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**RESERCH PROPOSAL**  
**THE EFFECT OF TALENT MANEGEMENT PRACTICES ON**  
**EMPLOYEE PERFORMANCE: THE CASE OF COMMERCIAL**  
**BANK OF ETHIOPIA**

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**THE EFFECT OF TALENT MANEGEMENT PRACTICES ON  
EMPLOYEE PERFORMANCE: THE CASE OF COMMERCIAL BANK OF  
ETHIOPIA**

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**DECLARATION**

I, the undersigned, declare that this thesis is my original work prepared under the guidance of Dr. Ephrem Assefa. All the sources of materials used for this thesis have been dully acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

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## **ENDORSEMENT**

This thesis entitled "*The effect of talent management practices on employee performance: The case of Commercial Bank of Ethiopia*" has been submitted to Saint Mary's University, School of Graduate Studies for examination with my approval as a university advisor.

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Signature and Date

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## ABSTRACT

*The management and proper utilization of employee talent makes difference between organizations in the face of stiff competition. The purpose of the study was to examine the effect of talent management practices (talent planning, talent engagement, talent audit and talent retention) on employee performance. The study was guided by the following research questions: To this end, the study adopted a quantitative research approach and an explanatory research design. The population of the study constitutes 92 employees of CBE at Alem bank branch. This study adopted a census sampling technique by taking all respondents. A structured closed ended questionnaire was used to collect primary data. Data were analyzed through descriptive statistics (frequency, percentage, mean and standard deviation) and inferential statistics (correlation and regression analysis). The result of Pearson correlation indicates that there was a significant positive correlation between talent engagement and employee performance ( $r=0.215$ ,  $P\text{-value} < 0.05$ ). However, employee performance does not have a statistically significant relationship with talent planning and talent retention. Based on the result of regression analysis, only two dimensions of talent management practices namely talent engagement ( $B=.053$ ,  $P < 0.05$ ) and talent audit ( $B=.218$ ,  $P < 0.05$ ) have a positive and significant effect on employee performance. However, this study could not find a statistically significant effect of talent planning and talent retention on employee performance. This study concludes that talent engagement and talent audit is an essential component of organizations' talent management strategies that enhance employee performance. Engagement enhances to connect the employee with the necessary skills and knowledge required by the employees to perform their duties while audit is essential in long term employee competence performance which is also critical to overall employee performance. This study concludes that talent management systems are important to employee performance. The study recommends that programs should be designed by both managers and employees. Employees are critical component that determines the success or failure of an organization's therefore, should not be ignored.*

**Keywords:** talent management, talent planning, talent engagement, talent audit, talent retention, employee performance

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# CHAPTER ONE

## INTRODUCTION

This chapter presents the introduction of the area under study. In this section, the rationale or driving reason for conducting the research will be discussed under sub headings of:- background of the study, statement of the problem, research questions, objective of the study, Furthermore this chapter contains scope of the study, , and definitions of key terms and organization of the research report.

### 1.1 Background of the Study

Globalization has enormously contributed to fast and consistent increase in rivalry in today's business condition (Busienei, 2013). Talent management has been a major part amongst most debates and arguments in human resource management (Thunnnisen, Boselie and Fruyitier, 2013). According to Armstrong (2006), talent management (TM) is a relatively new concept, only emerging in the 2000's. It was derived from the phrase 'the war for talent', which originated in the late 1990's as a means of highlighting the problems that organizations were having in attracting and retaining talented people.

Talent management is defined as the process of identifying, development, recruitment, retaining and deployment of high potential individuals at the workplace (Wellins, Smith & Erker, 2009). Talent management also entails the identification, development and management of talent portfolio (Drucker, 2008). It is therefore a deliberate approach undertaken to attract, develop and retain people with the aptitude and abilities to meet current and future organizational needs.

Talent management is an important activity in that it enables an organization to have the right people with the skills and expertise to meet the immediate and future needs of the firm. The process covers activities such as engagement (selection, development, succession and performance management (Wellins, Smith & Erker, 2009). Talent management has been a top priority in the developed countries for decades now as expressed in literature for countries such as the UK, USA, France, China, and Australia (Coulson-Thomas, 2012, Chugh & Bhatnagar, 2011, Egerová, 2013, Lewis & Heckman, 2011). These studies show that the concern and search for talent is universal. In the US for instance, the Bureau of Labor and Statistics indicated that in

2010 the US had a deficit of 10,033,000 out of which, talent was most sought after by employers (Pfeffer & Sutton, 2011).

Numerous empirical studies on talent management contain the central notion that talent management is associated with different human resource department practices, such as the strategic recruitment, retention, development, and training of talented high-performing or high-potential employees (Lewis & Heckman, 2006, Armstrong & Baron, 2007).

On the other hand, on the study of global TM practices by Stahl (2012), cited on Thunnissen (2015), many companies used a combination of both approaches. In this regard, this assumption underlines the notion that, everyone has their own talents and human resource management (HRM) should help everyone achieve high performance and retain their talent through human resource (HR) interventions and strategies (Lewis & Heckman, 2006). This assumption can be, then, characterized as a positive approach to HRM in which the development and utilization of the exceptional abilities (talents) of all employees is emphasized. The general consensus seems to be that, while TM may focus on obtaining, identifying and developing people with high potential, and this should not be at the expense of the development needs of people generally (Armstrong, 2012).

In Ethiopia even if they increase cost of training to get qualified workers; but most of company ineffective by talent management practice like talent retention, attraction, developing and talent deploying Ijigu (2015). The formal educational system does not adequately teach specific job skills for a position in a particular organization; by this reason CBE has training center in different places that's support employees to get require skills, knowledge, abilities and competencies needed to work effectively. However, concern to the challenges stemming from the global, commercial bank of Ethiopia has been criticized various performance gaps that could be resulting from challenges related to implementation of talent management practice such as talent planning (talent application, engagement, audit and talent retention. Based on data evidenced from CBE, HR policy (Feb, 04, 2017), while the institute introduce major component of HRM, and the established talent development department around 2018, the researcher facet that, the organization does not has ground strategy how to practice talent management. Moreover, there are very few empirical studies or no studies that actually examined effect of talent management practice (talent planning, talent engagement, talent audit, and talent retention)

on employee performance in CBE, for this reason study will examine, based on empirical research. Moreover, commercial bank of Ethiopia (CBE) functioning in this challenging and competitive environment which calls for effective TM practices. Thus, nowadays, assessing the influence of TM practices on employee performance which can possibly direct to organizational performance and effectiveness is vital for HR professionals and researchers to guide their effort in their valuable resources.

## 1.2 Background of the Organization

Commercial bank of Ethiopia was established in August 1942 G.C as a state bank of Ethiopia by proclamation with the aim of providing commercial banking service to the public. but a year later, in addition to its commercial banking functions, the bank was entrusted with three basic duties of central bank the insurance of currency holding the foreign reserves the currency and acting as fiscal agent of the government. since its creation up to 1963 G.C CBE combined this official and private function acting at the same time as central bank of issue and only important deposit bank operating in the country.

CBE was incorporated as a share company in December 1963 G.C. to take over the commercial banking activities of the former state bank of Ethiopia and carry on all types of banking business and operations. it is the commercial successor of the former state bank of Ethiopia to whom all the branch network and established business of its predecessor were transferred in 1963 G.C.

now a day, CBE carries a comprehensive banking business such as providing different types of loans for borrowers internet banking, mobile banking, ATM /visa card ,interest free banking ,cbe birr different types of saving deposit, providing local and foreign many transfer and facilitating domestic and international trade in and between the country with the help of its 1275 (one thousand two hundred seventy five)branch as of January 2018 (source HR department of the bank) and 32749 employees all over the country and one abroad to its corporates, business commercial and retail customer which makes it a truly national as well as the largest and dominant commercial bank in Ethiopia.the CBE is expected to play a pivotal role in financing the development effort of the country and national priority areas . driven by the ambitious and ever-growing demand of stakeholders, the bank has been working hard to become a world class commercial bank that meets the expectations of all stakeholders. To this end, CBE has reengineered its business process and is being transformed from functionality - oriented bank in to a process based institution that strives for efficient and effective service delivery. This



paradigm shift has radically changed the bank in general and its human resource management system in particular (CBE manual).

## Vision of the organization

To be a leader company and a reference in the telecommunications services, standing out for the added value that delivers to his customers, as well as throughout the value chain.

## Mission

[Under promise an over Deliver]-Exceeding customers and market expectation, based on sustained business models (win-win), with highly qualified, motivated human resources and generators of value propositions and unique solutions for customers.

## Values

- Permanent focus on Customer Satisfaction
- Efficiency in management;
- Permanent technological update;
- Communication, respect, trust and high sense of mission of all CBE employees

### 1.2 Statement of the Problem

Employee performance is one of the challenging issues of most of today's business sector, public and private institutions; because employees are the soul of any organization. If organizations are unable to retain top performance employee and talented employees, they will surely fail. Several organizations have faced this problem and maximum time of high management and directors is consumed over it in order to minimize it to some extent or reduce its negative and damaging impacts (Khan, 2014). Consequently, to sustain outstanding business results in a global economy, as Ashton and Morton (2005) suggested, organizations should rethink and reinvent their approaches to management and retention of their talent. Effective talent retention, then, calls for management commitment, a pleasant working environment, engaging all employees and managerial staff, good organizational culture and communication with TM metrics (Abdul-Kareem, 2016). According to Abdul-Kareem (2016), TM practice is the key to organizational success and sustainable growth as it allows organizations to retain high potential and top talent employees while increasing their effectiveness. Moreover, it is relevant for TM practices to be integrated across all facets of the organization; this will help in recruiting and retaining the right number and right kind of employees that will work towards achieving

organizational success and survival. Collings and Mellahi (2009) in their study also underline that, effective TM have an indirect positive relationship with organizational performance mediated by HRM practices' outcomes such as work motivation, organizational commitment and extra-role behavior. Whereas Alias, et al. (2014) argue that TM practices directly influence employee performance with mediating variable of employee engagement. Therefore, to enhance organizational performance, an organization should focus on TM practices by means of increasing the intention of employees to stay in the organization.

To this end, including our country Ethiopia, and in all context of Africa, the exodus of highly skilled professionals to Europe and the United States is a daily occurrence, especially, in many sub Saharan African countries such as Nigeria, Ghana, Kenya and Ethiopia. This situation brings talent scarcity for the continent in general; and those factors for mass departure are highly linked to nationwide weakness to manage talent, thus inefficiency of HRM practices (Iyria, 2013). Also talent management in African context whether building organizations, communities or nations, having the right people with the right skills in the right place at the right time and doing the right things has always been an enduring challenge. Varieties of management systems have been developed to address this challenge. Many studies in Africa indicate that there is poor understanding about talent management practices such as talent planning, retention, application, transfer and engagement (Ghebregiorgis and Karsten, 2006 (Eritrea); Onyema, 2014; Ihionkhan and Aigbomian, 2014 (Nigeria); Ijigu, 2015 (Ethiopia); Singh, 2014 (South Africa) and Jain (Botswana).

As noted by Rono (2011), TM is indispensable in the banking industry because competition and most of the work in the industry are knowledge-based. The dynamic nature of the global business environment have led commercial banks to rationalize their products and processes as well as examine the role of TM in improvement of performance. Commercial bank of Ethiopia is knowledge based organization since it has vision to become a World-class Commercial Bank by the year 2025. In addition to these, the Talent management practice and its outcome were not examined in commercial bank of Ethiopia. Therefore, this study is conducted to fill the aforementioned research gap by investigating the effect of talent management practices namely talent planning, talent engagement, talent audit, and talent retention on employee performance in the case of Commercial Bank of Ethiopia, Alem Bank Branch.

### **1.3 Research Questions**

This study tries to seek answers for the following research questions:

1. To what extent talent management practices (talent planning, talent engagement; talent audit and talent retention) are implemented in CBE?
2. What is the effect of talent planning on employee performance?
3. What is the effect of talent engagement on employee performance?
4. What is the effect of talent audit on employee performance?
5. What is the effect of talent retention on employee performance?

### **1.4. Objectives of the study**

The general objective of the study is to investigate the effect of talent management practices (talent planning, talent engagement; talent audit and talent retention) on employee performance in the case of CBE, Alem Bank Branch.

#### **1.4.1. The Specific Objectives**

1. To assess the current level of TM practices (talent planning, talent engagement talent audit and talent retention) in the case of CBE, Alem Bank Branch.
2. To determine the effect of talent planning on employee performance in the case of CBE, Alem Bank Branch.
3. To test the effect of talent engagement on employee performance in the case of CBE, Alem Bank Branch.
4. To investigate the effect of talent audit on employee performance in the case of CBE, Alem Bank Branch.
5. To determine the effect of talent retention on employee performance in the case of CBE, Alem Bank Branch.

### **1.5 Significance of the Study**

This research will, act as reference to future academic studies for the researcher who seek to understand better the issues of talent management and employee performance. Furthermore, this study and will add knowledge to existing information about the effects of human resource, talent management practices in organizations as an anchor to effective in the business administration.

In addition to business service institutions, the public sector will also benefit by understanding how they can as well manage their workforce better and increase their performance and commitment by adopting these knowledge management practices.

For the researcher, this study will not only enhance the understanding of the effect of talent management practices influencing performance of employees in organization but also enable the development of further areas of research interest. The findings of this research would help Commercial Bank of Ethiopia and other financial service providers to understand the concept of talent management is and how it can be used to achieve high employee and organizational performance. Finally, this study would add knowledge on the importance of using talent management practices namely talent planning, talent engagement, talent audit, and talent retention. The best human resource potential will enable organizations to understand how they can more effectively achieve long-term competitive advantage.

## **1.6 Scope of the study**

### **Conceptually**

This research is limited to investigate the effect of talent management practice on employee performance in CBE. It doesn't address some other HRM variables aspects other than talent planning, talent engagement, talent audit, and talent retention.

### **Geographically**

The study was conducted on CBE employees in Addis Ababa. Because of time and money constraint, it doesn't include regional employees.

### **Methodologically**

From the CBE branches in Addis Ababa Alem bank branch were selected because when we compare within another branches of CBE Alem bank is very huge branch and have high transaction so it can represent all branches and the researcher were gathered full data from this branch . In addition to this, the researcher used explanatory research design & census method.

## **1.7. Limitation of the study**

During the study there were a lot of limitations regarding this research study. Primarily, it was so difficult to investigate a broad topic that requires deep investigation, associated with large number of factors within the budgeted time, and allocated fund. Secondly, the research was also

being confined to the viewpoints of employees only. It will not include the viewpoints of customers and management bodies. Thirdly, the research was mainly depending on the primary data even if the researcher were used the secondary data too. Moreover, the result which was obtained from this research may not represent the whole country (Ethiopia), since it was done only in the given sub city. Other cities and places of the country will also require the conduction of the same investigation. Finally the presence and the fright the target population on the new pandemic virus called covid 19 was a great battle for the researcher.

### 1.7 Definitions of Key Terms

- **Talent:** Talent can be considered as those people who can add value to the organization through the application of their skills, abilities and knowledge to the strategic direction of the organization (Preece et al., 2011).
- **Talent Management:** It is defined as a deliberate approach usually undertaken by human resource managers to attract, develop and retain people with the right skills, attitude and competencies in order to facilitate achievement of current and future organizational needs (Barkhuizen et al., 2014).
- **Talent Management Practices:** Talent management refers to the anticipation of required human capital for an organization and the planning to meet those needs through recruitment, development, retention and performance management (Gelens, Hofmans, Dries, & Pepermans, 2014)
- **Talent planning:** Talent planning processes it seeks to employ should focus on technical or generic competencies; an exclusive approach that focuses on planning for specific elite individuals or an exclusive approach that focuses on key positions, roles and develops talent to fulfill future roles (Garavan, 2012).
- **Talent engagement (TE):** Talent engagement is a collective result of complex factors such as people's sense of identity and belonging, feeling valued and their emotional and intellectual connection with colleagues, and more extrinsic factors such as satisfaction in work content and the support they get to perform effectively (Cheese, et al., 2008)
- **Talent audit (TA):** Talent audit is about the checking the current skills set against the current, future, and strategic requirement of the business; provides the forum for identifying development needs and serves as the mechanism for feeding back information to the

manager about current levels of current competence against the talent, seeking to identify and negotiate adjustments or further development needs (Beardwell, 2004)

- **Talent retention (TR):** Talent retention is a process of retaining the talented employees with the organization for a longer time period of time in order to be more effective (Rabbi, Ahad, Kousar, & Ali, 2015).
- **Employee performance:** Employee Performance refers to what an employee does or does not do. Employee performance common to most jobs includes quantity of output, quality of output, timeliness of output, presence at work and cooperativeness (Mathis & Jackson, 2004).

### **1.8. Organization of Study**

The study has five chapters. Chapter one is introduction part and includes background of the study, statement of the problem, research questions, objectives of the study, significance of the study, scope of the study, limitations of the study, and definition of terms. The literature related to the subject matter is presented in chapter two. Chapter three focuses on the research methodology. The presentation, analysis and interpretation of the data collected to assess the practice of TM and its effect on employee performance in CBE is presented in Chapter four. Summary of findings, conclusion, recommendations, limitation and future research direction organized in chapter five.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

This chapter provides brief information about the study variables mentioned in the conceptual framework. In this regard, this chapter presents concepts of talent management practices, employee performance, the relationship of variables involved in this study, previous empirical studies' results and theoretical grounds.

#### **2.1 Theoretical Review**

##### **2.1.1 Concept of Talent Management**

A review of the talent management literature reveals a degree of debate as to the conceptual boundaries of the topic. Indeed, Aston and Morton (2005) noted that there is not a single consistent or concise definition of talent management. Notwithstanding this criticism, Lewis and Heckman (2006) identified three key streams of thought around the concept of talent management. First, those who merely substitute the label talent management for human resource management. Studies in this tradition often limit their focus to particular HR practices such as recruitment, leadership development, succession planning and the like. The contribution of this literature is relatively limited beyond the strategic HR literature, as it largely amounts to a rebranding of HRM.

Although at present only limited consensus exists as to the definition of talent and TM and the appropriate methods to study these constructs, the academic literature on TM is noticeably expanding from year to year (Gallardo-Gallardo, et al., 2015). Accordingly, as Collings and Mellahi (2009) noted, despite the growing popularity of TM and over a decade of debate and publicity, the concept of TM remains unclear. To tackle the existing problem in defining and conceptualizing TM, Gallardo-Gallardo et al. (2015) reviewed the TM literature, applying methods derived from bibliometrics and content analysis to come to a more or less objective and quantifiable assessment of the state of the TM literature at the present time without making a priori assumptions about which theoretical and methodological approaches to TM are more legitimate than others. Based on their analysis of publication volume, journals and their impact factors, most cited authors on the subject around the world are D. G. Collings, K. Mellahi, R. E.

Lewis, R. J. Heckman, and Peter Cappelli. Therefore, to understand TM, it is important to look the definitions suggests by these authors. According to Collings and Mellahi (2009), TM should be seen as a holistic strategic approach of organizations and can be treated as organizational TM strategy, as it involves activities and processes that engage the systematic identification of key positions which differently 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 HR architecture to facilitate filling these positions with competent incumbents and to ensure their continued commitment to the organization. Similarly, Cappelli, (2004) referred the term TM as the activities that the employer does to hire, train, develop and totally manage those employees who are involved in important pivotal positions in organization.

According to Cappelli and Keller (2014), TM is a recent, practitioner-generated term covering a range of long-standing practices that aim at getting the right person in the right job at the right time. These include workforce planning, succession planning, employee development, and career management. Accordingly, the central TM concern is anticipating human capital needs for talent in strategic jobs and setting out plans to meet them. Lewis and Heckman (2006) identify three key streams of thinking with regard to what TM is. The authors aligned with the first stream appear to be largely substituting the label TM for HRM, often limiting their focus to particular HR practices such as recruitment, leadership development, succession planning and the like. A second stream emphasizes the development of talent pools focusing on 'projecting employee or staffing needs and managing the progression of employees through positions' typically related to traditional manpower planning or succession planning concepts. The third stream focuses on the management of talented people. Similar to Collings and Mellahi's (2009) view, Ashton and Morton (2005) also see, TM as a strategic and holistic approach to both HR and business planning or a new route to organizational effectiveness. According to these authors TM practices improves the performance and the potential of people who can make a measurable difference to the organization now and in future. And it aspires to yield enhanced performance among all levels in the workforce, thus allowing everyone to reach his/her potential, no matter what that might be. Likewise, for Silzer and Dowell (2010), TM is an integrated set of processes, programs, and cultural norms in an organization designed and implemented to attract, develop,



deploy, and retain talent to achieve strategic objectives and meet future business needs of the organization. Based on the definition suggested by Chartered Institute of Personnel and Development (CIPD) (2006), TM is the process by which an organization identifies, manages, and develops its people now and for the future. After one year, CIPD expands its definition in more comprehensive way and according to CIPD (2007), TM can be defined as: “the systematic attraction, identification, development, engagement/ retention and deployment of those individuals with high potential who are of particular value to an organization.

### **2.1.2 Talent Management Practices**

As we discuss in the previous section, the definitions and theoretical framework suggested by different authors have mentioned several practices for managing talent in organization, the central idea around the different practices, which are strongly related to traditional HRM practices, are attracting talent (Talent acquisition), developing talent (Talent Development), engaging talent (Talent Engagement), deploying talent (Talent Deployment) and retaining talent (Talent Retention). Accordingly, based on the research conducted by Gallardo-Gallardo & Thunnissen (2015), among the 96 studies on TM conducted worldwide between the years 2006 – 2014, forty six of them focused on specification of the TM practices. In view of that, the academic interest is particularly concentrated on four sets of practices: attraction, recruitment and selection, training and development, retention and talent identification. Du Plessis, Barkhuizen, Stanz and Schutte (2015) adopted HCI’s TM practices in their empirical research and they underlined the importance of assessing organizational business strategy-human capital strategy alignment, performance management, staffing, and talent review process practices for gauging the effectiveness of TM. Meanwhile, even if, Du Plessis and her friends contributed on the TM practices’ research by adding more practices, Gallardo-Gallardo & Thunnissen, (2015) found that performance management and staffing practices had less attention (less than 10%) of researchers on their papers. They also summarize the dominant practices of TM as attraction, identification, development, engagement, retention and deployment of talent. In this regard, the researcher combines the dominant four practices of TM (Talent planning, Talent engagement Talent audit and Talent Retention) for this research.

### **2.1.3 Talent Planning**

For organizations to achieve successful talent development, Iles, Chuai and Preece (2010) emphasize four possible approaches to talent planning: an inclusive approach that focuses on

each potential employee; an inclusive approach that emphasizes the planning of social capital more generally in the organization; an exclusive approach that focuses on planning for specific elite individuals or an exclusive approach that focuses on key positions, roles and develops talent to fulfill these roles. Bersin (2010) insists that talent planning must first incorporate the organization's mission, vision and strategic objectives. This, according to the author, enables the employees to be aware of the organization's intended direction and therefore align their skills and competencies with the company's goals.

In addition to the various approaches to talent planning, an organization must decide whether the talent planning processes it seeks to employ should focus on technical or generic competencies (Garavan, 2012). The term "generic competencies," according to the same author, refer to possession of a range of qualities that are important in the workplace which include skills such as problem solving, analytical, communication and teamwork. In order to understand the scope of talent development, managers should not only select the appropriate approach and competency, but they should also determine the purposes of development and whether the learning needs are organizational, individual or some combination (Garavan, Carbery, & Rock, 2012).

In their study on the talent gap in insurance firms, Cole and McCullough (2012) raised a concern among financial firms in the United States that there is disconnect within companies as to how integrate managing the talent gap problem with the overall business strategies. The findings of their study indicated that while 78 percent of management in professional services indicated they had an existing process for managing critical talent, 80 percent indicated that there was no integration of human capital management, business development, and resource management. Bersin (2010) adds that for efficient talent planning, Human Resource managers must determine and allocate the right number of people for every task to avoid understaffing or overstaffing. According to the author, overstaffing reduces task efficiency while understaffing leads to reduced morale and low- quality production.

With the growing percentage of financial industry executives facing retirement in the coming years, Appel (2007) urges that issues related to developing top talent to create the next generation of industry leaders are of critical importance. In his study on firms in Kenya, Kigo (2016) urges that insurers must assess critical talent needs, determine performance profiles, source and screen candidates, and then hire and onboard people. A talent management strategy,

according to Thompson (2011) starts with identifying these individual star performers who are a source of competitive advantage and advocate strategies that attract, retain, and develop these high performance and high potential employees

#### **2.1.4 Talent Engagement (TE)**

According to Cheese, et al. (2008), talent is the engine of the modern organization, and engagement is the mystery ingredient that can transform the engine's output. Having the best talent is worth little if they are not motivated or aligned with organizations' business objectives, and yet there is much evidence to suggest that large segments of workforces are disengaged, and the challenge is growing with attitudinal shifts across the generations. Consequently, the results of poor engagement are visible, in high levels of absenteeism, valued employees quitting their jobs, and people harming customer service and other key business objectives. Engagement is a combination of heart and mind. At the high end, engagement represents the degree to which they are aligned, confident and committed to achieving higher performance, and motivated to apply additional discretionary effort to their work; and at the low end, it manifests itself in low levels of responsiveness and energy, and high absenteeism. An important and closely related concept to engagement is alignment: the degree to which employees understand and identify with their organization's goals, the linkage to their own objectives and abilities, and how they direct their energies to achieving them. Therefore, these days' researchers offer so many ways to define and measure engagement, and it is important to measure engagement level of employees and should strive to be best place to work (Cheese, et al., 2008)

#### **2.1.5 Talent audit**

Talent audit is about the checking the current skills set against the current, future, and strategic requirement of the business; provides the forum for identifying development needs and serves as the mechanism for feeding back information to the manager about current levels of current competence against the talent, seeking to identify and negotiate adjustments or further development needs (Beardwell, 2004). Gommans and Kihiko (2013) concluded that firms endeavor to adopt various performance management practices that entail workers' selection, goal setting and placement as well as performance appraisals. They are basically means by which firm managers define overall employees' goals and consequently work towards developing employees' capabilities by evaluating rewards against person's effort.

Talent audit can be defined as an act of testing, evaluating, measuring and justifying the performance displayed by the employees during a specific period of time. The objective of talent audit is to maintain the performance of the employees, up to desired levels, by motivating employees who depend on the workplace environment and rules and regulations at work Daoanis (2012). Agutu (2013) sought to explore the perceived influence of performance appraisal criteria on employee job satisfaction at Kenya Airways. The research findings revealed that there are various dimensions that influence job satisfaction even though weak. Specifically, various specific aspects of performance appraisals relatively and positively influence job satisfaction and employee performance. It was concluded that various adopted techniques of performance appraisal criteria positively influence employee job satisfaction. In essence, employees who are satisfied are more likely to perform better since they are highly motivated at the organization. The study recommended that employees need to be involved during the entire process of performance appraisal so as to enhance employee performance. Iqbal, Ahmad and Haider (2013) examined the impact of performance appraisal on employee's performance whereby motivation was selected for a moderating role in the study. Research findings revealed the presence of a positive relationship between the presence of performance appraisals and individual employee performance. The study established that divisional banks can adopt appraisal systems so as to improve on employees' performance standards.

Daoanis (2012) examined the performance of an appraisal system and its implication to employee performance. Research findings showed that firm's performance appraisal systems were indeed adopted at the studied firm. Study results further showed that performance appraisal systems handled to both negative and positive impacts on individual employee performance. The study recommended that firms ought to revisit as well as redesign their appraisal system so that it can align to the mission and vision hence facilitate the attainment of organizational goals.

Oyafunke, Salau, Oludayo, Omoniyi and Akinbode (2014) modeled the relationship that exists between performance appraisal and organizational productivity in Nigerian public sector. Study results showed that if managerial decisions were to be fair and just in the issue of equitable employee promotions and rewards, employees' loyalty and job commitment would increase in the organization. In essence, if employees are properly motivated then innovation that arises from them would promptly increase at the job lead to optimal job performance. The respondents

further indicated that if they received regular feedbacks about their jobs performance, they would be in a better position to identify their personal strengths and weaknesses hence enable them to improve on their weak areas to enhance better performance as well as sharpen their strength to even translate to superior productivity.

### **2.1.6 Theoretical Perspective on Talent Management**

According to Dries (2013), TM can be considered as a phenomenon rather than a theoretical construct, thus, talent can mean different things to different people and considering the immature state of the field it is difficult, at this point in time, to evaluate which meanings of talent are ‘more valid’ than others. Lewis and Heckman (2006), Cappelli (2008), and Collings and Mellahi (2009), also describe the state of TM literature as it is exacerbated by the fact that, in addition to ambiguities around the definition of the concept, there has also been an alarming lack of theoretical development in the area. Thus, it is advisable to identify relevant theoretical perspectives from other disciplines, which can serve as a basis to develop or set up new theoretical framework and to conduct empirical studies. Hence, the researcher aspires to discuss different streams of literatures, which are identified as relevant to the study of TM practice with employees’ TI. In this regard, the dominant theory, in studying TM practices according to bibliometric and content analysis of Gallardo-Gallardo, et al. (2015), identified and can serve as a basis for this study are:- resource based view and social exchange theories. Furthermore, the researcher reviewed the theoretical model developed by Collings and Mellahi in 2009, which is more outcome oriented and can possibly guided researchers by pinpointing both HRM and organizational outcome.

### **2.1.7 Taylor’s theory of scientific management**

Taylor studied management subject as a scientific research in what is described in literature as the Theory of Scientific Management (Taylor, 1911). Taylor (1911), in his studies, found out that enterprisers cannot satisfactorily benefit from workers and believed that forming and programming of doing works should be re-regulated by a scientific analysis and more output would be gained if they were standardized. According to Taylor’s Scientific Management Approach the following human factor characterize workers: workers are lazy and have an inclination of less work, they are unproductive, workers do not struggle for the progression of enterprise, workers are demotivated, and they do not have a defined mission and vision. Taylor (1911) observed that work order and environment existing in enterprises may

give big damages at a degree that can reach to losses at an extent effecting national economy. He has also observed that some radical decisions must be taken in order to turn these factors causing inefficiency and effecting production negatively into neutral or to minimize them and he formed The Principles of Scientific Management accordingly. Şimşek (2009) summarized Taylor's principles of scientific management as follow: (i) Workers and managers must work according to scientific principles rather than working haphazardly when carrying out organizational activities; (ii) Organizational activities must be performed in a coordinated and consistent way, not in an inconsistent and incoherent way; (iii) Organizations and their methods, rather than submitting low unproductiveness, must reject this and must try to provide the highest productivity; (iv) Each labor must be parted to sub-factors forming it. When defining activities which workers must carry out, not only intuition and experience, but also scientific methods must be used as well; (v) People whose mental and physical skills are sufficient for works being standardized must be chosen, that is to say, the most suitable staff member must be chosen; (vi) Specialization in every part of a defined labor must be provided. The study builds the proposition by Taylor (1911) that people whose mental and physical skills are sufficient for works being standardized must be chosen, that is to say, the most suitable staff member must be chosen. Similarly, talent management in an organization ensures that talents are developed and the most skilled employees are retained in the organization. Taylor (1911) further argue that organizations and their methods, rather than submitting low unproductiveness, must reject this and must try to provide the highest productivity. Talent management provides an avenue through which highest productivity can be achieved by ensuring that an organization develops and retains skilled human capital.

### **2.1.8 Henry Fayol- Management Process Approach**

Henry Fayol, a French industrialist, developed the theory of management. According to him, managerial excellence is a technical ability and can be acquired. He developed theories and principles of management which are universally accepted and make him universalistic. Henry Fayol (1916) offered fourteen principles of management which included: division of Work, Authority and Responsibility, Discipline, Unity of Command, Unity of direction, Subordination of individual interests to general interests, Fair Remuneration to employees, Centralization and Decentralization, Scalar chain, order, equity, Stability of use of personnel, Initiative, Spirit of Co-operation.

Fayol (1916) based his study of management on Taylor's teachings. Fayol tried to make easy the labors of big enterprises by earning Taylor's values such as labor defining, standards and specialization of workers, functions such as organization, planning, controlling and coordination in management. On the contrary to the representatives of scientific management's aiming to increase productivity by dealing with the form of works being done and work design more at factory level, Fayol tries to develop a good organization design and its management principles by analyzing the whole organization. Management Process Approach, like Scientific Management, takes productivity, economical efficiency and rationalism as basis (Şimsek, 2009). Fayol (1916) claim that workers, instead of the ability to manage, have the desire to be managed and generally avoid taking responsibility hence the necessity of carrying out penal sanctions.

Fayol (1916) has established bases of a management concept organizationally by earning management agent new and holistic terms and earned principles like division of labor and specialization, authority and responsibility, discipline, organizational benefits which are indispensable principles in every step of scientific management coming up to today and the principle that organizational benefits are above individual benefits which make up the base of Quality Management.

This study builds on Fayols twelfth principle of stability of use of personnel. Principle of stability is linked with long tenure of personnel in the organization (Fayol, 1916). This means production being teamwork, an efficient management always builds a team of good workers. If the members of the team go on changing the entire process of production is disturbed. It is always in the interest of the enterprise that its trusted, experienced and trained employees do not leave the organization. Stability of job creates a sense of belongingness among workers who with this feeling are encouraged to improve the quality and quantity of work. Therefore, an organization should adopt an efficient talent management system which ensures that that skilled human capital is maintained in the organization.

### **2.1.9 Talent Retention**

According to the study of Silzer and Dowell (2010), effective TR efforts require examining each strategic talent pool to identify who is at risk and why, so that individualized retention plans can

be created. Invariably the retention strategy will go beyond compensation and will be tailored to what is likely to motivate and engage the individual or groups of key talent. Compensation and benefits strategies need to be monitored for external competitiveness and internal equity, but as a matter of fact, compensation and benefits alone will not solve retention issues. People are said to join companies and leave managers, which is why effective management is so important to the development and retention of strategic talent. Having an effective relationship means that the leader knows what motivates and engages employees and surely able to assess retention risk and develop a customized retention plan for key talent. While the formal retention analyses and plans are important, the informal leadership behaviors are equally important. Through the leader's actions, employees judge whether their contributions are valued and appreciated or not, and to what degree the company is committed to their future. If the manager understands the employee's goals, aspirations, and personal circumstances and builds a supportive relationship with a two - way dialogue, then the specific retention action plans will be more effective (Silzer & Dowell, 2010). Whenever an organization can retain its employees for long periods of time, the organization benefits as the employees think of the long term goals of the organization that they could achieve as opposed to look for new opportunities out there. The employees are more focused and thus are able to perform better in their roles and the assigned tasks (Hall, 2005). As organizations continue to pursue high performance and improved results through talent management, they are taking a holistic approach to talent management. Agrela (2008) states the need to focus on the factors that affects employee retention leading to growth and success of organizations as these employees' performance improves due to gaining experience as they have worked for a long time in the organization and they are conversant with the organizational culture and processes

### **2.1.10 Employee Performance**

Employee Performance refers to what an employee does or does not do. Employee performance common to most jobs includes quantity of output, quality of output, timeliness of output, presence at work and cooperativeness (Mathis & Jackson, 2004). Employee performance represents the general belief of the employee about his behavior and contributions in the success of organization. Employee performance on the other hand, can be decomposed using employee commitment, meeting deadlines, achievement, quality of output/work, responsibility, operational efficiency and effectiveness, positive attitude to work, excellent customer service delivery, rare



cases of absenteeism, job satisfaction, increased productivity, working with less supervision, growth, low turnover of top talents and harmonious work relationships amongst others. According to United States Office of Personnel Management (USOPM 2001) Employees also must know what they need to do to perform their jobs successfully. Expectations for employee performance are established in employee performance plans.

One has to adjust with the external factors to do the business in the market. Every environmental factor like social, cultural, legal, political, economic, technology and competition gets changed very fast. For effective working the knowledge of these factors is must otherwise the plan will misfire. In present situation it is difficult to predict about the future, because of uncertain to say that what will happen tomorrow. Again the need for highly skilled and dedicated manpower is felt who can give the best output. The performance of employees on different jobs in close coordination is needed for success of the unit. Employees are performing different jobs in an organization depending upon the nature of the organization. They mainly perform tasks like production, storage, manufacturing, transportation, marketing, purchasing, distribution, promotion of business, finance and accounting, human resource, research and public relations. All these activities are inter-related to achieve the targets. These are to be performed by the employees properly so they can give their best output at the job. Nowadays the markets are also very competitive and there is cut throat competition. For every organization it is difficult to start, survive, stabilize and excel in the business. The firm that gets the advantage over other competitors through their talented and dedicated manpower can take the lead in the market. The contribution of employees on job is the most important factor for development and excellence in business (Aguinis, 2009).

This will have great impact on the total production, sales, profit, progress and market position of the company in the market. Various factors like skills, training, motivation, dedication, welfare, management policies, fringe benefits, salary and packages, promotion, communication and etc are responsible to encourage the people to work sincerely and give their best output. The importance of employees' performance must be understood by the management and sincere efforts must be put in that direction. The management of the company taking timely steps in that direction will be in position to develop and motivate the people to do so. Finally the company may take the lead the market and grab the opportunities available in the market.

## **2.2. Empirical Review**

### **2.2.1 The relationship between talent management and employee performance**

In studying TM practices, several researchers investigate the effect of TM practice by looking its relationship with different variables: organizational outcomes and HRM outcomes; such as organizational commitment, job satisfaction and employee performance and they found that there is a positive relationship between TM practices and employee performance. According to the works of Sonnenberg (2011), cited by Narayanan (2016), Du Plessis (2010), and Narayanan (2016), nowadays, organizations are very concerned about the employee performance as they recognize talented employees as source of competitive advantage.

Wuim-Pam (2014) investigated the impact of effective talent management on employee core competencies in Plateau State University, Bokkos. Using a non-empirical approach, the result revealed that the skills, knowledge and abilities of employees impact job descriptions and performance management. The study concluded that tying core competencies with talent management is a win-win proposition as it provides organizations with a means of upgrading and retaining their valuable workforce. Wuim-Pam (2014) therefore recommends the creation of a unique competency models where this skill is lacking within the organization itself and identification and possession of high-performing behaviors.

Caroline Mutinda Matata (2017) investigate the effect of talent management practices on the morale of employees at Kenya Commercial Bank; United States International University - Africa in Nairobi. The researcher is finding that: - the talent development practices affected the level of morale of majority of the respondents. TM is, then, considered as the most adopted HR initiative to tackle with talent performance issues. These, researchers have found that when perceived level of TM practices increases, employee performance observed in employees increase. Accordingly, when organizations employ more TM practices, it signals an organization's interest in investing in its people and it enhances the psychological connection between organization and the employees. Gallardo-Gallardo, et al. (2015), in their analysis of existing TM studies, found that employees who believed they were identified as talented by their organizations were more committed to improve their performance, to work on developing competencies valued by their employer, to actively support their department's strategic priorities, and high likely to have less

Employee performance than were employees who believed they were not identified as talented. The authors conclude that talent identification can have a motivating effect on pivotal employees, although they do assert that EP in particular will be strongly influenced by the extent to which organizations meet their high potentials' career expectations.

Oladapo (2014) carried out a study on the impact of talent management on retention in Strayer University. This study sought to understand the challenges and successes of talent management programs and the reasons why some companies choose not to have a program. This study also tested the predictive power of job security, compensation and opportunity on retention rates. Findings revealed that for the organizations sampled with a talent management program (69% of those studied), participants overwhelmingly recognized the strategic value of an effective talent management program despite significant challenges to implementation. Participants cited opportunity for job advancement as the most significant factor affecting retention rate. For the organizations sampled without a talent management program (the remaining 31% of those studied), indicated absence of executive management support. The study further revealed that job security, compensation, and opportunity for advancement were not found to have predictive value for employee retention rates. Though data confirmed Lockwood's findings that although pay and benefits initially attract employees, it is not the primary reason given for retaining them. Esmaeili (2016), on his yearlong research concluded that, by means of various factors, the TM can be effective in reducing the employees' TI and keeping them in the organization. He, then, identified the most important factors (components of TM) and their relationships with TI as: TD, and talent attracting, as they affect behavioral dimension of employees to remain in the organization. Furthermore, Du Plessis, et al. (2015), in studying employees born after 1980, they found that, practically significant negative relationship of a medium effect between employees' perception of the organization's TM practice and their intention to quit the organization. This indicates that high levels of perception of the application of TM practice in an organization lead to low level of intention to quit the organization. Therefore, the ability of organization's supportive TM practices to enhance retention, suggests that these practices are likely to decrease an employee's intention to leave an organization. On the other hand, researchers also interested in investigating the relationship between single TM practices and TI as they studying the level of their effect of TM practices. In this regard, effective TE, TD, TA, and TR practices have a

significant negative relationship with employees' TI (Chughati, 2013; Chitsaz-Isfahani & Boustani, 2014; Kibui, Gachunga, & Namusonge, 2014; and Cappelli & Keller, 2014). In addition to those practices, Berger & Berger (2004), on their study on effective organizations, also found that reduction of turnover through the selection and hiring of the right employees is possible. According to Sokora and Ferris, (2014) cited by Thunnissen (2015), poor TM practices result in unfavorable employee attitudes, such as higher TI, less job performance, satisfaction and perceived justice. Similar to this result, Thunnissen (2015) herself, in studying the human side of TM found that, the effect of poor TM includes reduced organizational commitment, lower job satisfaction and an increased TI. CIPD (Talent Management: an overview 2013) proposes features of talent management strategy based on their research. The first feature is alignment to corporate strategy. It must be a priority to ensure that talent strategy is closely aligned with the corporate strategy. Another feature is to apply inclusive or exclusive approaches. Inclusive approach is adopted by organisations which involve all employees to engage in talent development.

### **2.2.2. Effect of Talent planning on Employee Performance**

#### ***H1: Talent planning has a statistically significant positive effect on employee performance***

Noe (2000) defines talent planning as a process of identifying and preparing suitable high potential employees to replace key players within the organization as their terms expire. Succession planning entails identifying as well as preparing a qualified talent pool in advance of organizational needs. It enables smooth transitions at the firm.

Milkovich and Boundreau (1988) asserts that regardless of the expansion or contraction of the total workforce in the organizations, the need for good managers is critical and continuous. He further stated that the availability of the right number, right kind of management staff at the right time and in the right positions is imperative. A sudden vacancy can lead to confusion and loss of efficiency as the search for a replacement is conducted. The absence or loss of an employee could cause an inconvenience that could be avoided with some anticipation to serious succession development. Therefore, planning on how one's shoe is going to be filled when he is no longer there and even planning for knowledge coverage when one is ill or vacationing simply makes good business sense. For professionally run corporations, the single most important reason for having a sound succession plan is usually better retention because of growth opportunities and job satisfaction among employees. Therefore, for a company that wishes to enhance its

performance, to allow its high potential employees turnover is not an option, but to rather arrange them in systematic successions, by enabling them to effectively perform roles traditionally reserved for managers. It also helps employees prepare for changes in their current jobs that may result from new technology, work designs or new product markets. Thus, succession planning is a necessary component of a company's effort to improve quality, meet challenges of global competition, social change and incorporate technology advances.

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In the views of McDonald (2008), succession planning is an essential component for talent management which can further help to retain talent. Milkovich and Boundreau (1988) assumed that workforce retention could be a highly charged issue, because it literally affects the

livelihood of an employee. They also asserted that it might do very little good to invest in valid selection, improved compensation or extra training if an organization cannot retain its employees effectively. Hence, the need for a succession plan that would not only focus on those who might be candidates for current positions but also, attempt to plan for possible changes in those positions as well as the promotion and development needs of sub-ordinates.

Talent management practices that entails proper selection of potential staff, development and succession enhances individual performance at the organization as the best talent are not only acquired but also well managed hence continue to produce more output over the long run at the firm. Global firms can sustain their competitive advantage if they retain people who possess the firm needed skills, competencies and motivation since they will enjoy from superior labor productivity from the engaged workforce (Wellins, Smith & Erker, 2009).

Guthridge, Harttig, Komm and Lawson (2008) deduced that the primary role of talent planning is to enhance easy identification of future talents which are needed at all organizational levels. Talent planning endeavors to obtain an optimal talent positioning level that refers to having the correct talent at both the right time and place (Guthridge, Harttig, Komm and Lawson (2008). This form of planning turns out to be even more critical at a time where most of global economies are recuperating from recession Rothwell and Kazanas (2003). Most firms are not only concerned on retaining current talent levels but are also keen on attracting new talents through proper institution of talent planning activities.

Tunje (2014) studied the relationship that exists between succession planning practices and employee performance in large media houses in Kenya. The study findings revealed that a positive relationship actually exists between various practices of succession planning and employee performance. The findings suggested that practices geared towards succession planning enhances employee satisfaction that in turn enables them to stay motivated to perform better at the current firm hence shun possibilities of leaving (Tunje, 2014).

Eshiteti (2013) studied the effects of succession planning programs on staff retention and employee performance among Kenyan sugar companies. The researchers concluded that the

institution of succession planning programs strongly influences staff retention and employee performance. This is mainly because it enhances the provision of growth opportunities as well as job satisfaction to employees resulting to improved employee performance. This was made possible through the adoption of various programs including mentoring, job rotation, learning and coaching programs. In essence, employee satisfaction at the workplace as a result of adoption of various internal organizational plans enables employees to perform better since they become empowered to fully exploit their potential. Chikumbi (2012) explored talent management and staff retention at the Bank of Zambia. The study established that employees feel motivated as a result of setting realistic objectives, presence of continuous learning opportunities and the encouragements to foster creativity. These activities seek to improve on their respective performance levels hence leading to retention, the firm will therefore be able to retain highly productive employees is an essential component for talent management which can further help to retain talent. Milkovich and Boundreau (1988) assumed that workforce retention could be a highly charged issue, because it literally affects the livelihood of an employee. They also asserted that it might do very little good to invest in valid selection, improved compensation or extra training if an organization cannot retain its employees effectively. Hence, the need for a succession plan that would not only focus on those who might be candidates for current positions but also, attempt to plan for possible changes in those positions as well as the promotion and development needs of sub-ordinates.

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This form of planning turns out to be even more critical at a time where most of global economies are recuperating from recession Rothwell and Kazanas (2003). Most firms are not only concerned on retaining current talent levels but are also keen on attracting new talents through proper institution of talent planning activities.

Tunje (2014) studied the relationship that exists between succession planning practices and employee performance in large media houses in Kenya. The study findings revealed that a positive relationship actually exists between various practices of succession planning and employee performance. The findings suggested that practices geared towards succession planning enhances employee satisfaction that in turn enables them to stay motivated to perform better at the current firm hence shun possibilities of leaving (Tunje, 2014).

Eshiteti (2013) studied the effects of succession planning programs on staff retention and employee performance among Kenyan sugar companies. The researchers concluded that the institution of succession planning programs strongly influences staff retention and employee performance. This is mainly because it enhances the provision of growth opportunities as well as job satisfaction to employees resulting to improved employee performance. This was made possible through the adoption of various programs including mentoring, job rotation, learning and coaching programs. In essence, employee satisfaction at the workplace as a result of adoption of various internal organizational plans enables employees to perform better since they become empowered to fully exploit their potential. Chikumbi (2012) explored talent management and staff retention at the Bank of Zambia. The study established that employees feel motivated as a result of setting realistic objectives, presence of continuous learning opportunities and the encouragements to foster creativity. These activities seek to improve on their respective performance levels hence leading to retention, the firm will therefore be able to retain highly productive employees.

### **2.2.5. Effect of Talent audit on Employee Performance**

#### ***H2: Talent audit has a statistically significant positive effect on employee performance***

Auditing is a process that involves & measures skills, concepts, rules, or attitudes to increase employee performance (Byars & Rue, 2008). It is a key strategy for generating skills in people since it enables them to both learn and unlearn skills – in other words, to acquire existing skills



and change inappropriate skills (Pineda, Quesada & Ciraso, 2014). Cascio (2010) observes that to promote efficient learning, long term retention and application of the skills or factual information learnt, in training to the job situation, training programs should incorporate principles of learning developed over the years. Rothwell and Kazanas (2003) found out that talent training requires not only formal classroom training but also there are other approaches such as mentoring and autonomous learning. Most companies choose to adopt the HR strategies such as the commitment strategy which attempts to develop psychological connections between the company and the employee as a means of achieving goals (Wright, Gardner & Moynihan, 2003).

Training refers to a planned intervention aimed at enhancing the elements of individual job performance (Chiaburu & Tekleab, 2006). It is all about improving the skills that seems to be necessary for the achievement of organizational goals. Training programs may also help the workforce to decrease their anxiety or frustration, originated by the work on job (Byars & Rue, 2008). Those workers who feel they are unable to perform a task with the desired level of performance often decide to leave the firm Rothwell and Kazanas (2003). Rowden (2003), suggest that training may also be an efficient tool for improving employees' job satisfaction as employees' better performance leads to appreciation by the top management hence, employees feel more adjusted with his job. According to Rowden and Conine (2006), trained employees are able to satisfy the customers and (Tsai, 2007), employees who learn as a result of training program show a greater level of job satisfaction along with superior performance.

Training is the systematic acquirement and improvement of knowledge, skills and competencies that are required by an employer so as to adequately perform assigned tasks thus boost performance (Byars & Rue, 2008). Career training enhances employee's job performance needed to fulfill goals of the firm that entails keeping an effective and dynamic workforce (Nguru, 2014). For employees, if their specific role needs are met through training programs, then there is no doubt that an increase in performance will be realized. Furthermore, the provision of training by the corporation is an important determinant of employee retention that has a positive correlation with employee performance.

Training not only develops the capabilities of the employee but sharpen their thinking ability and creativity in order to take better decision in time and in more productive manner (Leisy & Pyron, 2009). Moreover, it also enables employees to deal with the customer in an effective manner and respond to their complaints in a timely manner (Hollenbeck, Derue & Guzzo, 2005). Training develops self-efficacy and results in superior performance on job, by replacing the traditional weak practices by efficient and effective work related practices (Kathiravan, Devadason & Zakkeer, 2006).

According to Chiaburu & Tekleab (2006), employee training generates an improvement in performance related benefits for both the organization and the employee. This is partly because training positively influences employee`s performance due to development of knowledge, behaviour, abilities, skills and competencies. Training bridges the performance gap in the implementation of tasks since it comes as an intervention for developing fastidious skills and competencies of employees thus enhancing their performance. Training therefore enhances employee competencies hence enables them to implement their job related tasks efficiently thus facilitating the achievement of the firm`s objectives. Furthermore, cases of dissatisfaction, turnover and absenteeism will be reduced if and only if employees are trained. All these reductions will translate to improved employee job performance leading to overall enhancement of overall organizational performance (Chiaburu & Tekleab, 2006).

In cases where there are deficiencies of technology, skills, innovation and knowledge employees go through training, learning and development programs so as to improve their talents and align their talents with the needs for the business at the current position and in future times (Leisy & Pyron, 2009). Training of employees gives desired work security thus positively influencing employee performance. In fact, top firms in the various industries recognize the need for comprehensive training so that employees can improve on their development skills (Njambi, 2014).

### **2.2.2 Effect of Talent Engagement on Employee Performance**

H3: Talent engagement has a statistically significant & positive effect on employee performance. According to Smith (n.d.) the organization should focus on the positive working environment, develop workers' skills and evaluate job satisfaction in order to enhance employee engagement.

According to Reilly (2014) there are five strategies which the organizations can use to build engagement among the employees working in the organization. Employee engagement approaches are categorized into two sections. First section deals with the approaches for new employees while the second section discusses the approaches for all employees. The features of each differ from one another (Bhatla, 2011). Bakkar and Scheufeli, (2008) have defined the term employee engagement that “it is a psychological state where employees feel a vested interest in the organization’s success and perform to a high standard that may exceed the stated requirements of the job.” An engaged employee is aware of business context and works with colleagues to improve performance within the job for the benefits of the organization (Sharma & Anupama, 2010). It is a positive attitude held by the employees towards the organization and its values. The organization must work to develop and nurture engagement, which requires a two-way relationship between employer and employee (Robinson, Perryman, & Hayday, 2004). Apart from this, Baig (2010) argued that employee engagement is concerned with the individual contribution under healthy working conditions, promote individual development, encourage mutual confidence and understanding between the employer and the employee and between the employees themselves. According to Mortimer (as cited in CIPD, 2009), employee engagement is a combination of commitment to the organization, its values and a willingness to help their colleagues. Zinger (2010) defines that “employee engagement is the art and science of engaging people in authentic and recognized connections to strategy, roles, performance, organization, community, relationship, customers, development, energy and transfer.

### **2.2.3 Effects of Talent Retention on Employee Performance**

The term employees’ retention is referred to be the ability of an organization to retain its employees within the organization in the long run. It can be measured in simple statistics like percentage and considered as the outcome or in terms of efforts made by employer to keep employees within the organization in this sense it is considered to be the strategy. It is therefore advisable that every organization should maintain its best performers especially in today’s competitive economic arena where competitors are observed to poach employees from each other (Hall, 2005).

Mokaya (2014) explains that when an organization cannot retain its employees, such action leads to high costs associated with employee turnover including additional burden on the remaining

staff, recruitment and training costs. As a result, it is important that firms adopt Human Resource management (HRM) strategies that make the best use of employees and retain talent. Retention of employees is very important because if the talented employees of the organization leave the organization in large numbers it directly affects the cumulative performance of the employees as well as the profitability of the organization. Employee turnover is important to individuals, organizations and society (Ngo, Lau & Foley, 2008). From the organizational perspective, employee turnover may lead to disruption of service to clients. The extra time and money spent on recruitment and training of the replacement and the added stress of more work for the remaining staff during the interim are a few of the consequences suffered by the organization when turnover occurs. Whenever an organization can retain its employees for long periods of time, the organization benefits as the employees think of the long term goals of the organization that they could achieve as opposed to look for new opportunities out there. The employees are more focused and thus are able to perform better in their roles and the assigned tasks (Hall, 2005). As organizations continue to pursue high performance and improved results through talent management, they are taking a holistic approach to talent management.

Agrela (2008) states the need to focus on the factors that affects employee retention leading to growth and success of organizations as these employees' performance improves due to gaining experience as they have worked for a long time in the organization and they are conversant with the organizational culture and processes. Studies suggests that employee retention strategies which satisfy the needs of all employees and enhances the ability for companies to adapt to changes in organizations and the trends in modern retention strategies go beyond the traditional salary and benefits package but looks at motivating the employee in a wholesome way (Thomas, 2000). Talent retention strategies include succession planning, career development and motivation. Morton (2005) said that organizations are working on retaining their employees and following different strategies, that is, HR generic strategies to retain their top talent. Chiu, Luk and Tang (2002) highlighted that motivation and job satisfaction are key factors for talent retention. The importance of succession planning techniques at different levels of management to enhance employee performance.

***H4: Talent retention has a statistically significant & positive effect on employee performance***

#### **2.2.4 Research Gap and Prior**

Even though there has been an increased interest in TM research over the last few years, the empirical research on TM is relatively few in number. Moreover, in TM literature, there is still shortage of common and agreed upon definition and theoretical background to be firmly grounded on. Gallardo-Gallardo and Thunnissen (2015) also underline these shortcomings on their empirical review, by urging scholars to make deliberate choice in terms of theoretical framing and apply these consistently within the project. By doing so, it can surely help the field to surpass descriptive research designs and to identify and clarify correlations and causality between variables. Often focusing on one sound theoretical framework is more effective than the application of multiple frameworks (or theoretical concepts). Another important point in TM literature observed during literature review is the natures of the organizations under study were privately owned and large global and multinational organizations. In this regard, there is observable empirical gap to generalize the findings and to use theoretical frameworks and models for small and government owned public organizations. Due to this reason, researchers, such as: Gallardo-Gallardo and Thunnissen, call for more research on TM issues and approaches in small and medium-sized, as well as non-profit and/or public organizations. On the other hand, from the start of HRM focus and introduction of SHRM concept, researchers have attempted to answer the question of what determines employee's intention to stay or quit an organization, but there has been little consistency in findings and major conclusions. Some of the reasons for employees' intention to leave or stay identified by the researchers are; job satisfaction, employer branding, hiring practices, working conditions, organizational commitment, engagement and reward and recognitions. Surprisingly, little research has addressed TM practices and its effects on employee performance. Moreover, there is also a research gap in investigating individual TM practices' influence over employee performance. Furthermore, the reviewed literature demonstrates that, while there is much prescription about the need for integrated approaches to TM practices, there is little rigorous research on relationship between TM practices and employee performance in public organizations. This has therefore left a major research gap on how TM practices influence employee's performance in government owned organizations.

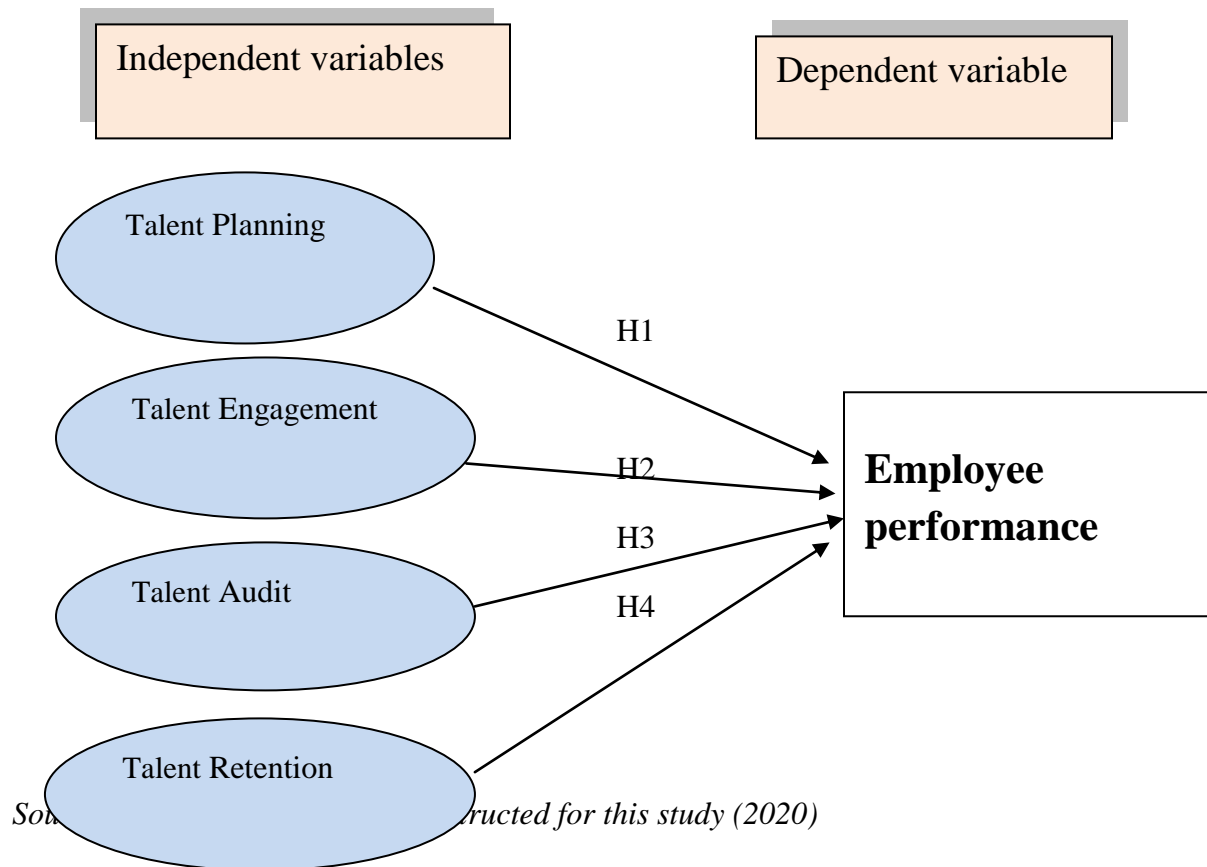
At last, Thunnissen (2015) suggests that TM needs to be explored in more detail in empirical research, for example by comparing the outcomes at the individual level (in terms of employee,

job satisfaction and commitment etc.) in organizations with a hard, performance oriented TM approach versus organizations with a soft, developmental TM approach or in combination of the two. Thus, by addressing the research problem, this study also aims to fill the gap resulted by lack of empirical researches, through investigating the impact of TM practice on employee performance in CBE.

### 2.3 Conceptual Framework of the study

The conceptual framework describes the relationship between the independent and the dependent variables. An independent variable is the presumed cause of changes in the dependent variable (Kothari, 2004). Based on the reliability test of previous studies, four TM practices included in the conceptual framework as components (facets) of independent variable namely talent planning, talent engagement, talent audit and talent retention and as dependent variable employee performance was employed for this study.

**Figure 2.1: Conceptual framework**



## **2.4. Research Hypotheses**

H1: Talent Planning has a positive and significant effect on employee performance.

H2: Talent engagement has a positive and significant effect on employee performance.

H3: Talent audit has a positive and significant effect on employee performance.

H4: Talent retention has a positive and significant effect on employee performance.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

This chapter highlights the research methodology that was utilized in this study. The section further gives details about the research design of the study, the target population, the sampling design that was used, the actual data collection methods applied, the research procedures were used and finally, the data analysis and presentation methods that is use in this research process were described.

#### **3.1 Research design**

This research was aimed to study the effect of TM practices on employee performance thus, it involves the relationship of independent and dependent variables. In this regard, it needs more control and confidence over the research process and the research output. Therefore, as Zikmund, Babin, Carr, & Griffin (2009) noted, choosing for a research design which can specifies the methods and procedures for collecting and analyzing the needed information and provides a framework or plan of action for the research is essential. In fact, the research design is the conceptual structure within which research is conducted; it constitutes the blueprint for the collection, measurement and analysis of data (Kothari, 2004).

Explanatory research design was used & employed for this study; because it emphasizes on discovering relationship between talent management practice and employee performance. Also quantitative research method approach is employed for this study. According Kothari (2004) quantitative research is research concerned with the measurement of attitudes. The former involves the generation of data in quantitative form which can be subjected to rigorous quantitative analysis in a formal and rigid fashion. Quantitative research method approach is about data analyzed in terms of numbers; involves the collection of numerical data; Predicts and explains data in the form of statistical analysis; uses the numerical method to analysis and interpret the results; finds out the relationship among quantifiable variables and the results are inferred

#### **3.2 Research Approach**

According to Creswell (2009), there are three basic research approaches; these are quantitative, qualitative and mixed research approaches. To achieve the aforementioned objectives, this study



adopted a purely quantitative research approach where it can be use of a questionnaire provided predominantly descriptive in nature and quantified (Sekeran, 2003). Therefore, to reveal the effect of talent management practices on employee performance quantitative research approach was employed.

### **3.3 Population, Sampling Technique and Sample Size**

Depend on data gathering from commercial bank of Ethiopia human resource department; an Alem bank branch includes 92 employees who are selected as target population for this study. Therefore the target population for this study is Alem bank branch's CBE employees.

According to Cooper and Shindler (2014), the use of a census in the study helps to reduce error making it easier to obtain high quality information from respondent. Moreover, Saunders and Thornhill (2014) stated that census method is used when every member of the population is considered a respondent. Therefore, this research applied a census technique to get an accurate result due to a small number of the target population. Accordingly, 92 employees who are currently working in Commercial Bank of Ethiopia Alem bank branch will participate in the study.

### **3.5 Data types and sources**

#### **a) Primary data**

Primary data was collected by using questionnaires. The questionnaires included closed ended questions prepared in line with the objectives of the study. The choice of the method was on the premise that data collected using a questionnaire is easily understood and therefore perceived as authoritative. Additionally, using questionnaire provide greater control over the research process. Finally the well prepared questionnaires were distributed to employee of commercial banks whose works in Alem bank branch. Questions related to talent management practices were responded by employees; whereas data related the respective employees' performance was accessed from HR department in the case organization.

#### **b) Secondary data**

Secondary data from such as CBE HR policy, organization of website, online data source, journal articles, and dissertation and hand books will be used for literature review parts.

### **3.6 Procedures of Data Collection**

For this study, primary data were collected by using questionnaires. According to Mugenda (2003), the accuracy of data to be collected largely depends on the data collection instruments in terms of validity and reliability. Close ended questionnaires in with objective study were used. The questionnaires were prepared by easily understood ways and therefore respondent perceived as authoritative. Additionally, using questionnaires provide greater control over the research process. The questionnaires will distributed to respondents and will collected at next day by checking the completeness of the data and put in to SPSS version 21.00 for analysis. Clear explanations were giving to respondents as to how they will be benefit from the research. All these are aimed at ensuring a high response rate.

### **3.7 Measurement**

To measure talent management practice which used in this study as independent variables; the dimensions or four own conceptual frame work were appear in this study. Closed ended questionnaires were used in this study parties were used from the questionnaire developed by the Human Capital Institute (HCI) and adapted by Du Plessis, (2010), with some tailoring improvement to measure effect of talent management practice on organization performance were used. The questionnaire were appear by the form of the five point likert scale ranges from 1 (strongly disagree) to 5 (strongly agree) and objective questionnaire in the form choice was prepared depend on current practice business development of CBE, and researcher require respondents to evaluate current practice of talent management in CBE. Finally, a reliability analysis was conducted by using a Cronbach's Alpha coefficient score to determine the validity or the study instrument

### **3.8 Pilot Testing**

According to Kothari (2004), testing the data collection instruments for their understandability in terms of clarity, validity, readability and completeness has paramount importance. Accordingly, this process allows checking whether census respondents understand instructions and the meaning of each question and if they get difficulties in responding for questions. Subsequently, 20 questionnaires was distribute for pilot testing and to find that, whether they understand or not the intent of the questions in English instruments. Moreover, without making significant change on the original tool, some adjustments are performing on the instruction and wording of few items in English instruments.

### 3.9. Validity and Reliability of the Research Instrument

#### 3.9.1 Validity

Validity is the most critical criterion and indicates the degree to which an instrument measures what it is supposed to measure (Kothari, 2004). Validity refers to the accuracy of the inferences, interpretations, or actions made on the basis of test scores. It involves the measurement of constructs. It refers to the extent to which differences found with a measuring tool reflect true differences among respondents being tested. In this study the researcher will use questionnaires that their validity and reliability will be checked and modified according to literatures within the specific objectives research. Also an approval was secured from advisor and other consultants are applied in order to increase the face/content validity.

#### 3.9.2 Reliability

Kothari (2004) noted, sound measurement is essential to conduct a good research and test of reliability is important test of sound measurement. Thus, to maintain reliability of the instrument and to make sure that the data collection tool provides consistent results, reliability analysis will be conducted on both knowledge management and organization performance after full scale data collection. In this study the researcher will test reliability by using Cronbach's Alpha Coefficient ( $\alpha$ ) is calculated to estimate the internal consistency of reliability of a measurement scale and reasonable indicator of the internal consistency of instruments. Based on the questionnaires five point likert scale items reliability will be checked by Cronbach's alpha coefficient with the help of SPSS Version 21.0 program software in this study.

Table 2. Reliability of the measurement scales

Independent variables	Number of items or statements	Reliability coefficient Cronbach alpha	Name of the scholar/s who developed the scale, year)
Talent planning	5	0.926	Rovai, Baker & Ponton, (2012, p. 385)
Talent engagement	5	0.882	Mallery (2003)
Talent audit	5	0.865	Rovai, Baker & Ponton, (2012, p. 385)
Talent retention	5	0.918	Mallery (2003)

### **3.10 Data Analysis Methods**

Cooper and Shindler (2014) define data analysis as the process of analyzing, cleaning transforming and modeling data that has been collected for research. Before processing the responses, data preparation was done on the completed questionnaires by editing, coding, entering, and cleaning the data. This study employed quantitative method of data analysis. To ensure effective analysis, the questionnaire will coded according to each variable of the study to ensure the margin of error is minimized as to assure accuracy during analysis. The quantitative analysis will be applies by using descriptive statistics. According to Denscombe (1998), descriptive statistics involves a process of transforming a mass of raw data in to tables, charts, with frequency distribution and percentages, which are a vital part of making sense of the data. Data will analyzes by using IBM Statistical Package for Social Sciences (SPSS) Version 20.0 program and will presents by using tables and pie charts to give a clear understanding of the research findings. Inferential statistics makes inferences about populations using data drawn from the population. Inferential statistics correlation analysis will be used to determine the effect of talent management practices on employee performance.

### **3.11 Ethical Consideration**

At the end of the thesis the researcher were not used name and other personal information. Also the researcher safeguard for all information relates the individuals who involves in the study. Their privacy, identity and confidentiality was maintained by assigning them code numbers instead of names (anonymity). The questioner specifies the objectives of the study. The completed questionnaires were filed safely and would be accessible only to the researcher and thesis advisor. During the data analysis the gathering data were imputed directly obtained from the responses of Alem bank branch employees therefore the end result of study is fully represent Commercial Bank of Ethiopia

## CHAPTER FOUR RESULTS AND DISCUSSION

The purpose of this study was to investigate the effect of talent management practices on employee performance in the case of Commercial Bank of Ethiopia, Alem Bank Branch. This chapter is structured accordingly: first demographic profile of respondents was presented and analyzed followed by general questions about factors determine the employee performance. Demographic information was analyzed by using frequency, distribution tables and percentages. To investigate the effect of talent management practices on employee performance, the researcher used regression analysis. Generally 92 questionnaires were distributed to customers of the bank. Out of which 89 were completed and returned successfully making the response rate to be 96.7%. Finally, conclusion and recommendation was made based on the findings.

### 4.1. Demographic Profile of Respondents

The following tables summarize the demographic information of survey respondents by gender, age, educational level and work experience. Frequency and percentage were used to present the demographic characteristics of survey respondents.

#### 4.1.1. Gender of the respondents

**Table 4.1. Profile of respondents based on sex**

		Sex			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	8	8.2	8.2	8.2
	Female	30	30.9	30.9	39.2
		59	60.8	60.8	100.0
	Total	97	100.0	100.0	

Source;-own survey 2021

As it is depicted in table 1, majority of the respondents or 30(30.9%) of the employee are males and the remaining 59(60.8%) are females. This may show significant proportions of the employee in the bank are mostly female.

#### 4.1.2. Age of the Respondents

**Table 4.2. Age of the respondents**

		Age			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		8	8.2	8.2	8.2
	20-25	19	19.6	19.6	27.8
	26-30	35	36.1	36.1	63.9
	31-35	12	12.4	12.4	76.3
	36-40	10	10.3	10.3	86.6
	41-46	9	9.3	9.3	95.9
	Above	4	4.1	4.1	100.0
Total		97	100.0	100.0	

The sample response shows that 35(36.1%) of the respondents are in age range between 26-30 followed by 19(19.6%) of the respondents whose their age range between 20-25, also 12(12.4%) of the respondents are within the age range of 31-35, 10(10.3%) of the respondents are within the age range of 36-40 and the remaining 4(4.1%) of the respondents age is greater than 46 years. From the above information we have seen that most of them are 26-30 age range.

#### **4.1.3. Education Level of the Respondents**

**Table 4.3: Educational level of respondents**

		Educational qualification			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Diploma	8	8.2	8.2	8.2
	Bachelor degree	9	9.3	9.3	17.5
	Masters degree	53	54.6	54.6	72.2
	Total	27	27.8	27.8	100.0
Total		97	100.0	100.0	

Source: own survey 2020

When we see the educational level of the respondents, 9(9.3%) of the respondents are diploma holders, 53(54.6%) of the respondents have first degree, 27(27.8%) of the respondents have master's degree. From this data, we can see that most of the employees of the branch are bachelor and master's degree holders.

#### 4.1.4. Work experiences of the Respondents

**Table 4.4: Work experiences of respondents**

<b>How many years have you worked in this bank?</b>				
	Frequency	Percent	Valid Percent	Cumulative Percent
	8	8.2	8.2	8.2
Valid Less than 3 years	15	15.5	15.5	23.7
3-5 years	40	41.2	41.2	64.9
6-10 years	25	25.8	25.8	90.7
More than 10 years	9	9.3	9.3	100.0
Total	97	100.0	100.0	

According to the result of table 4.4, majority of the respondents (41.2%) have 3-5 years of experience then 25(25.8%) of the respondents have 6-10 years of experiences & 15(15.5%) of the respondents have 3 years of experiences and finally 9(9.3%) of respondents have more than 10 experiences.

#### 4.2 Reliability Test

In order to know the reliability test the researcher was inserted the coded variables in to spss software. The Cronbach alpha was used to measure internal reliability as it is a widely used measure of internal consistency. A Cronbach,s Alpha above 0.7 is considered acceptable for most research objectives .Allen & Bennett, (2012). Overall, the internal reliability coefficients for the entire constructs are very strong as all alpha coefficients are more than 0.70 Singh, (2007).

The Cronbach - alpha coefficient ranges between 0 & 1. In this study, the reliability coefficients for each of the factors exceed 0.70 indicating acceptable internal consistency and reliability for the five factors.

**Table 4.5 Cronbach alpha test for study variables**

<b>Independent variables</b>	<b>Number of items or statements</b>	<b>Reliability coefficient Cronbach alpha</b>
Talent planning	5	0.926
Talent engagement	5	0.882
Talent audit	5	0.865

Talent retention	5	0.918
Employee performance	5	0.8260

### 4.3.Descriptive statistics

Descriptive statistics was used to assess the current status of talent management practices in the Commercial Bank of Ethiopia. This sub section of the analysis provides the relationship between talent management practices and employee performance. For talent management practices analysis mean score, standard deviations and percentiles was made, in the analysis.

On the basis of a five points Likert scale, the overall mean (M) score between **1-2.33** is considered as low, the score between **2.34-3.67** is considered as moderate, and the mean score between **3.68-5** is taken as high value (Zaidatol et al, 2012). The interpretation of mean values is based on this criterion.

#### 4.3.1. Descriptive statistics for talent planning

**Table 4.6: Descriptive statistics for talent planning**

	<b>Talent Planning</b>	<b>Mean</b>	<b>Standard deviation</b>
1	I believe Talent planning has a high priority in the overall Strategic plan of commercial Bank of Ethiopia (CBE)	3.93	.636
2	The bank can be relied onto keeping its promises for employees on outshine their roles & talents in future leadership positions	3.21	1.344
3	Commercial Bank of Ethiopia has a clear talent planning strategy	3.79	1.192
4	Commercial Bank of Ethiopia has a succession plan for all management posts	3.83	.991
5	chances and opportunity's offered by the bank are Satisfactory for employees to fulfill their future roles in the company	3.87	1.013
	<b>Aggregate</b>	<b>3.726</b>	<b>5.176</b>

In the above table 4.6; the respondents' response about the talent planning was rated as overall mean 3.726. This implies that employees of the bank pay much attention to talent planning as a



significant asset to their performance. The value of the standard deviation, (SD=5.176) implies that the standard deviation value also shown the response of both respondents was around the mean value. This shows that not much more dispersed between the respondents.

**4.3.2. Descriptive statistics for talent audit**

Table 4.7 descriptive statistics for talent audit

	<b>Talent audit</b>	<b>Mean</b>	<b>Standard deviation</b>
1	The bank fulfill its obligations to employees on checking the current skills of an employees are fitted to requirement of the business	4.09	.913
2	The employees of the bank make every effort to address the current, future, and strategic requirement of the business.	4.09	1.018
3	The bank give you individual attention for current levels of competence against the talent between each employees	3.37	1.300
4	This bank does really care for me	4.00	1.034
5	The bank adjusts me a skill development programs for my future carrier	3.94	.697
	<b>Aggregate</b>	<b>19.49</b>	<b>4.962</b>

In the above table 4.6; the respondents’ response about the talent audit was rated as overall mean 4.0. This implies that employees of the bank pay much attention to talent audit as a significant asset to their performance. The value of the standard deviation, (SD=4.962) implies that the standard deviation value also shown the response of both respondents was far from the mean value. This shows that there is much more dispersions between the respondents.

**4.3.3. Descriptive statistics for talent engagement**

Table 4.8: Descriptive statistics for talent engagement

	<b>Talent engagement</b>	<b>Mean</b>	<b>Standard deviation</b>
1	The majority of employees are fully engaged and committed to the company	4.17	.932
2	The bank is flexible when in serving its employees need and wants	3.76	1.216
3	I believe that most of the employees of this bank are	3.99	.872

	Engaged to the system of the banking industry & jobs at different departments.		
4	I consider myself as a loyal, happy and satisfied employee of this bank.	3.82	1.029
5	The organization participates in activities that are vital to the community and the wellbeing of others	4.28	.738
	<b>Aggregate</b>	20.02	4.787

In the above table 4.8; the respondents' response about the talent engagement was rated as overall mean 4.2. This implies that employees of the bank pay much attention to talent planning as a significant asset to their performance. The value of the standard deviation, (SD=4.787) implies that the standard deviation value also shown the response of both respondents was around the mean value. This shows that not much more dispersed between the respondents

#### 4.3.4. Descriptive statistics for talent retention

Table 4.9: Descriptive statistics for talent retention

	<b>Talent retention</b>	<b>Mean</b>	<b>Standard deviation</b>
1	The organization can retain our best performers	4.12	.809
2	Turnover is tracked across divisions, locations, talent levels and managers in order to keep them in touch with the bank for a long time	3.66	1.148
3	The reasons people leave, especially top performers, are recorded and addressed	3.88	1.214
4	The bank gives a serious attention to the top performers in keeping them for a long time in order to be more effective in business	4.49	4.264
5	I can say that managers are held accountable for not losing top performers of the bank	3.75	.969
	<b>Aggregate</b>	19.9	8.404

In the above table 4.8; the respondents' response about the talent retention was rated as overall mean 4.0. This implies that employees of the bank pay much attention to talent retention as a significant asset to their performance. The value of the standard deviation, (SD=8.404) implies that the standard deviation value also shown the response of both respondents was around the mean value. This shows that not much more dispersed between the respondents.

#### 4.3.5. Descriptive statistics for employee performance

	Employee performance	Mean	Standard deviation
1	Service collections from you are fast & reasonable when compared with other banks and branches	4.19	.838
2	Mission and vision statements of the bank rightly Define its commitment towards employee performances.	4.35	.659
3	It doesn't take me a long time to solve problems related to my profession.	4.28	.639
4	I am always present & have no absent at my work	4.42	.580
5	During a working times I am Honest and cooperative to my customers	4.20	.625
	<b>Aggregate</b>	21.44	3.341

#### 4.4. Pearson Correlation Analysis

To investigate the relationship between talent management practice and employee performance in the case of Commercial Bank of Ethiopia, Pearson correlation was computed. The following table represents the results of Pearson correlation on the relationship between employee performance and talent management practices namely talent planning, talent audit talent engagement, talent retention.

This study employs the correlation analysis, which investigates the strength of relationships between the studied variables. Pearson correlation coefficients reveal magnitude and direction of relationships (either positive or negative) and the intensity of the relationship (-1.0 to +1.0).

Correlations are perhaps the most basic and most useful measure of association between two or more variables Marczyk, et al., (2005). As per Marczyk, et al., (2005) general guidelines correlations of .01 to .30 are considered small, correlations of .30 to .70 are considered moderate, correlations of .70 to .90 are considered large, and correlations of .90 to 1.00 are considered very large.

**Table 4.10: Correlation analysis**

		Correlations				
		EP	TP	TE	TA	TR
EP	Pearson Correlation	1	-.182	-.035	.215*	.035
	Sig. (2-tailed)		.088	.748	.043	.741

	N		89	89	89	89
	Pearson Correlation		1	.372**	.175	.117
TP	Sig. (2-tailed)			.000	.101	.275
	N			89	89	89
	Pearson Correlation			1	-.086	.192
TE	Sig. (2-tailed)				.421	.071
	N				89	89
	Pearson Correlation				1	.170
TA	Sig. (2-tailed)					.112
	N					89
	Pearson Correlation					1
TR	Sig. (2-tailed)					
	N	89	89	89	89	89

\*. Correlation is significant at the 0.05 level (2-tailed).

\*\*. Correlation is significant at the 0.01 level (2-tailed).

As we can see from the above table there was only a statistically significant positive correlation between talent acquisition and employee performance ( $r=0.215$ ,  $P\text{-value} < 0.05$ ). However, employee performance does not have a statistically significant relationship with talent planning, talent engagement and talent retention.

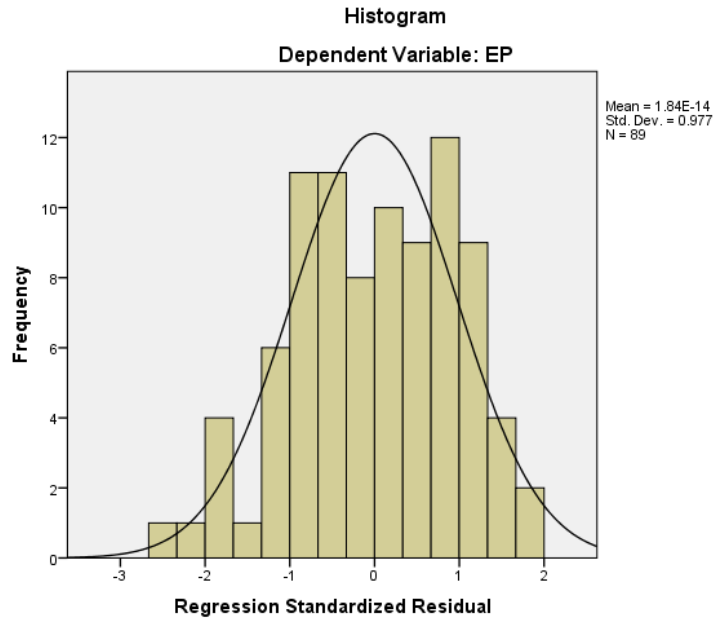
## 4.5 Regression Analysis

### 4.4.1. Basic Assumptions of Regression Analysis

#### 4.4.1.1. Test for Normality

In statistics, normality tests are used to determine if a data set is well-modelled by a normal distribution curve or plots and to compute how likely it is for a random variable underlying the data set to be normally distributed. A graphical tool for assessing normality is the normal probability plot of the standardized data against the standard normal distribution. For a normal data the result should fall approximately within a normal curve line, Gujarati (2002).

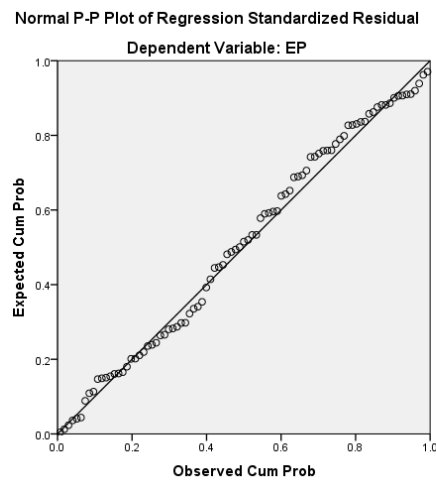
Fig 2. Normality test



From the normality distribution table, we can see & conclude that the distribution of the data is normal and fit with the standard.

#### 4.4.1.2. Test for linearity

Fig 3. Normality assumptions test



For this study a normality test has been conducted and the result on figure 3; shows that most of the line falls approximately with in a normal line but it shows some distributions from the diagonal line and this is because of response variations between employees.

#### 4.3.1.1. Multi-collinearity Test

In multiple regression analysis, multi collinearity refers to the correlation among the independent variables Kline, (1998). According to Kline, (1998) multi-collinearity is not a threat if a correlation value is less than 80%. Before conducting the multiple regression analysis, the researcher examined the result of multiple correlations among the independent variables and found out that, the pair wise correlation between the independent variables is less than 80%, as shown in the below table. VIF (Variance Inflation Factor) is another factor for diagnosis of collinearity so it is supposed to be less than ten which indicates no multi-collinearity problem exists among the independent variables. The following subsections present the results of multiple regression analysis.

**Table 4.11: Multi-collinearity test**

Coefficients <sup>a</sup>			
Model		Collinearity Statistics	
		Tolerance	VIF
1	TP	.819	1.222
	TE	.808	1.238
	TA	.911	1.098
	TR	.928	1.078

a. Dependent Variable: EP

As seen in the above table, VIF results of the independent variables are less than ten and tolerance value above 0.10 which indicate that there is no multicollinearity among them.

#### 4.3.1.2. Test of independent of residuals (no auto correlation)

The Durbin-Watson statistic was used to test for the presence of serial correlation among the residuals. The value of the Durbin-Watson statistic ranges from 0 to 4. As a general rule, the

residuals are not correlated if the Durbin-Watson statistic is approximately 2, and an acceptable range is 1.50-2.50.

**Table 4.12: Durbin-Watson test result Model Summary**

Model	Durbin-Watson
1	1.544

a. Predictors: (Constant), TR, TP, TA, TE

b. Dependent Variable: EP

The above shows that the assumption of independence of residuals is met. Durbin Watson value for this study is 1.544 is accepted since it falls within the required range.

### 4.3.2. Multiple Regression Analysis

Multiple regression analysis was employed to investigate the effect of talent management practice on employee performance in CBE. The following subsections present the results of multiple regressions analysis.

### 4.5.3: Model summary

**Table 4.13- Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.867a	.751	.748	2.96323	1.544

a. Predictors: (Constant), TR, TP, TA, TE

b. Dependent Variable: EP

The above table represents the analysis of multiple regression models for the beta coefficients of each talent management dimensions. Independent variable accounted for 75% of the variance in employee performance ( $R^2 = 0.750$ ). Thus, 75% of the variation in employee performance is explained by the four talent management practices (talent engagement, talent planning, talent

retention, and talent audit). Other unexplored variables may explain the variation in employee performance which accounts for about 25%, shown in the above table.

**4.5.4: ANOVA table**

**Table 4.14- ANOVA Result for talent management and employee performance**

ANOVA <sup>a</sup>					
Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	14.578	4	3.644	252.115	.000b
Residual	127.943	84	1.523		
Total	142.520	88			

- a. Dependent Variable: EP
- b. Predictors: (Constant), TR, TP, TA, TE

As indicated in table 4.10, there is statistically significant effect of the independent variable (talent management) on dependent variable (employee performance) where, (F) value was (255.115) at 0.000 which states that there is significant effect of talent management on employee performance. Therefore, it can be said the regression model as a whole is meaningful for interpretation.

**4.3.3. Coefficients of determination**

Linear regression estimates the coefficients of the linear equation, involving one or more independent variables that best predict the value of the dependent variable. In multiple regressions we use an equation of:

$$y_i = b_0 + b_1X_1 + b_2X_2 + \dots + b_nX_n + E \text{ Where:}$$

- $y_i$  = the outcome variable
- $b_0$  = the coefficient of the predictor ( $X_0$ )
- $b_1$  = the coefficient of the first predictor ( $X_1$ )
- $b_2$  = the coefficient of the second predictor ( $X_2$ )
- $b_n$  = the coefficient of the nth predictor ( $X_n$ )



➤  $E_i$  = the difference between the predicted and observed value of  $y$  for the  $i^{\text{th}}$  participant or an error term

Therefore, in this study the following multiple regressions were used:

Where:  $(y_i)$  = employee performance

TE, (X1) = Talent engagement

TP (X2) = Talent Planning

TR(X3) = Talent retention

TA (X4) = Talent audit

Employee performance =  $b_0 + b_1 (TE) + b_2 (TP) + b_3 (TR) + b_4 (TA) + E$

**Table 4.15 Regression Coefficients Result**

Coefficients <sup>a</sup>						
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	
	B	Std. Error	Beta			
	(Constant)	15.770	1.833		8.602	.000
1	TP	-.138	.061	-.261	-2.283	.025
	TE	.053	.072	.085	.736	.000
	TA	.218	.088	.267	2.469	.000
	TR	.001	.029	.004	.041	.968

a. Dependent Variable: EP

Employee performance =  $15.770 - 0.138 (TP) + .053(TE) + .218 (TA)$

#### 4.6 Hypothesis Testing and Discussions

Proposed hypothesis are tested based on the results of the correlation analysis. By looking at the Sig. - value in Table 13, it is possible to interpret whether the particular independent variable has a significant relationship with the dependent variables. Hypothesis is supported when the Sig. value is smaller than 0.05; and a null hypothesis is rejected when the Sig. value is equal or larger than 0.05. Based on that the researcher was finds the following results.

H1: Talent Planning (TP) has a positive and significant effect on employee performance.

Based on the result of the regression coefficient ( $B=0.138$ ) the p-value of the Talent Planning is less than 0.05%. Based on the above result, talent planning has a negative and significance effect on the employee performance. As a result the hypothesis is rejected.

H2: Talent engagement (TE) has a positive and significant effect on employee performance.

Based on the result of the regression coefficient, the p-value of talent engagement is less than 0.05%. Based on the above result, talent engagement has a positive and significance effect on the employee performance ( $B=.053$ ,  $P<0.05$ ). This implies that a one unit increase in the organization's effort to carryout talent engagement related activities leads to a 0.053 units in employee performance. As a result the hypothesis is supported.

H3: Talent audit (TA) has a positive and significant effect on employee performance.

Based on the result of the regression coefficient the p value of Talent audit is less than 0.05%. Based on the above result, talent audit has a positive and significance effect on the employee performance ( $B=.218$ ,  $P<0.05$ ). This implies that a one unit increase in the organization's effort to carryout talent audit leads to increase a 0.218 units in employee performance. As a result, the hypothesis is supported.

H4: Talent retention has a positive and significant effect on employee performance.

Based on the result of the regression coefficient ( $B=.001$ ) the p value of the Talent retention is greater than 0.05%. On the basis of the above result, talent retention has a positive but insignificance effect on the employee performance. As a result the hypothesis is rejected.

## **4.4.Discussion**

### **4.5.5.3.1 Effects of Talent Planning (TP) and Employee Performance**

This study established the existence of a statistically significant relationship between Talent Planning and employee performance. This finding is in line with Cascio (2010) who had observed that organizations that did promote efficient planning programs had higher levels of employee performance compared to those that did not. This is collaborated by Rothwell and Kazanas (2003) who found out that talent planning requires not only formal planning but also there are other approaches such as mentoring and autonomous learning. Equally, Wright, Gardner and Moynihan, (2003) had argued that in as much as most organizations use planning and

development as a psychological connection between the company and the employee, the end goal is actually to enhance employee performance.

Majority of respondents believed that systematic planning is essential for enhancing employees' performance. This is in line with Aswathappa (2008) argument that talent planning improves current or future employee performance by improving an employee's ability to perform through talent planning, usually by changing attitudes or increasing skills and knowledge. Further, he argued that the organization must offer a wide range of development provision, enabling staff to gain the skills, competences and experience necessary to contribute to the attainment of individual, team and organizational goals and expectations. Thus, it could be argued that the talent planning of employees provides an opportunity to widen knowledge and capabilities that enhances more efficient cooperation at the workplace thus achieving individual development and improving work performance.

Many of respondents believed that a suitable work environment that enhances employees' creativity is important for employees' performance. In this regard, talent planning not only provide employees the ability to sharpen their thinking and creativity but also be able to make better decision in time and in a more productive manner resulting to enhanced performance. Moreover, it also enables employees to deal with the customer in an effective manner and respond to their complaints in timely manner (Hollenbeck, Derue & Guzzo, 2004).

The findings of this study revealed that many of respondents felt that when an organization implements mechanisms for talent planning, then employee's performance is enhanced. This finding is confirmed with Cheboi (2014) argument that employee talent planning generates an improvement in performance related benefits for both the organization and the employee. This is partly because talent planning positively influences employee's performance due to development of knowledge, behaviour, abilities, skills and competencies. talent planning bridges the performance gap in the implementation of tasks since it comes as an intervention for developing fastidious skills and competencies of employees thus enhancing their performance. talent planning therefore enhances employee competencies hence enables them to implement their job related tasks efficiently thus facilitating the achievement of the firm's objectives. Furthermore, cases of dissatisfaction, turnover and absenteeism will be reduced if and only employees are

trained. All these reductions will translate to improved employee job performance leading to overall enhancement of overall organizational performance (Cheboi, 2014).

#### **4.4.1 Effect of Talent Retention strategies and Employee Performance**

The findings of this study revealed the existence of a insignificant effect of talent retention strategies on employee performance. This finding is in line with the findings by Agrela (2008) who noted that talent strategies enable an organization to pursue high performance and improved results through talent management. Agrela, (2008) argued that talent strategies enabled organizations to focus on factors that affect employee retention leading to growth and success of organizations as employees' performance is enhanced through talent programs within the organizations. The findings of this study revealed that many of the respondents believed that when an organization identifies and prepares potential employees to take up responsibility of key staff leaving an organization, this leads to enhanced employee performance. Milkovich and Boundreau (1988) had argued on the same line when he asserted that regardless of the expansion or contraction of the total workforce in the organizations, retention of key talented employees is important. He further stated that the availability of the right number, right kind of management staff at the right time and in the right positions is imperative enhances employee performance. It is therefore important that when a sudden vacancy occurs in an organization, there is need to have employees who have already been groomed and who are talented enough to take up the role of the departing employee. It could be argued that when an organization loses its talented employee, it exposes itself to drastic changes in employee performance. Therefore, planning on how a departing and talented employee's role is going to be filled is very important to organizations.

The findings of this study also revealed that majority of respondents felt that on-going processes for developing employee's careers contributes to employee performance. This is in line with the argument advanced by Guthridge, Harttig, Komm and Lawson (2010) who noted that the primary role of talent planning is to enhance easy identification of future talents which are needed at all organizational levels. The talent planning process endeavors to obtain an optimal talent positioning level that refers to having the correct talent at both the right time and place. When an organization ensures that processes are in place not only to monitor performance but also to identify talent that will be critical for continuous employee performance in future.

The findings of this study revealed that majority of the respondents believed that when an organization has a well-articulated succession plan that enables employees to perform managerial roles, this enhances employees' performance. A study by Tunje (2014) had established similar findings. Tunje (2014) noted that there existed a relationship between succession planning practices and employee performance in large media houses in Kenya. The study findings revealed that a positive relationship actually exists between various practices of succession planning and employee performance. The findings suggested that practices geared towards succession planning enhanced employee satisfaction that in turn enabled them to stay motivated to perform better at the current firm hence shun possibilities of leaving. These findings can be extrapolated to the real estate sector since respondents for this study had similar sentiments. When an organization provides mechanisms for employees to ascend to higher levels of organizational hierarchy, it enables the employees to glean on skills and experiences that enhance their abilities and skills. When an employee can be able to take up managerial roles, then succession within an organization can take up easily without major disruptions both to employees' performance and to the organizational performance.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

## 5.1 Introduction

In this chapter, an attempt is made to discuss the findings of the research based on empirical analysis of collected data by referring objectives of the study in a comprehensive way. As a result recommendations are given for the concerned bank.

## 5.2 Summary of major findings

This study was conducted to investigate or explore the Effect of Talent Management practice on Employee Performance in the case of commercial bank of Ethiopia & the results were described by the major findings as follows. To test the research hypotheses, the researcher has used linear regression analysis. This is supported by descriptive statistics.

The R (Coefficient of Correlation) which is simply a measure of the degree of association or co-variation that exists between independent variables (Talent Management practice ) and dependent variable (employee performance). It only measures degree of association or variation between the two variables. In this case the value of R which is 0.86 shows, there is a very strong relationship between the independent variables and dependent variable. By testing the R square (Coefficient of Determination), as the proportion of the total variation or dispersion in the employee performance (dependent variable) that explained by the variation independent variables in the regression is 0.75; meaning, 75% of employee performance is explained by the linear relationship with all the independent variables (Talent Management practice).

Adjusted R square is 0.748 which indicates the amount of variation in one variable that is accounted for by another variable. In another word, through the survey with 92 target respondents, their performance is account for 96.74 percent of total variation in employee performance. This indicates that the level of relationship between Talent Management practice and employee performance is on banking sector is high.

The beta value shows that talent audit & talent engagement have a positive as well as a significant correlation with the employee performance.

The result of Pearson correlation indicates that there was only a significant positive correlation between talent engagement and employee performance ( $r=0.215$ ,  $P\text{-value} < 0.05$ ). However, employee performance does not have a statistically significant relationship with talent planning, talent engagement and talent retention.

based on the result of regression analysis, only two out of four hypotheses tests are accepted & study found that talent engagement has a positive and significance effect on the employee performance ( $B=.053$ ,  $P<0.05$ ). This implies that a one unit increase talent engagement increases 0.053 units in employee performance. Moreover, based on the result of the regression analysis, talent audit has a positive and significance effect on the employee performance ( $B=.218$ ,  $P<0.05$ ). However, this study could not find a statistically significant effect of talent planning and talent retention on employee performance.

Generally speaking, the regression model developed under the study can be considered as a good predictor of employee performance of the bank. The individual effects of the independent variables can be explained by their respective beta coefficients. By looking its standardized coefficients (beta) talent audit has the highest standardized coefficient and it means it is the best predictor. And followed by talent engagement respectively in their descending order is the predictor of employee performance.

### **5.3 Conclusion**

This study was conducted to investigate the effect of talent management practice on employee performance in the case of commercial bank of Ethiopia, Alem Bank Branch. This study is evaluated on the basis of Talent Management practice dimensions encompassing talent planning, talent engagement, talent audit, and talent retention. Based on these, four talent management practice dimensions questionnaire is conducted to all aspects of the employee performance.

The study had also discovered from the data analyzed, talent management practices has a significant association with employee performance except the forth variable i.e Talent retention. It also revealed that Talent audit & Talent engagement, has positive significant association with employee performance. Talent Planning were found negative and statistically significant relationship with the dependent variable (employee performance). In addition to that Talent retention has no statistical relationship with the employee performance. To identify the relationship between Talent Management practice and employee performance in CBE employees Pearson correlation analysis was used. It was found that the three dimensions of Talent Management practice are important for employee performance of CBE.

## **5.4 Recommendations**

Based on the results of the analysis concerning about Talent Management practice and employee performance the following recommendations are forwarded.

Employees performance play significant role in the success of every business endeavor. In this view banks and financial sectors are encouraged to improve and sustain their Talent Management practice according to the needs and wants of their employees and their internal.

Since this study has revealed the existence of a significant relationship between talent retention strategies and employee performance, it is important that CBE establish talent retention strategies and make them known to all employees. This is to ensure that employees are aware that the organization is making necessary effort to enhance their performance. Equally, each of the talent strategies should be used in a targeted manner for each employee. Talent strategies that work for employees in one department might not work for employees in another department due to different career needs. Similarly, even within same departments, each employee should be targeted with specific sets of strategies that are suitable and complimentary to their personality, work, motivation and level of responsibility within the organization. The adopted talent strategies should be evaluated periodically within the industry standards to ensure sustainable competitive advantage for employees at CBE.

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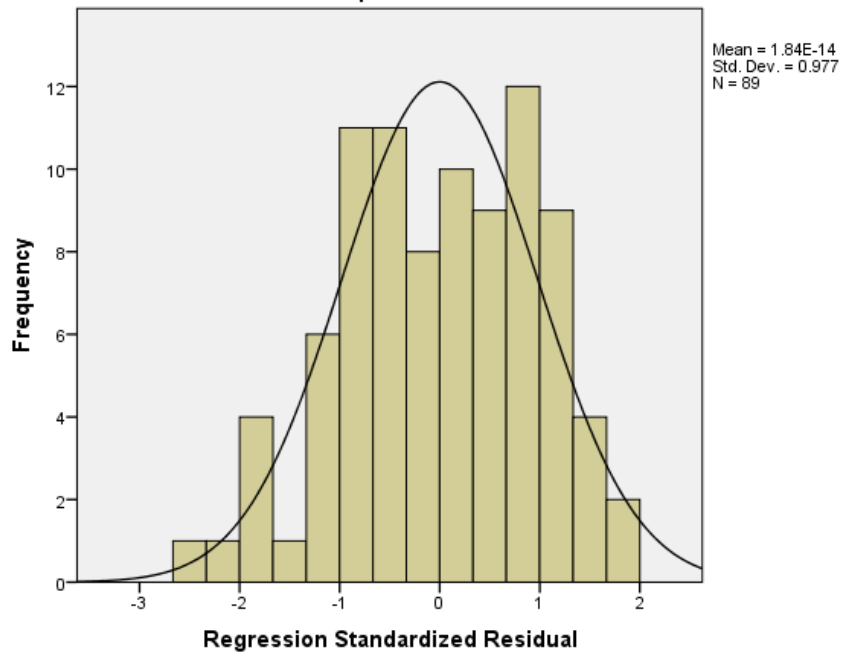
#### **Appendix A**

**Gender**

	Frequency	Percent	Valid Percent	Cumulative Percent
	8	8.2	8.2	8.2
Valid	30	30.9	30.9	39.2
Female	59	60.8	60.8	100.0
Total	97	100.0	100.0	

**Histogram**

**Dependent Variable: EP**



**Age**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	8	8.2	8.2	8.2

20-25	19	19.6	19.6	27.8
26-30	35	36.1	36.1	63.9
31-35	12	12.4	12.4	76.3
36-40	10	10.3	10.3	86.6
41-46	9	9.3	9.3	95.9
Above	4	4.1	4.1	100.0
Total	97	100.0	100.0	

#### Educational qualification

	Frequency	Percent	Valid Percent	Cumulative Percent
	8	8.2	8.2	8.2
Diploma	9	9.3	9.3	17.5
Valid Bachelor degree	53	54.6	54.6	72.2
Masters degree	27	27.8	27.8	100.0
Total	97	100.0	100.0	

#### How many years have you worked in this bank?

	Frequency	Percent	Valid Percent	Cumulative Percent
	8	8.2	8.2	8.2
Valid Less than 0-2 years	15	15.5	15.5	23.7
3-5 years	40	41.2	41.2	64.9
6-10 years	25	25.8	25.8	90.7
More than 10 years	9	9.3	9.3	100.0
Total	97	100.0	100.0	

#### Reliability Statistics

Reliability Statistics

Cronbach's Alpha	N of Items
.7042	4

Descriptive Statistics

	N	Sum	Mean	Std. Deviation
I believe Talent planning has a high priority in the overall Strategic plan of commercial Bank of Ethiopia (CBE)	89	350	3.93	.636
The bank can be relied onto keeping its promises for employees on outshine their roles & talents in future leadership positions	89	286	3.21	1.344
Commercial Bank of Ethiopia has a clear talent planning strategy	89	337	3.79	1.192
Commercial Bank of Ethiopia has a succession plan for all management posts	89	341	3.83	.991
chances and opportunity's offered by the bank are Satisfactory for employees to fulfill their future roles in the company	89	344	3.87	1.013

Valid N (listwise)

89

**Descriptive Statistics**

	N	Sum	Mean	Std. Deviation
The bank fulfill its obligations to employees on checking the current skills of an employees are fitted to requirement of the business	89	364	4.09	.913
The employees of the bank make every effort to address the current, future, and strategic requirement of the business.	89	364	4.09	1.018
The bank give you individual attention for current levels of competence against the talent between each employees	89	300	3.37	1.300
This bank does really care for me	89	356	4.00	1.034
The bank adjusts me a skill development programs for my future carrier	89	351	3.94	.697
Valid N (listwise)	89			

**Descriptive Statistics**

	N	Sum	Mean	Std. Deviation
The majority of employees are fully engaged and committed to the company	89	371	4.17	.932
The bank is flexible when in serving its employees need and wants	89	335	3.76	1.216
I believe that most of the employees of this bank are Engaged to the system of the banking industry & jobs at different departments.	89	355	3.99	.872
I consider myself as a loyal, happy and satisfied employee of this bank.	89	340	3.82	1.029



The organization participates in activities that are vital to the community and the wellbeing of others	89	381	4.28	.738
Valid N (listwise)	89			

**Descriptive Statistics**

	N	Sum	Mean	Std. Deviation
The organization can retain our best performers	89	367	4.12	.809
Turnover is tracked across divisions, locations, talent levels and managers in order to keep them in touch with the bank for a long time	89	326	3.66	1.148
The reasons people leave, especially top performers, are recorded and addressed	89	345	3.88	1.214
The bank gives a serious attention to the top performers in keeping them for a long time in order to be more effective in business	89	400	4.49	4.264
I can say that managers are held accountable for not losing top performers of the bank	89	334	3.75	.969
Valid N (listwise)	89			

**Descriptive Statistics**

	N	Sum	Mean	Std. Deviation
Service collections from you are fast & reasonable when compared with other banks and branches	89	373	4.19	.838
Mission and vision statements of the bank rightly Define its commitment towards employee performances.	89	387	4.35	.659

It doesn't take me a long time to solve problems related to my profession.	89	381	4.28	.639
I am always present & have no absent at my work	89	393	4.42	.580
During a working times I am Honest and cooperative to my customers	89	374	4.20	.625
Valid N (listwise)	89			

**Correlations**

		EP	TP	TE	TA	TR
EP	Pearson Correlation	1	-.182	-.035	.215*	.035
	Sig. (2-tailed)		.088	.748	.043	.741
	N	89	89	89	89	89
TP	Pearson Correlation	-.182	1	.372**	.175	.117
	Sig. (2-tailed)	.088		.000	.101	.275
	N	89	89	89	89	89
TE	Pearson Correlation	-.035	.372**	1	-.086	.192
	Sig. (2-tailed)	.748	.000		.421	.071
	N	89	89	89	89	89
TA	Pearson Correlation	.215*	.175	-.086	1	.170
	Sig. (2-tailed)	.043	.101	.421		.112
	N	89	89	89	89	89
TR	Pearson Correlation	.035	.117	.192	.170	1
	Sig. (2-tailed)	.741	.275	.071	.112	
	N	89	89	89	89	89

\*. Correlation is significant at the 0.05 level (2-tailed).

\*\*. Correlation is significant at the 0.01 level (2-tailed).

**Coefficients<sup>a</sup>**

Model		Collinearity Statistics	
		Tolerance	VIF
1	TP	.819	1.222
	TE	.808	1.238
	TA	.911	1.098
	TR	.928	1.078

a. Dependent Variable: EP

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.867a	.751	.748	2.96323	1.544

a. Predictors: (Constant), TR, TP, TA, TE

b. Dependent Variable: EP

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	14.578	4	3.644	252.115	.000b
	Residual	127.943	84	1.523		
	Total	142.520	88			

a. Dependent Variable: EP

b. Predictors: (Constant), TR, TP, TA, TE

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	15.770	1.833		8.602	.000
1 TP	-.138	.061	-.261	-2.283	.025
TE	.053	.072	.085	.736	.000
TA	.218	.088	.267	2.469	.000
TR	.001	.029	.004	.041	.968

a. Dependent Variable: EP

## Appendix B

**St. Mary's University,**  
**School of Graduate Studies**  
**Department of General MBA**

## Questionnaires to be filled by managerial and non-managerial employees

Dear Respective Respondents

I am a post graduate student in MBA program and I am conducting a study entitled “*The Effect of Talent Management practice on Employee Performance in the case of commercial bank of Ethiopia*”. To this end, questionnaire is used to collect pertinent data from commercial bank of Ethiopia employees which help me to evaluate the effect of talent management practice on employee performance. Your response will be used for research purpose only and shall not be disclosed in any way and utmost confidentiality will be maintained. Thank you for your willingness to spare 15 minutes from your precious time to participate in this survey.

### Part: Socio-Demographic Characteristics of Respondents

1 Gender:

- a) Male
- b) Female

2. Age

- a) 20-25
- b) 26-30
- c) 31-35
- d) 40-45
- e) Above 45

3. Educational qualification

- a) Diploma
- b) Bachelor degree
- c) Masters degree
- d) PhD

4. How many years have you worked in this bank?

- a) Less than 0-2 years
- b) 3-5 years
- c) 6-10 years
- d) More than 10 years

5. What is your job category in the organization?

- a) Managerial
- b) Non managerial

### Part II: Talent Management Practices

The research has established that talent management practice has four key components namely: talent planning, talent engagement, talent audit and talent retention. Please indicate the extent to which you perceive that the following statements by using five points Likert scale (1=strongly disagree, 2=Disagree, 3=Neutral, 4=agree, 5=strongly agree)

#### I. Talent Planning

	<b>Talent Planning</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
1	I believe Talent planning has a high priority in the overall Strategic plan of commercial Bank of Ethiopia (CBE)					
2	The bank can be relied onto keeping its promises for employees on outshine their roles & talents in future leadership positions					
3	Commercial Bank of Ethiopia has a clear talent planning strategy					
4	Commercial Bank of Ethiopia has a succession plan for all management posts					
5	chances and opportunity's offered by the bank are Satisfactory for employees to fulfill their future roles in the company					

## **II. Talent engagement**

	<b>Talent engagement</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
1	The majority of employees are fully engaged and committed to the company					
2	The bank is flexible when in serving its employees need and wants					
3	I believe that most of the employees of this bank are Engaged to the system of the banking industry & jobs at different departments.					
4	I consider myself as a loyal, happy and satisfied employee of this bank.					
5	The organization participates in activities that are vital to the community and the wellbeing of others					

## **I. Talent audit**

	<b>Talent audit</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
1	The bank fulfill its obligations to employees on checking the current skills of an employees are fitted to requirement of the business					
2	The employees of the bank make every effort to address the current, future, and strategic requirement of the					

	business.					
3	The bank give you individual attention for current levels of competence against the talent between each employees					
4	This bank does really care for me					
5	The bank adjusts me a skill development programs for my future carrier					

### I. Talent retention

	<b>Talent retention</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
1	The organization can retain our best performers					
2	Turnover is tracked across divisions, locations, talent levels and managers in order to keep them in touch with the bank for a long time					
3	The reasons people leave, especially top performers, are recorded and addressed					
4	The bank gives a serious attention to the top performers in keeping them for a long time in order to be more effective in business					
5	I can say that managers are held accountable for not losing top performers of the bank					

	<b>Employee performance</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
1	Service collections from you are fast & reasonable when compared with other banks and branches					
2	Mission and vision statements of the bank rightly Define its commitment towards employee performances.					
3	It doesn't take me a long time to solve problems related to my profession.					
4	I am always present & have no absent at my work					
5	During a working times I am Honest and cooperative to my customers					

