

Examining Talent Mobility as a Strategy for Enhancing Employee Retention in SMEs in Ogun State, Nigeria

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Abstract

The present economic state of the world has enhanced the importance of talent management, as organizations realize that intellectual capital is fundamental to competitiveness. However, the retention of talent remains a major challenge of organizations today. Talent mobility that is effective has been identified as a critical lever for companies to enhance employee retention, productivity and engagement. As such, this study investigated talent mobility as a management strategy on employee retention in selected SMEs in Ogun State, Nigeria. Descriptive research design and stratified sampling technique were employed; questionnaires were administered to 289 respondents and linear regression was utilized to test the hypotheses. Results showed that talent mobility has significant effect on employee retention and it validates the efficacy of talent mobility to retain talents. It is recommended that SMEs' management should harness the potential in talent management by moving employees from one job role to another within the organization or to positions where vacancies exist. Furthermore, organizational policies must promote job rotation to enrich employees' job knowledge and performance.

Keywords: talent mobility, employee retention, talent management, talent mobility strategy, small and medium enterprises

1. Introduction

The present economic state of the world has enhanced the importance of talent management and retention. Intellectual capital is an asset which every organization invests in. This is because the knowledge and skills of employees are central to the organization's competitiveness (Das & Baruah, 2013). However, employee retention is a major challenge that small and medium scale enterprises contend with. Studies have demonstrated that a large percentage of employees in SMEs wind up in different employments after three years (Ofori & Aryeetey, 2011; Park, Kim, Jang & Nam, 2014). The competitive advantage and sustainability of any business is principally a function of its human resource (Poorhosseinzadeh & Subramaniam, 2012). An organization that is challenged with retaining its employees will have challenges competing effectively (Njuguna, 2014). A popular assumption is that SMEs have limited opportunities for their employees as a result of limited resources. This perception however fails to take into consideration that what started small today will become big tomorrow with appropriate strategies. Talent management practices are imperative to foster the retention of employees. This quantitative study investigated the effect of talent mobility (talent management practice) on employee retention in selected SMEs in Ogun state, Nigeria. Effective talent mobility has been identified as a critical lever for organizations to enhance employee retention, productivity and engagement (Nawaz, 2013).

2. Literature Review

Talent mobility

Harrison (2015) defined talent mobility as an incorporated talent management procedure backing talent movement that centers on a firm's capability to successfully understand, develop and deploy the talents they have according to needs of business. With a solid mobility program, organizations can influence their employee-base to accomplish corporate objectives, moving assets where they are generally suited. Talent mobility encourages the development and improvement of leadership skills (Nawaz, 2013). It enables organizations to retain the best talents and empowers performance through better vocation opportunity and development. Also, it enhances improvement of information transfer within the workforce, draws in top talent and

enhances operations by guaranteeing the right talent is in the perfect place at the ideal time. Talent mobility within an organization increases the flexibility of employees (Nijveld, 2014). Moving talented individuals into different roles and capacities will allow them to improve their capabilities and skills and be prepared for management generally (Amanin, 2014). High potential employees have a knowing that they could be regularly confronted with new difficulties. However, few skills are good with new environment and others are more troublesome; for instance, the general administration—that is management related to skills, qualities and information required for administration – will probably fit in the new position, yet the relationship skills, to be specific, the interpersonal connections inside the company could be difficult to adjust and are essentially not quite the same from one nation to another. As such, Amanin (2014) added that managers ought not to just concentrate on whether performance is moveable; instead they should focus rather on how much performance is moveable and in which position it fits.

Talent mobility promotes the effective utilization of employees towards achieving organizational effectiveness (Nawaz, 2013). It upgrades employee engagement, interpersonal and basic leadership skills and it is extremely valuable in keeping stock of performance skills. Emphasis on “self-directed career development” that centers on a well-planned talent mobility strategy has been proven to encourage employee engagement and reduce turnover threat (Harrison, 2015). Oracle (2012) expressed that without fruitful talent management instruments, an organization could see a slack in employee engagement and employee retention. Effective talent mobility programs yield numerous advantages which include, lower talent obtaining costs, more grounded leadership groups, and better money related performance. Global mobility advocates a cautious consideration for HR improvement, especially in multinational corporation (Amanin, 2014). As of late, a few worldwide management researchers posit that MNCs have a lead over domestic companies because they get a worldwide varied talent pool that builds the opportunities to learn new skills and enhances development capacities (Mellahi&Collings, 2010; Tarique&Schuler, 2010).

According to Harrison(2015), 75% of organizations acknowledged that talent mobility, to a moderate extent, is very vital for an effective talent management strategy. Findings report that though organizations are aware of the need to mobilize talents, they are failing in doing so and as

a result are struggling with the implementation of successful talent management strategies. Dealing with the talent gap is a noteworthy test for the HR management today (Nawaz, 2013). Nawaz explained that talent mobility can be in different ways like career mobility: deployment of individuals crosswise over expertise sets or occupations; geographic portability: deployment of individuals to where the employments are found and job mobility i.e. movement of occupations to where the correct talent is found. Nalbantian and Guzzo (as cited in Malaeb, 2010) expressed that organizations would need to deliberate on the type of mobility to execute, for whom, and then the magnitude of the talent mobility.

Crosswise mobility with recent and thought-provoking duties in a different location or country helps the retention of those highflyers who are the frontrunners of the company in the sustenance of its competitive advantage (Malaeb, 2010). Not just jobs are being sent out and outsourced, professional workers are turning more mobile as well (Farndale, Scullion & Sparrow, 2010). Samuel and Chipunza (2009) in their work cautioned that steady preparing and development of workers skills can in reality encourage their turnover instead of fortifying their retention. They explained that furnishing workers with the most recent training and development openings raises their estimated worth, consequently enhancing their mobility. However, according to McGinn and Milkman (2013) the impact of turnover may not quite trail the impact on promotion.

Harrison (2015) stated that in overall, companies are intensely dedicated to recruiting internally, and they make efforts to formally notify staff of available positions, however, there are still gaps in talent redeployment. Respondents to Harrison's study reported that many supervisors do not have the mobility mindset and many firms do not provide redeployment opportunities or job rotation. The rotation of talented employees over different roles and tasks provides them the opportunity to develop their skills and competencies which will prepare them for managerial functions (Malaeb, 2010). Organizations that successfully deploy their workers occupy available positions through in-house recruitment, supply workers with the materials to take responsibilities of new roles, and acknowledge outplacement and redeployment as serious components of the lifecycle of talent mobility (Harrison, 2015).

Components of a talent mobility strategy

Harrison (2015) stated that understanding, developing and deploying talent are the vital components of a strategy for talent mobility. According to him, strategic approaches to talent

mobility starts with understanding, which includes: skill assessment, performance and engagement of workers. Understanding of employees is important for enhancing productivity, promoting career development that is in line with the needs of the organization and for developing an effective talent channel. Also, Harrison (2015) expressed that development of employees involves mobilizing the workers by equipping them to assume new roles or take up quickly new responsibilities in line with the requirements of the business needs. Talent mobility will not be effective if companies fail in preparing their staff for new roles in the initial stage. Talent mobility is a reality when the right persons with the appropriate skills are effectively deployed within the firm. However, concerning deployment, a talent mobility strategy will not be realistic if the firm overlooks the obstacles that hinder the optimization of workers' deployment. And according to Harrison (2015), a major obstacle is talent hoarding. In his illustration, when managers are reluctant to release their talents in their workgroups, they limit their exposure to other sections of the firm, and as such reduce their career development chances and ultimately harm the firm's total performance.

Though companies face obstacles, there are practical keys they can engage to deal with their talent mobility problems. According to Harrison (2015) ways to overcome the issues related to talent mobility include: assign a champion to spearhead talent mobility, deal with the mindset of managers and address the skills for career conversation, guarantee sustainability, utilize maximally the performance reviews, promote job rotation and internal networking, enable employees to manage their career, build a particular point of access that demonstrates transparency, redeployment should be one of the firm's strategy, and develop your brand with strong promoters – achieve this with outplacement support for employees who have nowhere to be redeployed to within the organization.

Talent mobility and retention

Globalization and constant new technologies, talent mobility has increased (Nawaz, 2013). According to him, talent mobility improves the retention rate by increasing the commitment level of the employee and by providing challenging work that motivates the employee to make more contributions. Moving talents upward to various roles eliminates monotonous job schedules day in day out, and enables talents in the company to exercise their passion in line with the company's needs. This builds them within the organization instead allowing them to go to rivals

in search of how to exercise themselves mentally. This increases the employee engagement and retention. High performers are constantly looking for career advancement opportunities and would move to organizations where it is provided, but remain in an organization where their growth is adequately provided for (DeTemple, 2016). Often talents do not leave organizations because they want more money but because their present organization have no opportunities for their career advancement, but talent mobility helps to take care of this talent need for advancement. Effective talent mobility gives employees opportunities to build new skills and to see themselves as assets to the company (Schaff, 2014). It is not enough recruiting the best talents, it is equally important to adequately engage them so as to retain them for a longer time. Therefore, this study puts up the hypothesis that:

H₀. Talent mobility has no significant effect on employee retention in SMEs in Nigeria.

H₁: Talent mobility has significant effect on employee retention in SMEs in Nigeria

Herzberg's Motivation-Hygiene Theory

In accordance to Herzberg, motivators and hygiene factors are two groups of factors that increase motivation. Motivators relate to good feelings felt by employees and are generally associated to job content, whereas bad feelings associated to job context relate to hygiene factor. Motivator factors are intrinsic to responsibility, recognition, the work itself, achievement, the possibility of personal growth and advancement. Hygiene factors are extrinsic to the task and they include personal life, work conditions, interpersonal relationships, administration, salary, supervision, status, job security and company policy (Herzberg, 1966).

The motivational-hygiene model infers that motivation of employees is realized when they are given challenging but pleasurable task that presents them the chance to record some accomplishment, development, and exhibit responsibility and advancement in the company (Dartey-Baah & Amoako, 2011). Talent mobility provides constant opportunities for these challenging but pleasurable tasks. Job satisfaction is achieved through a combination of Hygiene and motivation factors. Employees prepare themselves with a high level of confidence that make them to stay longer, become deeply engaged and make productive contributions to the business, when the company attains employee job satisfaction (Loiseau, 2011). In this context, the Herzberg's motivation-hygiene theory explains the relationship between talent mobility and retention.

Empirical work

Nawaz (2013) investigated the impact of talent mobility on the performance of employees in select software companies in Bangalore. His findings, among others, showed that most of the respondents agree that talent mobility provides clear picture about an employee's aspirations, career and development and that talent mobility plays a vital role in talent management strategy. DeTemple (2016) examined "How talent mobility improves retention in a meaningful way", and the author concluded that talent mobility meets the needs of both employer and employees, which include retention of talented employees for employers and career advancement opportunities for employees. Oracle (2012) examined the position of talent mobility crosswise the U.K. in 2011. Their findings include that organizations are at different levels along their drive to effective talent mobility and that the organizations who are at higher points of talent mobility sophistication are enjoying the results of enhanced business performance. Improving the leadership pipeline and driving change and business growth better are part of such results.

3. Research Methodology

Descriptive research design was employed in this study. From the total of 1,173 employees in the SMEs in Ado Odo/Ota local government area of Ogun State that were registered with the Nigerian directory (n.d), 289 of them were chosen to be the respondents for this research work. These respondents were chosen based on their ability to understand and effectively respond to the statements in the research instrument. Also, they equally represent the twelve categories of the SMEs. Questionnaire was the main instrument used and out of the 281 copies retrieved, 267 were found valid and were used for the data analysis and hypothesis testing, aided by the statistical package for social sciences (SPSS) software.

4. Hypothesis testing

This examines the effect of talent mobility on employee retention. The dependent variable employee retention is regressed with talent mobility, which is the independent variable

H₀. Talent mobility has no significant effect on employee retention in SMEs in Nigeria.

H₁. Talent mobility has significant effect on employee retention in SMEs in Nigeria.

Table 1: Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .370 ^a | .137 | .134 | .64799 |

a. Predictors: (Constant), talent mobility

The model summary table 1 shows the effect of talent mobility on employee retention. It reveals that that 13.7% of the variation in employee retention can be explained by talent mobility and the variables have a correlation value of 0.370.

Table 2: ANOVA

| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
|-------|------------|----------------|-----|-------------|--------|-------------------|
| 1 | Regression | 17.632 | 1 | 17.632 | 41.992 | .000 ^b |
| | Residual | 111.270 | 265 | .420 | | |
| | Total | 128.902 | 266 | | | |

Predictors: (Constant), talent mobility

Table 2 ANOVA above displays an F-value of 41.992 @0.0001. This suggests that the model is measured to be fit and that talent mobility has a significant contribution on employee retention.

Table 3: Coefficients

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|-----------------|-----------------------------|------------|---------------------------|--------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 2.360 | .198 | | 11.896 | .000 |
| | talent mobility | .343 | .053 | .370 | 6.480 | .000 |

a. Dependent Variable: employee retention

Table 3 displays a significant effect of talent mobility on employee retention. The result reveals that the independent variable is significantly correlated with the dependent variable based at 1% ($p < 0.01$) level of significance, while the beta and t-value of independent variable value are 0.370 and 6.480 respectively.

Decision: Since the p value is less than 0.05, the null hypothesis, which states that there is no significant effect of talent mobility on employee retention in SMEs in Nigeria, is rejected and the alternative hypothesis, which states that there is significant effect of talent mobility on employee retention in SMEs in Nigeria, is accepted. Therefore, we can conclude that there is significant effect of talent mobility on employee retention in SMEs in Nigeria.

5. Discussion of Findings

The theoretical findings endorsed Herzberg's Motivation-Hygiene theory. The effect of talent mobility on employee retention reveals that in line with Herzberg's Motivation-Hygiene Theory, motivator factors like, the work itself, responsibility, the possibility of personal growth and advancement are vital to motivate and retain employees. The empirical finding of the research shows that there is a significant effect of talent mobility on employee retention in SMEs in Nigeria. That is, the null hypothesis, which states that talent mobility has no significant effect on employee retention in SMEs in Nigeria, is rejected and the alternative hypothesis, which states that talent mobility has significant effect on employee retention in SMEs in Nigeria, is accepted. Also, majority of the respondents agree or strongly agree to the statements related to talent mobility, thereby endorsing it as a vital variable for talent management. Therefore, these study findings show that the objective of the study which aimed at determining the effect of talent mobility on employee retention in SMEs was achieved. It is established that talent mobility has a positive effect on employee retention in SMEs in Nigeria.

Talent management is a strategy engaged by organizations for the reason of "attracting, selecting, developing, and retaining" the best workers in most strategic roles. It is important to recruit the best talents, but it is much more important to retain these talents in order to enhance the organization's competitive advantage over its competitors. Therefore, it is vital for companies to implement strategies that will increase the retention of their talents. The study concluded that talent mobility has a positive significant influence on employee retention in

SMEs in Nigeria. This implies that chances of employee retention in SMEs can greatly be increased with increase in talent mobility. Therefore, SMEs should engage in well calculated talent mobility within their firms in order to retain their talents for much longer periods of time.

6. Recommendation

This study validated the efficacy of talent mobility to retain talents, hence it is recommended that SMEs should harness the potential in talent mobility to promote employee retention. Employees should be moved from one job to another within the organization or to places where there is vacancy. Furthermore, organizational policies should promote job rotation in order to enrich job knowledge and skills of the employees.

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