

International Journal of

Contemporary Research In Multidisciplinary

Research Article

The Relationship Between Talent Management and Employee Performance

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DOI: https://doi.org/10.5281/zenodo.17217020

■ ISSN No: 2583-7397

• Received: 15-08-2025

Accepted: 22-09-2025Published: 28-09-2025

IJCRM:4(5); 2025: 163-168©2025, All Rights Reserved

Manuscript Information

©2025, All Rights ReservePlagiarism Checked: Yes

Plagiarism Checked: Yes
Peer Review Process: Yes

How to Cite this Article

Nangolo JN. The relationship between talent management and employee performance. Int J Contemp Res Multidiscip. 2025;4(5):163-168.

Access this Article Online



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Abstract

This study investigates the relationship between talent management and employee performance within Namibian Public Enterprises (PEs), with a focus on employee competency and organizational competitiveness. The motivation behind the research stems from the Namibian government's concern regarding the underutilization of talent management strategies in PEs, which negatively impacts the overall economic performance. A quantitative research approach was adopted, employing a self-administered questionnaire to gather data from 100 employees across selected organizations.

The findings reveal that talent management is not adequately prioritized within PEs, leading to diminished employee performance. This study highlights the urgent need for Namibian Public Enterprises to integrate talent management practices into their operational strategies to enhance competitiveness. The practical implications emphasize the importance of prioritizing talent management in performance contracts to improve organizational outcomes. This research contributes to the limited academic literature on talent management in Namibia, providing empirical evidence and recommendations for enhancing employee performance through effective talent management.

KEYWORDS: Performance management, Talent management, Talent retention, Competency, Training, and development

1. INTRODUCTION

It is becoming a very important pillar in an organisation's operation to value employees. The competitive advantage of any organisation depends one hundred percent on the performance and satisfaction of its employees. It is always important in present-day business operations to apply the basis of talent management (TM) to the organisation's operations.

The ability to attract and retain talent is rapidly becoming one of the key issues for human resource managers and their organisations across the globe. Most organisations have realised that the human resources management function plays a vital role in recruiting the right people, training them, helping the business design job roles and an organisational structure, developing better compensation packages, and serving as a central point of communication for employee health and happiness (Ugwu & Osisioma, 2017:287).

Talent management is an important tool in enhancing performance at the workplace, especially at this time when service delivery is in high demand from the current government in Namibia. The effectiveness of every organisation, as well as the competitive advantage, is determined by talent management. Any organisation that recognises employees as its most

important asset will have a competitive edge over its rivals Kaewnaknaew et al., 2022.

Talent management is viewed as a strategic human resource and an organisational development tool that is driving employee performance. If talent management of any organisation is not managed well, it influences employee performance. Talent management is lacking within the Namibian Public Enterprises (PEs) because they are not performing, and often, they have to ask the government to bail them out from a financial crisis, while they are supposed to pay dividends to the government. This problem was addressed by the Ministry of Public Enterprises, which is in control of PEs to generate income and make a profit, rather than losing and wasting government money. When PEs are performing, it results in economic growth.

1.1 Problem statement

The problem identified in this study is that Public Enterprises (PEs), which are State-Owned Enterprises (SOEs), continue to face challenges of low productivity and poor performance, largely due to ineffective talent management practices. The inability of PEs to place the right talent in the right roles results in an incompetent workforce that struggles to align with organizational objectives, limiting knowledge sharing and innovation. This misalignment leads to reduced productivity and undermines the ability of PEs to create economic value through profitability, sustainability, market competitiveness, and return on investment.

2. LITERATURE REVIEW

The relationship between talent management and employee performance is one of the principal causes of failure or success among employees in organisations. When it's well addressed, it is beneficial to both employees and the employer. In recent years, Namibian PEs have been facing many challenges in retaining talented employees, which has led to poor performance. This has been brought up by the competition since employees in the global market have a variety of choices. It became a concern that PEs do not have the right number of qualified employees, which is critical to both public and private sectors for ensuring that they have the required skills in place to deal with the problem of talent shortage and improve employee performance.

This study addresses and answers the following questions: What is the relationship between talent management and employee performance, and what are the factors that contribute to the relationship between talent management and employee performance?

According to Kwon and Jang (2022), talent management is the execution of integrated strategies or systems designed to increase workplace productivity by developing improved processes for attracting, developing, retaining, and utilising people with the required skills and aptitude to meet current and future business needs.

2.1 The concept of talent management

Tsaousiotis, Panitsidis, Spinthiropoulos, and Zafeiriou (2025) state that talent management simply refers to an organised

process of attracting, selecting, hiring, engaging, training, developing, retaining, and utilising top talent to an organisation's best advantage. It aims at safeguarding the right job placements at the right time, in the right position for the right candidates to convey their best and stay committed to the organisation. Since talent management is organisation-specific, the focus is on developing and enhancing the high potentials or talents of individuals within the organisation more rapidly to enhance competitiveness.

Effective talent management endears talented employees to an organisation as employees begin to see themselves as part of the organisation, add value to the organisation, and remain glued to it. It ensures that employees always remain professional in their business practices, serve meritoriously, have the right people, made up of seasoned professionals, who have excelled in their various professions, possessing the requisite integrity, skills, and experience.

Nzewi et al. (2015) further explain that several studies have shown that talent is the fabric of every organisation. Often, top performers feel they are highly sought after and, as such, if they don't get what they want in an organisation, they leave the organisation for another competing organisation and do not stay long, regardless of the cost the organisation may have incurred in training and developing them. But if retained, an organisation would not remain stunted because retention would rather enhance growth and survival of the organisation, irrespective of competition. The market condition keeps changing rapidly, and the necessity for an organisation to make a difference justifies its need to possess a highly qualified and motivated workforce (Almashyakhi 2024).

According to Kaewnaknaew, Siripipatthanakul, Phayaprom, and Limna (2022). Talent management is about making sure that you have the right people in the right places for the organisation. It entails the implementation of integrated strategies or systems, designed to increase workplace productivity, by developing improved processes for attracting, developing, retaining, and utilising people with the required skills and aptitude to meet current and future business needs. Talent management systems, in turn, are defined as collective human resources systems and tools to make it possible to plan demand, evaluate staff, and match capable staff to the right job.

Azmy (2021) says that talent practices can create the most stable competitive advantages through employee performance. New technology can be easily simulated by competitors and generate only temporary advantages. Constant competitive advantage comes from talent management practices, in other words, how the organisation attracts, develops, retains, motivates, manages, and rewards its talent.

(Sendek & Walia, 2022) mentions that talent management includes all aspects of human resources management, as well as the management of technology in an organisation. Talent management generally refers to the exploration, discovery, selection, maintenance, development, improvement, and utilisation of the workforce.

Perspective talent management believes that talented people play a key role in the success of the organisation. Talent management is a strategic management function that is the systematic identification of key positions in which these posts are the key to sustainable competitive advantages.

Azotani, Chuks, Ojukwu, and Sonna (2020) define talent management as the implementation of integrated strategies or systems designed to increase workplace productivity by developing improved processes for attracting, developing, retaining, and utilising people with the required skills and aptitude to meet current and future business needs.

2.2 Talent management from a global perspective

Handling talent is a challenge for all organisations in the context of globalisation, regardless of the country. Besides, the distress around the shortage of talent is almost universal. Organisations around the world are competing for the same pool of talent. This is seen as a global labour market for talent. The trend of global integration shows organisational standardisation in the development of talent management to ensure their competitive position and consistency (Almaaitah, Alsafadi, Altahat & Yousfi, 2020).

2.2.1 Employee performance

Employee performance is a vital determinant of an organization's success or failure. Organizations are established with the intent to achieve specific objectives, and their success heavily depends on the quality of their workforce and their capacity to manage personnel effectively. Research highlights that employers view employee performance as a cornerstone of competitiveness and success, underscoring the need for strategies that promote optimal job performance.

Gomes, Barnes, and Filho (2021) define performance management as the systematic process of setting goals, tracking progress, and enhancing performance over time. It involves leveraging data and feedback to improve the performance of individuals, teams, and organizations. Performance management aims to achieve targeted outcomes while fostering continuous improvement.

Employee performance refers to the degree to which an individual successfully executes assigned tasks as expected. It is commonly assessed by comparing an employee's actual output with the intended or desired output. The evaluation of employee performance varies depending on the organization's nature and can be influenced by factors linked to productivity and alignment with organizational goals and objectives (Ohunakin, Adeniji, Ogunlusi, Igbadumhe, & Sodeinde, 2020).

2.2.2 Competency

Competency is defined as a set of observable dimensions, such as individual knowledge, skills, attitudes, and behaviours, that are linked to high performance and provide the organisation with a sustainable competitive advantage. It involves integrated skills, values, and knowledge of individuals that are related to superior performance in a job or situation. Competency explains who an individual is and what an individual knows and does (Miller, 2014, as cited in Ugwu & Osisioma, 2017:288).

2.2.3 Talent retention

Ghani, Zada, Memon, Ullah, Khattak, Han, Ariza-Montes, and Araya-Castillo (2022) point out that focusing on retention is essential for job satisfaction and employee commitment because it could help to fulfil the basic needs of employees and could help to attain an organisation's goals. Talents can be retained if talented employees have a positive perspective of their employers and are unlikely to voluntarily leave, have greater employee loyalty, and improve their performance.

Talent retention, a specific aspect of employee retention, involves strategies to convince employees to remain with the company as long as possible. Performance-based compensation, training, motivation, career growth, and tailored benefits are key factors influencing talent retention (Kaewnaknaew *et al.*, 2022). Organizations use various retention strategies, policies, and practices to extend the tenure of high-performing employees, recognizing that retaining talent is crucial to their success (Nicholas, 2021).

Employee retention is more than just convincing employees to stay. It is about creating an environment where employees genuinely want to remain with the organization, driven by passion and trust rather than coercion. This aligns with the evolving importance of knowledge as a corporate asset and positions retention as a cornerstone of modern HR management. Ultimately, retention is about maintaining a consistent human resource pool, critical for long-term organizational success (Mathur & Srivastava, 2024).

2.3 Talent management and organisational performance

Talent management practices can create the most permanent competitive advantages, as new technologies and innovations can easily be replicated by competitors and generate only temporary competitive advantages. Sustained competitive advantage comes from talent management practices, in other words, how the organisation attracts, develops, retains, motivates, manages, and rewards its talent (Haryanti, Junaris, & Winarto, 2022). Like an appliance, a business will fail to function successfully if crucial components, such as processes, systems, and structures, are misaligned or delayed by friction between those elements. Likewise, a business must be designed, function, and be sustained. These roles are accomplished by talent, namely the human capital hired by the enterprise. The combined skills of the talent employed in an organisation mostly contain the organisation's essential capabilities. An organisation's talent injects capabilities that are very difficult for competitors to benchmark and replicate (Barkhuizen & Gumede, 2021).

3. RESEARCH METHOD

The study population comprised all operational staff and managers of Public Enterprises in Namibia, with a target population of 100, selected using simple random sampling to ensure equal representation. Survey questionnaires served as the primary measuring instrument, collecting primary data only. These questionnaires were structured into two sections: the first captured demographic and organizational variables, while the second included both open and closed-ended questions to

examine the relationship between talent management (independent variable) and organizational performance (dependent variable). The research procedure began with obtaining permission from the Ministry of Public Enterprises, followed by the distribution of questionnaires, which were explained to participants. Respondents were given 2 to 3 days to complete the questionnaires, with the researcher following up to

ensure completion. Confidentiality and anonymity were maintained through a detailed covering letter provided to all participants.

4. RESULTS

4.1 Factor analysis Sample adequacy

KMO and Bartlett's Test				
Kaiser-Meyer-Olkin Measure of Sampling Adequacy. 802				
	Approx. Chi-square	1093.688		
Bartlett's Test of Sphericity	Df	990		
	Sig.	.089		

From the above table, the KMO is .802, which indicates the sample is adequate to produce significant results.

4.2 Reliability

Cronbach's Alpha					
Cronbach's Alpha ^a	Cronbach's Alpha based on standardised items	N of items			
.787	.753	70			

From the table above, it can be seen that Cronbach's alpha is .787, which shows that there is a high level of internal consistency for the scale with this sample.

4.3 Correlation analysis

4.3.1 Analysis of demographic information against talent management Chi-square Tests

Job level? * I feel appreciated by my supervisor

Chi-square Tests			
	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-square	42.761a	20	.062
Likelihood ratio	32.668	20	.037
Linear-by-linear association	.206	1	.650
N of valid cases	92		

How long have you been in your current position? * I can discuss work problems with my supervisor

Chi-Square Tests			
	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-square	17.441 ^a	20	.624
Likelihood ratio	18.867	20	.530
Linear-by-linear association	2.068	1	.150
N of valid cases	92		

The variables "How long have you been in your current position?" and "I can discuss work problems with my supervisor" produce a Pearson Chi-square value of 17.441 and a significance value of 0.624.

How many years of work experience? * I can discuss work problems with my supervisor

Chi-Square Tests				
	Value	Df	Asymptotic Significance (2-sided)	
Pearson Chi-square	9.184ª	10	.515	
Likelihood ratio	10.325	10	.412	
Linear-by-linear association	.005	1	.942	
N of valid cases	92			

The variable "How many years of work experience? * I can discuss work problems with my supervisor", produces a Pearson Chisquare value of 9.184 and a significance value of 0.515.

Linear Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.775a	.601	.235	1.22143

Predictors: (Constant), My manager holds frequent retention conversations with staff, I have influence in the planning of my work activities, My job gives me the opportunity to be promoted, I can discuss work problems with my supervisor, My organisation can retain the best performers, I know exactly what my direct management thinks of my performance, My organisation has an effective recruitment process to attract prospective talented employees, Performance management is useful to the effectiveness of the organisation, My organisation can attract top talented employees, My job offers me opportunities for personal growth and development, My organisation has a strong employment brand that will attract prospective talented employees, My pension benefits are adequate, my supervisor has my best interest at heart, My supervisor conducts fair performance appraisals, organisation gives me opportunities to follow training courses, My organisation focuses on hiring quality staff members, My organisation has identified the future skills required for talented employees in my department, I can participate in a decision when my work must be completed, My medical aid benefits are adequate, My organisation has identified the jobs that create the most value in my department, My direct supervisor informs me about how well I am doing my work, My basic salary is adequate, I receive sufficient information on the results of my work, Performance management can be improved if it is linked with compensation and rewards, I can communicate easily with my supervisor, I receive sufficient information on the purpose of my work, I get on well with my supervisor, I have an individual career development plan to assist with my career progress, My supervisor supports my individual career development, I am fairly compensated for the work that I do, I feel appreciated by my supervisor, My job give me the feeling that I can achieve something, My organisation addresses the reasons why people are leaving.

From the information above, it can be noted that the independent variable "Job Level" R is .775 and R-squared is .601, which indicates that there is a high degree of correlation.

5. DISCUSSION

✓ KMO

The Kaiser-Meyer-Olkin (KMO) Test is a measure of how suited your data are for factor analysis. The test measures sampling adequacy for each variable in the model and for the complete model. The statistic is a measure of the proportion of variance among variables that might be common variance. The lower the proportion, the more suited the data are to factor analysis. From the KMO results score of **0.802**, the data for this research can be regarded as more suitable.

✓ Cronbach's Alpha

Cronbach's alpha is a measure of internal consistency, that is, how closely related a set of items is as a group. It is considered to be a measure of scale reliability. From the results above, the research produced a Cronbach's alpha of **0.787**, which is a good result for the research.

✓ Correlation

Correlation evaluates whether there is statistical evidence for a linear relationship among the same pairs of variables in the population, represented by a population correlation coefficient. The results on the correlation between talent management and employee retention:

The variable questions have a statistically significant linear relationship.

- The direction of the relationship is positive, meaning that these variables tend to increase together.
- The magnitude, or strength, of the association is approximately moderate.

✓ Regression

Through using linear regression, all talent variables (dependent) were regressed against job level (independent variable). The result was a constant of R 775 R-squared .601, which indicates that there is a close correlation between talent management and employee performance.

6. CONCLUSION

This study found that a strong relationship exists between talent management and employee performance. The result of this study supports the views of existing literature, which says that talent management practices have a strong and significant impact on the achievement of business goals, employees' performance, and corporate profit (Pomaranik & Kludacz-Alessandri, 2024). This argument also supports the views of Kaewnaknaew et.al. (2022), which state that talent management is a conscious and deliberate approach undertaken by an organisation to attract, retain, motivate, and develop people with aptitudes and abilities to meet current and future organisational needs. In line with this, Kusi et al. (2020) opined that an organisation's talent injects capabilities that are very difficult for competitors to benchmark and replicate. Furthermore, investing in employees' knowledge, skills, and human capital capacities will unlock the performance potential of critical tasks necessary to meet company goals or ensure leadership succession (Nicholas, 2021).

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