

A Meta Analysis on the Factors Affecting the Talent Retention in Selected Thai Organizations

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Introduction

Human capital is the critical success factor in today's competitive environment. Retaining key talent is one of the topmost priorities for all successful managers. In spite of the obviousness of this crucial responsibility, many organizations suffer from the 'leaking reservoir' syndrome. Most organizations have come to accept that it is acceptable to lose a percentage of good employees over a period of time – which is true to a great extent. The problem begins, however, when the crack in the reservoir becomes so huge that replacing people becomes a full-time endeavor and leaves little time to do anything else. A certain percentage of time invested in building strategies for growing and retaining your people in the long run prevents the talent leak from growing and saves you a lot of time and pain in plugging the hole later.

However, in the age of new economy, the war for talent become aggravating. As a result, many companies were not attractive enough to retain the talent. The turnover rate especially of the Gen Y talent is continuously increasing. It is therefore, a big challenge and responsibility for the executives and human resource departments to retain the talent who are regarded as an asset to the organization. The talent management is thus an important strategy contributable to the long-term health and success of the business. In order to fill that void, the researcher is interested in examining through meta analysis method on what factors affect the talent retention in selected Thai Organizations.

Objectives

This qualitative study aimed to investigate the factors affecting the talent retention in the organizations, to propose a conceptual framework regarding the factors affecting the talents retention, and to suggest strategies for employee retention.

Methodology

Qualitative research technique using documentary research was used for research design. The meta analysis is achieved through extensive review of literature and research on talent retention to provide the solid grounds for the synthesis of the conceptual framework regarding the factors affecting the talent retention.

Literature Review on Talent Retention

The presentation of this section is divided into three parts ; namely, the meaning of talent management, review of the related books, and review of research conducted in Thai settings.

The term “ talent management” was coined by McKinsey & Company following a 1997 study. It was later the title of a book, *War for Talent* by Michaels, E.; Handfield-Jones, H. & Axelrod, B. (2001). Talent management is defined as the integrated process of ensuring that an organization has a continuous supply of highly productive individuals in the right job, at the right time. Rather than a one-time event, talent management is a continuous process that plans talent needs, builds an image to attract the very best, ensures that new hires are immediately productive, helps to retain the very best, and facilitates the continuous movement of talent to where it can have the most impact within the organization. The goal of the talent management process is to increase overall workforce productivity through the improved attraction, retention, and utilization of talent. The talent management strategy is superior not just because it focuses on productivity, but also because it is forward looking and proactive, which means that the organization is continuously seeking out talent and opportunities to better utilize that talent. It produces excellent results because it overcomes the major problem of traditional recruiting which is isolation. It instead integrates the previously independent functions of recruiting, retention, workforce planning, employment branding, metrics, orientation and redeployment into a seamless process.

Additionally, the second part examined the three books written by the authorities in the field . Based on the book written by Michaels et al.(2001) , McKinsey & Company conducted the research by interviewing 200 executives in the US. regarding talent attraction, development, and retention. The results indicated that the majority of the executives interviewed enjoyed challenging jobs, seeking opportunities to develop their work performance, being in excellent organization with open corporate culture and trust, focusing on performance and having opportunity to maintain sustainable wealth and growth.

Besides, the survey conducted by Sibon Consulting pointed out that five factors attracting the talent to retain in the organization which can be listed as 1) financial compensation, 2) welfare, 3) satisfaction towards work, 4) recognition, and 5) opportunity in future career advancement . Apart from that, the Development Dimensions International (DDI) stated in the survey the staffs in human resource department have placed importance in the future career advancement ,compensation, work stress, the relationship with the boss while the talent themselves put emphasis on the work life balance, job characteristics, relationship with colleagues, relationship with the boss and remuneration (Sears, 2003).

However, Tower Perrin reported that the retention factors of the talent can be generated as the skill development of the employees, understanding and expectation of the talent, competitive remuneration, the linkage of program or the HR system with the business strategic targets of the organization, two-way communication between the organizational and personnel expectations (Berger and Berger, 2004).

All in all, the aforementioned factors relating to talent retention cited in the three books can be summarized as in Table 1.

Table 1: Summary of the Comparison of Factors Relating to Talent Retention

Employee Value Proposition. From <i>The War of Talent</i> (Michael et al., 2001)	What top-performing employees want ? From <i>Successful Talent Strategies</i> . (Sears, 2003)	What important to Talent ? From <i>Successful Talent Strategies</i> (Sears, 2003)	Top factors that retain employees. From <i>The Talent Management Handbook</i> . (Berger & Berger, 2004)
Opportunity to build sustainable growth and wealth	Wages payment scheme	Compensation	Competitive pay in relation to the labor market
Challenges and opportunities for development	Opportunities in career path development	Job enrichment	Skill development for the employees
Images of company and strong leadership		Relationship with boss	
Open corporate culture, mutual trust and focus on performance.	Personnel characteristics and culture	Mutual trust among colleagues	
	Vacation leave with pay.	Work life balance	Understanding of personnel with high performance
			Human resource management system set in compliance with business goal
			Clear expectation of both the company and employees through two-way communication

From Table 1, it should be noted that Berger and Berger (2004) added more factors stating that organization should understand clear expectations of the talent via two-way communication between organization expectation and talent expectation prior to set the HR system or business strategy so that the policies and the management programs could respond to the need of the talent and the programs must be in compliance with HR system and business goals.

The last section examined the research conducted by Thai researchers in the last ten years. Samuthai Thumkam (2007) conducted the study on the talent management system of Institute of Science and Technology by conducting documentary research as well as a survey research. The respondents were the administrators and officers whose job performance had been rated at excellent level. The respondents were satisfied with the job, the compensation, and the way of living which all were rated at a high level. However, they were not satisfied with the corporate image. With regard to the talent retention, they were satisfied with a communication system, resource and facilities, assistance and recognition, challenge job as well as good relationship with others. In the meantime, they wanted to see the talent were encouraged to express the ideas and were granted a permission to participate in making a decision. Besides, Pathompong Topanichsuree (2010) conducted a study on the retention of high performance and potential officers in Thai Bureaucracy. The findings pointed out eight factors showed strong relationship with the organizational engagement of the talent. The influential eight factors ranging from the highest to the lowest could be listed as job characteristics, training and development, reward and remuneration, work system, relationship with colleagues, work environment, relationship with the superior, and opportunity obtained from work. Moreover, Supaporn Songsujaritkul et al. (2009) investigated the factors affecting talent retention of True Vision Public Company Limited. The results of the interviews with executives revealed that since the nature of their works was different, each functional executive had to employ different techniques to retain their staff. In conclusion, 4 factors affecting talent retention including non-financial compensation, career development, employee engagement, and financial compensation were determined. Apart from this, Jutatip Suksawat (2012) conducted a study on talent management of companies in the Thai Eastern Seaboard, 5 factors affecting talent retention were found. Majority of the respondents agreed that 3 factors, culture and work environment, supervisor's roles, and growth and earning potential were all rated at the high levels while 2 factors, training and development was rated at the average level, and rewards and compensation was reported at the lowest level. Similarly, Wanpen Petcharat, Pornrat Sangharn, and Itthipol Kruepong (2013) conducted a study on retention of talent of companies in Industrial Community by comparing the opinions between the executives and the employees regarding the factors affecting talent retention. The executives perceived 4 factors at high levels including culture and work environment, supervisor's roles, a growth and earning potential, training and development, respectively while rewards and compensation was reported at the lowest level. As for the employees, they viewed the highest to the lowest as supervisor's roles, culture and work environment, growth and earning potential, training and development, respectively, and rewards and compensation was reported at the lowest level. In short the opinions of both the executives and the employees did not show

any significant difference. The factors affecting the executives retention included training and development, and growth and earning potential while the factors affecting employee retention was culture and work environment.

In sum, the factors reviewed were synthesized by means of meta analysis to construct a conceptual framework of factors affecting talent retention in the next section..

Conceptual Framework of Factors Affecting Talent Retention

With reference to the extensive review on the literature regarding factors affecting talent retention , the important such factors can be classified into 5 categories ; namely, (1) culture and work environment which refer to mutual trust and good interpersonal relationship, (2) compensation which refers to fair payment in relation to job performance and self dedication towards work performance, (3) training and development which refers to training system, coaching, provision of education and career development, (4) supervisor's role which refers to pattern of work and relationship with the talent, and (5) growth and earning potential which refers to the opportunity of developing their skills, getting promoted, and earning higher level of responsibility.

The related factors affecting talent retention can be summed up in Table.2

Table 2 : Factors Affecting Talent Retention

Culture and Work Environment	Rewards and Compensation	Training and Development	Supervisor's Roles	Growth and Earning Potential
<ul style="list-style-type: none"> - Communication - Work Flexibility - Relationship between Boss and Subordinates - Corporate Images - Work Life Balance 	<ul style="list-style-type: none"> - Compensation over Competitor Scheme - Flexible Welfare - Fair and Satisfied Compensation - Monetary Compensation - Non-monetary Compensation. 	<ul style="list-style-type: none"> - Skill and Ability Development - Succession Planning - Training Path - Job Rotation - Study Visit 	<ul style="list-style-type: none"> - Advisory - Coaching - Motivation 	<ul style="list-style-type: none"> - Assignment of Challenging Job - Career Advancement /Development - Opportunity to work up to their full potentials - Opportunity to participate in expressing ideas. - Employee engagement - Talent Development Plan

Strategy for Employee Retention.

After the company put in time ,effort and investment to hire the best employees possible, that talent need to be retain. Many books have been written and exit interview conducted as employers look for the secret of keeping their good employees satisfied. Salary, retirement plans and vacation benefit are high on the list of why those great employees took the job, but they are not reasons enough to keep them in the employ for the long haul.

Based on the interviewed with the executives and human resource staff, and the employees, the following are some strategies that can be used to retain the talent in the organizations.

1. Create an environment that make the employees feel like an asset to the company. Don't make them feel like overhead. Allow them to feel secure in their job.

2. Make expectations and goals of the company clear. Be sure to have job descriptions so the employees know what is required of them. If there are changes that need to be made, do not expect them to learn that by osmosis. The manager should communicate directly and clearly.

3. Create an open and honest work environment. Give feedback on work performed and be willing to listen to their concerns. Be open and listen to new ideas. Accept suggestions for problem solving. Be available and open when the employees ask for guidance. Keep the top talent informed about what is happening with the company do not let rumors take over.

4. Provide opportunities to grow and learn, and let them know there is room for advancement in the company. Give challenging and stimulating work. Tap into their passion and allow them to focus their time and energy on project they can enjoy.

5. Recognize and reward good work. Monetary bonuses are always nice, but recognition of job well done goes a long way to creating good will and loyalty. In order to retain talent, make them feel appreciated, respected, rewarded and worthwhile. Recent studies show that when employees feel undervalued and unappreciated, they look for other employment.

6. Create career development plan for all key people. Identify the long term career goals for each individual.

7' The perception of fairness and equitable treatment is important in employee retention.

8. The quality of the supervision an employee receives is critical to employee retention. People leaves managers and supervisors more often than they leave companies or jobs. It is not enough that the supervisor is well- liked or a nice person The supervisor has a critical role to play in retention, starting with clear expectations of the employees.

In conclusion, key employee retention is critical to the long-term health and success of the business. The issues with many companies is that their organizations put tremendous effort into attracting employees to their company, but spend little time into retaining and developing talent. A talent management system must be incorporated with the business strategies and implemented in daily processes throughout the company as a whole. It cannot be left solely to the human resource department to attract and retain employees, but rather must be practiced at all levels of the organization. It should be noted that the activities within talent management included succession planning, assessment, development and high potential management. To retain the talent, the organizations, the factors including culture and work environment, rewards and compensation, training and development, supervision role, and growth and earn potential must be aligned

with business strategies. Thus, in adverse economic conditions, many companies feel the need to cut expenses. This should be the ideal environment to execute a talent management system as a means of optimizing the performance of each employee and the organization.

In retrospect, this qualitative study primarily could be served as food for thoughts enhancing HR persons to study in-depth on what factors, monetary or nonmonetary, really have impact over the retention of the talent. Hopefully, the findings and suggestions can provide an impetus for more research in HR related fields.

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