

## **Talent Management and Corporate Survival of the Nigerian Banking Industry**

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**Abstract:** *This study investigated the talent management and corporate survival of the Nigerian banking industry a sample of 132 managerial staff from a survey of licensed banks in Rivers State. The cross sectional survey design was adopted for the study as the main instrument for data generation was the structured questionnaire. The predictor variable; talent management; was operationalized using two dimensions, namely – talent planning and talent acquisition with each dimension assessed on a set of 6 indicators each; while the criterion variable - corporate survival is also assessed on a set of 18 indicators. Two null hypotheses were postulated for the study and tested using the Spearman rank order correlation coefficient with results showing significant associations in both instances. As a result of the investigation, it was revealed that both dimensions of talent management have significant relationships with corporate survival. The study shows that respondents rate talent management practices as very important and necessary for maintaining business progress and thus survival therefore the study recommends that emphasis is laid on various policies as regards efficient talent planning and acquisition.*

**Keywords:** Talent management, talent planning, talent acquisition, corporate survival.

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### **1. INTRODUCTION**

The study of talent management is gaining prominence, especially in the last one decade. This is because organizations have come to realize that all human beings who come in to the organization at one point or the other, come in with a particular talent, potential or skill, that can be harnessed by the organization for the overall benefit of all. Strictly speaking, not all talents are best for an organization – more so, the banking industry. According to Armstrong (2009), talented people possess special gifts, abilities and aptitudes which enable them to perform effectively. Thus, as defined by the CIPD in 2007, cited in Armstrong (2009) “Talent consists of those individuals who can make a difference to organizational performance, either through their immediate contribution or in the longer term by demonstrating the highest levels of potential”. Thus, talent management is the process of identifying, developing, recruiting, retaining and deploying those talented people (Armstrong, 2009). The pressure to attract and retain key talent has led organizations to expend increased energy and resources on talent related initiatives over the last half decade. Significant progress has been made on a variety of talent management fronts from getting foundational programs in place, to creating and deploying new programs, such as high potential development, leadership development and succession planning (Khanka, 2013). However, most of the progress has been made in the executive ranks, with less focus beyond the highest management levels.

Several writers, authors, researchers and management experts have based their works on the need for effective talent management as it has to do with acquisition of green horns with specific skills (by way of recruitment and training), as well as motivation (Mamoria and Gankar, 2009; Okoroma, 2000; Khanka, 2013). However, only a few have made mention of talent management as it affects retention; thus, after talents have been trained; after the organization has spent so much on them, these talents move on to better the lot of other organizations with the rich skills that have been gained from the organization that gave it to them. For example, it is not uncommon in recent times to see a banker becoming a lecturer and therefore transfer his banking skills in to practical classroom situations. This

study is therefore an attempt by the researcher to properly analyze talent management strategies in the Nigerian Banking Industry as at today, and to proffer solution to the numerous challenges affecting talent management in the area of training, succession planning, talent management etc. as it concerns corporate survival.

### **1.1. Purpose of the Study**

The main purpose of this study is the examination of the relationship between talent management and corporate survival in the banking industry in Nigeria. However, the specific objectives are to:

- Ascertain the relationship between talent planning and corporate survival
- To determine the relationship between talent acquisition and corporate survival

### **1.2. Research Questions**

Based on the foregoing purpose of the study, the following research questions guided the study:-

- What is the relationship between talent planning and corporate survival?
- What is the relationship between talent acquisition and corporate survival?

## **2. THEORETICAL BACKGROUND**

According to Mamoria and Gankar (2009), the need for talent/human resource planning is hinged on one or all of the following factors; to carry on its work, each organization needs personnel with the necessary qualifications, skills, knowledge, work experience and aptitude for work. These are provided through effective talent/manpower planning, since a large number of persons have to be replaced who have grown old, or who retire, die or become incapacitated because of physical or mental ailments, there is a constant need for replacing such personnel. Otherwise the work would suffer. Talent / Human resource planning is essential because of frequent labour turnover which is unavoidable and even beneficial because it arises from factors which are socially and economically sound, such as voluntary quits, discharges, marriages, promotions; or factors such as seasonal and cyclical fluctuations in business which cause a constant ebb and flow in the workforce in many organizations, in order to meet the needs of expansion programmes, talent/human resources planning is unavoidable. (it becomes necessary due to increase in the demand for goods and services with growing population, a rising standard of living – larger quantities of the same goods and services are required), the nature of the present workforce in relation to its changing needs also necessitates the recruitment of new labour. To meet the challenge of a new and changing technology and new techniques of production; existing employees need to be trained or new blood injected is an organization, talent/manpower planning is also needed in order to identify areas of surplus personnel or areas in which there is a shortage of personnel. If there is a surplus, it can be redeployed; and if there is shortage, it may be made good.

Acquiring the right talents for organizational effectiveness can be Herculean in nature. To ensure that an organization is moving in the right direction, it must start with the end in mind. Hewitt (2009) opine that once an organization has taken an objective assessment of its strengths and weaknesses, it can begin to frame solutions. This leads to another set of questions: what specific talent outcomes are needed to achieve success? How do we address the short comings in our talent management approach? What are the biggest priorities? How do we measure success effectively? All the above issues begin with recruitment and selection. Yoder et al (2005) define recruitment as a process to discover the sources of manpower to meet the requirements of the staffing schedule and to employ effective measures for attracting that manpower in adequate numbers to facilitate effective selection of an efficient workforce. Therefore, the immediate purpose of recruitment is to locate sources of talents, skills and manpower to meet job requirements and job specifications. No matter how natural or even supernatural certain talents look like, they are better exercised and exhibited when sharpened with good training or capability development.

According to Nehru, in Banga and Sharma (2000), “It is good to have goodwill, it is good to have enthusiasm, but it is essential to have training”. In order to cope with the fast changing technology and needs of our society, training and development of employees is very essential and paramount to organizational progress. The banking industry in Nigeria is fast becoming a knowledge driven area. The competition in this sector is second to none. Policies change almost on weekly basis because the sector is the foundation of wise economies and not black gold. The banking industry lubricates all

successful business organizations. It is the wheel on which our financial lives rotate. The sector cannot therefore afford to meddle with quacks, mediocres and charlatans, not to talk about employing or engaging their services. These are a few reasons why staff training and development must be taken seriously by the banking industry.

According to Banga and Sharma (2009), training is a process of learning, in which emphasis is given for job instruction, job relation and job knowledge programmes in addition to managerial skills. Training is a short term process and is imparted for a definite purpose, while development is a long term educational process, utilizing a systematic and organized procedure for learning conceptual and theoretical knowledge for general purpose. Armstrong (2009) defines training as the use of systematic and planned instruction activities to promote learning. He says further that the approach can be summarized in the phrase “learning – based training”, which is one of several responses an organization can undertake to promote learning. Going further, Armstrong (2009) gave some five essential justifications for training. They are as follows: when the work requires skills that are best developed by formal instruction. When different skills are required by a number of people which have to be developed quickly to meet new demands and cannot be acquired by relying on experience, when the tasks to be carried out are so specialized or complex that people are unlikely to master them on their own initiative at a reasonable speed, critical information must be imparted to employees to ensure they meet their responsibilities, a learning need common to a number of people has to be met that can readily be dealt with in a training programme, for example, induction, essential information technology skills, communications skills. Essentially, talent management has the following functions; design and review performance and career potential of employees, discuss possible vacancy risks of current employees, Identify successors and top talent in the organization, create development action plans to prepare employees for future roles in the organization.

One of the critical factors embedded in talent management is the issue of succession planning. Dessler (2011) has said, succession planning is the process of systematically identifying, assessing and developing organizational leadership to enhance performance. He stated further that succession planning entails three main steps. They are; Identify key needs; Here, top management of organizations in conjunction with the Human Resources manager identify what the organization’s future key position needs will be, and then formulate job descriptions and specifications for them, Develop inside candidates; after identifying future key positions, management turns to creating candidates for these jobs. “Creating” here means, identifying potential internal (and perhaps external) candidates for the future key positions, and then providing them with the developmental experiences they require to be viable candidates. Generally speaking, employers develop high potential talents/ employees through internal training and cross – functional experiences, job rotation, external training, and global / regional assignments, Assess and Choose; Finally, as stated by Dessler (2011), succession planning requires assessing these candidates and selecting those who will actually fill the key positions. When retained talents either retire from active service due to age or do so voluntarily, they live behind a huge vacuum. This is why succession planning must be seen as a major panacea to these in the study of talent management.

Hence we hypothesize that:

HO<sub>1</sub>: There is no significant association between talent planning and corporate survival

HO<sub>2</sub>: There is no significant association between talent acquisition and corporate survival

### **3. METHODOLOGY**

#### **3.1. Population of the Study**

The population of this study is comprised of all licensed banks in Rivers State (20 banks). The Taro yamens’ formula was used to determine the sample size (104 management staff). Each respondent in the sample was selected systematically from a pool of management staff who rose through the ranks or who still have an opportunity for advancement or promotion in their various banks. The sample size comprised of all top, middle and supervisory level staff who served as respondents (Kothari, 2014).

#### **3.2. Data Collection Methods**

The primary and secondary data collection methods were made use of, in this study. The main instruments used in the collection of the primary data were copies of the questionnaire administered to

the respondents. The secondary data was obtained from the works of other researchers on this and other related subject matter. The secondary data sources included books, journals, file reports and other related literature in the libraries of University of Port Harcourt and the Rivers State University of science and technology, Port Harcourt, and the internet. Secondary data concerning talent management and corporate survival were obtained from annual reports and other related files.

### 3.3. Validity and Reliability

To ensure content validity of the instrument, copies of the instrument were given to scholars and other senior researchers in the field of management who have varied experiences in research methodology for necessary scrutiny and suggestions. To ensure internal reliability, the survey instrument was assessed by means of Cronbach Alpha coefficients. The reliability coefficients of the items developed for the variables of this study are as shown in table 1. Below:

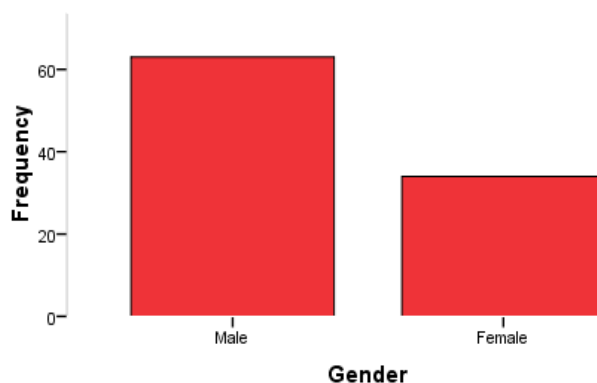
**Table 1.** Reliability of instruments

Variable	Alpha Value	No of Items
Corporate survival	0.984	18
Talent acquisition	0.922	6
Talent Planning	0.974	6

Source: Research data, 2015.

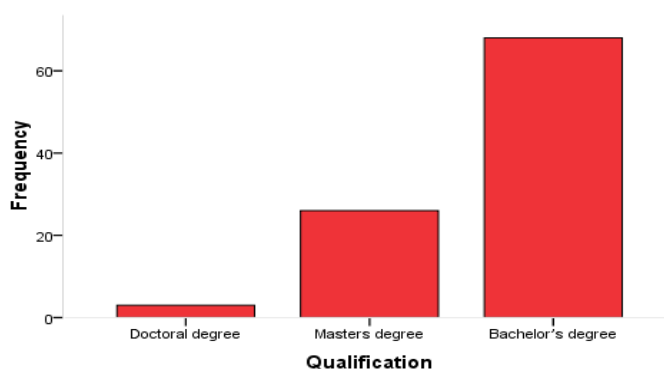
### 4. FINDINGS

The population for the study targeted all licensed banks in Rivers State. 104 questionnaire copies were distributed based on the estimated sample of 104 managerial staff from a total sampling frame of 140 units selected from the licensed banks which constituted the study population. Participants were drawn from the headquarter branches of the target banks while copies of the questionnaire were administered and retrieved personally through the human resource departments of the banks. Out of a total of 104 (100%) questionnaire copies administered, 101 (97%) copies were successfully retrieved; thereafter, the retrieved copies were examined for errors, missing data, blank questionnaire and double entries. After the cleaning process, only 97 (93%) of the questionnaire copies were considered useful and valid for inclusion in the study.



**Fig1.** Gender of Respondents

Figure 1. Illustrates the gender classification of respondents with 63 male respondents (65%) and 34 female respondents (35%).



**Fig2.** Qualification of respondents

Figure 2. Portrays the various levels of qualification attained by respondents with 3 respondents having obtained doctoral degrees (3%), 26 with master degrees (27%) and 68 with bachelor degrees (70%).

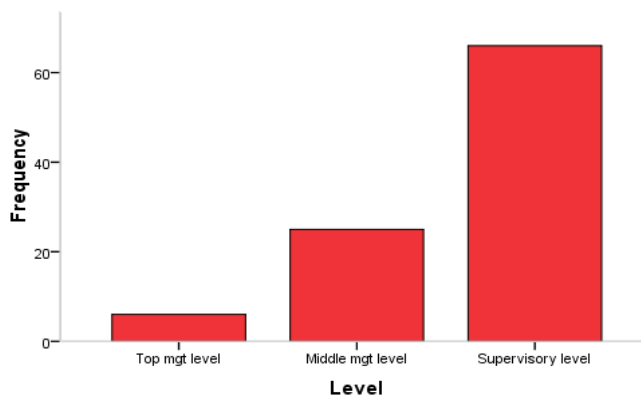


Fig3. Level of respondents in the organization

Figure 3. Indicates the level of the participants in their organizations with 6 of the participants occupying top management positions (6%), 25 occupy middle level management positions (26%) while 66 are at the supervisory level (68%).

In the univariate data analysis, each variable is examined using descriptive statistics aimed at illustrating its data distribution and characteristic. Univariate data analysis in this section is descriptive and adopts the mean and standard deviation as its descriptive tools. The scale adopted is the five (5) point Likert scale and variable transformation from ordinal to interval was effected based on the multi-item structure assigned to each measure. The explanatory variable; talent management is operationally defined using three variables: talent acquisition, workforce planning and capability development. The dependent variable; corporate survival is operationally defined using two measurable characteristics: adaptability and flexibility.

Table2. Statistics on study variables

	Minimum	Maximum	Mean	Std. Deviation
Planning	1.17	5.00	4.0052	1.05009
Acquisition	1.17	4.83	3.8986	.89900
Survival	1.17	4.75	3.8651	.83977
Valid N (listwise)				

Source: Research data, 2015

Table 2. shows the summary for the descriptive statistics on the variables of the study where mean scores indicate high levels of affirmation ( $x > 3.00$ ) and low standard deviation ( $sd < 2.00$ ). The coefficients imply an average opinion of agree for all three variables based on the nature of the five (5) point scale adopted for the study.

Table3. Test of hypotheses

			Survival	Acquisition	Planning
Spearman's rho	Survival	Correlation Coefficient	1.000	.679**	.657**
		Sig. (2-tailed)	.	.000	.000
		N	97	97	97
	Acquisition	Correlation Coefficient	.679**	1.000	.728**
		Sig. (2-tailed)	.000	.	.000
		N	97	97	97
	Planning	Correlation Coefficient	.657**	.728**	1.000
		Sig. (2-tailed)	.000	.000	.
		N	97	97	97

Source: Research data, 2015.

**Decision on Hypotheses**

The result of the tests indicate significant associations in both instances (Talent planning and corporate survival correlation = .657 with significance at 0.000; Talent acquisition and corporate survival correlation = .728 with significance at 0.000).

survival correlation = .679 with significance at 0.000); hence the decision to reject the null hypotheses and to state as the study finds that there is a significant association between talent planning and corporate survival; and there is also a significant association between talent acquisition and corporate survival.

## 5. DISCUSSION AND CONCLUSIONS

The issue of managing and acquiring talents is central to the discourse on talent management. From the findings of the study, a common nexus is established between talent management, talent acquisition and corporate survival. This is in line with the view of Mamoria and Gankar (2009) that enterprises succeed or fail, depending on the human resources planned for, and acquired. Thus, if the right persons are not acquired, the organization will be heading towards her destruction and downfall (Ledee, 2014). According to Khanka (2013), for an effective talent Acquisition, every organization should consider both internal and external factors. Some of the internal factors are; size of the organization, recruitment policy, image of the organization, and image of the job. External factors are; demographic factors, (How many workers do we have? And how many new ones do we need?), labour market, the unemployment situation (at the moment), labour laws and legal considerations. The implication of all these is that corporate survival and indeed the survival of banks depends largely on how well talents are managed by the means of acquisition of the right persons for the right jobs. From the findings of the study, every effective talent management activity deals with organization structure as it has to do with the various departments of a business organization, the number of sections, units and positions in each department, the function of each department, section and position, the number of levels of management, the responsibility, authority and accountability relationships and the channels of communication.

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