

**EMPLOYEE PERCEPTIONS ON THE EFFECTS OF TALENT MANAGEMENT
ON RETENTION AT NICO HOLDINGS LIMITED IN MALAWI**

**MASTER OF ARTS (HUMAN RESOURCE MANAGEMENT & INDUSTRIAL
RELATIONS) THESIS**

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UNIVERSITY OF MALAWI

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By

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Administrative Studies, in partial fulfilment of the requirements for the degree of
Master of Arts degree in Human Resource Management & Industrial Relations

University of Malawi

December 2022

DECLARATION

I declare that I have composed the thesis and that the work has not be submitted for any other degree or professional qualification. I confirm that the work submitted is my own, except where work, which has formed part of jointly authored publications, has been included.

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Signature

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CERTIFICATE OF APPROVAL

The undersigned certify that this thesis represents the student's own work and effort and has been submitted with our approval.

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DEDICATION

I dedicate the research paper to my late parents, Mr. & Mrs. Mazulu in heaven for granting me the opportunity to go to school and acquire knowledge; if I had one wish I would ask God to let you enjoy the fruits of your sweat even if it was for just one day. And to my Daughter Bella Ng'ambi, my Siblings Kingstone, Tamanda, Natasha and Akuzike Mazulu and my closest friends Lusungu Mbale and Fatsani Jussab for the support they have provided during this study. Lastly, the success of this thesis is dedicated to my mentor Professor Happy Kayuni who provided both mental and academic support.

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ABSTRACT

Talent management and employee retention are one of the challenges facing many organizations in both public and private sectors. Retention of talented employees has become an even greater challenge confronting human resource practitioners. Organisations in Malawi are operating in a highly competitive environment owing to today's rapidly moving dynamic, uncertain and highly competitive global markets. The increasing importance of talent management in the modern and competitive business world has therefore initiated a need to focus on managing talent as an organizations competitive asset. The objective of this study was to examine employee perceptions on the effects of talent management on employee retention at NICO Holdings Limited in Malawi. Specifically, the objectives were to establish whether recruitment, succession planning, training and development and performance management influenced employee retention at NICO Holdings Limited. The study adopted the descriptive research design and the target population for this study comprised of 289 staff working at the organisation. The study had a sample frame of 92 respondents with a sample size of 50, and the target population included supervisors, middle level management and senior management as talent management at NICO Holdings Limited only targets those levels. Data was collected with the help of interview guides and questionnaires, which were both structured and semi-structured. Quantitative data was analysed using excel and presented in form of pie charts, graphs and tables. Qualitative data was analysed manually and involved classification of themes. The research findings indicated that among other factors; recruitment, succession planning, training and development and performance management have a great influence on employee retention at NICO Holdings Limited. The study recommends that another study be carried out using a larger sample size and in a different study setting in order to compare results and generalize results for the insurance sector. Further studies focusing on succession planning and talent management or retention should also be explored.

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LIST OF ACRONYMS

CEO	Chief Executive Officer
CIPD	Chartered Institute of Personnel and Development
HCI	Human Capital Institute
HRM	Human Resource Management
ICT	Information and Communication Technology
ILO	International Labour Organisation

CHAPTER ONE

BACKGROUND TO THE STUDY

1.1 Introduction

This chapter provides background information to the study; it provides a context of the study focusing on the effects of talent management on employee retention. The chapter will then follow with a discussion on the study objectives, and conclude by providing a justification/significance of the study.

1.2 Background to the study

Organizations need resources to increase their effectiveness and these resources include, people, money and machines. Of these resources, people are the most critical resource in every country's socio- economic development processes. Previously, people in an organization were considered as part of the machinery which is no longer the case, more value is being accorded to them as they are regarded as talent. Due to the enormous differential value created by a talented employee, the recent researches in human resource sector tend to concentrate on retention of talented employees than of entire workforce. No organization can even imagine the risk of losing its top talent, especially its opponent. At times, a single employee can even change the destiny of the entire organisation (Narayanan, 2016). Organizations are therefore striving to find ways of retaining these talented human resource hence, talent management is fast gaining popularity for most if not all organizations in the world. To attract and retain the best talent, an organization must have a strong and positive employer brand. Through their outstanding competence and ability, talented people drive companies forward (Mkamburi & Kamaara, 2017).

It is hard to find a universal definition of talent as there are numerous definitions found in the field of Human Resource Management. As defined by the CIPD in Armstrong (2011, p. 238), ‘Talent consists of those individuals who can make a difference to organizational performance, either through their immediate contribution or in the longer term by demonstrating the highest levels of potential.’. Talent management is the process of identifying, developing, recruiting, retaining and deploying those talented people. It aims to develop the right people in the right jobs at the right time, ensuring the right environment for individuals to deliver their best and remain committed to the organization (Oluochi, 2017).

The demand for competent employees has been on the rise forcing organizations to competitively fight for the best talent (Armstrong, 2010). As the leadership of organizations strive to find talented workers on the market, they face challenges in retaining these knowledgeable workers. Scullion and Collings (2010) state that talent management is increasingly identified as a critical success factor in the corporate world. Companies are in a dilemma of how to address talent management especially in today’s global economy where every organizational leader must continually invest in human capital to combat the shortage of talent. The “War for Talent”-discussion, initiated in the change of the 21st century by Michaels, Handfield-Jones and Axelrod 2001 (cited in Aarnio 2016), first raised attention towards the increasing competition of talent. Since then, Talent Management has gained ground as a dominant Human Resource topic, not only among HR professionals but also among executives (Cascio & Aguinis, 2008; BCG, 2014; Thunnissen et al., 2013). During this period, firms around the world were threatened by the demand for talented employees that far surpassed the supply. This created global talent shortages as a result; talent acquisition, management and retention became a key expression in global business. The strong interest of practitioners then was the driving force of talent management but in recent years the interest has grown quickly also among the academics (Thunnissen et al., 2013). This assumes that talent management is a global challenge and as such organizations across the continent are competing for this scarce talent. Managing talent is a challenge to all organizations in the context of globalization irrespective of the country. Moreover, the concern about the scarcity of talent is almost universal. Trends of global integration has shown that there is standardization in the way organizations recruit

develop and manage talent to ensure their competitive position and consistency. Therefore organizations have to adapt to global best practices of talent management and at the same time adapting to the local requirements and local labor market (Lyria, 2014).

Research suggests that interest in global talent management has increased considerably in the past decade. A report by Economist Intelligence Unit of 2006 (cited by Scullion, Collings & Caligiuri, 2010; Farndale et al., 2010) highlighted the growing interest in talent management among Chief Executive Officers (CEOs) and suggested that 70 per cent of corporate leaders spend more than 20 per cent of their time on talent management activities. The report further confirms that the global top human resource executives are having a hard time getting a good night's sleep over retaining top talent. In their 2012 survey of nearly 800 human resources executives, 74% said their job stress level had skyrocketed in the past 18 months due to several key concerns particularly retaining top talent, developing leaders and addressing staff turnover in general. Comparably Pricewaterhouse Coopers' 11th annual global survey showed that almost 90 per cent of CEOs surveyed put the 'people agenda' as one of their top priorities (Pricewaterhouse Coopers, 2008).

Though Talent Management has become popular globally, organizations in Africa have failed to effectively develop and maintain the unique talents of their workforce even when their talents are recognized (Mkamburi & Kamaara, 2017). CEOs in Africa are continuously recruiting and fighting for the best talent but do not have mechanisms in place to retain them such that talent management has become their top agenda. In the 17th Annual global CEO survey conducted by Price water House Coopers (2012) it was revealed that skills shortage was their serious concern and as such 93% of the CEOs recognized the need to focus more on the strategies that will attract and retain talent. The shortage in talent is due to employees hopping from one organization to the other trying to find a place to belong. Sometimes these talented employees especially from poor African countries will look for better opportunities in other continents such as Canada, France, United Kingdom, and United States among others.

Malawi's labour industry is facing challenges of hiring, retaining and motivating professional talent, leading to shortage of talent on the market as recognized by the Malawi

Public Sector Reform policy (2018). This is due to advancement in technology, globalization and increasing global competition. For example, retirement of employees leads to shortages of talent, as there are no qualified personnel within and outside the organisation to fill these positions. This has led to low employee morale and motivation, which has been one of the major problems affecting most organisations in Malawi resulting in loss of qualified talent in many organizations. Jamu (2017) concurs with the finding that organizations in Malawi fail to offer competitive and retentive pay package to retain their talent. Notwithstanding this fact, these organizations still play a valuable role in producing and creating wealth necessary for enhancing national development. Kibui (2015, p.3) states that for organisations to play this role, it is important that they are governed and managed effectively, efficiently and sustainably. Employee retention therefore poses as a challenge in organizations due to the movement of employees to organizations that are receptive to change. This study addresses the perceived effects of talent management on employee retention at NICO Holdings Limited.

1.3 Problem Statement

Talent management is a business strategy that organizations believe will enable them to retain their top talented employees and improve organization's performance. High employee turnover as suggested by Malawi Public Service Management Policy 2018-2022 (2018) has been prevalent among many industries in Malawi. It cuts across industries in both the public and private sectors of the economy. The need to retain talent in most organisations is the key principle of Human resource management. Many at times organisations seek to acquire the most talented workforce but do not really do much in retaining them to ensure a continuous flow of work. Organisations spend many resources in recruitment and selection, which is just a part of an entire talent management system, but do not effectively manage them, only to lose them in the end (Oluochi, 2017).

The world is currently advancing in ICT such that changes in organisations in technology, culture and social are unavoidable. Training and career advancement opportunities, career management, succession progression and coaching service should be adopted by department heads to their employees in order for an organization to attract, retain and render employees loyalty.

Most employees now prefer to work in environments where they can develop, upgrade themselves, continuous learning and in which their ideas are implemented and encouraged. Unfortunately, many organizations have not woken up to this reality, and have lost their most talented workforce which has led to low returns and at the worst closure of these companies. The International Labor Organization (ILO) report (2012) indicated that about 50% to 67% of the companies that closed down in Africa had at least something to do with poor human resource management among them being to do with talent management. Kayuni and Tambulasi (2007) confirm of high turnover rates in Malawi in general and specifically amongst public teaching sectors. This problem has not spared the private sector. NICO Holdings Limited has been on the receiving end of high turnover of its highly trained employees, a case that raised concerns as to whether it could be something to do with talent management crisis (NICO Annual Report, 2014). The Organization sought the immediate address of the situation by introducing and implementing talent management as a strategy to reduce the turnover, which was very high. Even though the organisation, practitioners and consultants praise talent management for the miracles it can create in an organisation, how talent management leads to greater employee retention, seems to be an unexplored terrain.

Several studies on talent management and employee retention have been conducted, for instance Bakuwa (2013) carried out a study on staff retention in developing countries: a case study of an ngo in the health sector; Jamu (2017) conducted a study on an institutional analysis of academic talent management in Malawian Universities. Other studies include the effect of talent management on organizational performance in companies listed in Nairobi securities exchange in Kenya by Lyria (2015); Retention of health workers in Malawi: perspectives of health workers and district management by Manafa et al., (2009) and teacher turnover in malawi's ministry of education: realities and challenges. However, these studies have not focused on how talent management leads to increased talent retention rates creating a gap on the linkage between talent management and retention. Just like any other strategies, talent management on its own cannot directly influence retention of employees. In fact, a limited number of studies as highlighted above have examined employee retention in Malawi, mostly in the health industry but few have so far addressed the point that talent management can be a significant solution to retaining employees. This

study has therefore been driven by this gap and following the above background, the researcher seeks to establish the perception of employees on the effect of talent management on employee retention at NICO Holdings Limited, following the implementation of talent management in 2014. Being a financial services company offering different services in insurance, banking, asset management and so on, the company forms a perfect industry to study. It also has the ideal combination of talent ranging from shared services such as finance to specialized talents such as Insurers and IT experts among others.

1.4 Research Questions

4.1.1 Main Research Question

The main research question is, does talent management have an effect on the retention of employees?

4.1.2 Research Questions

The fundamental questions to be examined in the study will be as below:

- a) What are the strategies of managing employee talent at Nico Holdings Limited?
- b) How does performance management and succession planning affect employee retention?
- c) How does training and development affect employee retention?
- d) What are the challenges facing talent management in retaining employees?

1.5 Study Objective

The objective of this study is to assess employee perceptions on the effect of talent management on employee retention at NICO Holdings Limited- Malawi.

1.6 Specific Study Objectives

The study is guided by the following objectives:

- a) To examine talent management strategies implemented for employee retention.
- b) To analyse the effect of performance management and succession planning on employee retention.
- c) To analyse the effect of training and development on employee retention.
- d) To assess the challenges facing talent management in retaining employees.

1.7 Justification of the Study

The findings of this study will improve an understanding of talent management and how it leads to employee retention at NICO Holdings Limited by revealing the challenges and gaps that the organisation is facing in managing and retaining talent. The study is of assistance to academicians, scholars and other stakeholders as a platform for further research on the role of talent management on employee retention. It will also help management at NICO Holdings Limited to gain an in-depth understanding of how talent management as an independent variable influences employee retention at NICO Holdings Limited.

1.8 Chapter Conclusion

The chapter has discussed the background to talent management and employee retention. A broader context of talent management and employee retention from the global, to the regional experience and finally Malawi. The chapter has discussed the specific objectives guided by the main objective and significance of the study. Chapter two provides an in depth discussion of the literature review that guided the study.

CHAPTER 2

LITERATURE REVIEW AND THEORITICAL FRAMEWORK

2.1 Introduction

Retaining talented employees is one of the critical issues facing organizations today because of shortage of skilled workers, economic growth and high employee turnover. The employment relationship is undergoing fundamental challenges that have implications in attraction, motivation and retention of talented employees and talent shortage has resulted to fierce competition. This chapter provides an overview of related literature and looks at related past studies in this area and the gaps inherent in organizations in terms of talent management.

2.2 Talent and Talent Management

The term talent dates back to ancient Greeks and biblical times, starting out as a measure of weight, then becoming a unit of money, and later meaning a person 's value or innate abilities (Silzer & Dowell, 2010). Tansley et al., (2007 cited in Onyando 2018) highlighted the difficulty in defining organizational talent because of the complexity in the issue and as such there exists different definitions of the term talent, nevertheless a commonly agreed definition has not been found. The definitions of talent however, are still organisational specific and highly influenced by the industry type and nature of work as these definitions are dynamic which may vary between organisations, or within the organisation over time (Narayanan & Rajithakumar, 2018, p. 31). According to Chartered Institute of Professional Development (2021), talent consists of those individuals who can make a difference to organizational performance either through their immediate contribution or, in the longer-term, by demonstrating the very best levels of potential.

Based on the aforementioned definition, organisations must have adequate human resources of high quality and quantity to achieve their current and future business priorities. Consequently, all employees are talented because they have the skills, capacity or/and the capabilities that are important to their organizations. In respect to the individual differences, employees might have the skills in specific areas that can be considered as being talent in that particular part. Therefore, talented employees can indeed be found anytime and anywhere throughout the whole organization. A need will then arise to manage these employee abilities, so that the organization will not be losing the performance and competitive advantages of those talented employees hence the term talent management.

Going through literature, several definitions for talent management exist but how much they are applicable to employees at different organizations is another issue. This has posed as one of the key challenges scholars have experienced over the past decade regarding both a common definition and goals of talent management. Agreeing Lewis and Heckman 2006 (Bethke-Langenegger, et al., 2011) conclude, there is “a disturbing lack of clarity regarding the definition, scope and overall goals of talent management.” Despite, the different views of talent management, the concept has come out as an important factor in ensuring sustainability in the success of any organization. According to Hartley in Isfahan (2017), Talent Management is a term that extends over a wide set of activities, such as succession planning, employees loyalty, employees trust, human resource planning, employee performance management etc. Talent management is a systematic and dynamic process of discovering, developing and sustaining talent. The above definition does not provide a rich understanding of the term in question; it is rather narrow-focused and seems to imply that talent management is all about activities. Talent management however goes beyond the activities. For example Armstrong (2006) defines talent management as the use of an integrated set of activities to ensure that the organization attracts, retains, motivates and develops the talented people it needs now and in the future. He further asserts that talent management has been seen to generally revolve around putting the right people with the right skills in the right positions and at the right time. Unlike definitions by other scholars, Armstrong puts emphasis on both the activities and putting the right people in the right place.

Having discussed different definitions, the study adopts the following definition encompassing a range of activities focussing on meeting an organisation's strategic objectives through the attraction, development and retention of talent. CIPD (2012) defines "Talent management as the systematic attraction, identification, development, engagement, retention and deployment of those individuals who are of particular value to an organization, either in view of their 'high potential' for the future or because they are fulfilling business/operation-critical roles". This definition paints a picture of a truly committed employer who is willing to manage and retain its talented employees but also acquire potential talent. In fact, this definition also resonates with the various tested theories of motivation especially that of Maslow's hierarchy of needs that emphasizes on basic physiological needs being complemented by higher psychological and social needs as advanced by Armstrong. Even though the above definition has been adopted, the researcher acknowledges the existence of various definitions of talent management in both academic and practitioner oriented literature, some of which have been discussed above. It is however worth noting that there is a common key feature in these numerous definition, which is their focus on either people or positions, or both as areas where an organisation's effort is directed, but also their focus on an organisation's strategic needs and activities or practices that organisations pursue in managing talent. Crane and Matten 2010 (cited in Muriuki, 2017) have cited talent Management as a major factor leading to employee retention in the organization through an appropriate process of selecting, placing and rewarding employees.

2.3 Employee Retention

Employee retention problems are emerging as the most critical workforce management challenges of the immediate future. Research has proved that in future, successful organizations will be only those, which adapt their organizational behaviour to the realities of the current work environment where longevity and success depend upon innovation, creativity and flexibility. Retention is a complex concept and there is no single formula for keeping employees with an organization (Dutta & Banerjee, 2014). Employee retention has therefore become a vital aspect particularly in Human Resource Management (HRM) with a greater impact realized as a result of effective implementation of employee retention strategies. This has led to sustainable organizational competitive advantage in

the current global market (Tseng, 2010) and consequently, many organizations have set a centre stage on employee retention due to positive impacts on organizational success. Agreeing, Gavino, Wayne, & Erdogan 2012 (cited in Onyando 2018:5) posit that sustainable organizational competitive advantage can be realized if organizations implement strategic approaches that will ensure quality talents and skills are maintained in the organization.

Eoin 2009 (cited in Kijo & Gachunga 2016:990) predicts that talent shortages are going to increase well into the next decade, limiting the ability of companies to expand and, in fact, jeopardizing their chances of survival as global competition becomes more intense. In agreement, Birt et al., (2004:25) indicated that past employment relationships based on mutual commitment between employer and employee are no longer the norm in the marketplace. Instead of a predictable linear rise up an organisation's hierarchy, careers are now characterised by a 'protean' model of movement between many organisations during the course of individuals' working lives. As a result, organisations are effortlessly putting in place mechanisms that will encourage their most talented employees to stay with them through a process called retention.

Employee retention is an organized effort to create an environment which is conducive for employees to remain employed through the implementation of policies and practices that address their various needs (Das & Baruah, 2013). Agreeing, Armstrong (2009) adds that employee retention is the effort by a business to maintain a working environment, which supports current staff in remaining with the company. It refers to all those practices, which let the employees stick to an organisation for a longer time. Bluesteing 2010 (cited in Onyando 2018) further defines employee retention as the capacity of a firm to hold to its employees by using different strategies, both financial and non-financial, and in the process making them committed and loyal to the organization. All the definitions agree to the fact that employee retention is about the implementation of strategies in an effort to allow employees remain in an organisation for a longer time.

Employee retention is believed to mean the ability to maintain a stable human resource and involves taking measures to encourage employees to remain with an organization for the maximum period of time. Retention strategies strengthen the ability of businesses to attract

and retain their workforce. Once the right employees have been recruited, retention practices provide the tools necessary to support staff. Employee retention is important for building a productive, healthy and committed workforce.

Retention practices help save costs associated with recruitment, business productivity or poor customer service. Yamamoto 2011 (cited in Onyando 2018) reinforces the importance of retaining organizational employees as high employee turnover lead to high recruitment, education and training costs of the new employees. Agreeing Fitz-enz 1997 (cited in Ramlall 2003) stated that the average company in the USA loses approximately \$1 million with every 10 managerial and professional employees who leave the organization. In corroboration, a study by Bryant and Allen (2013) revealed that the cost of replacing and training exiting employees range from 25% to 500% of an employee's annual salary, though there are other costs that cannot be quantified such as disruption of work, loss of organizational memory, disrupted informal networks and losses in productivity.

As previously noted, the combined direct and indirect costs associated with an employee vary from a minimum of one year's salary and benefits to a limit of two years' pay and benefits. As such, when a company loses some of its valuable work force, there is a considerable economic effect, particularly considering the information that is lost with the departure of the employee. Consequently, the main purpose of retention is to prevent the loss of the organization's competent employees, which could have an adverse impact on productivity and service delivery.

Any organization's long-term survival and sustainability relies on the stability of its key human resource. To a great extent customer satisfaction, organizational performance in terms of increased sales, satisfied colleagues and reporting staff, effective succession planning among others, is dependent upon the ability to retain the best employees in any organization (Das & Baruah 2013). According to Sue (Cited in Chen 2014), employees who are motivated become satisfied, productive and usually remain with the organization for a longer period of time. Therefore, to retain its employees an organisation must address issues of motivation. However, the ability to succeed depends on the retention power of

the company. This assumes that companies that do not have retention power are not capable of retaining their most talented resource and hence loss of business.

Agreeing Armstrong (2010) emphasises that organisations that cannot retain their key employees also find it difficult to retain their major customers and therefore cannot make high profits. Many organisations are therefore striving to improve on their employee retention strategies as the inability to retain them will result in a decreased organisational productivity and an increased cost of recruitment, orientation and training of placement employees. Subsequently, management practitioners in numerous organizations have become preoccupied with constructing sound employees retention strategies.

2.4 Talent Management and Employee Retention at NICO Holdings Limited in Malawi

Over the last decade, organizations have faced challenges of recruiting suitable employees that will meet the job expectation and as a result, organizational leaders continue to struggle to find talented workers and at the same time faced with the dilemma of retaining knowledgeable workers (Onyando 2018). Consequently, organizations today are interestingly concerned with selecting and retaining competent, committed people who are exclusively known as knowledge workers (Kibui 2015). In support, Armstrong, (2009) states that these knowledge workers are the best and most important assets of each company. He defines the knowledge workers as individuals who have high levels of education and specialist skills combined with the ability to apply these skills to identify and solve problems. Companies should therefore have strategies for retaining these knowledge workers or otherwise talented employees, as they are a source of competitive advantage for the company against their competitors. Such strategies include retention policies designed to ensure that employees remain committed to the organization leading to a talent flow that creates and maintains the talent pool. The organizations goal is to ensure that hired employees perform well and make positive contributions to the organizational performance as well as stay in the organization for a reasonable period of time (Agarwala, 2007; Njoroge, 2012).

Gupta 2006 (cited in Ochieng 2016:1), indicate that in the era where global business is key,

every employer has to be ready to meet future business demands, which can be efficiently handled through talent management. A research by Hughes et. Al., 2008 (cited in Isfahani 2014:118) "A strategy for improving employee recruitment, retention and engagement within hospitality organizations" investigated the effect of Talent management on employee recruitment, retention and engagement. The study revealed that the benefits of an effectively implemented talent management strategy include improved employee recruitment and staffs retention rates. These outcomes have been associated with improved operational and financial performance.

NICO Holdings Limited, a financial services group, offers insurance, banking, asset management, and information technology services. In addition, the Group is involved in the hospitality industry and real estate through its subsidiary companies. Similarly with other companies across the globe (Gallup 2012, Berry & Morris 2008, Kigo & Gachunga 2016), NICO Holdings Limited has been on the receiving end of high turnover of its talented employees. The company, incurred costs of replacement, a case, which led the company to put in place strategies to manage the talent crisis that the company was facing (NICO Annual Report, 2014). They introduced and implemented talent management as a strategy in order to retain its talent and curb the turnover, which was very high. Retention of staff is a major component of talent management and an organization's retention strategy needs to have information why people leave the organization. As organizations continue to pursue high performance and improved results through talent management, they are taking a holistic approach to talent management. Fitz-enz (1990) (cited in Das and Baruah 2013) recognized that employee retention is not influenced by a single strategy, but there are hosts of strategies which are responsible for retaining employees in an organization and some of the strategies include performance management, recruitment, job security, training & developments, succession planning and organization justice among others. Some of the factors are reviewed below.

2.4.1 Human Resources Planning

Human resource planning is a vital activity for all HR managers. According to Beardwell and Claydon (2010:124) human resource planning is the process of identifying an organisations current and future human resource needs, developing and executing plans to

meet these needs and evaluating their holistic effectiveness. The focus of HR planning is to ensure the organization has the right number of human resources, with the right capabilities, at the right times, and in the right places. In HR planning, an organization must consider the availability and allocation of people to jobs over long periods of time, not just for the next month or even the next year. Retention of employees as human resources, is part of HR staffing and planning efforts. Reilly (1996) states that organisations must keep track of their wastage levels to know whether they are constant, whether they vary by any key factor such as age, skill group, gender, grade among others and the reasons why people leave or choose to stay in an organisation. If retention is not monitored, it could be costly if the most talented employees leave. Agreeing Mathis and Jackson (2010) affirms that turnover, as the opposite of retention, often has been seen as a routine HR matter requiring records and reports. However, what was once a bothersome detail has become a substantial HR issue for many employers. Thus, organizations are being forced to study why employees leave and why they stay.

2.4.2 Recruitment

Perception has it that the ability of an organization to find, attract and retain its talent is the most critical people management issue that organisations are facing and to achieve this an organisation must have sound Human Resources practices the most critical being the recruitment of excellent talent who are committed to the job (*Chandrasekara and Perera 2016*). Retaining employees begins with hiring the right people from the application process to screening applicants to choosing who to interview. A good recruitment strategy provides a positive influence to increasing employee commitment which in turn leads to retention. The overall aim, of recruitment according to Armstrong (2009) is to obtain at minimum cost the quality of employees required to satisfy the human resource needs of the company and involves defining requirements (preparation of job description and specifications) and attracting candidates through reviewing and evaluating alternative sources of application inside and outside the company. Doeringer and Piore (1971) have noticed that employees accept employment with certain expectations such as certain stability for the future. Expectations may be violated through a change in recruitment policies and it may negatively affect to the organizational workforce (Grimshaw et al., 2001) (*Chandrasekara and Perera 2016*)

2.4.3 Performance Management

Performance Management is a systematic process for improving organizational performance by developing the performance of individuals and teams (Armstrong 2009). It is used to ensure that employees' activities and outcomes are congruent with the organization's objectives and entails specifying those activities and outcomes that will result in the firm's successfully implementing the strategy. An organization needs to focus on the necessity to be successful and fulfil employee's specific role by identifying potential talented employee (Noe, 2010). The identification according to Jyoti & Rani (2017) is conducted through performance management which requires regular performance feedbacks and reviews between a manager and an employee.

The purpose for conducting the reviews is to nurture the talent of the employee so that they reach their full potential in their job. The result of this evaluation is then used to build the weak areas of an employee through identifying the right training an employee needs which will in turn lead to committed employees who are likely to remain with an organisation.

2.4.4 Rewards and recognition

Agarwal 1998(cited in Das & Baruah, 2013) defined the term reward as something that the organization offers to the employees in response of the work as well as performance and something which is desired by the employees. Recognition from bosses, team members, coworkers and customer enhances loyalty. "Watson Wyatt" a global consulting firm, conducted a survey in USA, in the year 2002 among 12750 employees at all levels of job and in all major industry sectors to know about their attitudes toward their workplace and their employers. It was found in the survey that recognition is very important for workers and they want to listen that their work followed recognized and appreciated. Silbert (2005) was of the view that reward is important because it has an enduring impression on employees which, in turn, gives the employees an impression that they are valued in the organization and then affects their decision to stay.

2.4.5 Succession Planning

Mehrabani and Mohamad (2011) as cited in Maphisa et al., (2017) suggests that the key to the future success of an organisation is determined by how it assesses and understands the value of the people it has and what resources it will need in the future. The aforementioned authors further state that the one human resource tool which can assist to determine the current and future needs of the organisation is succession planning. Noe et al., (2000) defines Succession planning as the process of identifying and tracking high-potential employees who are capable of moving into different positions in the company resulting from planned or unplanned job openings due to turnover, promotion, or business growth. Agreeing with the definition, Mathur (2011) affirms that succession planning system is intended to ensure that skilled and talented employees are prepared to take over each key role in the event of sudden loss of efficiency created by retirements, death, serious illnesses or promotions. Succession planning according to Noe et al., (2000) helps organizations to systematically review leadership talent in an organisation by ensuring that top-level managerial talent is available. It provides a set of development experiences that managers must complete to be considered for top management positions; this avoids premature promotion of managers who are not ready for upper management ranks. Succession planning systems therefore helps in attracting and retaining top talented employees in an organisation by providing them with development opportunities that they can complete if it is a career if career progression is their goal.

2.4.6 Training and Development

Employee training and development programs are essential to the success of businesses worldwide. Not only do these programs offer opportunities for staff to improve their skills, but also for employers to enhance employee productivity and their loyalty. Training is defined as a systematic approach to acquire new knowledge or skills in order to improve employees and organizational effectiveness and growth. Development is concerned with developing the experience, attitudes, and skills necessary to become or remain effective (Aguinis and Kraiger, 2008). Both training and development are strategies that organizations can adopt to retain their top talented employees as confirmed by Messmer 2000 (cited in Oladapo 2014) whose study revealed that one of the important factors in employee retention is investment on employee training and career development.

Organizations tend to invest more on their top most talent by providing them with training and development opportunities as a way of enhancing their loyalty.

2.5 The effect of Performance Management and Succession Planning on Employee Retention

2.5.1 Performance Management

Given the competitive global environment in which organizations now operate, the need to develop and retain highly skilled employees is paramount for prosperity and survival (Brown et al., 2018). Performance Management is widely advocated as a way of developing and retaining talented employees and as such, it has become an essential part of an organization's strategic initiative to align employee goals with its Vision and Mission. Krishnan et al., (2013) state that hard-working employees can determine the success and survival of an organization, and appraisal is possibly one way of aligning their efforts with the vision and mission of the organization. Employees are consequently motivated and their performance managed. Performance management is imperative to ensure the sustenance and competitiveness of an organization in the modern day global knowledge economies. Agreeing, for organisations to survive through turbulent environment, they must take great care in managing the performance of their talented employees (Nyanjom 2013), for without focus on performance it is hard to see how an organization can find its competitive advantage through talent (Kibui et al., 2014).

Performance management has been defined as a continuous process of identifying, measuring, and developing the performance of individuals and teams and aligning performance with the strategic goals of the organisation (Torrington et al., 2014; Cascio & Aguinis 2011). It is used to identify the potential of an employee, develop the employee's individual development plan and associate the employee performance with the succession planning or talent pool. Mathias and Jackson 2006 (cited in Kibui et al., 2014) further complements that performance management consists of processes such as identifying, measuring communicating, developing and rewarding the employee for their good performance. In so doing, the organisation is able to train and develop their already existing human resource so they are able to reach their full potential in their job. Human resource is considered to be the most valuable resource of an organization and crucial to be retained

to gain competitive advantage so that the organization outperforms its rivals. Zareen, Razzaq and Ramzan 2013 (cited in Knott 2016) posit that retention of employees with the organization optimizes their performance and increase organizational productivity. A proper functioning performance management system will consequently address the challenges of retaining talent.

According to Mahapatro (2010), progressively emphasising on talent management also means that organizations are re-defining performance management in order to align it to the need, to identify, nurture and retain talent. Achieving sustained organizational performance through the development of a capable workforce lies in the very heart of talent management. Performance management provides a means of building relationships with people, identifying talent and potential, planning learning and development activities and making the most of the talent possessed by the organization. The identification of talents is made based on an assessment of the current performance and a forecast of their potential (HCI, 2008).

Kibui (2015) elaborates that an effective application of performance management systems helps in determining employee work capabilities, which assist managers to assign the organization job tasks, functions in accordance with the employee's unique capabilities. This increases the level of employee's satisfaction and contributes greatly to increased level of employees' retention in the organization. Agreeing Khrishnan (2013) states that performance management processes are a key to creating a productive work climate and retaining good employees through processes of planning, monitoring, developing, and rewarding performance, which surface repeatedly as critical factors for success. Khrishnan cites a study by Gallup organization where 100,000 employees of 2,500 organizations, pinpointed employee attitudes that are present in highly productive work groups and that relate directly to the rate of employee turnover, customer satisfaction, and productivity. Many of these attitudes reflect effective performance management practices.

Performance management is a means of increasing the engagement and motivation of people by producing positive feedback and recognition (Armstrong, 2009). Lawler and Mcermott 2003 (cited in Kibui 2015), suggest that it is very difficult to manage human

capital without a system that measures performance and performance capability. Organizations need a performance management system that can identify capabilities of its human capital so that they can effectively manage staff projects, implement strategic initiatives and manage development of their workforce. Measures of performance are also required to deal with performance problems and motivate performance excellence. Performance review is at the core of talent management as it provides insight for reward system, succession plans and staff development. It helps to evaluate competencies of the workforce and provides feedback to employees, which is important to retention.

2.5.2 Succession Planning

Organisations across the globe are facing challenges of employee retention as a majority of the population mostly consists of youngsters who are active and creative, and hence always ready to switch over whenever dissatisfied in the job. Succession planning has subsequently become an assertive strategy making sure that turnover does not exert harmful effects on organizations. According to Rothwell 2010 (cited in Hassan & Siddiqui, 2020), succession planning refers to a careful and organized action by a firm to assure management persistence in important positions, keeping and developing genius and knowledgeable human resources for the future, & motivate individual advancement.

Likewise (Armstrong, 2003; Beardwell & Thompson, 2017), define succession planning as a process whereby companies make sure that employees are being recruited and continuously developed creating a ‘talent pipeline’ to fill the competent key roles in the future in order to ensure that the future need of the business are met. It is the process of identifying successors for key posts and planning of career moves further for the probable successors (Armstrong, 2012).

According to King 2005(cited in Maphisa et al., 2017:18), succession planning is actually a practice that warrants uninterrupted effective functioning of an organisation by instituting a process that assists in developing and replacing key staff members over time. In agreement, Mathur (2011) states that succession planning system is intended to ensure that skilled and talented employees are prepared to take over each key role in the event of sudden loss of efficiency created by retirements, death, serious illnesses or promotions. He

further explains succession planning as some form of internal recruitment where highly capable employees have their abilities, skills and knowledge developed to prepare them to fill-in more challenging and exciting roles.

Succession Planning shapes the progression of individuals within an organization in accordance with assessments of organizational needs. It is aspired to assist organizations in controlling and keeping their talented individuals. The major objective of succession planning is to develop adequate and potential talented employees to fill staff vacancies created by employees seeking greener pastures elsewhere. Eventually, it rapidly contributes to enhancing employee retention rate in an organizational context. Agreeing, Henderson 2005 (cited in Hassan & Siddiqui, 2020) asserts that succession-planning program ensures to retain the most talented employee pool and diminishes employee turnover within an organisation. Employees are exceptionally essential to an organization as they can determine its success or failure. At the point when an employee succeeds, the organization also succeeds.

Similarly, lack of proper succession planning strategies in a company may cause businesses to collapse upon exit of its valuable players. Low employee turnover and employee retention helps in driving production and customer value (Javed & Jaffer, 2019). Javed and Jaffer further affirms that employees that are committed are more likely to succeed in their work, remain in work longer and are less likely to leave. Succession planning includes mentorship programs and clear career progression paths that have become a motivational tool for employee retention knowing that they will move along that paths as part of growth (Mukweyi 2016:12).

2.6 The effect of Training and Development on Employee Retention

In a global context, employee retention is considered immensely as companies are judged based on their turnover rate. It is through, the rate of turnover among other factors that will define an organisation as performing or not. Low turnover rates ensures that an organization is retaining their competent employees by providing them superior environment, which increases the performance of individual employees (Hassan et al., 2013). Companies that train its employees, find it easier to acquire and retain highly

talented staff members (Redman & Wikinson, 2001). This is because workers with adequate training have the possibility to be more flexible and take multiple jobs in the workplace. Employees that are trained enough are proved to be more committed and dedicated to their work and have less probability to leave the job (Javed and Jaffer 2019).

Training is a form of human capital investment that is made by either an individual or a firm and according to Chew (2004), training provides employees with specific skills or correct deficiencies in their performance, while development is an effort to provide employees with abilities the organisation will need in the future.

Providing training and job security by the organisation are important determinants of employee retention. Employees want good training opportunities to increase their marketability. The conservative wisdom was previously that if the company makes employees marketable, they are bound to leave at the first opportunity. However, today, companies are finding that the more training employees get, the more likely they are to stay. Consequently training is positively correlated to retention, because the practice 'locks' employees in their jobs. This is in agreement with the assertion of Wan (2007) that the only strategy for organisation to radically improve workforce productivity and enhance their retention is to seek to optimise their workforce through comprehensive training and development

Agreeing further, Ldama and Bazza (2015) state that employees, especially the millenials see training as the most important reason to stay on their jobs. Training and development are sources of ideas and innovations that safe guards organizations against future workforce turnover. When an employees' job is aligned to organizational needs and the employees are given appropriate training to perform the task, employees' job performance and willingness to work for the organization increases. Indeed according to Dockel (2003) investing in employee training motivates them as insinuated by Hertzberg theory who identified advancement opportunities as an important motivator. Actually, the employee will feel important on the realisation that the organisation is investing in him and hence will see opportunities for growth within the organisation.

On the other hand, the challenge for the HR professionals is to develop and identify the career development strategies and train them, which would improve the commitment of employees. This will help organization to retain employees, they will be more motivated to work hard, and enthusiastically which will help the organization to achieve their goals effectively and efficiently.

A study by Frazis et al., 1998 (cited in Chew, 2004) indicated that employees working in low-turnover establishments spent about 59 percent of their total training time in formal training, compared with 18 percent for employees in high-turnover establishments. From the employee's view, if the training involves skills specific to the establishment, it is likely to contribute to an increase in productivity at that establishment. Greater productivity at the establishment, in turn, will tend to raise a worker's wage above what he or she would earn elsewhere, thus providing an incentive to stay. Lack of training and promotion opportunities are therefore the main reason the high performing employees leave the organizations.

2.7 The Effect of Talent Management Strategies on Employee Retention

The functioning of any organization largely depends upon several remarkable components, with the talented employee occupying the central role for the accomplishment of organizational goals (Kigo & Gachunga, 2016). As such, success of any organization depends on the strategies put in place to ensure they retain these talented employees. A strategy is a set of actions that managers take to increase their company's performance relative to rivals (Hill & Jones 2009). King and Glowinkowski (cited in Aarnio & Kimber 2016) argue that a strategy is about best allocating scarce resources to achieve sustainable competitive advantage. Sparrow et al., (cited in Aarnio & Kimber 2016) state that a talent management strategy refers to a specific configuration or a range of configurations of policies and practices within the talent management system.

The benefits of an effectively implemented talent management strategy include improved employee recruitment and retention rates. These outcomes have been associated with improved operational and financial performance. Retention of knowledgeable workers can become a source of competitive advantage for a company (Isfahan, 2014). Retention of

staff is a major component of talent management and an organization's retention strategy needs to have information why people leave the organization. As organizations continue to pursue high performance and improved results through talent management, they are taking a holistic approach to talent management.

Plansoongnern et. al. (cited in Onyando 2018) investigated talent management strategies and employee engagement implemented in three leading cement companies in Thailand. The study revealed that robust talent management planning, management support, organizational unity, balance of work and Routine life, and other environmental and organizational factors were important factors that keep talented employees to organizations.

In support, another study conducted by Walsh and Taylor (cited in Isfahani 2014), it was revealed that although compensation and work and life balance are important, it is the absence of opportunity for professional and organizational growth and development that affects management retention.

2.8 Challenges Facing Talent Management in Staff Retention

Present organizations strive to sustain their presence in the global marketplace, due to related challenges such as globalization, stiff competition, and technological improvements. Organizations have shifted their patterns from only focusing on increasing their productivity and differentiating their products and services to focusing on their inimitable resources; namely, their human capital, as employees are the most important resource and asset in any organization (Kehinde 2012). There are a number of challenges pertaining to the talent management in the retention of staff. (Senyucel, 2009; Kehinde 2012) identified some of the challenges as explained below;

2.8.1 Current Economic Crisis

The prevailing economic crisis has not only dampened many organisations but has placed massive pressures on organisations to reconsider their priorities by cutting down costs to let go of talented employees. The effective management of talented employees has been compromised due to the harshness of the economic situation and the financial constraints

witnessed by most organisations to push their talent management activities through. This has resulted in an unpredictable labour market with a huge turnover in organisations, demotivated and dissatisfied workforce among others. Concurring, the financial and economic crisis has many implications for both organizations and individual employees. Under the rhetoric of “doing more with less”, the focus of organizations has been on reducing costs. On an individual level, this can lead to feelings of job insecurity among employees. Job insecurity, in turn, is found to be related to various work-related attitudes, such as organizational commitment, job satisfaction, and intent to quit. More specifically, employees who perceive alternative job opportunities are more likely to leave their organization in times of crisis (Wynen et al., 2013).

2.8.2 Cultural Diversities

Talented employees come from diverse cultural orientations. The quality contribution of employees’ cultural orientation to work cannot be overemphasised. However this situation has also brought challenges with it. Cultural diversity is making it more difficult to effectively manage these talents. Gender and race discrimination, ethnic minorities, and cultural differences are almost making it impossible to effectively manage talented employees though there are various government regulations and laws against such issues (Zorlu, 2009)

2.8.3 Recruitment and Selection

Organisational success is largely dependent on the employee commitment, welfare and development no matter how advanced organisations are in terms of technology, structure, and systems. Nonetheless, attracting and retaining the right calibre of talents is not an easy task. The recruitment and selection process is subject to biases, which greatly challenge the attraction and retention of talents that organisations need. These biases could lead to the attraction of the wrong calibre of employees. Probably, nothing matters more than getting the right employees and placing them on the right jobs. Without an effective recruitment and selection exercise, managing the talent will be cumbersome because the wrong talents would be employed (Kehinde, 2012).

In summary, organisations are faced with different challenges in order to retain their talented employees. Literature has revealed some of the challenges which include human resource planning, recruitment and selection, cultural diversities and the current economic crisis.

2.9 Theoretical Framework

The theoretical framework discusses models and theories on the effects of talent management on employees retention in organizations. Popper (cited in Lyria, 2014) defines a theory as a set of statements of principles devised to explain a group of facts or phenomenon especially one that has been repeatedly tested or widely accepted and can be used to make predictions about natural phenomenon.

In order for talents to remain in the same organization, an employee experiences both extrinsic and intrinsic rewards from their job. Another, hidden force that enables organization to retain its talent is motivation. Different employees have different views on motivation as different employee have different beliefs, values and attitudes, which differ among individuals (Vaiman & Vance, 2008).

In order to explore the relationship between talent management and employee retention, the researcher focused on three theories as debated by various researchers Herzberg's Two Factor Theory, Equity Theory, and Social Exchange Theory (SET). The purpose of the Herzberg's two-factor theory is that hygiene factors such as competitive compensation system and motivational factors such as training, growth and promotion opportunities could be associated with talent retention strategies. Organizations that consider these factors in the formulation of policies are likely to design talent management policies that motivate their employees, leading to their retention. On the other hand, the application of equity theory in this study is based on the fact that equity theory assumes that one's inputs affects the outputs and therefore employees expect that compensation will reflect their inputs in terms of services offered. Organizations could retain their employees by having talent management policies and strategies that employees perceive as fair and equitable. Therefore, an organization applying these basic theories are to reap from committed workforce that guarantees employees retention.

2.9.1 Herzberg's Two Factor Theory

Herzberg's Two Factor Theory emphasizes a clear explanation of motivation by dividing it into two main parts which are Hygiene factors and Motivators. Wiley (cited in Nanayakkara & Dayarathna 2016:28) explains that Herzberg's research has suggested that motivation is composed of two largely unrelated dimensions which are job related hygiene factors and job related motivation factors. Job related motivation factors are the driving force for any organization, they encourage performance, growth and provide satisfaction, such as achievement and recognition. Motivators, otherwise known as satisfiers, include recognition, growth opportunity, achievement, advancement, and responsibility.

Job-related hygiene factors do not satisfy the employee but the absence of which leads to dissatisfaction. The hygiene factors are the most important factors that help the organization to retain its talents for a longer period and can also prevent dissatisfaction but do not promote employees' growth and development. Hygiene factors, otherwise referred to as dissatisfiers, include salary, interpersonal relationships at work, company policies, organizational administration, working conditions, supervision, and job security (Clayton 2018) increase employee retention. On the contrary, Nigel and Geoffrey (2005) argue that providing hygiene factors alone will not retain/ satisfy employees, rather it is necessary to provide intrinsic factors to the work to satisfy employee with their jobs. Agreeing, Armstrong (2009) stated that monetary motivating forces such as compensation may motivate in the short run however the impact rapidly wears off.

The theory seems to enforce the fact that employee retention goes beyond remuneration (hygiene factor) but leans towards other motivators such as recognition, achievement and feedback. Herzberg (cited in Clayton 2018) noted that hygiene factors are incapable of providing employees with any motivation or job satisfaction. Agreeing to this, Holloway (cited in Clayton 2018) provided an example referencing an employee receiving a pay raise and different pay scales. Although the pay raise may assist the employee in a short-term motivation or satisfaction effect, salary (being a hygiene factor) has no capacity to alleviate any dissatisfaction. As such, an employee will be motivated to stay with an organisation through the existence of other extraneous factors such as, job satisfaction (satisfaction one gets from the intrinsic outputs from the job role rather than the organisation itself), quality

training (improving the skills in performing a variety of tasks), Job rotation (improving the variety of tasks and responsibilities), job enlargement (making a person capable of handling more) and focusing on quality and not quantity of communication.

A study conducted by Vasquez (2014) to explore factors that motivated employees in the hospitality industry using Herzberg's two-factor theory as the framework of the study revealed that rewards, salary, training and employee advancement among others, are important factors in motivating employees and increasing employee retention . The study further affirmed Herzberg's two-factor theory and noted that satisfiers and dissatisfiers are independent of each other. Successful employee retention strategies contain factors that increase employee motivation and employee development.

In Support, a research conducted by Derby-Davis (cited in Clayton 2018) on nursing faculty members in Florida to explore the relationship between motivation and employee retention also found a significant relationship between motivators and hygiene factors and retention. This study has therefore picked, from the Herzberg's theory and some of the exogenous factors have been tested. The theory is in support of all the objectives as it tackles on the different strategies employed by organisations in retaining their top talented employees as well as some of the challenges faced in the process of retaining them.

2.9.2 Equity Theory

Adam pioneered the theory of equity, which stipulates that there are two factors in an organizational setup, which are input and output. The input refers to what an employee or entrepreneur offers to the organization in the production process whereas the output is what the employee or entrepreneur receives in return. Individuals are more concerned with the relative value of the rewards they receive for their work but also with the relationship of this amount to what others receive.

Agreeing, Ramlall (cited in Odubango 2015) states that the theory is concerned with how individuals feel about how they are treated in contrast to others. Being treated even-handedly means being treated fairly in comparison with a group of individuals. Equity is

however not the same as equality which would be treating everybody the same which is biased if individuals should be dealt with in an unexpected way (Armstrong, 2009).

Based on one's inputs, such as effort, experience, education, and competence, one can compare outcomes such as salary levels, increases, recognition and other factors. When people perceive an imbalance in their outcome-input ratio relative to others during the process of socialization or through comparison of inputs and outcomes of others, tension is created. This tension provides the basis for motivation, as people strive for what they perceive as equity and fairness (Clayton, 2018). The theory further asserts that workers will be inspired in the event that they are dealt with impartially and will become de-motivated if treated unjustly. The perception of inequity or impartial treatment according to Narayanan and Rajithakumar (2018) may distress employees. They may reduce this distress and restore equity through different techniques like changing or distorting outcomes or input, changing the reference point, or terminating the relationship.

In simpler terms, the theory seems to suggest that before an employee decides to exit an organization, a number of options are weighed. These options relate to the organizations existing compensation packages and or benefits to be forfeited against outcomes coming from the alternative job. Hence, an employee will move out of an organization only if the perceived benefits across the organization are equal or more than the current benefits. Likewise, an entrepreneur may close down a business that is not paying well. As Buche and Karangutkar (2021) argue that voluntary turnover intention occurs when the employee perceives another opportunity as better than his current position. The challenge therefore for organizations is to develop reward systems that are perceived to be fair and equitable and distributing the reward in accordance with employee beliefs about their own value to the organization. This theory is particularly useful in this study in understanding the process individuals pass through when contemplating leaving an organization and the organizations strategies to retain them for a longer period. This is in accordance to objectives number two and three which look at the effect of the different strategies (i.e performance management, training and development and succession planning) affecting employee retention.

2.9.3 Social Exchange Theory

The exchange theory views employment relationship as consisting of social or economic exchanges. Economic exchange relationships involve the exchange of economic benefits in return for employees' efforts and are often dependent on formal contracts, which are legally enforceable. On the other hand, social exchanges are 'voluntary actions' which may be initiated by an organization's treatment of its employees, with the expectation that the employees will be obligated to reciprocate the good deeds of the organization (Kibui et al., 2014).

The exchange approach view of organizational commitment or engagement posits that individuals attach themselves to their organizations in return for certain rewards from the organizations. According to this view, employees enter the organization with specific skills, desires and goals, and expect to find an environment where they can use their skills, satisfy their desires and achieve their goals. Perception of favourable exchange or rewards from the employees' viewpoint are expected to result in increased engagement to the organization. On the other hand, failure by the organization to provide sufficient rewards in exchange for employee's efforts is likely to result in decreased organizational engagement.

Admittedly, Blau (1964) augments that, upon being recruited to join a company, employees already have with them the necessary skills, pre-set targets and have expectations of which set up they wish to work in order to satisfy their expectation and desires. The theory suggests that when an organization identifies talent and invest in them they are likely to attain better returns on these investments. As a strategy of retaining employees, the theory suggests that an employee's satisfaction of the work environment will lead to their decision to stay longer with an organisation. As explained later in this study, talent management strategies of retaining employees such as succession planning, career development, performance management are grounded on the social exchange theory confirming study objectives number one, two and three.

2.10 Chapter Conclusion

As the research reveals, there is no doubt that talent management is imperative for organisational success and excellence high employee retention. In this Chapter, an overview of literature on the concepts of talent management and employee retention has been provided, discussed and analysed aiding the study in formulating its objectives as well as questions. The Chapter has also examined the theoretical framework, has most significantly identified, and filled the gaps in literature related to this topic. Chapter three discusses the research methodology that was adopted by the study

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Introduction

The chapter discusses the research method that was adopted by the researcher. The techniques used to collect data by the researcher have been explained in this chapter. The research design provides a framework used in the collection and analysis of data. It describes the methodological techniques that was used to carry out this study. It involves the description of the study design, the study setting, sampling and sample technique, data collection methods, data collection tools, ethical consideration and study limitations.

3.2 Research Design

According to Kothari (2004:31), research design is a plan, a roadmap and blueprint used by researchers to collect and analyse data to obtain answers to research questions. Saunders (cited in Oluochi 2017:23) states that a research design outlines the objectives of a study, specifies the sources of data to be collected, and identifies possible constraints that may affect the study. The researcher in this study used exploratory and descriptive research design, which was used to describe the state of the affairs, as they existed. The descriptive study approach is the best method when used on employee morale, attitudes and behaviour, which was the main reason for the study. A mixed method approach was used to collect both quantitative and qualitative data and then integrated for interpretation of the final results. The collection of both types of data was intended to neutralize weaknesses inherent in both quantitative and qualitative approaches. The combination of the two collection forms, in short, provided a more complete understanding of the study and its research questions..

The qualitative method was chosen to achieve an in-depth understanding of employee perceptions on the effect of talent management on employee retention by interviewing key informants such as the Director of Human Resources and Human Resources Manager. In contrast, Bryman, (2004) defines quantitative research as a research strategy that emphasizes quantification in the collection and analysis of data. This approach was used to quantify the hypothesized relationship between the dependent variable employee retention and the independent variable talent management. The researcher studied the effects of talent management practices within the given setting.

3.3 Research Setting

The study was conducted at NICO Holdings Limited an insurance company in Malawi. The subjects were studied right in their own natural setting. A natural study setting does not manipulate the environment of the subjects; as a result, subjects are free and flexible to give accurate information (Burns and Grooves, 2001). NICO Holdings Limited is found in the Southern Region of the country. It has a total work force of Two Hundred and Eighty Nine (289). This number consists of different cadres of employees ranging from Executive Management, Managers, Technical Staff, Support Staff which include Office Messengers, ground laborers and security personnel (Staff return, 2020). The choice was based on the fact that it is a financial organisation with a mandate of enhancing a performance culture to achieve its target whilst nurturing and retaining valuable talents.

3.4 Target Population

Burns and Grove (2001) stated that a population includes all the elements that meet the criteria for inclusion in a study. The target population for the study consisted of supervisors, middle level and senior management as they were better placed to provide the required information. The rationale was that talent management at NICO Holdings Limited only covers those leadership levels.

3.5 Sampling Frame

Cooper and Schindler (cited in Oluochi 2017:24) defined a sampling frame as the listing of the entire population from which a sample size is selected. The sample frame of this study comprised of all employees holding leadership positions at NICO Holdings Limited.

3.6 Sample Size and Technique

Polit (2001) stated that a sample is a proportion of a population. According to Lind (2008), a sample is a subgroup of the population. The use of a sample enables a researcher save a lot of time and money, and get more detailed information (Bluman, 2009). A sample is a reflection of the population as a whole i.e. it is a true representative of the population.

Bowling (cited in Mukweyi 2016:25) explains that in calculating the sample size, you need to consider the variance or heterogeneity of the population, the degree of confidence in the study results and the degree of acceptable error. The formula that was used to obtain a sample size for quantitative data that represents 95% confidence level and a 5% error tolerance is as follows:

The Cochran 1977 formula was used to calculate the sample size for quantitative data:

$$n = \frac{Z^2 \times P(1-P)}{E^2} \times \frac{N}{1 + \frac{Z^2 \times P(1-P)}{E^2 N}}$$

- Where n is Sample size with finite population correction
- Z is the confidence interval at 95% = 1.96 (from the Z tables) or Z score E is the margin error which is 5%
- N is the population size

At NICO Holdings Limited N is the total number of staff= 289, the total number of management staff is 92 and P is the number of management staff to be sampled (in this case 88). The Sample size is = 50

The total sample size was therefore 50 Management staff (4 Senior Management, 19 middle level managers and 27 Supervisors)

The research uses a stratified random sampling technique to reduce error and bias. Stratified random sampling classifies population into strata and ensures all the departments and units are represented. The target population will be categorized into senior management, middle management, Supervisors.

For the qualitative data, the study used the purposive sampling technique. Purposive sampling is a technique widely used in qualitative research for the identification and selection of information-rich cases for the most effective use of limited resources (Saunders et al., 2007). It involves identifying and selecting individuals or groups of individuals that are especially knowledgeable about or experienced with a phenomenon of interest (Cresswell & Plano Clark, 2011). This study targeted the Human Resource Director and his Manager and other two line managers who were randomly sampled to provide information as they were considered suitable because they manage the daily operations of the organisation.

3.7 Data Collection Instruments

The researcher used these tools to gather empirical data of historical, documentary or statistical nature. According to Layder (1993:54), there are several instruments that can be used to collect data among which are interviews, questionnaires, observation, surveys and attendance records or documents. For purposes of this study questionnaires and interview guides/ schedules were distributed to the employees as data collection tools to enhance its validity and accuracy of data to be collected for the study.

3.7.1 Quantitative Method

3.7.1.1 Questionnaires

Questionnaires are one of the main instruments for gathering data. A questionnaire is a research instrument consisting of a series of questions and other prompts for gathering information from respondents (Kabir, 2016). In conducting the study, the researcher employed the use of self-administered questionnaires with both closed and open-ended

questions to be able to allow the participants provide detailed information. Research assistants from various departments within the organization disbursed 50 questionnaires to 4 Senior Management, 19 middle level and 27 supervisors. This method of data collection is ideal because it encourages honesty on the part of the participants (Silverman, 2004). Subjects are also free to express themselves freely because no names are written on the questionnaires.

3.7.2 Qualitative Methods

3.7.2.1 Structured Interviews

This part was illustrative and descriptive in order to deliver an in depth understanding of talent management and its perceived effects on retention. Holtsti (cited in Mukweyi 2016) describes content analysis as where inferences are made by objectively and systematically identifying specified characteristics of messages and texts without any reference to quantification.

Semi structured, one to one interviews were administered to the HR Director, his assistant and 2 supervisors who were purposively sampled as key informants regarding talent management and retention strategies at NICO Holdings Limited.

3.8 Data Analysis Methods

The process of analysing, cleaning, transforming, and modelling data collected is called data analysis (Wagner, Halley & Zaino, 2011). The research used both quantitative and qualitative data analysis techniques. Quantitative data was analysed using Excel. Tables, figures and charts were also used for data analysis and interpretation. Findings of qualitative data were manually analysed by identifying themes and categories, which formed the patterns.

3.9 Ethical Consideration

All ethical considerations were observed in carrying out this research study. Kovacs (cited in Mugenda and Mugenda, 1999) defines ethics as that branch of Philosophy, which deals with one's conduct and serves as a guide to one's behaviour. A Study approval to carry out the research was obtained from the PAS Department. Clearance letters to carry out the research at NICO Holdings Limited were sent to the Group Chief Executive Officer,

requesting permission to conduct the study. In addition, an informed consent was sought from the participants before collecting data from them. The purpose of the research, potential benefits and risks of the study was explained with the participants being allowed to withdraw from the study at any time without any repercussions. Confidentiality was maintained during data collection, storage and analysis.

3.10 Study Limitations

As with most research studies, this study was subjected to several limitations. Most managers at NICO Holdings were reluctant to divulge information to the researcher since most of the information was regarded to be confidential however the approval from the Group CEO made it easier to collect the data. The study overcame the limitations by having a letter of introduction from the university to assure the respondents that the information provided would be used for academic purposes only and would thereby be treated with Confidentiality. The study was conducted in one company only hence the results cannot be generalized. Finally, due to bureaucracy in most organizations, it was difficult to access the accurate information timely but this was mitigated by having constant follow up on phones.

3.11 Chapter Conclusion

In this chapter, an overview of the methodology that guided the study was provided. It has highlighted the research design, population, sampling frame, sampling technique, sample size, data collection, and data analysis. In the following chapter, the survey results are reviewed and analysed.

CHAPTER FOUR

FINDINGS AND DISCUSSIONS

4.1 Introduction

This chapter analyses and interprets data collected in the empirical study. The data analysed was in line with specific objectives where patterns were investigated, interpreted and implications drawn from them. The chapter begins by analysing the results of Section B of the questionnaire, which examines the four factors of talent management namely, Succession Planning, Recruitment, Performance Management and career development. In addition, a qualitative analysis of the data collected from interviews with key informants has again been examined and thematic findings summarized. Specifically the qualitative study sought to examine talent management strategies, to analyse the effect of performance management and succession planning on employee retention, to analyse the effect of training and development on employee retention and the challenges facing talent management in retaining employees.

4.2 Response Analysis

For the quantitative data, 50 questionnaires were administered to employees in key positions (4 Executive Management, 14 Middle level and 27 supervisors) and only 37 questionnaires returned representing a response rate of 74%. According to Saunders (2000), a response rate of over 30% in a survey is generally adequate to proceed to analyse and make meaningful inferences on the population sample. Babbie (2004) also asserted that return rates of 50% are acceptable to analyse and publish, 60% is good and 70% is very good. The achieved response rate was 74% implying a very good response rate.

4.3 Demographic Characteristics

The general information in this study comprised of age, gender, years of service in the organization, and the level of education of the respondent. This information was sought in order to ascertain the respondents' demographic characteristics as summarised in the table 1.

Table 1:Demographic Characteristics

General Information	Details	Executive Management		Middle Level Manager		Supervisors	
		No	%	No	%	No	%
Gender	Males	3	75	8	42	14	52
	Females	1	25	7	37	4	15
Age	above 40	2	50	2	11	2	7
	36 – 40	1	25	4	21	2	7
	31 -35	1	25	5	26	13	48
	26 – 30		0	4	21	1	4
	20 – 25		0	0	0		0
Length of Service	2-4 years	1	25	3	16	6	22
	5 - 7 years	0	0	5	26	5	19
	8 - 10 years	2	50	5	26	3	11
	above 10 years	1	25	2	11	4	15

4.3.1 Gender Composition of Respondents

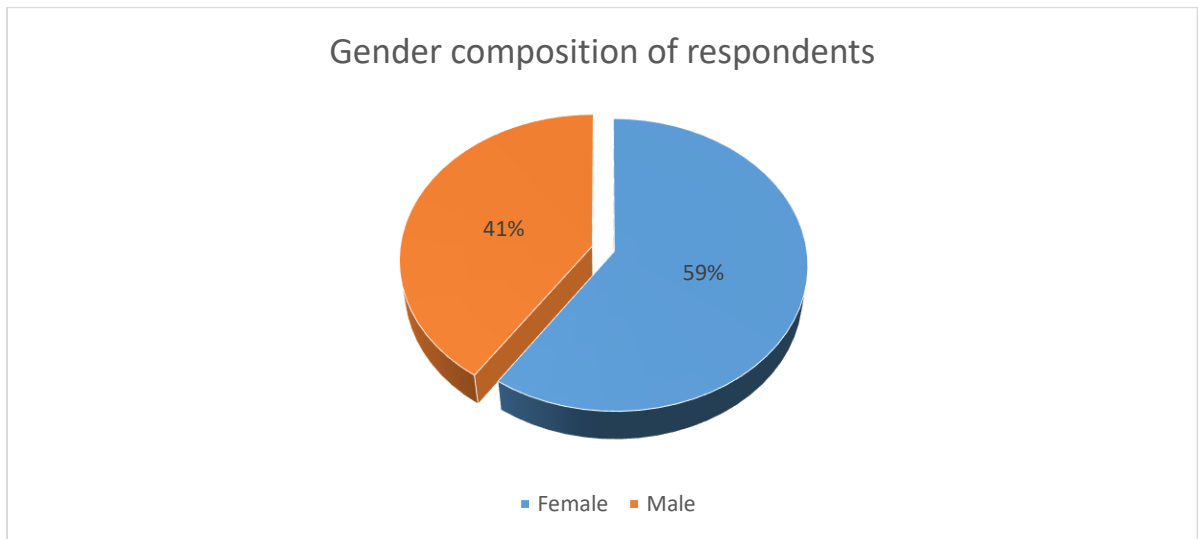


Figure 1: Gender Composition of Respondents

Source: derived from NICO Data

Figure 1 above shows that the respondents were both males and females however a majority of the respondents were female with a percentage of 59.5 while males formed 40.5% of the total respondents with a majority of the respondents holding a supervisory role as per the below figure:

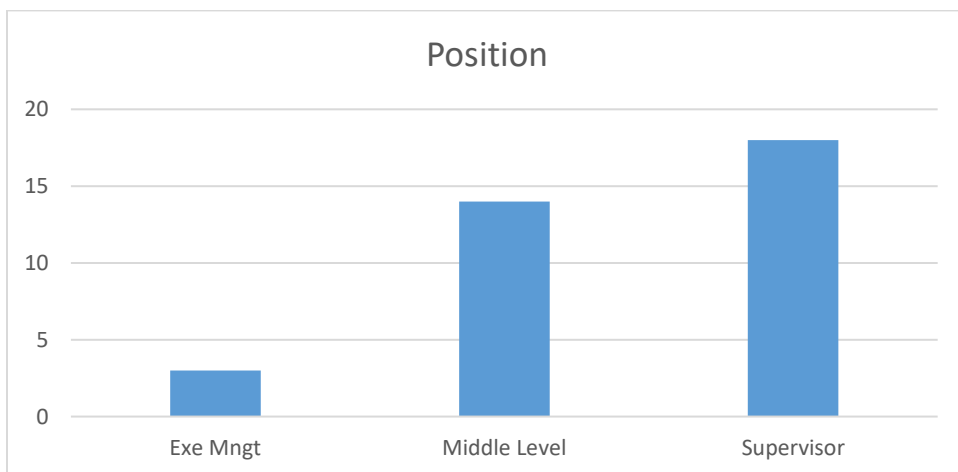


Figure 2: Position held

Source: derived from NICO Data

4.3.2 Respondents Age

The age distribution of the respondents was categorized into five groups (Figure 3): 20-25 year olds (3); 26-30 year olds (2); 31- 35 year olds (19); 36- 40 year olds (7); 40 year olds and above (6). The group with the most respondents is the age group of 31 to 35(19). The smallest group of respondents were the 26-30 year olds, accounting for only 5% of the total. The majority of the respondents were in the age category of 31- 35 seconded by 36 to 40. This means that 72.2% of the employees at NICO Holdings Limited are below the age of 40. This result imply that the organisations productive employees are below the age of 40 and above 30.

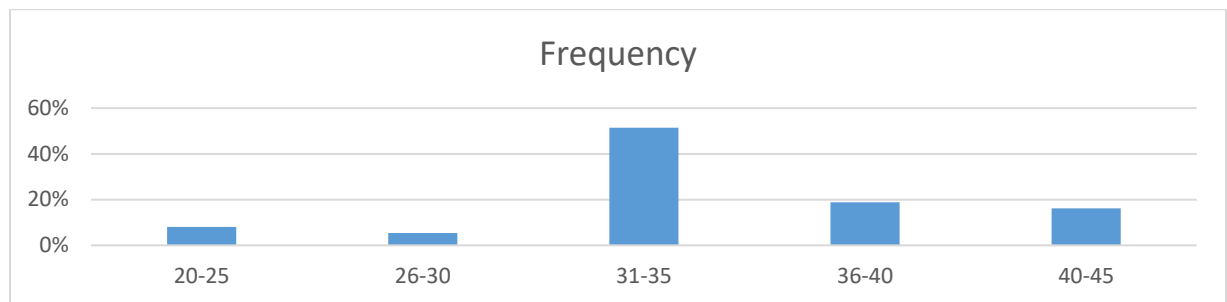


Figure 3:Age Distribution

Source: derived from NICO Data

4.3.3 Education Level

The chart below reveals the educational level of all the respondents who took part in this study focusing on four levels of education, which the respondents may have gone through. The chart shows that 51 % of participants in the study held a Bachelor's Degree while 43% hold a Master's Degree. 3 % hold a PHD. These academic qualifications are of importance to the study as they depict the levels of understanding of issues, especially around people development. Out of the 37 participants, none has a diploma and only 3% have other unspecified qualifications. All the respondents however gave invaluable information as requested by the researcher.

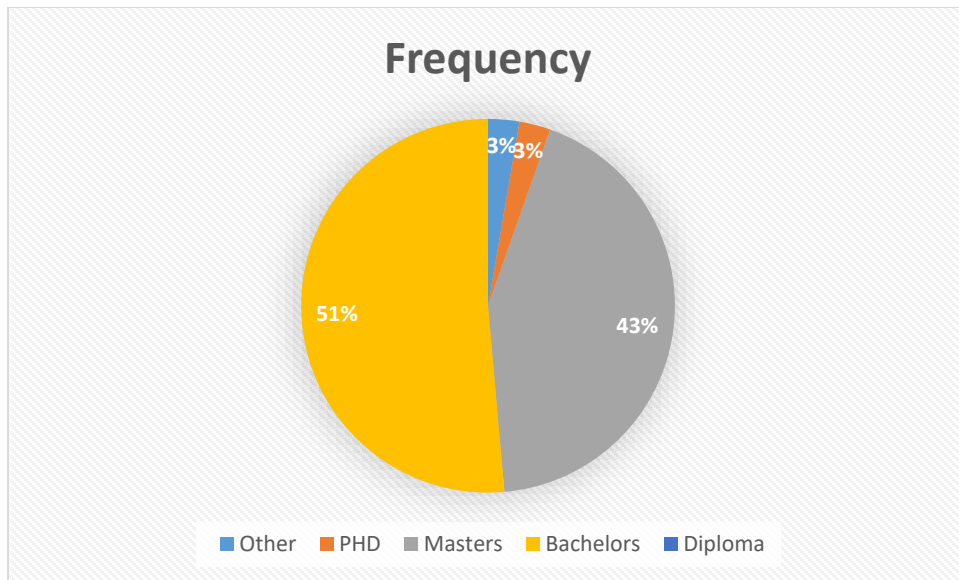


Figure 4: Education level

Source: derived from NICO Data

4.3.4 Years of Service

The tenure of the participants was established by requesting details of their years of service at NICO Holdings Limited and the results are shown in Figure 5 below. This was necessary in determining how long the participants would have been exposed to the organization's talent management system and to come to a conclusion or hold the perception they have about NICO Holdings Limited talent management system. The participants that would have been in the system for a longer time would have a better understanding and experience of the system.

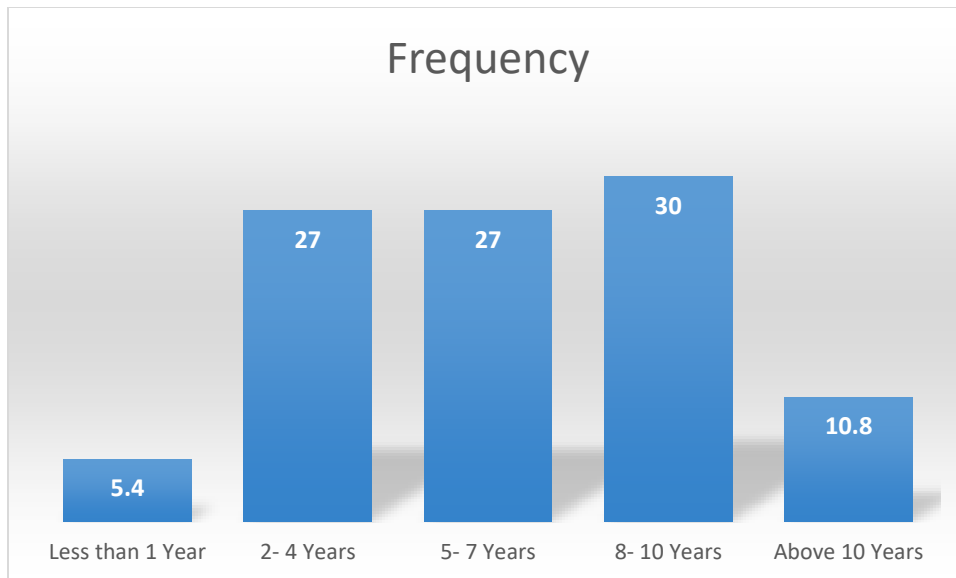


Figure 5: Years of service

Source: derived from NICO Data

Figure 5 above reveals that 67.8% of the employees who participated in this study have been with the case company for more than 5 years. This is long enough to give the study more accurate results as the study focuses more on one's experience. This shows that the results in this study is more accurate. It was established that 10.8 % of respondents had been in the organisation for more than 10 years, 30% between eight and six years, 27% between five and seven years, 27% between two and four years and only 5.4 % had been with NICO Holdings Limited for less than a year.

4.4 Employee Perception on the Effect of Recruitment on Employee Retention

Talent identification begins during recruitment where an organization identifies a need to fill an existing gap within an organization, followed by advertisements in different forms of media to attract the right candidates. The selection process itself must be vast to ensure the selection of the best candidate. This section of the study sought to find out the employees perception on the effect of recruitment on employee retention by using a Likert scale of 1-3, where 1 was strongly disagree, 2 was Neutral, and 3 was strongly agree.

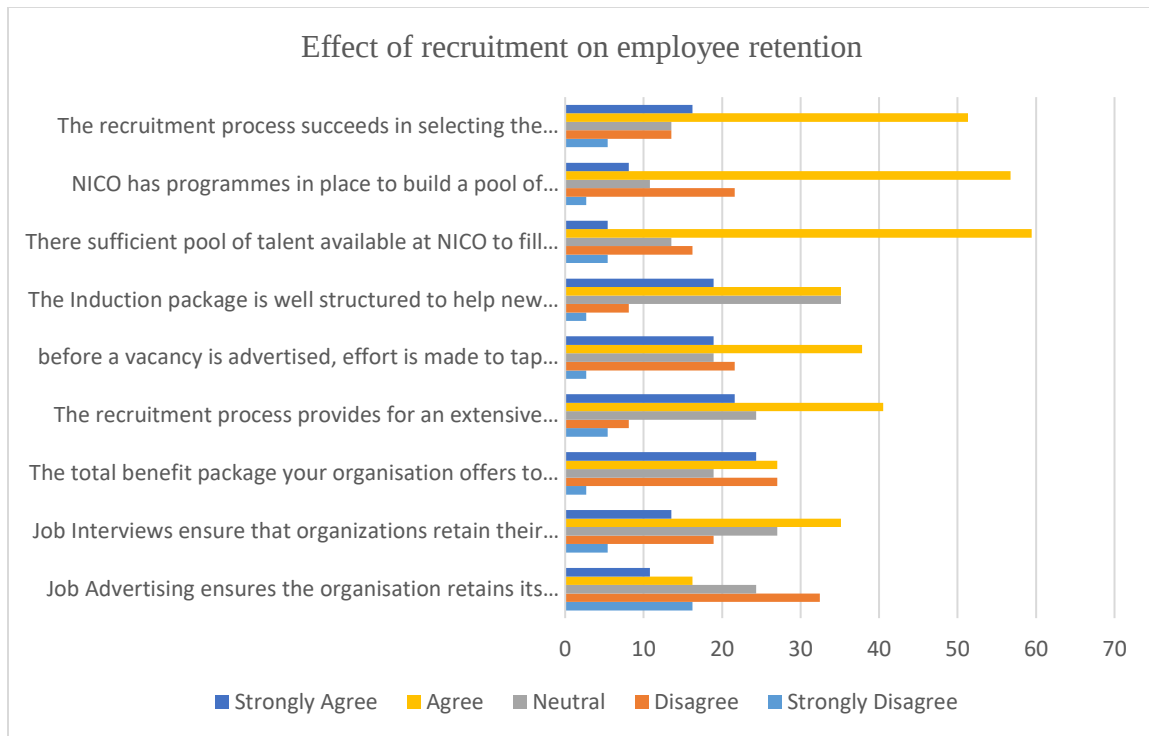


Figure 6: Effect of recruitment on employee retention

Source: derived from NICO Data

The chart above revealed that job advertising does not ensure that an organization retains its employees, 49 % of the respondents disagreed to this statement whilst 24% were not sure and 27% of the respondents agreed with the statement. From the findings, the respondents expressed the view that job advertising has no link to employee retention. The purpose of this question was to investigate whether job adverts would inspire an employee to stay in an organization. Respondents however expressed a different opinion on the statement that states that job interviews ensures that organizations will retain its employees, 49% agreed, 24 % disagreed and 27% were not sure.

51% of the respondents agreed to the statement that the total benefit package offered by NICO Holdings Limited to its potential employees is attractive, 30 % disagreed while 19% neither agreed nor disagreed. Further, 13 % of the respondents disagreed with the statement that the recruitment process provide for an extensive selection of talent, 63 % agreed whilst only 24 percent were not sure. On whether NICO taps from the internal pool before a vacancy is advertised, 24 % disagreed whilst 54% agreed and 19 % were in between. The Induction package is well structured to help new employees settle at NICO Holdings

Limited, only 11% disagreed, 54% agreed and 35% were not sure. The respondents clarified that the organisations induction programs are not as extensive such that most employees do not see the need to remain with the organization should a vacancy from other organizations arise. NICO Holdings should enhance the induction programs, on boarding and mentorship programs to retain its employees. This will enhance the internal talent pool and will lead to a reduction in the time spent on filling new roles (Interview with an Executive Management member, 11th December 2020)

65% of the respondents confirmed that NICO Holdings Limited has a sufficient pool of talent available to fill up managerial vacancies, 22% did not agree and 13% were not sure. Further, 68% of the respondents agreed to the statement that the recruitment process succeeds in selecting the best talent. Lastly, NICO Holdings Limited has programmes in place to build a pool of managerial talent from which new managerial vacancies can be filled 65% agreed and 24% disagreed 11%.

From the result of Figure 6, it is evident that a majority (55%) of the respondents agreed that an organizations recruitment strategy may determine whether an employee will stay with an organization or not, 24% disagreed with the statement while 21% were no not sure about whether it does affect employee retention or not. A similar study carried out by Chelangat (2012) on Huawei Technologies Company revealed that effective recruitment is the beginning of effective retention; therefore, to retain employees there must be a recruitment strategy, which includes job advertisement, recruitment process and identification of key positions competency/behavioral-based selection criteria that support the retention strategy.

According to the qualitative analysis and in agreement with the quantitative findings, the organisation has a recruitment policy, which outlines how a vacancy is to be filled beginning, with the creation of a need from the requisitioning department followed by sourcing from the internal talent pool. A vacancy is then floated to the external market after existing all the efforts to recruit from within. The recruitment policy among other factors plays an important role in employee retention as it outlines the processes and procedures

to be followed. According to the study recruitment is taken as one of the major ways that has contributed towards employee retention at NICO Holdings Limited.

Even though the organisation through its policy emphasises internal sourcing as stated above, the practice is different as some vacancies see their way to the external market before efforts are made to recruit from within. The Group Head of Human Resources however indicated that such instances do exist especially when they are specialised vacancies, which cannot be filled internally, and the procedure to source from the external market for such vacancies has been well articulated in their recruitment policy. The research revealed that there is a huge gap in knowledge of the recruitment policy by the respondents and the Human resources admitted of its failure to disseminate information. From the analysis, it is evident that an awareness of the recruitment policy and any other policy would lead to the retention of staff as supported by Phillips and Edwards (cited in Mukweyi 2016:48) who state that the awareness of how to recruit top talent is one of the first and most important steps in the retention mechanisms. When employees are employed in alignment with an organizational mission, then the process of employee retention through their commitment becomes easier.

Additionally, the respondents indicated the need for the organisation to revise its rewards by increasing both salary and fringe benefits in order to attract new talent and retain its current workforce (Interview with a Senior Manager, 10 December 2020). Even though the existing package that the organisation offers to its employees is attractive as divulged in the quantitative analysis, the employees still see a need for the organisation to revise its packages in order to be competitive on the market and retain its talented employees.

From the findings of the study, we can conclude that recruitment process of employees at NICO Holdings Limited affects their retention to a significant extent through interviews, total benefits package offered to potential employees as well as induction of new employees to help them settle. The company has employed an effective recruitment strategy, which includes job advertisement, recruitment process and identification of key positions competency/behavioural-based selection criteria that support their retention strategy. The study revealed that there was no relationship between advertising vacant posts

and retaining employees. However, the study revealed that there was need for management to focus more on developing the internal pool and filling vacant posts from within as compared to sourcing from the external environment. These findings also confirm the assertions of Alleyne et al., (2012), Boxall and Haesli, (2005), Mbugua et al., (2015), Dermody (2002), Greene and Tello (1996) who have argued that the success of employee retention has to be positively linked to the recruitment practices.

4.5 Employee Perception on the Effect of Succession Planning On Employee Retention

The study sought to establish the existence of succession planning at NICO Holdings Limited as a tool for employee retention by using a Likert scale of 1-3, where 1 was strongly disagree, 2 was neutral and 3 was strongly agree. Figure 8 below shows that 57% of the respondents agreed that they had an established succession planning at NICO Holdings Limited, 21% disagreed with the statement while 22% were not sure of its existence.

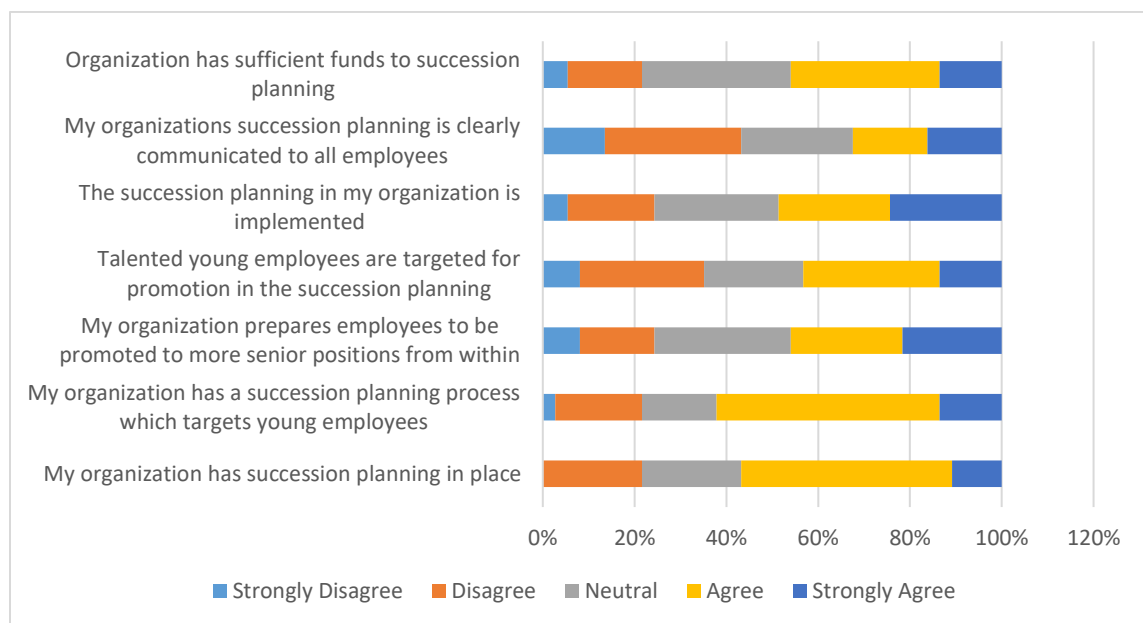


Figure 7: Effect of succession planning on employee retention

Source: Derived from NICO data

The respondent's opinion on the statement that the organization has a succession planning process which targets young employees had that highest score of 63% followed by an implemented succession plan at NICO Holdings Limited with a score of 48 %. 46% of the respondents were of the opinion that the organization prepares employees to be promoted

to more senior positions from within, 30% were however indifferent while 24% disagreed. Organization has sufficient funds to implement succession planning had a similar score where 46% of respondents agreed to the statement whilst 21% did not agree and 32% were not sure. In addition, 44% of the respondents were of the opinion that talented young employees are targeted for promotion in the succession planning at NICO Holdings Limited while 25% did not agree and only 22% did not take sides. However, a majority of the respondents (44%) were of the opinion that the organizations succession planning is not clearly communicated to all employees. Only 32% of the respondents were of the opinion that the organizations succession planning is clearly communicated to all employees and 24% were not sure. In summary, it can be observed from the above chart that a majority of the respondents at 48% agreed to the assertion that succession planning is a tool for retaining employees, 25% were not sure whilst only 27% disagreed. The analysis of the findings are evident that NICO Holdings Limited has adopted succession planning as a strategy to retain its talented employees which has indeed led to a higher rate of employee retention. Additionally, this means that the organisation has put in place a proper succession planning program which has affected the employees' decision to stay with the organisation positively because the employees feel that they have a future with the organisation hence an increase in the rate of its employee retention.

Nevertheless, even though employees are aware of the existence of the succession plan, the organisation should enhance its communication strategy with the aim of imparting more knowledge to the employees of its existence. Succession planning is concerned with the degree to which the employees perceive that they can realise their career objectives from the current working environment. It is expected that if employees perceive that they can achieve their career goals within the same organization, employee turnover cases will be limited.

Similar research studies conducted by Javed and Jaffer (2019) in Swedish organizations and Hassan and Siddiqui (2020) on the impact of effective succession planning practices on employee retention in Pakistan private sector firms, revealed that lack of proper succession planning in an organization can lead to a collapse of a company after the exit of prominent individuals. The studies further revealed that the implementation of effective

succession planning practices would result in an increase of employee morale, leading to enhanced business profits by retaining the talented employees in the organization.

Figure 9 below depicts the respondents views on the relationship between succession planning and employee retention by 70.3%.

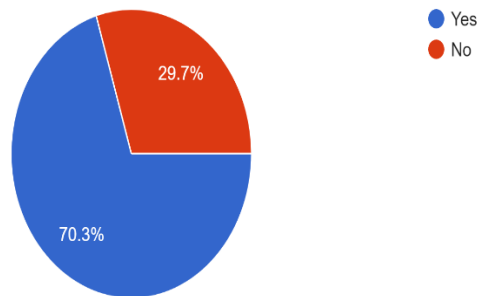


Figure 8: Relationship between succession planning and employee retention

Source: Derived from NICO data

Further findings of the study discovered that 48.6% of the respondents were of the opinion that through succession planning the rate of employee retention increased by 51 to 75%. This was followed by 29.7% who recorded an increased rate of employee retention by 26 to 50% while 13.5% recorded an increased rate of 1 to 25% and only 8.1% recorded an increase of 76 to 100 %. Therefore, these findings implied that employee retention is influenced by succession planning as implemented by NICO Holdings Limited.

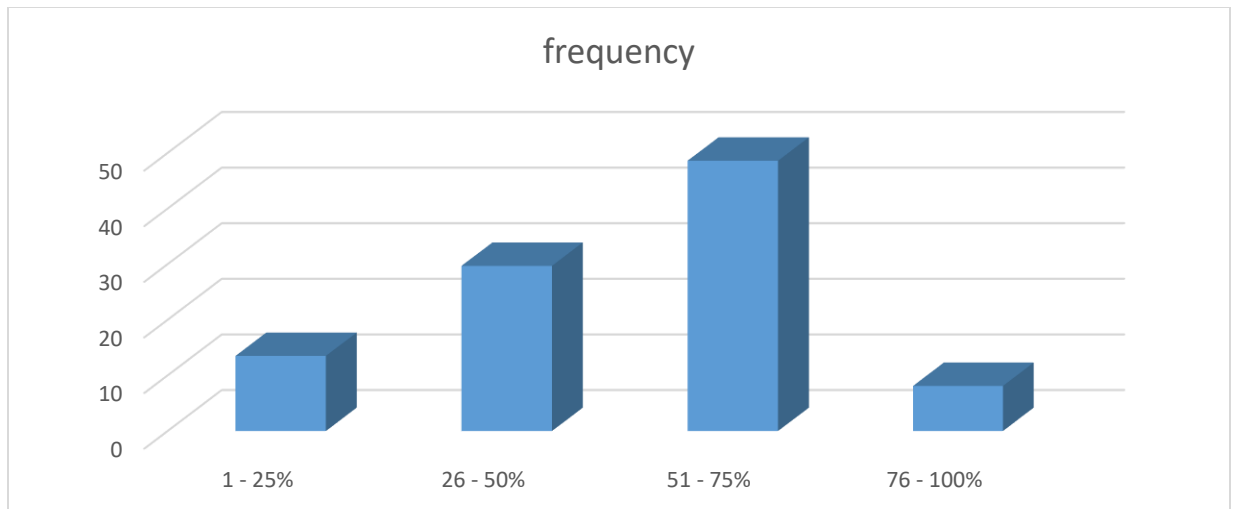


Figure 9: Rate of employee retention

Source: Derived from NICO data

The respondents were asked to state other factors that affected succession at NICO Holdings Limited. The responses were analysed by using content that was similar such as words, themes and characters among others. The factors as raised by the respondents included career growth, training, technology advancement, policy formulation and management support, Leadership development, merit based promotion, identification of top performers, provision of funding for succession planning activities, job rotation and improved communication. Findings revealed that NICO Holdings Limited has a well-articulated succession plan policy in place. The policy was developed to ensure that effective and logical replacements for key job incumbents in executive, management, technical, and professional positions are developed within the organisation (NICO Succession plan Policy 2014). In support, an interview with one of the Managers (13 December 2020) indicated that the organization implemented succession planning to help its employees realize their career plans and inspirations but also to develop a qualified pool of candidates who are ready to fill vacant positions.

Contrary to the quantitative findings, the qualitative analysis further revealed that the organization does not have sufficient funds for succession planning programs. One tends to wonder how the organisation has managed to implement succession-planning programs in the absence of funding. The researcher observed that there is less commitment or buy in

from top management to implement succession-planning programs. A study conducted by Maphisa et al., (2017) revealed that Top managements' participation in succession planning would facilitate in providing leadership and direction regarding the implementation of succession planning. The role of the Human Resources Department is to provide on- going support, training, and advice to the Chief Executive Officers in developing and implementing succession plans, conducting training needs assessment, and providing opportunities for training and professional development and the implementation of the programme (Interview with a Senior Manager, 13 December 2020). It is however evident that Human Resources has failed to provide its role in as far as implementation of succession plan at NICO Holdings limited is concerned.

It is also evident that the organisation implemented the program on paper but in practice, succession planning is only a myth that management of NICO Holdings has in its strategy. Both employees as well as the managers do not have a clear understanding of succession planning and has not received full support from top management as evidenced by poor funding. This analysis implies that succession planning is not clear to the employees and therefore has had little effect on employee retention. The researcher further concludes that, the employees understand the importance of succession planning and have faith that its implementation would lead to an increase in employee retention. Even in the absence of the much needed support, NICO Holdings has managed to retain its talented employees and the employees perceive that Succession planning has led to this increase with the hope that one day they will be promoted.

4.6 Employee Perception on the Effect of Performance Management on employee Retention

The study sought to establish the employee's perception on the effect of performance management on employee retention. To achieve this the respondents were requested to state their level of agreement on Likert scale and their responses were summarised as per the figure above. The respondents had different views with regards to the first item on the scale that promotion is not based on seniority but on performance, 43% were of this opinion, 30% held a contrary opinion while 27% were indifferent. 68% of the respondents agreed that their departmental targets and tasks and their due date are clearly

communicated, on 16% did not disagree and 16% were not sure. Moreover, 42.7% of the respondents were of the opinion that there are measures and mechanisms in place to ensure performance and feedback.

It is worth noting that a majority of the respondents at 57% agreed that performance reviews at NICO Holdings Limited are conducted regularly, only 22 percent disagreed and 21% of the respondents neither agreed nor disagreed with the statement. 49% of the respondents were of the opinion that the organization rewards good performance, 35% were however of the contrary opinion and 16% were not sure.

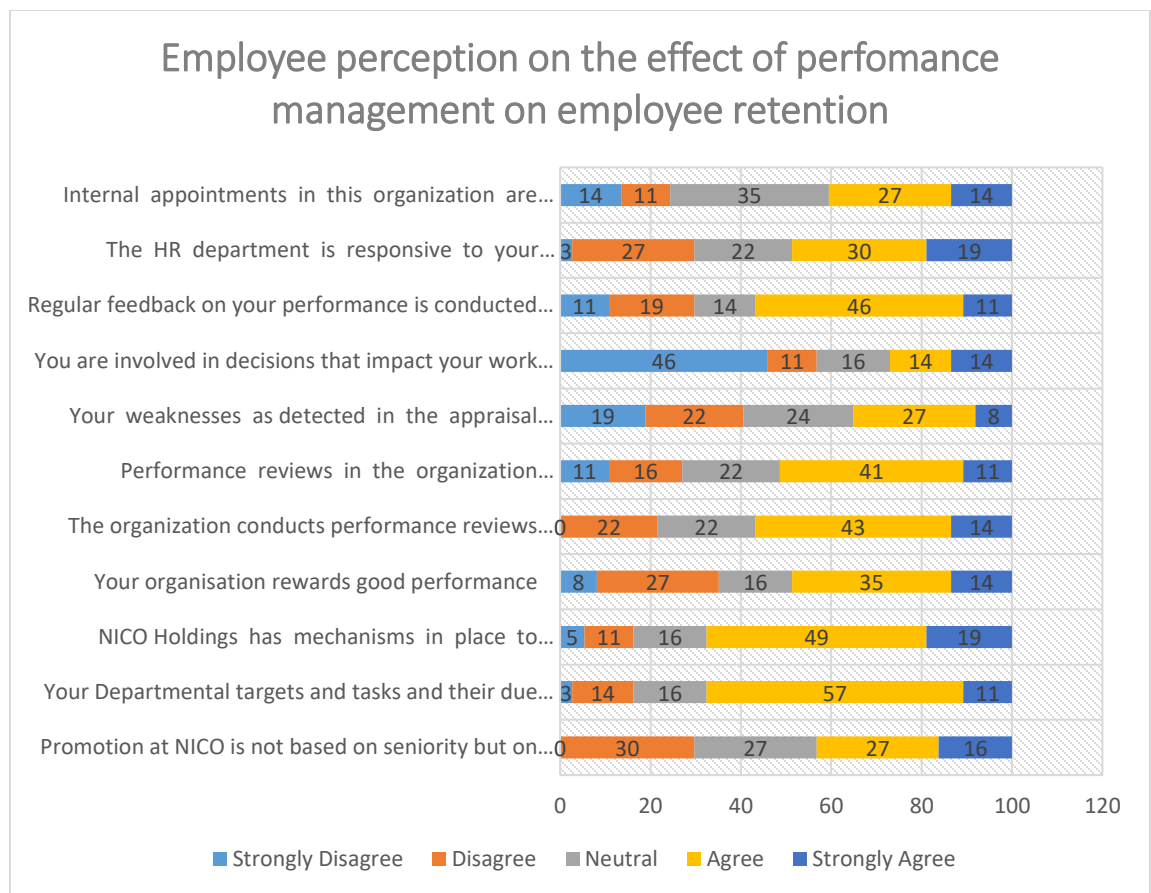


Figure 10: Employee perception on the effects of performance management on employee retention

Source: Derived from NICO data

In addition, 51% of the findings revealed that performance reviews at NICO Holdings Limited provided them with accurate information about their strengths, weaknesses and development areas, 27% disagreed. The respondents differed more on the statement

that weakness detected during evaluation leads to development and training of staff with a majority of 41% disagreeing with the statement and only 35% agreed with the statement. Further, 57% of the respondents indicated that they were not involved in decisions that affected their work performance and only 27% indicated that they were involved in the process. The results depicted that a majority of 57% agreed that feedback on employee performance is provided on a regular basis, 30% disagreed and 13% neither agreed nor disagreed. 49% agreed that the Human Resources (HR) department is responsive to employee training and development needs. Finally, majority 41% agreed that internal appointments are done in a fair manner and 24% disagreed while 35% were not sure.

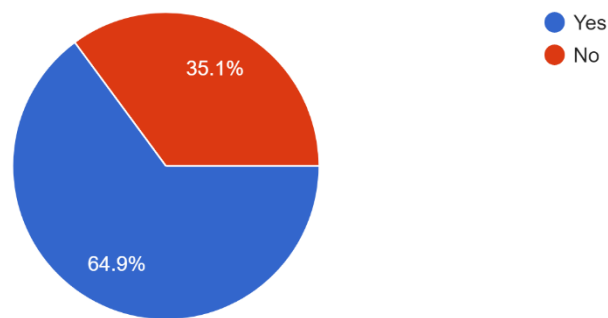


Figure 11: Relationship between Performance and management and employee retention

Source: Derived from NICO data

The respondents were further requested to provide their opinion on whether there was a relationship between performance management and employee retention as per the above chart. 64.9% reported that there is a relationship between the two variables while 35.1 disagreed.

The study findings further revealed that a majority of 43% reported that through performance management the rate of employee retention increased by 26% to 50% followed by 32.4.2% who recorded an increased rate of employee retention by 1%- 75% while 10.8% recorded an increased rate of 76% to 100% and 13.5% recorded an increase of 1% to 25 %. Therefore, we can conclude that employee retention is influenced by

performance management strategy as adopted by NICO Holdings Limited. This has been supported by a research conducted by Ntonga (2007) which proved that companies who effectively manage employees' performance retain their most talented employees and deliver better results for shareholders.

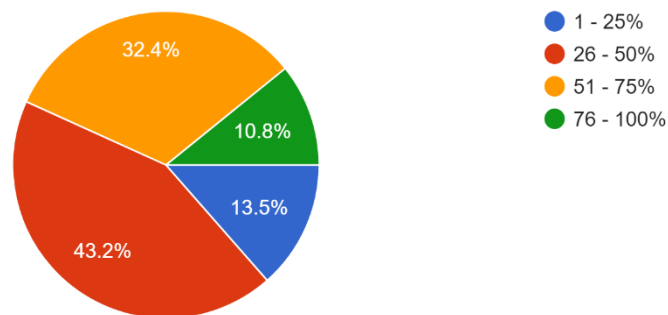


Figure 12: Rate of increase in employee retention

Source: Derived from NICO data

The respondents were further requested to indicate areas of performance management practices, which the organization must improve to encourage staff retention. A majority of the respondents indicated compensation and reward for good performance as a motivator for employees to remain with the organization. “Employees must be rewarded for what they put in the organization. Their efforts must be recognized and rewarded as this will encourage other employees to work hard for future recognition” (Interview with a Senior Manager 10 December, 2020).

According to the qualitative analysis, NICO Holdings Limited has placed emphasis on performance management to ensure that salary and other rewards are performance based. This has been the trend since 2015 when talent management was introduced at the organization contrary to the opinion of the respondents who still feel that the organisation can do more towards recognizing the efforts of its employees and rewarding the top performers. Promotion on merit, rewards based on performance and staff appraisal are all components of performance management at NICO Holdings Limited and the organisation

is currently using the balanced scorecard to measure performance of its employees. An interview with one of the respondents revealed that as a way of rewarding its top performers, there is progression with the salary scheme, half-yearly awards and recognition for deserving staff as well as promotion by merit. The respondent cited examples of the top performers from the organisation that have risen to higher positions as a result of their hard work.

Performance management is concerned with the remuneration aspect of the employees as a retention strategy. The remuneration of vital employees should be equitable and fair, particularly for employees occupying higher job levels and this requires the organization to design its process of evaluating performance in a way that shows the willingness of an organization to identify and appreciate high performance levels. This is in line with both the equity theory and Herzberg's two-factor theory that the study adopted. NICO Holdings Limited has however not done very well on the other aspects of performance management as per the respondent's opinion and has not been able to engage the employees in decisions that affected their work decisions.

Again, failure to develop and train its employees on weakness detected during a performance evaluation poses as a weakness as employees will prefer working for an organisation that would promote their career growth.

“Employees that do not do well must also be placed on a performance management program. Timely feedback must be provided to employees on their strengths and weaknesses must be addressed and supported with further development and training opportunities. This will lead to an improved performance for the organization” (Interview with a Supervisor 10th December, 2020).

Despite rewarding good performers, the organisation should concentrate more on developing the weaknesses of its employees as detected during appraisals as per Herzberg's two factor theory which enforces the fact that employee retention goes beyond remuneration (hygiene factors) but leans towards other motivators such as recognition, achievement and feedback.

Krishnan (2013) in his study on performance management and employee retention in the Indian service industry found out that performance management was among the factors mentioned to increase retention rates. The study revealed that the success and failure of any organization depends on the performance of the employees and the consequent rewards and recognition process which ensures employee retention.

4.7 Employee Perception on the Effect of Training and Development on Employee Retention

The study sought to establish the employee's perception on the effects of training and development on employee retention at NICO Holdings Limited by focusing on the different aspects of career development. Employee training and development programs are aimed at impacting employees with the requisite competence and job-related skills needed to advance their career in senior managerial positions. Respondents were therefore asked several questions and were expected to rate them with the highest being strongly agree (5) and the least being strongly disagree (1). 79% of the respondents were of the opinion that through employee recognition, the organization is able to retain employee, 13% disagreed and only 8% were not sure. The respondents also shared similar opinion on the statement that through the provision of rewards and room for improvement, the organization is able to retain its employees, 6% disagreed and 16% were unbiased. This was followed by the opinion of 73% who agreed that through performance agreement, the organization is able to retain employees, 19% disagreed and 8% were not sure. The last statement sought to find out whether through competency assessment the organization is able to retain employees, 64% of the respondents were of this opinion while 6% were of the contrary and 30% were not sure.

The below figure 11 summarizes the findings of the study:

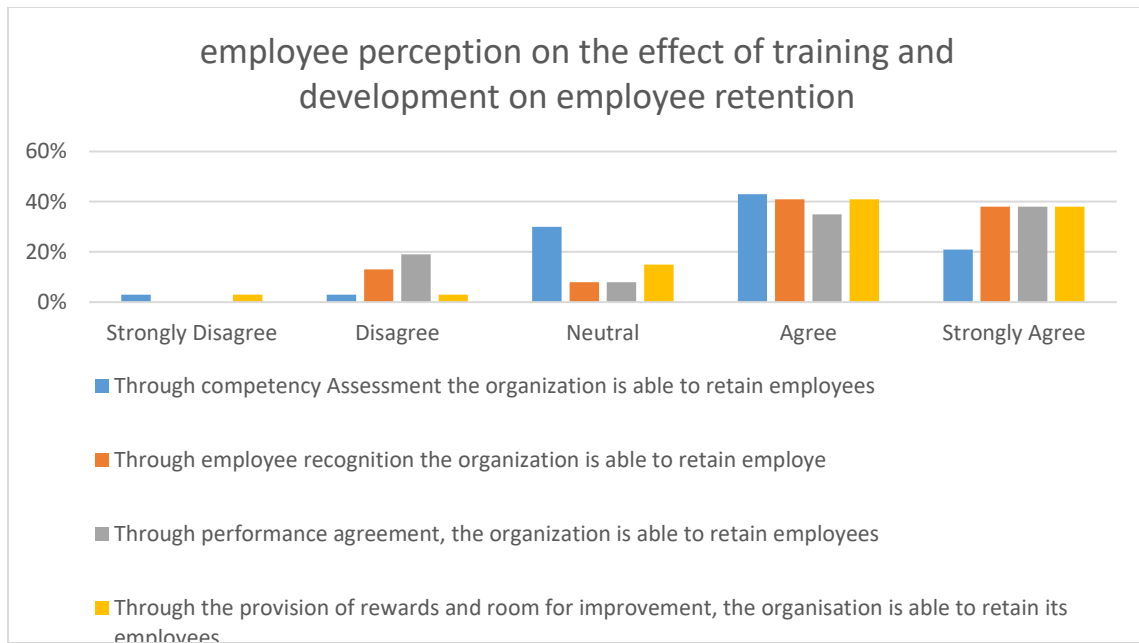


Figure 13: Employee perception on the effect of training and development on employee retention

Source: Derived from NICO data

Further findings of the study as per the below figure revealed that 81.1% of the respondents were of the opinion that training and development offered by the organization to the employees increases their retention.

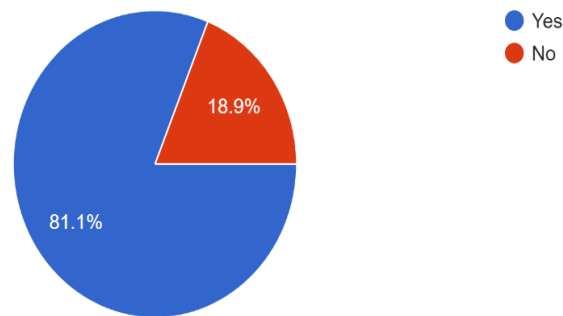


Figure 14: Relationship between training and development and employee retention

Source: Derived from NICO data

When asked to rate on a scale whether through training and development the rate of employee retention increased, 45.9% of the respondents were of the opinion that through training and development the rate of employee retention increased by 51 to 75%. This was followed by 32.4% who recorded an increased rate of employee retention by 26 to 50% while 13.5% recorded an increased rate of 1 to 25% and only 8.1% recorded an increase of 76 to 100 %. Therefore, employee retention is influenced by training and development strategies as implemented by NICO Holdings Limited.

The respondents indicated that on job training in respective areas would lead to the identification of talent that can take over in the absence of the incumbent and this would motivate employees to work hard and remain with the organization for their own career growth, this would be critical in succession planning (Interview with a Senior Manager, 11th December, 2020). Paid scholarships and study leave for talented employees would improve their skills for the benefit of the organization. The organisation however provides for scholarship programmes as elaborated in its training policy and from the qualitative findings which indicated that employees at NICO Holdings are offered opportunities to advance in their career and various mechanisms to train and develop these employees are available to all employees. This is properly articulated in their training and development

policy, which was developed in 2014. Management of NICO Holdings Limited is committed to train its employees in support of one of its core values, which is professionalism. The organization has a budget of 6% per annum for training of its employees and sponsorship that ranges from 50% to full sponsorship depending on the need for the course for which the staff is undertaking.

The respondents further indicated that the organization can as a way of ensuring employees upgrade themselves provide educational loans to the rest of the employees seeking to upgrade themselves and refund them after production of a certificate obtained. The study established that there is a high need for employees to be trained and upgraded for them to fit in the competitive technological world. The organisation only provides loan to employees that are studying programs related to their jobs. Employees that are studying for a Malawi School Certificate of Education for example are not offered a loan or a scholarship. These employees also need to upgrade themselves and when they get the certificate through their own efforts; they are only confined to study for Insurance, IT or Banking courses, which according to the respondents are hard and only easy to the so called “Y Generation” who are still fresh.

An interview with the Director of Human Resources revealed that the organisation puts more effort in development and professional growth of its employees through its policy, which pursues promotion from within such that employees are encouraged to develop their abilities to perform their duties effectively and efficiently in order to be considered for promotion opportunities. Corroborating, the respondents confirmed that indeed management supports their efforts to upgrade themselves but a clear plan for career growth should also be in place and that the organization must ensure that equal training opportunities are provided to all employees as this will give the organization a competitive edge (Interview with a Supervisor 10th December 2020). To sum it all up, the respondents suggested that remuneration packages and career development opportunities such as on the job managerial training programs should be encouraged. The implementation of the above strategies would therefore lead to a further increase in retention as it benefits both the organization and the employee. The findings relate with a study by D'Amato & Herzfeldt (2008), where 1,666 European managers explained the influence of learning and

development on retention across generations through a survey. The survey found that learning orientation, training and development improved the intention to remain in the same organization.

The overall outcome from the study on training and development indicates that NICO Holdings Limited has managed to retain its employees from 2014 through the provision of training and development to its employees. This is in accordance with Manafa, et al., (2009) who conducted a study on retention of Health workers in Malawi, which showed that health workers were particularly dissatisfied with what they perceived as unfair access to continuous education and career development opportunities as well as inadequate supervision. The workers aspired for an environment that provided for their career development opportunities which most of the facilities lacked and hence would leave. Also agreeing is a research conducted by Haider et al., (2015) on the impact of human resource practices on employee retention in the telecom sector which revealed that failure to retain employees in many organizations is due to lack of adequate training.

4.8 Qualitative Analysis of the Factors that Influence Retention at NICO Holdings Limited

4.8.1 Staff Turnover

This section sought to establish the number of employees who had left the organization since 2010 from the Director of Human Resources and the Human Resources Manager/ Officer. The responses were categorized into two, voluntary and involuntary resignation. The study revealed that 47% between 2010 and 2019 only 9 employees (53 %) voluntarily left the organization in search for a better fulfilling job elsewhere whereas only 8 (47%) employees had involuntarily left their jobs as a result of termination of their contract through disciplinary procedures or retirement.

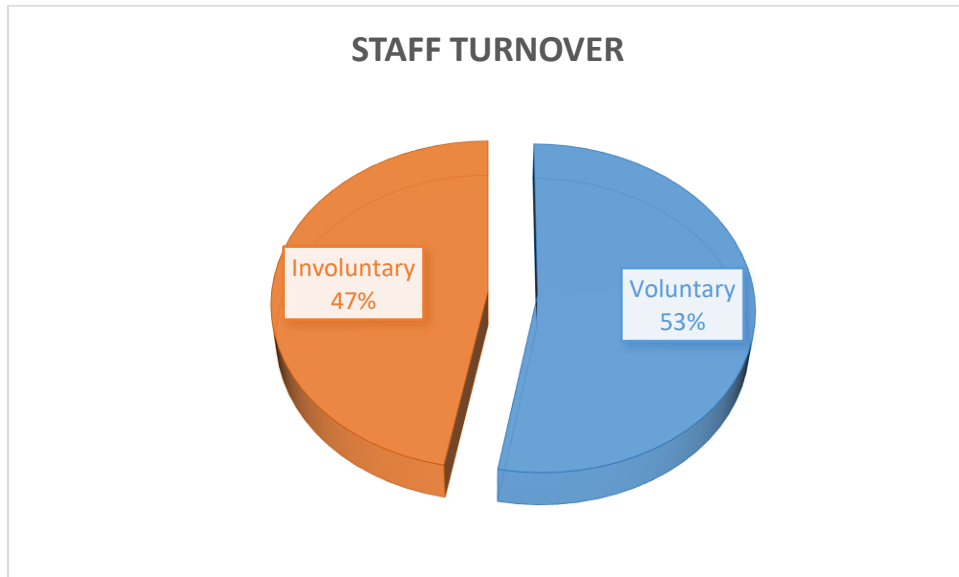


Figure 15: No of separations from 2010 to 2019

Source: Derived from NICO data

4.8.2 Attrition Rate

This section of the study sought to establish the attrition rate during different years from 2010 to 2019 by dividing the number of employees leaving per year with the total number of employees left throughout the period in question.

Table 2:Attrition rate

YEAR	TOTAL NO EMPLOYEES	RATE OF ATTRITION
a. 2010	1	6%
b. 2011	2	12%
c. 2012	3	18%
d. 2013	1	6%
e. 2014	4	24%
f. 2015	1	6%
g. 2016	0	0%
h. 2017	0	0%
i. 2018	2	12%
j. 2019	3	18%

Source: Derived from NICO data

The table above reveals that the year 2014 had the highest rate of attrition at 24% followed by the years 2012 and 2019 at 18% respectively. The years 2011 and 2018 had an attrition rate of 12%. 2010, 2015 and 2016 saw a reduction in the attrition rate at 6% whilst there was 0% attrition rate in the years 2016 and 2017.

4.8.3 Comparison of Male and Female Attrition

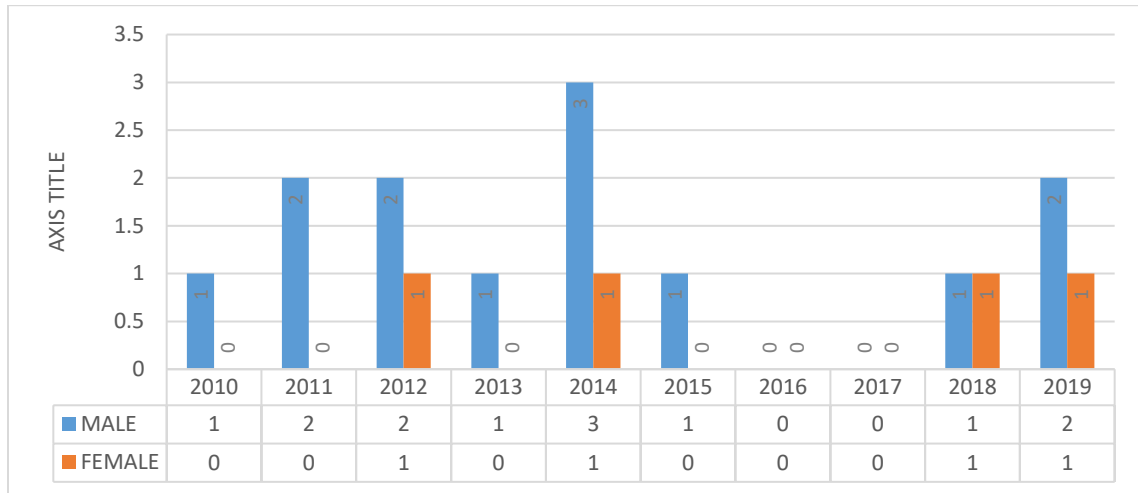


Figure 16: Comparison of male and female attrition

Source: Derived from NICO data

The above figure 17 depicts that more men (3) and a woman lost or rather left their jobs in the year 2014 at NICO Holdings limited. In the Year 2012 and 2019 an equivalent number of 2 and 1 for both males and females respectively left the organization. In 2018, only 1 man and a woman left the organization voluntarily or involuntarily. In the years 2010, 2011, 2013 and 2015, no female left the organization while 2 men in the year 2011 and 1 man in the years 2010, 2013 and 2015 left the organization.

4.8.4 Positions Most Affected Between 2010-2014

This section sought to find out the positions that were most affected between the years 2010 and 2014 in the three levels of executive, operational and administration. The figure below summarizes the findings.

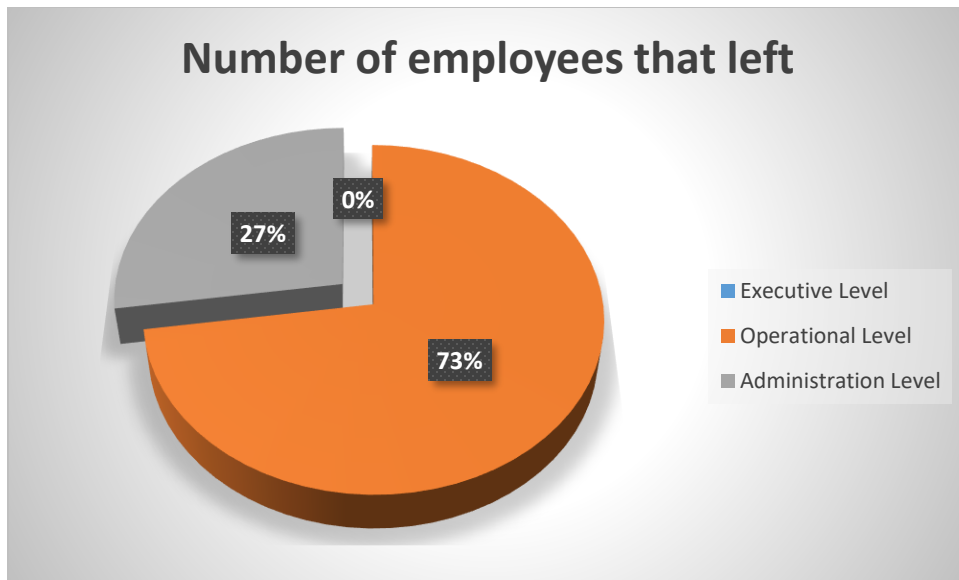


Figure 17: Number of employees that left from 2010 to 2014

Source: Derived from NICO data

The above figure shows that a majority of the employees that left were from the Operational level at 73% followed by the administration level at 27%. The executive level was however not affected by turnover during these years.

4.8.5 Positions Most Affected Between Year 2015 and 2019

This section sought to find out the positions that were most affected between the years 2010 and 2014 in the three levels of executive, operational and administration. It was revealed that in the years 2015 and 2019 the executive level was affected by 1(16%) followed by two administrators at 17%, the most affected were the operational staff at 4 (65%).

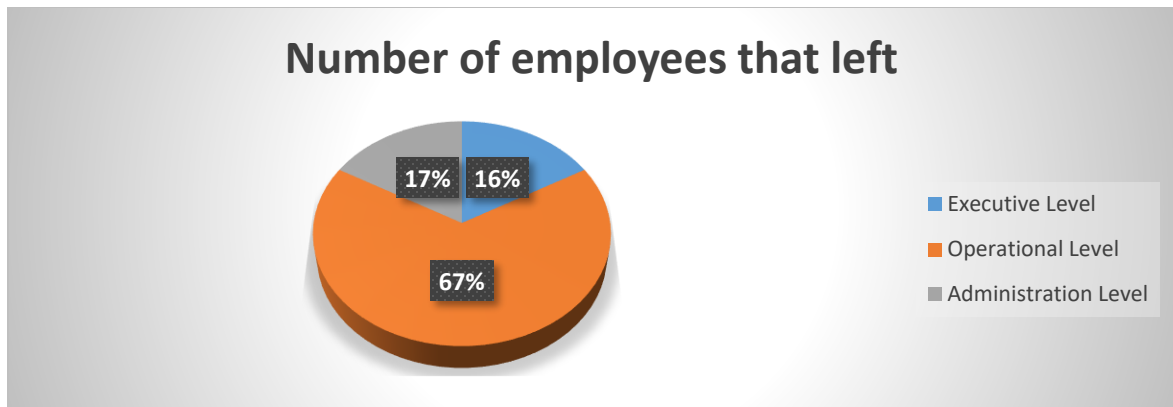


Figure 18: Number of employees that left in the years 2015 to 2019.

Source: Derived from NICO data

4.8.6 Reasons for Leaving

This section of the study sought to find out reasons from the Human Resource Manager and Head of Department on the common reasons for leaving the organization as indicated during exit interviews. A majority of the respondents indicated remuneration, compensation and lack of training and development initiatives. Similar studies by Terera and Ngirande (2014) revealed that rewards and job satisfaction are key factors in retaining employees. The study revealed that organisations that have a retention strategy that addresses employee compensation and job satisfaction as major factors are able to retain their most talented employees for a longer period. A study by Allen, Shore and Griffeth (2003) also identified training and development opportunities, promotion and performance management as some of the factors that contribute to employee retention.

4.8.7 Factors that influenced employee retention at NICO Holdings Limited

This section sought to find factors that influenced employee retention at NICO Holdings Limited. The respondents indicated that succession planning, training and development and Job satisfaction influenced retention at an average rate of 51 to 75 % while performance management had the lowest rate of 26 to 50% and reward management had the highest rate of 76- 100%. The findings further revealed that apart from succession planning, training and development, recruitment and selection and performance management, there are other factors such as job satisfaction and reward management that highly influence an employee

to stay in an organization as summarised in the below table.

Table 3: Reasons for leaving

Response	Frequency
Succession Planning	51-75%
Training and development	51-75%
Performance management	26-50%
Recruitment and selection	76-100%
Job satisfaction	51-75%
Reward management	76-100%

Source: Derived from NICO data

4.8.8 Analysis of the Influence of Talent Management on Employee Retention

This section of the study sought to find out if there was a significant difference between the number of people that left the organization between 2010 to 2014 and the number of employees that left the organization between 2015 and 2019. This was done by analyzing the number of employees that left before the introduction of talent management practices in the years 2010 to 2014 and after introduction of talent management practices in the years 2015 to 2019.

Table 4 below shows these results.

Table 4: Rate of attrition

YEAR	NO OF EMPLOYEES	ATTRITION RATE
2010- 2014	11	65%
2015-2019	6	35%

Source: Derived from NICO data

Findings of the table above denotes that the rate of employee attrition after the introduction of talent management practices at NICO Holdings Limited in the years 2015 to 2019 is significantly lower as compared to the rate of employee attrition before the introduction of talent management. We can therefore deduce that talent management has added value to human resource management at the company.

4.9 Discussion

The study sought to establish employee perception of the effects of talent management on employee retention at NICO Holdings Limited by incorporating four major talent management practices to come up with a tool of collecting opinions from the organization. These talent management strategies include recruitment process, succession planning, performance management, training and development. NICO Holdings Limited has largely benefited from the introduction of these talent management strategies as evidenced from the analysis conducted, the rate of attrition reduced significantly. This has resulted in the improvement of employees' affairs and therefore recording higher retention

4.9.1 Talent management strategies implemented for employee retention

NICO Holdings Limited has implemented talent management strategies to ensure that employees do not just leave the organisation. These strategies include recruitment process, succession planning, performance management, training and development. NICO Holdings Limited has largely benefited from the introduction of these talent management strategies as evidenced from the analysis conducted, the rate of attrition reduced significantly. This according to the employees has resulted in the improvement of employees' affairs and therefore recording higher retention rate. A majority of the

employees agreed to the assertion that the organisation has strategies in place which include recruitment, performance management, succession planning, training and development. The findings of the study concurred with other studies such as Thiriku (2013) who conducted a research on factors affecting employee retention discovered that organizations that are weak in performance management, succession planning and recruitment practices result in low employee retention. This showed that the more effective the strategies are, they result in higher employee retention.

The study finding also concurs with the Equity theory which stipulates that employees provide labour (Input) to an organisation and expect returns for their input in terms of salary, recognition and compensation (Output). Equity is therefore achieved in this regard if the employee feels that his/her input reflects the output.

Similarly, Oladapo (2014) investigated the influence of talent management on employee retention among US shipping firms and established that talent management strategies are very important in determining the rate of employee retention with the major factor that undermining retention rate being low job development opportunities.

The findings of the study show that NICO Holdings Limited has employed various strategies of talent to retain its current employees. This is in line with the findings of Chandranshu and Sinha (2012) who suggested that there is no single recipe for employee retention rather a multi-faceted concept exists. It is clear from the findings that NICO Holdings limited engaged the use of different talent management strategies in order to retain its employees and gain its competitive advantage.

4.9.2 The effect of performance management and succession planning on employee retention

4.9.2.1 Recruitment

To attract and retain its employees, NICO Holdings Limited implemented recruitment strategy as the first step to retaining its talented employees. The organisation employed an effective recruitment strategy, which originates from job advertisement to on boarding of new employees. The employees nevertheless, perceive that job advertising has no link to employee retention. Job advertising will only attract potential talent that is extensively selected through the recruitment process. This conflicts with Griffiths, (2012) who states that talent acquisition is not just a process of filling positions, but also utilization of the candidates and their skills that come out of a rigorous recruiting process. The recruiting process includes plans for attracting top talent through job advertisements, which must be spelled out in the recruitment policy of the organisation in order to position itself as an ‘employer of choice.’

Most of the respondents did not possess a good knowledge of the HR recruitment policy. The policy is not well communicated to its employees and this possess as a challenge to the organisation in its bid to retain its employees. Most of the employees were of the view that the organisations communications strategies are not effective as evidenced in both the responses of the questionnaires as well as the interviews conducted with the Director of Human Resources and his managers who confirmed that they have not done very well in disseminating the policy to all its employees. Communication is important in every organization as this is a factor of retention according to the literature review and effective communication is an integral part of employee retention. Great communications between the employee and management leads to an understanding of the important strategies implemented by the organisation leading to retention of employees as concurred by Gask (2013) who states that effective communication is important and could lead to employee retention.

The study revealed that the organisation has a sufficient pool of talent through which NICO can tap from to fill vacant positions. Efforts are made to tap from this internal pool. However, the study further revealed that even though this is the case, the organisation still

advertises for vacant positions to the external market before sourcing from within. Herzberg theory, which relates to intrinsic aspects of job satisfaction focuses on career progression, responsibility and achievements. The theory considers these elements vital for job satisfaction, which in turn compels the employee to stay in the job. The theory also considers more money as a hygiene factor such that the absence of which can make the employee dissatisfied but its presence cannot entirely make the employee more satisfied in comparison to career progression among others. The study therefore confirms this theory, NICO Holdings Limited employees were concerned with the fact that the organisation does not always tap from the internal pool but rather advertises to the external market , which in turn affects their career progression and as such the frustrated talented pool in turn look for greener pastures elsewhere. Internal sourcing not only enables the filling of vacant positions faster and at a lower cost but also bolsters talent retention, which increases the organisations productivity.

From the findings of the study, we can conclude that recruitment process of employees at NICO Holdings Limited affects their retention to a significant extent through interviews, total benefits package offered to potential employees as well as induction of new employees to help them settle. The company has employed an effective recruitment strategy, which includes job advertisement, recruitment process and identification of key positions competency/behavioural-based selection criteria that support their retention strategy. The study revealed that there was no relationship between advertising vacant posts and retaining employees. However, the study revealed that there was need for management to focus more on developing the internal pool and filling vacant posts from within as compared to sourcing from the external environment. Failure to do so will result in a high rate of employee turnover which will in turn lower the organisations productivity. The study further revealed that the employees were content with the rewards package that the organisation provides but more concerned with their career as there are limited opportunities for their career advancement. These findings confirm the assertions of Alleyne et al., (2012), Boxall and Haesli, (2005), Mbugua et al., (2015), Dermody (2002), Greene and Tello (1996) who have argued that the success of employee retention has to be positively linked to the recruitment practice.

4.9.2.2 Performance Management

Performance management is key for employee retention at all levels without focusing on performance, an organisation will not be able to find its competitive advantage through its talented employees. To enhance an organization's ability to survive through turbulent environment, most organizations take care in managing the performance measures of their employees (Nyanjom, 2013). NICO Holdings Limited just like other organisations understands the value of its talented employees and as such put considerable effort into recruitment then alienate their talent with performance management systems in a bid to retain these talented employees.

The results of the study indicated that there is a significant relationship between performance management and employee retention. The study findings coincide with the findings of Chikumbi (2012) who studied talent management and staff retention at the Bank of Zambia and Kibui (2015) who conducted a similar study at Kenya's State Corporations. The two studies revealed that performance management was scored well as a measure for staff development and retention. The study indicated that performance management involves a process of identifying, measuring, communicating, and developing reward system, dimensions that are also studied in the current study.

To concur with the other studies, this study revealed that the organisation sets the departmental targets and tasks and their due date, which are clearly communicated, to employees. This helps the employee to come up with their own targets, which are used during performance appraisals. There are measures and mechanisms in place to measure the set standards and reviews are conducted on a regular basis to provide feedback to the employee.

A majority of the respondents indicated that the organisations performance management has linked appraisals to rewards to ensure that salary and other rewards are performance based. The respondents stated that compensation and reward for good performance is a motivator for employees to remain with the organization. Employees must be rewarded for what they put in the organization. Their efforts must be recognized and rewarded as this encourages other employees to work hard for future recognition. NICO Holdings Limited

has placed emphasis on performance management to ensure that salary and other rewards are performance based. This has been the trend since 2015 when talent management was introduced at the organization contrary to the opinion of the respondents who feel that the organisation can do more towards recognizing the efforts of its employees and rewarding the top performers. The findings also concur with Maslow's hierarchy of needs and the equity theories.

Promotion on merit, rewards based on performance and staff appraisal are all components of performance management at NICO Holdings Limited. The organisation is currently using the balanced scorecard to measure performance of its employees. Additionally, the study discovered that as a way of rewarding its top performers, there is progression with the salary scheme, half-yearly awards and recognition for deserving staff as well as promotion by merit. The respondents cited examples of the top performers from the organisation that have risen to higher positions as a result of their hard work. This finding concurs with George Homans social exchange theory asserting that human behavior is directed by an exchange process, because their decisions are based on rational thinking. For example, if employees are working hard and putting their maximum effort into performing better but are not getting any reward in exchange for their efforts, these employees will no longer put in effort and their performance will go down .

On the other hand, NICO Holdings Limited has not done very well on other aspects of performance management such as aligning with ongoing training and career development. Results showed that the organisation has not been able to align training and development to performance management. As per the findings of the study, the organisation has not been able to develop and train its employees on weakness detected during a performance appraisal, which poses as a weakness as employees will prefer working for an organisation that would promote their career growth. Performance management would serve as a good measure for staff development if managers would use the weak areas of employees in the appraisal as an indication of further development needs. Agreeing Mathias and Jackson (cited in Kibui et al., 2014:420) stated that the purpose for conducting performance reviews is to nurture the talent of the employee so that they reach their full potential in their job. Despite rewarding good performers, the organisation should concentrate more on

developing the weaknesses of its employees as detected during appraisals in order to reach their full potential as per Herzberg's two-factor theory which enforces the fact that employee retention goes beyond remuneration (hygiene factors) but leans towards other motivators such as recognition, achievement and feedback.

The results of the study revealed that 64.9 % of the respondents perceived that there was a relationship between performance management and employee retention and we can therefore conclude that performance management has an effect on employee retention at NICO Holdings Limited.

4.9.2.3 Succession Planning

An analysis of the findings indicated that succession planning is one of the strategies that NICO Holdings Limited implemented to develop its employees to become future leaders and retain its most talented employees. The organisation realises that a major motive of succession planning is to make sure that there is the presence of preferred pool of talent to fill job vacancies which are created through promotions, retirement among others. The organisation developed a well-articulated Succession Planning policy to ensure that effective and logical replacements for key job incumbents in executive, management, technical, and professional positions are developed within the organisation. The policy emphasises the need and importance of preparing an internal pool of talented employees to fill up more senior vacant positions created as a way of motivating and retaining them.

The study revealed that when an opportunity arises, preference is given to the internal pool which is mostly made up of young employees who are more marketable and likely to leave the organisation should a better opportunity arise. Agreeing, one of the most important reasons for employees to stay with an organisation according to an Aberdeen report (2018) is when they feel challenged by their work. Employees tend to stick with their current employer because they foresee an opportunity to be part of the future growth of an organisation. NICO Holdings Limited created a succession plan that showcases growth opportunities for its employees and challenges them to do more in order to be considered for promotion opportunities should a vacancy arise creating a more positive outlook on

their future with the organisation. This then encourages employees to stay with the organisation for a long time.

Quantitative findings of the study revealed that the organization has sufficient funds to implement succession planning which is contrary to the qualitative analysis which revealed that the organization does not have sufficient funds for succession planning programs. This is a challenge that most organisations face in as far as implementation of succession plan is concerned. A study by Lowan and Chisoro (2016) disclosed that organisations are of the view that investing in succession planning is not a worthwhile move. These concerns in succession planning pose a big challenge in human capital management that is, getting the talent needed, addressing the talent requirements for the future and retaining the talented employees (Aberdeen Group 2006). Nico Holdings Limited Succession plans is likely to fail due to lack of funding or financial resources. The organisations leadership has on paper shown interest to implement succession plan and ensure that there is a pool of talent that is ready to take over leadership positions, however in practice, the researcher observed that there is less commitment or buy in from top management to implement succession-planning programs.

The role of the Human Resources Department is to provide on- going support, training, and advice to the Chief Executive Officers in developing and implementing succession plans, conducting training needs assessment, and providing opportunities for training and professional development and the implementation of the programme. It is however evident that Human Resources Department has failed to provide its role in the implementation of succession plan at NICO Holdings Limited.

Lack of awareness activities of the existence of the succession planning policy by the organisation to the employees poses as another challenge. Succession planning is concerned with the degree to which the employees perceive that they can realise their career objectives from the current working environment and this can only be achieved if employees are aware of the contents of the policy. It is expected that if employees perceive that they can achieve their career goals within the same organization, employee turnover cases will be limited. It is evident that both employees as well as the managers at the

organisation do not have a clear understanding of succession planning and has not received full support from top management as evidenced by poor funding.

This analysis implies that succession planning is not clear to the employees and therefore has had little effect on employee retention. The researcher concludes that the organisation implemented the strategy on paper but in practice, succession planning is only a myth that management of NICO Holdings has in its strategy. The research further concludes that the employees understand the importance of succession planning and have faith that its implementation would lead to an increase in employee retention. The general viewpoint of employees however reveals that there are other factors that affect succession at the organisation such as career growth, training, technology advancement, policy formulation and management support, leadership development, merit based promotion, identification of top performers, provision of funding for succession planning activities, job rotation and improved communication. Providing a combination of these factors to succession planning could lead to high levels of staff retention. The succession planning strategy that the organisation has adopted to retain its talented employees has indeed led to a higher rate of employee retention with a combination of other factors such as career growth, training and development among others. This therefore means that succession planning alone at NICO Holdings Limited has not influenced employee retention.

The study findings concur with the social exchange theory which accounts for workers' perceptions of their social exchange relationships with their organization and can account for the argument that succession planning increases employee retention. Organisations invest in their employees' development, employees will in turn reciprocate and return such investment by working hard to achieve organizational goals. These employees will then be identified by the organisation as the talent that must be nurtured and prepared to take up leadership positions in a bid to get their loyalty and stay with the organisation.

4.9.3 The effect of training and development on employee retention

The qualitative findings of the study indicated that the organisation devoted 6% of its annual budget for training and development of its employees and also provides sponsorship ranging from 50% to full sponsorship depending on the need of the course for which the

staff is undertaking as elaborated in the organisations training policy. This was corroborated by the feedback provided by the respondents that indeed Management supports their efforts to upgrade. This is the first step that the organisation has taken to ensure the organisation gains and retains its top talent, increase job satisfaction and morale, improve productivity and earn more profit. A study by D'Amato & Herzfeldt (2008), in which 1,666 European managers completed a survey to explain the influence of training and development on retention across generations, established that learning orientation, training and development improved the intention to remain in the same organization.

The study analysis revealed that NICO Holdings Limited has managed to retain its employees through competency assessment, performance agreement, employee recognition and provision of rewards. A majority of the respondents were of the opinion that through employee recognition, the organization is able to retain employee. Organisation use different methods to spot candidates based on accomplishments and qualifications. Talented employees recognize that by continuing to add qualifications, skills, positions, degrees, and anything similar, they're directly increasing the likelihood of being noticed and advancing in their career. This then will influence the organisation to support and empower these employees through training in order to retain them. In other words, businesses will increasingly help employees to advance and gain more qualifications in a bid to prepare them for promotions.

To concur, the qualitative analysis revealed that the organisation put more effort in development and professional growth of its employees through its training policy, which pursues promotion from within such that employees are encouraged to develop their abilities to perform their duties effectively and efficiently in order to be considered for promotion opportunities. The organisation recognises these talented employees and categorises them in a class of their own to take up leadership positions. Corroborating, the respondents confirmed that indeed management supports their efforts to upgrade themselves however, there is need for a clear plan for career growth and that the organization must ensure that equal training opportunities are provided to all employees as this will give the organization a competitive edge.

Employee knowledge, skills and competencies are very important for organizations and must be maximized and recognised as an important source of competitive advantage. The study revealed that provision of rewards and room for improvement leads to employee retention. Organizations need to reward and recognize employees in order to establish a balance between employees goals and organization goal and keep the employees morale high (Selden & Sowa, 2015). The study further established that employees are motivated to stay in an organisations for different reasons and that motivational factors are unique to each and every individual. Others are motivated by the provision of monetary rewards whilst others are motivated by recognition, passion for their work and career development opportunities such as on the job managerial training programs should be encouraged. The implementation of the above strategies would therefore lead to a further increase in retention as it benefits both the organization and the employee.

The overall outcome from the study on training and development indicates that NICO Holdings Limited has managed to retain its employees from 2014 through the provision of training and development to its employees. This is in accordance with Manafa et al., (2009) who conducted a study on retention of Health workers in Malawi, which showed that health workers were particularly dissatisfied with what they perceived as unfair access to continuous education and career development opportunities as well as inadequate supervision. The workers aspired for an environment that provided for their career development opportunities which most of the facilities lacked and hence would leave. Also agreeing is a research conducted by Haider et al., (2015) on the impact of human resource practices on employee retention in the telecom sector which revealed that failure to retain employees in many organizations is due to lack of adequate training.

4.9.4 Challenges facing talent management in retaining employees

Communication is important in every organization as this is a factor of retention according to the literature review and effective communication is an integral part of employee retention. Great communications between the employee and the management leads to an understanding of the important strategies implemented by the organisation leading to retention of employees. This is confirmed by George Homans Social Exchange Theory which views effective communication as an important component for the retention of

employees as concurred by Gask (2013) who states that effective communication is important and could lead to employee retention..

NICO Holdings Limited has very good strategies on employee retention however the main challenge that the organisation faces is the lack of communication strategies to ensure the employees are aware of the strategies. The employees were of the view that the organisations communication strategies are not effective as evidenced in both the responses of the questionnaires as well as the interviews conducted with the Director of Human Resources and his Managers. This then puts the organisation at a disadvantage as the employees are not aware of the strategies that the organisation implemented and hence leads to frustrated employees who will not hesitate to leave the organisation should an opportunity of training arise in another organisation.

The study revealed that most of the respondents did not possess a good knowledge of the HR recruitment policy, succession planning policy as well as the training policy. These policies were not well communicated to the employees posing as a challenge to the organisation in its bid to retain its employees.

The second challenge is failure by NICO Holdings Limited to fully implement the retention strategies such as training and development as well as succession planning. The study revealed that the organisation has not been able to align its performance management with ongoing training and career development. As per the findings of the study, the organisation has not been able to develop and train its employees on weakness detected during a performance appraisal, which poses as a weakness as employees will prefer working for an organisation that would promote their career growth.

Failure to fully implement succession planning as a strategy for retaining talent is a challenge faced by most organisations. NICO Holdings has not invested much on this strategy as evidenced by the lack of funding for succession planning activities as a result, the organisations efforts to retain its employees are likely to fail. This is a challenge was confirmed by a study by Lowan and Chisoro (2016) which disclosed that organisations are of the view that investing in succession planning is not a worthwhile move. These concerns

in succession planning pose a big challenge in human capital management that is, getting the talent needed, addressing the talent requirements for the future and retaining the talented employees (Aberdeen Group 2006).

4.10 Conclusion

The Chapter analysed and interpreted data collected in the empirical study. There were 50 respondents sampled for the study, and a response rate of 74% was realized with a majority of the respondents being female. The chapter aimed at analysing and interpreting the data obtained for Section B and C through the research questionnaire. The analysis and interpretation was conducted in relation to the research problems outlined in Chapter one. Chapter six will summarise the study, recommendations from the study and conclusion based on the results obtained from the research questionnaires. It will also highlight problems and limitations encountered during the study and opportunities for future research. The chapter begins by analysing the results of Section B of the questionnaire, which examines the five factors of talent management namely, Succession Planning, Recruitment, Performance Management and training and development. In addition, a qualitative analysis of the data collected from interviews with key informants has also been examined and thematic findings summarized.

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The chapter presents an overview of the summary, conclusion and recommendations drawn based on the findings of chapter four and in relation to literature review. The conclusion was made from the objective of the study.

5.2 Summary of the Findings

The study sought to examine the existence of a relationship between two human resource management concepts, talent management and employee retention. The study particularly examined employee's perceptions on talent management and how it affects retention of employees at NICO Holdings Limited. Focus was on the four objectives as summarised below:

5.2.1 Research question one: What are the strategies of managing employee talent at Nico Holdings Limited

The study revealed that NICO Holdings Limited employed various strategies to retain its most talented employees and gain its competitive advantage. The strategies include the recruitment process, succession planning, performance management and training and development. This is in line with the findings of Chandranshu and Sinha (2012) who suggested that there is no single recipe for employee retention rather a multi-faceted concept exists.

5.2.2 Research Question Two: How does performance management and succession planning affect employee retention?

5.2.2.1 Recruitment Process

The study established that to attract and retain its employees, NICO Holdings Limited implemented the recruitment strategy as the first step to retaining its talented employees. The findings revealed that the recruitment process of employees at NICO Holdings Limited had an influence on retention, this observation was arrived at because a majority of the respondents agreed with the statements that through interviews, total benefits package offered to potential employees as well as induction of new employees to help them settle the organisation was able to recruit potential and qualified talent. The study further revealed that the organisation has a recruitment policy that helped to attract the right employees for success of the company whether from its sufficient pool of talent through which the organisation can tap from to fill these vacant positions or from the external market. The study also established that efforts are made to tap from this internal pool but the organisation still advertises for vacant positions to the external market before sourcing from within. The overall analysis of the study findings indicated that the recruitment process had an effect on talent retention at NICO Holdings Limited.

5.2.2.2 Succession Planning

Findings of the study discovered that the organisation developed a well-articulated Succession Planning Policy but does not have sufficient funds for succession planning programs. This is a challenge that most organisations face in the implementation of succession planning. The general perception of the respondents was that there are other factors that affect succession at the organisation such as career growth, training, technology advancement among others. The study therefore showed that succession planning alone at NICO Holdings Limited has not influenced employee retention.

5.2.2.3 Performance Management

The study revealed that the organisation sets the departmental targets and tasks and their due date, which are clearly communicated, to employees. There are measures and mechanisms in place to measure the set standards and reviews are conducted on a regular basis to provide feedback to the employees. The study showed that the organisations performance management has linked appraisals to rewards to ensure that salary and other rewards are performance based which is a motivating factor. An analysis of the findings indicated that the organisation has not been able to develop and train its employees on weakness detected during a performance appraisal which poses as a weakness as employees will prefer working for an organisation that would promote their career growth. The study showed that performance management had an effect on employee retention at NICO Holdings Limited.

5.2.3 Research Question Three: How does training and development affect employee retention?

The result indicates that training and development had an effect on talent retention. Training and development was measured by whether the organization was able to retain its talented employees through competency assessment, employee recognition, performance agreement and provision of rewards. A majority of the respondents agreed with the measures and analysis of the responses indicated that the organisation devoted 6% of its annual budget for training and development activities. The study further revealed that the organisation put more effort in development and professional growth of its employees through its training policy. The respondents confirmed that management supports their efforts to upgrade themselves however, there is need for a clear plan for career growth. The study disclosed that the respondents felt that remuneration packages and career development opportunities such as on the job managerial training programs should be encouraged as the implementation of such strategies would lead to a further increase in retention as it benefits both the organization and the employee. The findings relate with a study by D'Amato and Herzfeldt (2008), where 1,666 European managers explained the influence of learning and development on retention across generations through a survey.

5.2.4 Research Question Four: What are the challenges facing talent management in retaining employees

The study disclosed that NICO holdings Limited has employed different strategies to retain its most talented employees, however, the study established that there is lack of communication to ensure that the employees are aware of these strategies. The respondents were of the view that the organisations communication strategies are not effective and there was need for the organisation to relook at its communication strategy. Even though the organisation has on paper drafted these talent retention strategies, the organisation has not been fully able to implement some of the strategies such as Succession Planning for example and this poses as a challenge to retain some of the employees.

5.3 Conclusions

It is clear from the findings that employees perceive that talent management has an effect on employee retention agreeing with the findings of Mkamburi and Kamaara (2017); Haider (2015); Kigo and Gachunga (2016). There is a significant association between the two variables. The study concludes that certain factors are crucial in influencing the employees' decision to either leave or remain in an organization. A majority of the employees at NICO Holdings Limited are the young generation who from studies conducted have shown that they do not stay for long in an organisation in the absence of motivation factors. For an organization to remain competitive, they have to have loyal employees. An organization with strong employee retention strategies has lots of benefit for an organization. Even though the organisation has put in place various strategies to retain its most talented employees, there is little or no sensitisation on the existence of the same (such as succession planning and training policy).

5.4 Recommendations

Having determined the relationship between talent management and employee retention, the study recommends the following:

1. Talent Management should not be ignored as it helps in staff retention.
2. Enhance communication on the organisation's policy- the research findings revealed that most of the employees were not fully knowledgeable on some of the talent management strategies such as succession plan, recruitment policy and performance

- management. Therefore, the organization should seek to educate the entire staff about its policy on talent management and its strategies
3. The performance management system of the organisation poses as one great set back in the system where areas of weaknesses detected in an employee in the appraisal process did not lead to training; NICO Holdings Limited should improve in identifying gaps in the man power and developing them accordingly.
 4. Promote on the job training and mentoring in the organisation to ensure professional development and success of talented existing and new employees.

5.5 Contributions to Future Areas of Research

This study has added a valuable dimension to the Human Resources and labour information in Malawi. As discussed earlier, very few scholars have researched on talent management and its effect on employee retention in Malawi, more specifically, the Insurance industry. This is the first study as regards determination of the effect of talent management and employee retention in the private sector mainly the insurance industry. More studies should be conducted using a larger sample size and in a different study setting in order to compare results and generalize results for the insurance sector. Further studies focusing on succession planning and talent management or retention can be further explored as depicted in the challenges under qualitative data analysis.

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APPENDICES

Appendix 1: Letter of Introduction

University of Malawi- Chancellor College,
PAS Department
0888426033

Dear Sir/Madam,

REQUEST TO CONDUCT INTERVIEWS/DATA COLLECTION FOR ACADEMIC PURPOSES

I refer to the above mentioned matter. My name is Asante Mazulu, a second year Master of Arts (Human Resource Management and Industrial Relations) student in the University of Malawi's Political & Administrative Studies Department. As part of fulfilment for an award of the said degree, I am required at the end of second year to conduct empirical research and submit a thesis. In this regard, I request you to assist me in filling a short questionnaire that takes around fifteen minutes, in the area of talent management and employee retention here at NICO Holdings Limited Malawi.

Please feel free to provide a response that accurately represents your views. Note that this research is purely for academic purposes hence individual responses will be treated with confidentiality as required by a study of this nature.

Your support is highly appreciated.

Yours Sincerely,

Asante Mazulu

Appendix 2: Letter of Introduction



Principal
Prof. Richard Tambulasi, BA (Pub Admin), BPA (Hons), MPA, Ph.D

Our Ref: PA/1/1
Your Ref:

CHANCELLOR COLLEGE
P.O. Box 280, Zomba, Malawi
Telephone: (265) 01 524 222
Fax: (265) 01 524 046
Email: principal@cc.ac.mw

Department of Political and Administrative Studies

6th August 2020

TO WHOM IT MAY CONCERN

Dear Sir/Madam,

LETTER OF INTRODUCTION: MISS ASANTE MAZULU MA (HRMIR/05/18)

The bearer of this letter is Miss Asante Mazulu. She is a student in Master of Arts in Human Resource Management and Industrial Relations programme in the Department of Political and Administrative Studies at Chancellor College.

Our students are required to write a dissertation in order to complete their master's programme. Therefore, Miss Asante Mazulu intends to carry out a data gathering exercise for this purpose in your office.

Any assistance rendered to her in the course of this exercise will be highly appreciated. Let me also point out that the information gathered will be treated as confidential and purely for academic purposes.

Yours faithfully,

A handwritten signature in black ink, appearing to read "M. Chasukwa", written over a horizontal line.

Associate Prof. M. Chasukwa, PhD
HEAD OF DEPARTMENT

MC/ck

Appendix 3: Research Questionnaire

SECTION A: DEMOGRAPHIC DATA

1-Gender

2-Male a-()

Female b-()

3-Age in years: 20-25 a-() 26- 30 b-() 31-35 c-() 36-40 d-() 41-45
e-()

Over 50 f-()

4. Position Held

a- Job Title: (_____)

b- Department: (_____)

c- Highest academic qualification.

d- Diploma i-() Bachelors ii-() Masters iii-() PhD iv-() Other (Specify)

5. Years of service?

a- Less than 1 year ()

b- 2- 3 years ()

c-4- 5 years ()

d- Above 5 years ()

Appendix 4: Data Collection Tool

SECTION B: INFLUENCE OF TALENT MANAGEMENT PRACTICES

6. Influence of Recruitment on Employee Retention

Using a scale of 1-5 where 1= strongly disagree, 2= disagree, 3= Neutral, 4= agree 5= strongly agree. Please show to what extent you agree or disagree with the following statement on influence of recruitment on retention.

Recruitment	1	2	3	4	5
a) Job Advertising ensures that the organization retains its employees					
b) Job Interviews ensures that organization retains its employees					
c) The total benefit package NICO offers to its potential employees is attractive					
d) The recruitment process provides for an extensive selection of talent					
e) Before a vacancy is advertised, effort is made to tap from the internal talent pool					
f) The Induction package is well structured to help new employees settle at NICO					
g) There sufficient pool of talent available at NICO to fill up managerial vacancies					
h) NICO has programmes in place to build a pool of managerial talent from which new managerial vacancies can be filled					

i) The recruitment process succeeds in selecting the best talent					

7-Influence of Succession planning on employee retention

Please indicate your opinion as per the level of disagreement or agreement with the outline statement using 1 to 5--scale guideline. 5= **Strongly Agree** 2- **Agree**, 3= **Neutral**, 4 =**Disagree**, 1= **Strongly Disagree**

	SUCCESSION PLANNING	1	2	3	4	5
a)	My organization has succession planning in place					
b)	My organization has a succession planning process which targets young employees					
c)	My organization prepares employees to be promoted to more senior positions from within					
d)	Talented young employees are targeted for promotion in the succession planning					
e)	The succession planning in my organization is implemented					
f)	My organizations succession planning is clearly communicated to all employees					
g)	Organization has sufficient funds to succession planning					

8. What other factors in your view might influence succession planning in your Organization

9. Employee Development

Using a scale of 1-5 where 1= strongly disagree, 2= disagree, 3= Neutral, 4= agree 5= strongly agree. Please show to what extent you agree or disagree with the following statement on influence of employee development on retention.

Statement	1	2	3	4	5
a. Through competency Assessment the organization is able to retain employees					
b. Through employee recognition the organization is able to retain employees					
c. Through performance Agreement, the organization is able to retain employees					
d. Through the provision of rewards and room for improvement, the organisation is able to retain its employees					

10. In your opinion, do you think the opportunities for career growth offered to the employees in your organization increases their retention?

a-[] Yes b-[] No

11. Kindly tick from the scale provided the rate of increase of staff retention occasioned by career development opportunities offered by your organization.

a-[] 1–25% b-[] 26–50% c-[] 51–75% d-[] 76–100%

12. In your opinion, is lack of adequate career development opportunities by your organization one of the main reasons why employees leave for employment elsewhere?

a-[] Yes b-[] No

13. What issues of employee career growth should your organization address to improve staff retention?

a. 14. Performance Management

The following statements reflects a process where managers and employees work together in setting objectives, assessing progress and providing on-going coaching and feedback to ensure that employees are meeting the bank objectives and the career goals.

	Performance Management	1	2	3	4	5
a	Promotion at NICO is not based on seniority but on performance					
b	Your Departmental targets and tasks and their due date are clearly communicated.					
c	NICO Holdings has mechanisms in place to ensure your performance and feedback					
d	Your organisation rewards good performance					
e	The organization conducts performance reviews regularly					

f	Performance reviews in the organization provides you with accurate information about your strengths, weaknesses and Development areas.					
g	Your weaknesses as detected in the appraisal always lead to training and development					
h	You are involved in decisions that impact your work performance					
i	Regular feedback on your performance is conducted on a regular Basis					
j	The HR department is responsive to your training and development needs					
k	Internal appointments in this organization are done in a fair Manner					

15. In your opinion, do you think performance management practices in your organization increase employee retention?

a-[] Yes b-[] No

16. In your opinion, do you think performance management practices in your organization increases employee retention?

a-[] 1-25% b-[] 26-50% c-[] 51-75% d-[] 76-100%

17. What areas with regards to performance management practices should your organization improve to encourage staff retention

SECTION C: Factors Influencing Retention

EMPLOYEE RETENTION

1. Approximately how many employees in total have left the organization between 2010 and 2019 through; -
 - a) Voluntary Resignation -----
 - b) Involuntary Resignation -----
2. According to the human resource records what was the attrition rate in the following years:

YEAR	RATE OF ATTRITION
a. 2010	
b. 2011	
c. 2012	
d. 2013	
e. 2014	
f. 2015	
g. 2016	
h. 2017	
i. 2018	
j. 2019	

3. According to the above data, how many were female and how many were male?

YEAR	MALE	FEMALE
a. 2010		
b. 2011		

c. 2012		
d. 2013		
e. 2014		
f. 2015		
g. 2016		
h. 2017		
i. 2018		
j. 2019		
k. 2010		

4. Which positions were most affected by turnover between 2010 and 2019, on an average?
(Executive level -managers, CEO, assistant managers,) (Operational level- team leaders/Supervisors) (Administration level-other employees).

LEVEL	NUMBERS
a. Executive Level	
b. Operational Level	
c. Administration Level	

5. Which positions were most affected by turnover between 2014 and 2019 on an average?
(Executive level -managers, CEO, assistant managers,) (Operational level- team leaders/Supervisors) (Administration level-other employees)

LEVEL	NUMBERS
a. Executive Level	
b. Operational Level	
c. Administrative Level	

6. In your exit interview with the staff what was the main reasons cited for leaving

7. In your opinion, would you say that age is a factor in employee retention? If yes kindly elaborate

8. Which age group is most affected in issues of turn over?

- a) Below 30 years
- b) 30- 35 years
- c) 36- 40 years
- d) Above 40 years

9. In your opinion, would you say that talent management has contributed to employee retention in your organization

10. What percentage would you assign the following aspects of talent management being the reason why staffs leave the organization?

- a) Succession Planning i-[] 1-25% ii-[] 26-50% iii-[] 51-75% iv-[] 76-100%
- b) Training and development i-[] 1-25% ii-[] 26-50% iii-[] 51-75% iv-[] 76-100%
- c) Performance management i-[] 1-25% ii-[] 26-50% iii-[] 51-75% iv-[] 76-100%
- d) Recruitment and selection i-[] 1-25% ii-[] 26-50% iii-[] 51-75% iv-[] 76-100%

11. Which one among the following factors if improved would have the greatest positive impact on staff retention in the organization? Explain

- a) Succession planning -----

- b) Training and development-----

- c) Performance management-----

d) Recruitment and selection-----

Thank you