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Organisational Performance at Oranjemund Town Council**



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Investigating the Influence of Talent Management on Organisational Performance at Oranjemund Town Council

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Abstract

Purpose: The purpose of this study was to investigate the influence of talent management on the performance of the Council and to establish effective ways to eliminate talent management implementation challenges. Talent management has a huge influence on the organisation's performance and if not properly managed it could negatively affect the organisation. The Council has been experiencing high turnover of its talented workforce which has affected service delivery.

Methodology: The study adopted a qualitative research approach. The study was confined to a population of 46 employees of Oranjemund Town Council. A purposive sampling method was used to determine the sample size of 14 participants. An interview guide was used in data collection.

Findings: The study found that 72 percent of participants were planning to leave the Council due to poor compensation and political influence. The study concluded that the Council would find it hard to retain its talented employees due low job satisfaction.

Unique Contribution to Theory, Policy and Practice: The study recommends the creation of a winning employee value proposition (EVP). By creating a winning EVP, the Council will be able to retain its skilled and talented employees and reduce the high employee turnover.

Keywords: *Talent Management, Organisational Performance, Oranjemund Town Council*

1. INTRODUCTION

Talent management cannot be left to the “*we figure it out as we go*” approach, but it must be strategic, with clear intention and based on the idea that people are the greatest assets of the organisation. If talent management implementation is neglected, the performance of the organisation is equally negatively affected (Ebrahim et al., 2014). It was found that employees will not perform at their best as the turnover rate will be high and this is likely to demoralise those employees who remain behind, at the same time be harmful to the organisation’s productivity because of the high costs of attracting new employees to replace those who left the organisation and unnecessary overtime costs (Ebrahim et al., 2014). Talent management also ensures that organisations have the right people with the right skills are brought into the organisation at the right time to achieve business strategy (Yuniati et al., 2021). Talent in the business world is always hard to discover since it is always hidden and covered by the daily pressures generated by the short, medium and long-term results required by the organisation. Thus, it is mostly important that this talent is uncovered to fulfil its potential in a timely manner and help the organisation create a competitive advantage and achieve its goals (Chalam, 2016). In addition, the study by Ebrahim et al. 2014) cites that talent turnover is harmful to an organisation’s productivity simply because of costs of attraction are high and unnecessary overtime costs are experienced. The paper’s main research objectives focused on investigating the influence of talent management implementation on the performance of an organisation. This paper consists of the problem statement, literature review, research methods, results and discussion, and lastly, the recommendation.

1.1 Problem Statement

The first talent management implementation challenge faced by Oranjemund Town Council is that it had a weak employee value proposition (HR internal report, 2022). Employee value proposition (EVP) is defined as what is offered by the employer in exchange of the productivity and effective performance of an employee. This includes the entire employee’s experience ranging from their rewards and benefits, career opportunities, management style, work environment and culture (Pawar et al., 2023). Due to this problem, the Town Council cannot attract talent, and at the same time the Council cannot retain talent (HR Internal Report, 2022). When employees are recruited into the organisation, as soon as they are supposed to be settling down on their jobs, they start looking for greener pastures, hence the turnover rate is high at the Council. Hence, it was deemed imperative to conduct this study in the Council.

2. LITERATURE REVIEW

2.1 Theoretical Review

The study was underpinned by the resource-based view (RBV) in assisting with a theoretical understanding of challenges in the implementation of talent management in the organisation. The resource-based view (RBV) which states that the main competitive advantage of the organisation is its human resources (Acar, 2016). In reflecting to the RBV, it is therefore important for an

organisation to attract, retain and develop the internal valuable resources to improve organisational performance. The study by Salazar and Armando (2017) points out that the RBV is one of the most promising approaches towards understanding the differences in the firm's performance. The RBV argues that what matters most are the firm's internal resources and that view is characterized by the component of VRIN attributes: valuable, rare, costly to imitate and non-substitutability (VRIN) as the main driver for the organisation to obtain a competitive advantage, only if the competing firm possess a particular valuable resource. Ramon-Jeronimo et al. (2019) states that the RBV mostly focuses on internal resources and capabilities to identify the determinant of an organisation's competitive advantage and performance.

The study was also guided by the competence-based theory which states that the scarcity of competency as a resource of primary importance and that competency is the ability of the firm to exploit as well as to identify and expand its production potential (Açıkgöz & Babadoğan, 2021). The study by (Açıkgöz & Babadoğan, 2021) points out that the organisational competence is linked to the individual competency, but do not equal sum of individual competency as it is required for the two competencies to be connected and embodied to the organisational structure. Competency is the only business input that possess the above characteristic and competency is considered as the most important resource. Hence, competency is an economic information of which the transferability of other scarce resources depends and that competency cannot be transferred or measured reliably. What can be reflected in this theory is that, this competitive knowledge-based economy, the calibre of an organisation's talented and competent employees will determine the success of the organisation and also have the competitive advantages over others. It is important to note that the competency of the organisation is highly depended on competency of its leaders and owners. The scarcity of competency as a resource in an organisation should be viewed as that of primary importance and that is actual the reason why organisation cannot optimise in its operations and that the competency can only be obtained through learning by doing. The implicit knowledge is the strategic tool and with connection to the resource-based view, this makes the attainment of the organisation objectives to be possible since it gives more emphasis on learning by doing as a source of internal growth (Açıkgöz & Babadoğan, 2021). The study by (Ramon-Jeronimo et al. (2019) states that the difference between resource-based view and competence-based view is that, RBV concludes that superior resources will cause performance difference among companies while competence-based view prefers a more intelligent reasoning.

2.2 Research Gaps

2.2.1 Meaning of Talent and Talent Management

The study by Borisova (2017) cites that the term "talent management" was first introduced by David Watkins of Softscape in his article of 1998 and was later complemented by the work of a talent management system in 2004. By then, the term was used to define the changes in HR focusing on human potential or talent management. Talent management is seen as a branch of HR that deals with the search and attraction of efficient employees, integration of new personnel, and

motivation and support of employees to achieve the organisational goals. The study of Yuniati et al. (2021) defines talent as an inborn quality (natural ability to do something) possessed by few people who have the capability to make a significant difference to both current and future organisational performance. Talent management, on the other hand, is defined as a set of strategies and systems to increase productivity by developing an improved process of attracting, developing, retaining, and utilising people with the required skills and aptitude to meet both current and future business needs. Talent management also ensures that organisations have the right people with fit skills located at the right place to access business strategy (Yuniati et al., 2021). Talent in an organisation has several characteristics that differentiate from other general employees. That means that talented employees show the following main characteristics (Efendi, 2021):

a) Ability to perform roles

This is the ability of the employee to provide results in any role within the organisation. This ability differentiates between those employees who can perform broader roles as opposed to specialists.

b) Ability to handle change

Talented employees have the ability to adapt to the ever-changing organisational environment. Talented employees will perceive change as a source of challenges and opportunities to prove their abilities and competencies. Hence, talented employees prove their skills and abilities in the face of the new challenges presented by the organisation and will prepare new ways to achieve the desired results.

c) Capacity to learn

Talented employees have the ability to master new skills and knowledge as part of personal development. Talented employees always enjoy expanding their knowledge and show the intellectual capacity to acquire new concepts fast.

d) Personal profile

Talented employees have self-confidence, communication skills, logical reasoning. These abilities will help talented employees analyse tasks and develop effective process that will ensure superior performance.

2.2.2 The Influence of talent management implementation on organisational performance

The poor application of talent management practices has an unfavourable influence on both individual level outcomes such as job satisfaction and motivation, as well as at the organisational level outcomes such as service quality and performance. This will affect the long-term success and survival of the organisation (Abdul-Kareem, 2016). The study of Friday & Sunday, (2019) states that successful implementation of talent management practices leads to increased ability to attract people that are performers and reduce recruitment costs by reducing employee turnover. The study by Yuniati et al., (2021) states that organisation that implement good talent management practices for attracting, developing, and retaining talented employees are able to achieve employee

engagement, retention and value addition for the success of their organisation. Successful organisation that adopts talent management strategies and identify talents among all the employees are willing to spend more money for improvement of the system of recruitment, that in turn enables the organisation to acquire people with the highest developmental potential. These companies are more attracting for talented people and are able to afford much better rewards for talented individuals(Lančarič et al., 2021).

The study by (Yuniati et al., 2021) states that organisation that implement good talent management practices for attracting, developing, and retaining talented employees are able to achieve employee engagement, retention and value addition for the success of their organisation. Thus, the study by (Sial et al., 2020) points out the following three relationships that exist with talent management:

a) The association between talent management and employee engagement

Employee engagement is about how an employee is emotionally and intellectually committed to an organisation. An employee who is engaged will always be fully participative and enthusiastic about the assigned job tasks. Talent management will enable all levels of employees to be focused on driving revenue that will enhance employee engagement and employee engagement will result in performance improvement, customer satisfaction, reduced absenteeism and reduced turnover (Kossyva et al., 2021).

b) Association between talent management and employee retentions

Retention of key talented employees has become a priority of many organisations and is also regarded as a key differentiator of human capital management. The study by Kossyva et al. (2021) points out that most companies are facing the challenge of retaining their talented employees, since talented employees and intellectual capital are critical to the success of the organisation. Thus, it is impotent to note that high standard on HR practices can contribute to the organisation's profitability and market value by decreasing turnover of talented employees. In addition, pay levels and employee satisfaction are important predictors of employee turnover (Kossyva et al., 2021).

c) Association between talent management and employee value addition

Employees skills and capabilities add value to the organisation, hence, the “*everybody counts mantra*” is an overemphasised view of the organisational talent. This is where talent management differs with human resources approach, because talent management is concerned with identifying talented employees who can make valuable effect to an organisation's competitive advantage. The study by Kossyva et al. (2021) states that employees' skills and competencies will add value to the organisation performance in general and that organisational strategies that are aligned to talent management system have a high chance of success rate.

d) Association between talent management and organisation performance

Most organisations have recognised the need to strategically align talent management practices to help the organisation in achieving its objectives. About 73 per cent of the top executives in the

United States of America agree that there is a positive relationship between the talent management process and business strategy to obtain organisational success (Kossyva et al., 2021). However, a study that was conducted in the United Arab Emirates by Aina & Atan (2020) stated that talent management strategies of talent attraction and talent retention had no influence on the sustainable organisational performance, whereas learning and development and career management which results in improving the qualifications and competencies of employees was found to have a significant positive impact of organisational performance. The study by Abdul-Kareem, (2016) points out the positive influence that talent management implementation has on the organisation's operation. Such positive influences are as follows:

a) Reduces hiring costs, training and development

An effective talent management practice is likely to decrease the organisational expenditure on hiring, training and developing new employees. According to the study by (Ebrahim et al., 2014) cites that talent turnover is more harmful to an organisation's performance because of high cost to hire, replacement cost, and transition costs and indirect of reduced performance level, unnecessary overtime and low morale.

b) Helps in understanding employees better

The efficient implementation of talent management practice will help give the HR managers deep insights about their workforce. The HR managers will be able to have an in-depth understanding of their employee's developmental needs, career development, strength, weaknesses, abilities, likes and dislikes. It will be on this ground that manager will be in better position to be able to determine as to what motivates employees and this will help with job enrichment process.

c) Leads to the placement of the right persons on the right job

Through an effective talent management implementation, the HR manager will be able to know employees' skills, knowledge, competencies, and strengths. Hence, the organisation will be able to make decision on how to perfectly match employees to their respective positions effectively. This will result in increased job satisfaction and employee productivity since there is more alignment between individual skills, interest and the job profile.

d) Helps in retention of high potential employees

Maintaining top performing or high potential employees is a top priority for the organisation's success and survival in this current war on talent environment. The organisation that fails to sustain their top talent are at risk of losing from their competitors. Hence, an organisation that effectively implement talent management practices are most likely to retain their high potential employees.

e) Loyal workforce

The organisation that effectively implements talent management will result in having more loyal workforce that is committed and determined to outsmart their fellow competitors and in the same time ensure a leadership position in market. Thus, the workforce loyalty will increase the

organisation success and survival. The study by Sareen & Mishra (2016) has cited that HR managers and top executives have strongly emphasised on talent management with need to have a dedicated, engaged and high performing workforce in order to achieve organisation performance.

3. MATERIAL AND METHODS

Research Philosophy, Approach and Design: This research paper is of interpretivism in nature and the researcher tried to understand the world the participants live and work. The researcher relied heavily on the participant's view about the situation that was being studied and for the researcher to make sense of the meaning others have about the world (Creswell & Creswell, 2018). The paper followed a qualitative research approach in order to enable participants to freely express their opinion and judgement. Furthermore, the research paper followed a case study research design of inquiry in which the researcher develops an in-depth analysis of a case, programme, activity, process, one or more individuals (Creswell & Creswell, 2018). The population of this research paper consisted of 46 staff members of the Council from different departments.

Population, Sampling and size: The study used a non-probability sampling method called purposive sampling. The goal of this sampling method is to sample participants in a strategic way, so that those sampled are relevant to the research questions that are being posed. In this case, the participant from the population that was selected consisted of all employees in the job grade B Band to F Band who had been employed by Oranjemund Town Council for a period of not less than 1 year based on the exposure to talent management within the Council. The initial sample size was 20 participants but the researcher could only manage to interview 14 participants and the sample size depended on the saturation of data collected whereby the researcher only stopped collecting data when the categories or themes were saturated or when gathering fresh data could no longer spark new insights or reveals new properties (Creswell & Creswell, 2018).

Research Instrument and Procedure: The study will make use of an interview guide to collect data. The interview guide will have a set of structured questions that the interviewer will ask the interviewee in the order they appear on the interview guide. The researcher made an appointment to hold the interview with each interviewee two (2) days before the date of the interviews. The interview guide was sent to the interviewees a day before the scheduled date of the interviews, so that participants can be able to familiarise themselves with the interview questions. On the day the interview, having first asked for permission to do so, the interviewer will voice record the proceedings so that not much information is lost. **Ethical Considerations:** The researcher considered essential ethical aspects such as seeking of permission from the Council's authority in order to gain accesses to the premises and sites. The researcher also considered issues of protecting the participant's identity, obtaining letters of consent (participant to signed informed consent forms), protection of rights of participants, obtaining permission to be interviewed, undertaking to destroy audiotapes and also for the researcher to familiarise him/herself with ethical policy of the relevant institution that oversee or funds the research (Creswell & Creswell, 2018).

4. FINDINGS

The study discussed the emerging themes that relates to the research questions from the collected data that was being investigated. The emerging themes from the study are shown in the table below. However, this paper focuses on discussing the main theme 1 as it addresses the main research subject objective.

Table 4.1: Themes of the study

Theme 1	The influence of talent management on organisational performance
Sub-theme 1.1	Job satisfaction
Sub-theme 1.2	Motivation

4.1 Theme 1: The influence of talent management on organisational performance. The participant's responses on this theme developed the following sub-themes as follows:

a) Sub-theme 1.1: Job satisfaction

Most of participants to the study indicated their willingness to leave the company due dissatisfaction on number of issues such as poor salary, too much work as a result of understaffing, lack of accommodation, lack of growth opportunities, unfavourable working conditions and unequal training opportunities. One respondent even said that *"I never attended any training in the last financial year, when I apply to go for training, I am referred to the training needs analysis while others get a straight away approval"*. This is line with the study done by Abdul-Kareem, (2016) which cites that talented employees will leave an organisation when they are not satisfied with the total rewards being offered, the leadership that provide fair treatment and overall organisational human resource policies. The response of participants to leave, not sure to leave or wanting to leave the Council are shown in Fig. 1 below.

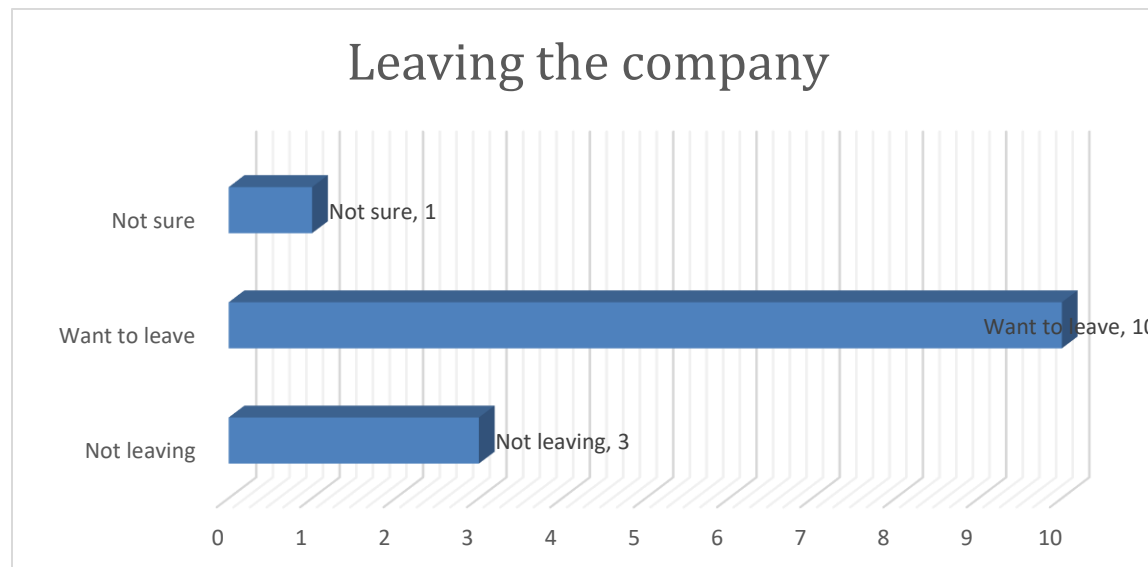


Figure 1: Job satisfaction

According to Fig. 1, it is clear that 72 per cent of participant to the study, indicated their willingness to leave the Council for greener pasture or should the opportunity presents itself, while 21 per cent of participant have no intention of leaving the company since they feel satisfied with the total rewards, leadership, challenging work which is good for learning experience, youthful workforce which the participant can easily relate too, committed to achieving the goals of the company and can grow their career. One of the participants who is not willing to leave the organisation even said that *“I am not considering leaving the organisation since the company has a youthful workforce that I can relate to and that all my initiatives are easily acceptable by my supervisors”*. The 7 percent of the participants of the study were not sure of their position on whether to leave or to stay at the Council.

b) Sub-theme 1.2: Motivation

A 72 per cent of participants to the study, highlighted that the Council does not value or motivate them when they achieve a certain goal. The response from participates cites too much work is given to them while remunerated poorly. *I am given too much work and even act in a senior position but yet I receive not even the acting allowance, if I get an opportunity elsewhere, I will definitely leave”* one participant said. This coincides with the study by (Mukwawaya et al., 2021) which states that when the talented employees feel valued about the contributions that they make in an organisation, such employees will feel recognised and motivated to achieve the overall objectives of the organisation. Most of the studies participants pointed out that they are actually worried about the high number of turnovers which lowers their moral, since they believe that those that leave are actually talented and leave without actual transferring their knowledge to them. The response on high turnover as worrisome to some participants and its negative influence. This is supported by the study by Amadhila and Bhebhe, (2022)) which states that when an organisation

experiences high turnover, it actually demotivates those employees who remain behind and affects their production level.

5. CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

Based on the findings of the study, it was concluded that besides the 72 per cent of staff members who have indicated their willingness to leave the Council, due to factors such as lack of accommodation, below market salaries, work pressure as a result of understaffing, unequal or no training opportunities. The study has identified that minority of employees which constitute 18 per cent of the participant to the study who are not willing to leave the Council as they enjoy the challenging work, youthful workforce and motivated by the vision of the Council.

5.2 Recommendations

This study recommends the following interventions to the Council for implementation:

a) Create a winning employee value proposition

Having noted that majority of the participants to the study have shown a great concern on high turnover in the Council and that 72 per cent of the participants have shown their willingness to leave the Council due to reasons such as lack of accommodation, below market salaries, work pressure as a result of understaffing, unfavourable working conditions due to political influence in administrative matters, unequal or no training opportunities as well as distance from their families. It is highly recommended that the Council looks at creating a winning employee value proposition (EVP). A winning EVP has the following elements as cited in the study by Chalam (2016).

- *Exciting work*: having noted that 18% of the participants have indicated their willingness to stay and work for the Council due to exciting and challenging work. The study by Chalam (2016) has pointed that individuals want challenging and interesting jobs so they can be passionate about their work. A great job can be motivating and demanding which will make the job interesting.
- *Great company*: it should be considered that in order to avoid losing talented employees. The study by Chalam (2016) points out that employees would like to work for organisations that are well managed, with good leaders, reputable corporate culture and values.
- *Wealth and rewards*: majority of the participants to the study have highlighted rewards that are not commensurate to the volume of work they do as reasons to why they would consider leaving the Council. The study by Chalam (2016) has cited that individual want to be paid salaries that are commensurate to their value contribution to the organisation. These rewards can be in monetary (such as bonuses) or non-monetary such as work life balance.
- *Growth and development*: majority of participant to the study indicated that they will stay with Council if training and study opportunities are provided to them. The study by Chalam (2016) has indicated that employees will want the organisation to develop their skills since

it is important to grow their careers with necessary skills in order to secure jobs in the market.

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