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The Impact of Talent Management on Employee Retention: Case Study of the Office of the Auditor General, Windhoek, Namibia

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Abstract

Talent management plays a critical role in employee retention, especially in public sector organizations where competition for skilled workers is high. This study examines the impact of talent management practices, specifically talent acquisition, development, and rewards on employee retention at the Office of the Auditor General (OAG) in Namibia. Using a quantitative research approach, structured questionnaires were administered to 138 employees, and the data was analyzed using SPSS software. Findings indicate that talent development significantly influences employee retention, whereas talent acquisition and rewards have a less pronounced effect. The study recommends the implementation of structured talent development programs to enhance employee engagement and reduce turnover.

KEYWORDS: Talent Management, Employee Retention, Talent Acquisition, Talent Development, Talent Rewards, Public Sector, Namibia

1. INTRODUCTION

In today's competitive business environment, attracting, developing, and retaining skilled employees is essential for organizational success. Companies, including those in Namibia, face challenges in securing talent due to globalization, increased competition, and evolving workforce expectations (Schuler, 2019). Talent management, which includes talent acquisition,

development, and rewards, plays a crucial role in reducing employee turnover and maintaining a committed workforce (Hanief *et al.*, 2019).

Effective talent management involves strategic human resource planning to align employees' skills with organizational goals (McKinsey, 1997). Research has shown that organizations practicing strong talent management see higher employee motivation, satisfaction, and retention (Thakur *et al.*, 2020). Several studies across different sectors confirm that factors such as training, development, compensation, and career planning significantly influence employee retention (Govaerts *et al.*, 2019; Cooke, 2019).

The Office of the Auditor General (OAG) in Namibia faces high employee turnover, with a rate of 14.7%, leading to increased hiring and training costs (Office of the Auditor General's Human Resources Activity Report, 2022/2023). Despite efforts to manage talent, the organization struggles to retain skilled employees, making it necessary to analyze the effectiveness of its talent management strategies. This study aims to assess how talent management influences employee retention at the OAG, providing insights into improving retention strategies in public sector organizations (Duttagupta, 2019; Kehinde *et al.*, 2021).

1.1 Statement of the problem

Talent management has been extensively studied worldwide, but its application in Namibia, particularly in the public sector, remains limited (Nambira & Enkali, 2019). Many organizations still rely on outdated human resource practices, leading to high employee turnover and a lack of awareness regarding the benefits of talent management in employee retention (Deloitte, 2020). The Office of the Auditor General is one such institution struggling to retain skilled employees, which threatens its operational efficiency and long-term success (Govaerts *et al.*, 2019).

The inability to retain employees results in financial losses and decreased productivity, as new hires require extensive training before becoming effective (Kamau, 2018). Despite efforts such as the Staff Development Fund, many employees leave for better opportunities in the private sector or other government institutions, making it difficult for the Office to sustain a stable workforce (Ngethe et al., 2019). Without structured talent management strategies, the Office risks becoming a mere training ground for other organizations (Kehinde et al., 2021). Furthermore, the absence of a formal talent management implementation plan exacerbates retention challenges. Factors such as competitive job markets, insufficient remuneration, and unclear career advancement opportunities contribute to employee dissatisfaction and turnover (Ambrosius, 2018). This study aims to analyze the impact of talent management on employee retention and provide strategic recommendations to address these challenges in the Office of the Auditor General.

1.2 OBJECTIVES OF THE STUDY

1.2.1 The main research objective

The study main objective was to analyse how talent management impact the employee retention in the Office of the Auditor General.

Other specific and detailed objectives were drawn as follow:

- assess the impact of talent acquisition on employee retention at the Office of the Auditor General.
- determine the impact of talent development on employee retention at the Office of the Auditor General.

 Examine the impact of talent rewards on employee retention at the Office of the Auditor General.

1.3 Significance of the study

This study enhances the existing body of knowledge on the impact of talent management on employee retention. It provides valuable insights into the application of talent management practices, particularly within the Office of the Auditor General, and their implications for workforce stability.

The findings offer practical guidance for organizations seeking to implement effective talent management strategies, enabling them to make informed decisions on staff retention. By understanding the interconnected nature of talent management, the Office of the Auditor General can better develop, promote, and retain skilled employees to meet both current and future workforce demands.

Additionally, this research serves as a foundation for further academic exploration, helping researchers and organizations refine policies that improve employee retention and enhance overall organizational performance.

1.4 Limitations of the study

There are several limitations of the study. This study focuses on the impact of talent management on employee retention within the Office of the Auditor General in Namibia, limiting the generalizability of findings to other industries or regions. Additionally, the research covers only the period between 2022 and 2023, restricting its applicability to different timeframes. Future studies should explore broader industries and periods to improve external validity.

Methodological limitations include potential social desirability and common method biases due to self-reported data. Efforts were made to ensure anonymity and validity, but these biases remain a consideration. The cross-sectional design also prevented tracking employee turnover over time, relying instead on respondents' perceptions of retention trends.

Challenges in data collection included delayed responses, incomplete questionnaires, and reluctance from some participants. Follow-ups and direct engagements helped mitigate these issues, but they extended the data collection period. Given the study's focus on a single institution, its findings may not fully represent talent management and retention dynamics in other organizations.

1.5 Delimitation of the study

This study was conducted within the Office of the Auditor General, utilizing the researcher's affiliation for seamless access while ensuring confidentiality through consent agreements. Participation was limited to current employees, framing the scope of data collection and analysis. The research focused on employee retention and talent management concerns previously identified within the Office. To gather diverse insights, respondents included top and middle-level managers, section heads, supervisors, and general employees across eight functional categories.

1.6 Theoretical framework adopted by previous studies

A theory is a set of tested hypotheses used to explain phenomena and predict outcomes. In the context of this study, the theoretical framework explores how various models explain the relationship between talent management and employee retention.

Talent retention depends on both intrinsic and extrinsic job benefits, with motivation shaped by an individual's values, beliefs, and attitudes. Employees are more likely to remain committed when their work is engaging and rewarding.

This study focuses on seven key theories that help explain talent management and employee retention: Human Capital Theory, Resource-Based View (RBV), Social Exchange Theory (SET), Adams Equity Theory, Herzberg's Motivation-Hygiene Theory, Person-Environment Theory (P-E FIT), and the Talent DNA Model. These theories provide insights into how organizations can effectively attract, develop, and retain employees.

2. METHODOLOGY

This study investigates the effects of expertise management strategies on employee retention in the Office of the Auditor General. The methodology employed includes research philosophy, research design, research approach, study population, sampling techniques, research instruments, and data collection procedures.

The study adopts a positivist research philosophy, emphasizing empirical observation and quantitative analysis to establish causal relationships. A quantitative research design is utilized, employing a cross-sectional research strategy to collect data at a single point in time through structured questionnaires. This design enables statistical analysis and generalizability of findings while minimizing bias.

The target population consists of 218 employees of the Office of the Auditor General, including directors, deputy directors, and other employees. A sample size of 138 respondents was determined using Krejcie and Morgan's (1970) formula. Purposive sampling was used for directors and deputy directors, while simple random sampling was applied to other employees to ensure representation.

Structured questionnaires served as the primary research instrument, designed to capture both demographic information and variables related to talent management and employee retention. The questionnaire employed a Five-Point Likert Scale to measure responses.

Data collection was conducted via Google Forms distributed through email, ensuring efficiency and anonymity. Statistical analysis was performed using the Statistical Package for Social Sciences (SPSS), facilitating data examination, management, and comparison.

3. LITERATURE REVIEW

This study has borrowed from existing research done on the same topic. A comprehensive review of existing literature is conducted to understand the theoretical framework surrounding talent management and employee retention. Models such as the Resource-Based View (RBV) and Herzberg's Two-Factor Theory are analyzed to establish a conceptual foundation. Key

themes include talent acquisition, career development, employee engagement, and retention strategies.

3.1 Overview of impact of talent management in the Office of the Auditor General

The strategic approach to talent management is essential for retaining employees in the Office of the Auditor General. By addressing challenges and implementing targeted strategies, the institution can enhance job satisfaction, reduce turnover, and maintain a highly competent workforce.

4. DISCUSSION OF RESULTS

This section presents and discusses the findings of the study. gathered Information was Directorates/divisions/subdivisions within the Office of the Auditor General, in Windhoek, drawn from various job categories. Due to the nature of the work of the auditors who represent the majority of the Office of the Auditor General, mostly in the field with work, the questionnaires were distributed through Google Forms to the participants' collection of emails. The sample target for this study was one hundred and thirty-eight (138) participants who were selected using a sampling technique as per Krejcie and Morgan's (1970) sample table. A total of 138 questionnaires were distributed through Google form, 131 of them were duly completed and returned, yielding a 95% response rate, while 7 (5%) did not respond. Generally, there was a good response to the questionnaire in terms of the time taken to complete and gather all one hundred and thirty-one (131) questionnaires. The primary aim of this research was to examine how talent management impacts employee retention within the Office of the Auditor General in Namibia. The study aimed to assess how talent acquisition, talent development, and talent rewards impact employee retention in the Office of the Auditor General. A 50% response rate is considered adequate on a research data analysis (Mungunda, et al, 2018).

4.1 Analyzing the demographic rate of respondents

The results as presented in Table 2 showed that majority, 59.5% respondents were female between the ages of 31 to 40 while 4.5% respondents were male between the ages of 41 to 50. This response rate is not surprising as it is consistent with Namibia National Gender Statistics Assessment (NNGSA) (2023) which indicates a ratio for indicates that women at 38 percent than for women at 29 percent. This there are more females than males, which also applies to the Office of the Auditor General's workforce. Consequently, the demographic information provided by the study participants accurately reflects gender and the study population as a whole.

Table 1: Sample and the rate of return of the questionnaire

Description	Total	Percentage
Distributed Questionnaire	138	100%
None Response	7	5%
Actual Response	131	95%

Fig 1: Displays the respondent gender

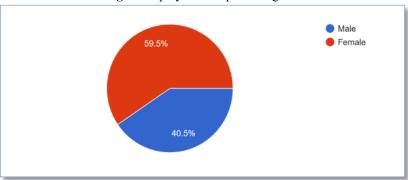


Fig 2: Displays the respondent age group

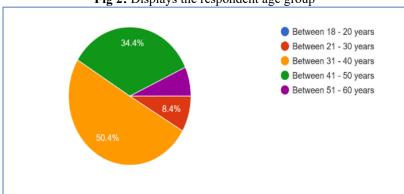


Fig 3: Displays the respondent level of education

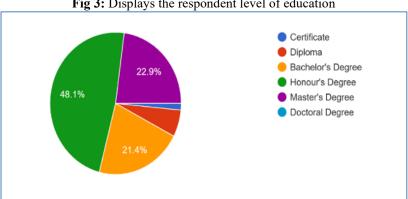
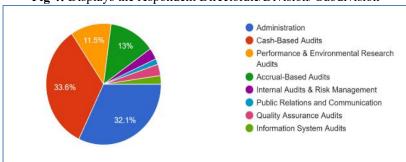


Fig 4: Displays the respondent Directorate/Division/ Subdivision



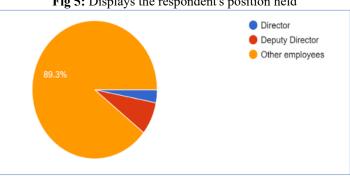


Fig 5: Displays the respondent's position held

Fig 6: Displays the respondent years worked

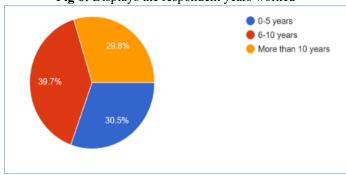
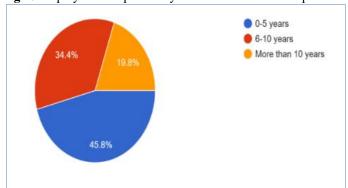


Fig 7: Displays the respondent years worked on current position



4.2 Assess the impact of talent acquisition on employee retention

It has been established that the major components of talent management include talent acquisition, talent development, and talent rewards. In this analysis, recruitment is a crucial component of the talent acquisition indicator. Recruitment indicators involved job advertising and selection, etc. The majority of respondents, based on the findings, agreed that the recruitment process effectively identifies top talent at the OAG, that the induction programs are effectively structured to assist new employees to settle in, that the OAG has enough expertise in its pool to cover open positions, and that the OAG has programmes in place to develop a talent pool of employees from whom new managers can be chosen. This indicates that the OAG values the recruitment policy in place, which is to be followed during the recruitment and selection process in the Namibian Public Service.

4.3 Determine the impact of talent development on employee retention

According to the findings it was agreed that talent development where employee development is an indicator that includes performance agreements, competency assessments, rewards and recognition, and areas for improvement, is a basis for innovation, transfer of learning, performance, and retention of staffs at the Office of the Auditor General.

The results showed that most participants valued talent development as essential for creativity, knowledge transfer,

performance and retaining of staff. This implies that as employees further develop, they have a higher chance to be retained, yet, some choose to leave for other reasons such as higher salaries and new opportunities, among others.

4.4 Examine the impact of talent rewards on employee retention

Talent reward structure indicators included compensation. An organization's incentives and recognition program are essential to the growth and retention of talent. The first stage in the performance review process for individual employees is to set performance goals and objectives that are in line with the organization's strategic goals and objectives.

The finding shows that most employees at the Office of the Auditor General did not appreciate their rewards.

The majority of respondents were generally dissatisfied with the Office's rewards package and recognition frameworks as a talent management method. This means that the greater the number of employees not recognized in an organization, their morale towards work decreases, leading to poor performance and ultimately high employee turnover.

5. CONCLUSION

The study concluded that the Office should integrate talent planning into its Strategic Plan and conduct awareness sessions for stakeholders, as this forms the foundation of effective talent management. This approach helps employees recognize that the organization values their future, thereby improving staff retention. The findings also highlighted that proper recruitment practices, such as well-structured job advertisements and thorough candidate assessments, play a crucial role in hiring and retaining talented employees.

Additionally, the research revealed a strong correlation between talent development and staff retention at the Office of the Auditor General. Employees who receive development opportunities are more likely to stay; however, many leave for reasons such as better salaries, benefits, recognition, and career growth. A key concern raised was that weaknesses identified during performance appraisals and Personal Development Plans (PDPs) are not adequately addressed through training and development initiatives.

Lastly, the study emphasized that competitive wages and rewards are essential for talent retention. Without proper structures to motivate, recognize, and promote employees, retaining talent becomes difficult. The research also found that while the organization has a pool of experts for vacancies, it operates under the Public Service

Recruitment Policy, which mandates external job advertisements to ensure fair competition. This policy can impact internal promotions and career growth opportunities.

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