



The Impact of Talent management on Employee retention in Somali

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Abstract

In the current business scenario, talent management is known as a popular retention strategy for talented employees. Talent management is relatively a new concept in Somali both in public and private sectors, as many organizations have not yet embrace the content of talent management and face critical challenges in retaining talented employees. therefore, after an extensive literature review, this paper will discuss the impact of talent management and its influential factors to retain talented employees in Somali banking sector. The aim of this study is to review the effectiveness of talent management in retaining of employees in banking sector and to establishing a gap for further research in Somali.

Keywords: Employee Retention, Human Resource, Talent Management.

1. INTRODUCTION

Globalization has not only increased competition among organization but also created a new window of opportunities. the present economic situation has increased the need for talent management which is driven by global trend that which includes competitive market, advance technology and business growth which often requires different skills. Human capital is a key resource to adopt the organization to the worldwide competitors, therefore organization are facing challenges to retain talented employees in order to maintain their operation and continue to grow. (Amstrong 2015) the growth potential of organization depends on the ability to have the right people in the right place at the right time. Talent management ensure that the organization has right people with fit skills located at the right place. As it is a critical issue facing organization in Somali and the biggest challenge faced by HR as well due to shortage of talent, professional worker, hiring top talent and employee turnover. Most countries in Africa have been facing the myriad of challenges like low staff moral, demotivation and corruption. It Has been some of the problem afflicting organization in Somali that results in lost of qualified employees. Organization are discovery a consistent risk of losing talented employees to their competitor and also its becoming increasing difficult to

recruit top talented employees. The ability to hold on to highly talented employees is crucial for future survival of organizations, this calls for a development of talent management practice in order to help retain talented employees that could play a significant role in improving the quality of banking sectors service in Somali. Banks are paying a great attention to gain competitive advantage through talented employees. In response to existing problem of shortage human talent, low staff moral and low quality work. Introducing the importance of talent management practice and its effectiveness in organization will provide insight concept practice in banking sector in which they can use to utilize retaining talented employees. Talent management refers to human capital system that leverage talent to achieve the greatest return from individual and collective employees capabilities (Macey, Schneidr, Barbera and Young,2009) Talent management is a systematic attraction, identification, development, engagement, retention and deployment of those individual who are of a particular value to the organization either in a view of their high potential for the future or because they are fulfilling operation critical role/business (CIPD2013).

2. LITERATURE REVIEW

2.1. Talent management

There are several definition of talent management available Stephenson and Pandit (2008) and few other researchers advised that its about having the right number of people at the right time on the right place and skill set with the level of motivation are the fundamental of talent management, others believed that talent management embraces entirely the activity of the organization like developing, selecting, retaining employees in a suitable position. CIPD defines talent management as an organized attraction, deployment, development and retention of high potential employees who are considered as a certain value to the organization (CIPD 2009). According to Iles et al (2010) and Capelli (2008) talent management and HR present correlated theoretical base, one of the three point they presented regarding the definition of talent management is that it concentrates on proficiency development through managing the progression of talent within the organization, their focus is on the talent flow instead of talent pool, the theory has originated from operational and logistic. Talent management programs are created to provide talent pool for supplying certain jobs categories and focus on development of specific individual who are qualified to create success in organization.

2.2 Employee Retention

Employee retention can be defined as the ability of the organization to retain its employees. It’s a process of encouraging employees to remain in the organization for long period of time especially high skilled employee who contributes value to the organization. The term employee retention didn’t appear on the business scene until 1970s and early 1980s during this time job mobility and voluntary job change became more prevalent. The most significant even that the employers couldn’t grasp was the shift in power from management to employees. Cutler (2001) viewed that one of the most important demand on management today in any organization is keeping the most vital and dynamic human resource motivated and dedication. It’s not only important to see who the organization are hiring but also managing to retain their core employees. Walker (2001) viewed that managing and retaining promising employees it’s an important fundamental mean to achieve competitive advantage.

3. REVIEW ON THE IMPACT OF TALENT MANAGEMENT ON EMPLOYEE RETENTION IN SOMALI

Talent management is relatively new area for both public and private sectors in Somalia, however many organizations have been prioritizing talent management to ensure they are able to attract and retain employees (Lyria 2011). The reason to advance the knowledge of talent management are found both in business and academic research as well. when Boston consultancy group and world federation of people management association in 2012 asked the HR professionals from around the world to rank their most important priorities, the three most pressing areas were found to be managing talent, improving leadership, and strategic workforce planning. it indicates that every employer has to be ready to meet the future business demand which can be efficiently handled

through talent management. The success of implementing talent management has been linked to a successful attraction, retention and development of employees (Baheshtiftar 2011). Employee retention increases the likelihood that employees will think long term and avoid short sighted decision (Harlow, et, al Njugoma 2009) retaining high potential employees is not an easy task therefore, employers have to come up with strategies to retain them as the organization continue to pursue high performance and retaining employees with a result of improved skills. Talent management covers different feature of human resource as it includes different method of employee’s growth and meet the organization goal, it has become pivotal to the survival of profit competitive business environment today. some of the influence factors of talent management are illustrated in the figure 1 below.

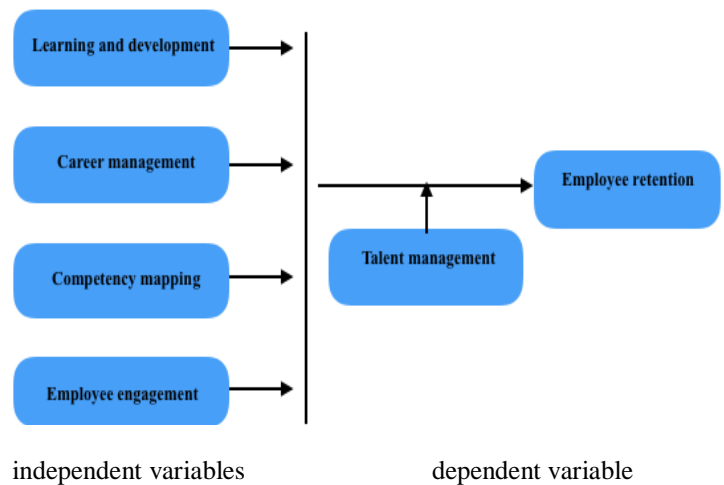


Fig. 1: Conceptual framework

- 1) Learning and development is a timeless and invaluable component of talent management resource it aims at improving employee’s skills, enhance their motivation and contribute to productivity. its outlined as the process of ensuring that employees have proficient expert and engaged workforce. Everyone in the organization should be encouraged and given the opportunities to learn and develop their skill and knowledge to maximize their capability. through learning employees are taught specific skills while through development employees personal and management skills are enhanced. The framework of individual learning is provided by personal development plan that focus on self managed learning and are support by formal training, mentoring and coaching. The prime responsibility of learning and development rest with individual who will be given guidance and support from their managers as an essential approach of talent management to retain employees.
- 2) Career management is an aspect of talent management that focus on the growth and development of employees by maintaining employees career path, education opportunities, training and mentoring program. Nowadays employees are more career conscious where they are demanding more in career growth, which has become one of key factors for organization to retains its talent through training and development opportunities, the

fact that high potential employees are career minded its important for organization to create an employee value proposition that supports career development. Organization that are focusing on competitiveness and long term career stability of employees enhances individual career growth which fulfills organization need. Career management concerns with the provision of opportunities for employees to develop their abilities and their career in order to ensure that organization have a flow of talent it needs and to satisfy their own aspiration to integrate with the need of the organization, Effective development and deployment of employees about the future of the organization and as individual will make them feel connected to their work, managing career well and the organization capabilities to meet the future demand will enhance its ability to retain its existing employees and attract high quality applicant.

3) Competency mapping is strategic talent management tool for organization to develop and nurture the talent in the organization and to achieve organization goal. Competency mapping supports and specify objective analysis and assessment of its strength to target areas for employee's growth and development, it provides framework to enhance the skills, knowledge, behavior and attributes required or available within the human capital of the organization. by defining the right competencies organization can make sure they are recruiting and managing talented employees in the most strategic way, putting the right people in the right job with the ability to perform at their maximum potential. It reinforces organization strategy, vision and culture it establishes expectation for excellence performance, resulting in systematic approach to professional development, improved job satisfaction and better employee retention. Organization need to adopt managing tomorrow's opportunities as they manage today business, therefore building core competencies becomes essential to competitive advantage.

4) Employee engagement is a key to retention and it's emerging as a critical organization issue especially when businesses are facing employee mobility. Employee engagement has been cited by number of researchers as having a positive effect on job satisfaction and decrease in turnover rate. Employee engagement is the level of commitment and involvement an employee has toward the organization, its the extend in which engagement is experienced by the employees. It's a dominant source of competitive advantage and has been draw to excel in productivity of employees and performance. Joo and Mclean further stated that engaged employees are strong organizational asset for sustained competitive advantage and as a strategic asset. Engaged employees are difficult to imitate and are unique to the organization thus leading credence to the resource based perspective of the organization. Organization with high level of engagement is viewed as an important construct because it has been liked to increase retention of top talent as an outcome of talent management. Employee engagement is a popular term both in academic and corporations, one of the issues concerning employee engagement is that there is no clear definition as one give by the scholars and practitioners vary. Macey (2008) defined employee engagement as

desirable condition which organization purpose and connotes involvement, commitment, passion, focused effort and energy so it has both attitudinal and behavioral components. Employee engagement takes place when employees are committed and motivated to their jobs which involve loyalty, faith and pride in the organization.

5) Employee retention is encouraging employees to remain in the organization for a long period of time. Retention of experienced, skilled and productive employees can be a potential source of organization to gain competitive edge (king 1997, cheng and brown 1998, Roepke Agarwal et al 2000). Success of organization depends upon the retention of the key employee to a great extend of customer satisfaction, organizational performance in terms of increase in sales and satisfied colleagues. The main purpose of retention is to prevent the lose of competent employees from the organization which could have an adverse effect on productivity and service delivery. There are numbers of factors which can promote employees to leave or stay in the organization which could be internal or external factors or the combined effect of both. Organization outperform if they are able to retain their high performance for a long period of time and at the same time they can avoid the expenses that are incurred in unoccupied post, training and recruitment of the new comers. Therefore, its desirable to maintain the high potential employees in today competitive era where competitors are eager to grab employees from each other. Employee retention plays a significant role in accomplishment and development of organization goal and objectives, we live in a world where technology processes and products are quickly duplicated by the competitors and the pace of change and level of competitions are constantly increasing, people are the key to the most reliable resource to advantage increased responsiveness, strong customer relationship, better service, creativity and innovation that keeps organization one step ahead.

4. DISCUSSION

In the present paper, a theoretical framework has been introduced on talent management and how its influential factors have an impact on retaining talented employees. the current paper may offer insight for HR practitioner, academic and in managerial practice.

5. CONCLUSION

The success of any organization depends on the quality of its human capital. Workforce challenges and rapidly changing environment are the key cause that organization in Somali needs to adopt talent management and its effectiveness to retain talented employees and gain a competitive advantage. The demand for human capital drives talent management as it enhances to integration of new comers, retaining employees and developing. As a relatively new concept in Somali, banking sectors need to adopt talent management to benefit from retaining competent employees and develop them as well, while positioning them in the place of competitive advantage

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