is needed for success. This can be seen where every individual is dependent on their talent for success due to the nature of the market in which they operate, and is typical of organizations where there is a ‘free’ internal labour market, with assignments being allocated according to how well they performed on their last assignment. Alternatively, this can be an organization where the development of every individual’s talent is paramount and appreciated, and allowing people to explore and develop their talent becomes part of the work routine.

*Competitive perspective:* There is the competitive perspective that proposes talent management is about accelerated development paths for the highest potential employees (Wilcox, 2005), applying the same personal development process to everyone in the organization, but accelerating the process for high potentials. Hence the focus is on developing high potentials or talents more quickly than others.

*HR planning perspective:* The HR planning perspective claims that talent management is about having the right people matched to the right jobs at the right time, and doing the right things. This is often identified with companies currently experiencing rapid growth which to some extent is driving the talent management system, and once they become more stable in terms of size of operations their perspective might change. Succession planning tends to be more prominent in organizations taking this approach.

*Change management perspective:* Finally, there is the change management perspective which uses the talent management process as a driver of change in the organization, using the talent management system as part of the wider strategic HR initiative for organizational change. This can either be a means of embedding the talent management system in the organization as part of a broader change process, or it can put additional pressure on the talent management process if there is widespread resistance to the change Process.

#### **Methodology**

This paper adopted a survey design, and the study was conducted using a sample of 80 top and middle level management staff drawn from six banks in the PortHarcourt metropolis. Relevant data was collected using a five point likert scale and the study covered three old generation and three new generation banks. The statistical tool used for data analysis is the Non-Parametric one way ANOVA test using 20.0 version of statistical package for social sciences (SPSS). The ANOVA table is given as shown in the next page;

Source of variation	SS	DF	MS	F – value
Between sample (treatment)	TRSS	r-1	$\frac{TRSS}{r-1}$	
Within	ESS	n-r	$\frac{ESS}{n-r}$	$\frac{TRMS}{EMS}$
<b>TOTAL</b>	<b>TSS</b>	<b>n-r</b>		

Source: Egbulonu K.G (2007), statistical inference for science and Business, Owerri: Peace Publishers Ltd.

The decision rule will be to reject the null hypothesis if the test statistic from the table is greater than the F critical value with k-1 numerator and N-k denominator degrees of freedom.

**Results**

The SPSS output is presented below;  
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Descriptive									
		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
						Lower Bound	Upper Bound		
HRPS	1.00	3	9.0000	3.60555	2.08167	.0433	17.9567	5.00	12.00
	2.00	3	17.6667	4.61880	2.66667	6.1929	29.1404	15.00	23.00
	3.00	3	21.0000	3.60555	2.08167	12.0433	29.9567	18.00	25.00
	4.00	3	12.3333	4.04145	2.33333	2.2938	22.3729	10.00	17.00
	5.00	3	20.0000	8.66025	5.00000	-1.5133	41.5133	10.00	25.00
	<b>Total</b>	<b>15</b>	<b>16.0000</b>	<b>6.52468</b>	<b>1.68466</b>	<b>12.3868</b>	<b>19.6132</b>	<b>5.00</b>	<b>25.00</b>
CS	1.00	3	12.3333	1.52753	.88192	8.5388	16.1279	11.00	14.00
	2.00	3	28.0000	2.00000	1.15470	23.0317	32.9683	26.00	30.00
	3.00	3	12.3333	3.05505	1.76383	4.7442	19.9225	9.00	15.00
	4.00	3	15.0000	4.35890	2.51661	4.1719	25.8281	10.00	18.00
	5.00	3	12.3333	2.51661	1.45297	6.0817	18.5849	10.00	15.00
	<b>Total</b>	<b>15</b>	<b>16.0000</b>	<b>6.75066</b>	<b>1.74301</b>	<b>12.2616</b>	<b>19.7384</b>	<b>9.00</b>	<b>30.00</b>
CMS	1.00	3	11.3333	1.52753	.88192	7.5388	15.1279	10.00	13.00
	2.00	3	23.0000	6.08276	3.51188	7.8896	38.1104	19.00	30.00
	3.00	3	23.3333	3.51188	2.02759	14.6093	32.0573	20.00	27.00
	4.00	3	15.0000	2.00000	1.15470	10.0317	19.9683	13.00	17.00
	5.00	3	7.3333	2.88675	1.66667	.1622	14.5044	4.00	9.00
	<b>Total</b>	<b>15</b>	<b>16.0000</b>	<b>7.22100</b>	<b>1.86445</b>	<b>12.0011</b>	<b>19.9989</b>	<b>4.00</b>	<b>30.00</b>

Test of Homogeneity of Variances				
	Levene Statistic	df1	df2	Sig.
HRPS	2.466	4	10	.113
CS	1.517	4	10	.270
CMS	2.858	4	10	.081

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
HRPS	Between Groups	318.667	4	79.667	2.873	.080
	Within Groups	277.333	10	27.733		
	<b>Total</b>	<b>596.000</b>	<b>14</b>			
CS	Between Groups	556.000	4	139.000	16.951	.000
	Within Groups	82.000	10	8.200		
	<b>Total</b>	<b>638.000</b>	<b>14</b>			
CMS	Between Groups	602.000	4	150.500	11.758	.001
	Within Groups	128.000	10	12.800		
	<b>Total</b>	<b>730.000</b>	<b>14</b>			

**Conclusion and Recommendations:** this study reveals that the p-value of two out of the three major talent management strategies adopted by Nigerian banks are less than the 0.05 level of significance while one strategy is higher than the 0.05 decision point. However, the most prevalent is the competitive strategy adopted by Nigerian banks as revealed in this study is the competitive strategy (CS) as it has the lowest p-value from the ANOVA table which is also lower than 0.05 level of significance (i.e  $0.000 < 0.05$ ). In the order of application, it can be said that after competitive strategy, the next widely used talent management strategy among Nigerian banks is the change management strategy (CMS) as it recorded a p-value of 0.001 which also is below the 0.05 level of significance. However, human resource planning strategy (HRPS) is not commonly adopted in Nigerian banks as a talent management approach; hence its p-value at 0.080 is higher than the 0.05 level of significance. We therefore conclude that competitive strategy is the predominant talent management strategy in Nigerian banks. However, we recommend that a careful mix of competitive strategy, human resource planning strategy and change management strategy should be adopted to avoid frequent organizational memory loss which at the long-run affects the performance of the organizations negatively.

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