

Talents Management and Leadership Succession in Selected Companies in Lagos State

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Abstract

Talent management is critical for the organizational growth and development of companies in emerging competitive environment of Lagos State, just as it is elsewhere in the world. Talent management becomes necessary because individuals in the workforce have unique natural attributes and harnessing them for the company's benefit requires effective leadership. Leaders succeed when the talents of employees are nurtured in accordance with a company's peculiarity and brand. This paper adopted mixed method for the collection of data and analyzed data in thematic content while talent-based theory was used as its theoretical framework. The paper concluded that the recruitment of high-impact employees with the right talents and a succession plan to retain and engage them to ensure continuous productivity is crucial for the attainment of a company's goals, growth and development in the emerging competitive environment of Lagos State.

Keywords: leadership, talent, company, Lagos, succession

Introduction

There is no organization or human association that thrives without engaging the right talent in the areas of production, service delivery and management to drive the enterprise to achieve a profitable outcome. Hence, the right leadership is critical for growth and development and it takes an efficient leader to identify and harness the talents of the employees to achieve and sustain this outcome. Employees of companies possess diverse innate attributes and competencies (Amune, 2024). Identifying and channeling these attributes and skills in a way that drives maximum growth and development of the business organization is critical for a company's survival and success in the Lagos competitive environment (Amune, 2024; Bhar & Rahmat, 2023; Chanico, 2021).

Lagos is good for business, but competition is so stiff that to achieve success over others, a business must be able to hire, manage and retain the best talents. The human resource is the greatest asset of any organization, whether it is a public or private establishment. Other resources, such as finance, raw materials, machinery, and the building where the business is conducted, are also important assets, but unless they are invested or utilized by the employees of any business outfit, they cannot produce profitable result for the business owners. That is why it is said, in some circles, that “Labour creates wealth”. An organization’s fiscal, material and intangible assets require the skill and performance of talented employees before they can be converted into useful goods and services customers or clients of the business can purchase, thereby enabling the organization to make profit and expand its operations. According to Srivastava (2021), “The people who work at a company are really the ones that make it function. They are a company's greatest asset, more important than real estate or patents.”

Poor handling of promising employees is one of the reasons many business ventures, especially start-ups, have failed in Lagos. A recent report by Weetracker revealed that “only 39 per cent of startups in Nigeria manage to endure beyond their initial years of operation” (Punch 2024). Although a report published by IJRDO listed “lack of infrastructural facilities and entrepreneurial skills, inadequate managerial skills” as some of the factors that are responsible for business failure, Dennison (2024) thinks inadequate talent management, especially lack of succession planning, is a major reason why businesses go under in the face of unexpected eventualities:

Succession planning is important for all businesses, of all sizes and industries, but it is especially true now. The world faces new challenges and uncertainties, starting at the beginning of the post-pandemic era. Without a long-term strategy, businesses risk business continuity and talent management, leaving them open to risks... Succession planning helps leaders plan for the future. It also helps them keep top talent and provide a career path for high-potential employees. This, by effect, increases retention, engagement, and productivity. (Dennison, 2024).

It takes efficient leadership to identify the right employees with talents for the unique needs of a company (Amune, 2024; Kavita & Sanjiv, 2014). Leaders succeed when the talents of employees are discovered, nurtured and engaged in accordance with the company’s work ethic, vision and mission. To achieve transformational and sustainable change, a company should, in addition to the above, offer employees opportunities to learn and

grow within the organization (Kavita & Sanjiv, 2014); it should have a clear personal-growth road map and a reward system which would spur competent and hard working employees to put in their best, knowing that they have a durable stake and a promising future in the organization.

Theoretical Framework

Talent based theory is adopted as theoretical framework for the paper as it dwells on the importance of leadership succession and talent management in organizations. The theory was propounded by Mckinsey and Company in 1997 and since then the theory has acquired currency in organizational study, especially as it relates to talents management and employee succession to leadership positions in the workplace. The theory extrapolates that every employee in the workplace has talents that, when harnessed, would contribute to organizational goals and when undermined would lead to frustration and anger and consequently resignation and lack of productivity in the workplace. The theory emphasized that organizations should make efforts to identify the talents of each employee and utilize them for organizational benefits. Talent theory makes the following assumptions:

- (i) each employee talent is critical for organizational growth and identification of employee talents prevent job loss
- (ii) recommendation of employee for leadership position would facilitate deployment of talents for organizational benefit.

The essential issues addressed by McKinsey have been summarized as follows:

McKinsey's 1997 report on talent management highlighted the importance of identifying and nurturing talented employees for gaining a competitive edge in the business landscape. The report emphasized that talent management practices positively impact employee performance and reduce turnover intentions. It also stressed the need to shift focus from mere talent identification to authentic talent development for sustainable organizational success. Furthermore, the report underscored that inclusive talent management philosophies lead to enhanced job satisfaction, improved job performance, and decreased turnover intentions through effective talent management practices. Overall, the findings of McKinsey's report emphasized the critical role of talent management in driving organizational excellence and competitiveness (typeset.io).

Roberts (2008) encouraged organizations to make effort to identify the

right talents endowed in its employees as well as make provision for promotion to leadership positions within the organization. According to Chanico (2021), talent is a major organizational asset for growth and development, hence organizations should make effort to identify the right talent in prospective employees and the old employees.

Conceptual Clarification

Talent Management

Chanico (2021) and Schweyer (2004) x-rayed the importance of talent management and emphasized the need for background checks on the employee through screening and test before engagement and assignment of functions while Cappelli & Keller (2014) assessed talent in terms of compatibility to organizational vision and mission, and emphasized the need for the retention of employees that possess the right talent.

Talent management is a critical component of corporate governance and determines how companies would cope and thrive in the changing organizational world of the 21st century where competence and knowledge are critical. According to Mckinsey, most talented people leave their employment or company due to the fact that most times they are not allowed to bring to the company the best of their talent (mckinsey.com).

Talent Typology

What are those talents possessed by employees that a company's management needs to manage effectively in order to deploy them maximally to advance the organization's goals and competitiveness? While companies generally employ people based on their visible skills, high-value employees usually possess innate qualities that mark them out and make them achieve outstanding results. Most of these qualities are associated with the personal characteristics of the employee. According to Poltoratska (2021), "The set of personality traits and characteristics is formed by natural preconditions and social environment, but the decisive role in their development is played by the ability to self-development and the disclosure of their potential in their activities."

According to Howard Gardner (in Poltoratska, 2021), the typology of talents includes the following: "verbal-linguistic; digital; auditory; spatial; physical; personal or emotional; interpersonal". These talents, when present in individual employees, enable them to perform their duties maximally and satisfactorily, thereby achieving for the organization greater productivity than that recorded by those who lack these talents.

How to Tap Employees' Talents in Workplaces

Organizations operate in a more dynamic and evolving environment which requires the recruitment of highly talented workforce that could brace the storm (Cappelli & Keller, 2014; Amune, 2023). Challenges in different areas of need in the workplace make it necessary for organizations to be equipped with requisite competences to drive their business. Organizations that do not plan and anticipate challenges will likely not succeed, as inertia is the cause of many organizational failures. Also motivation is the driver that enables employees to unlock their talent for growth and development (Efron, 2010). Assigning challenging tasks to employees and facilitating effective communication and openness are some of the building blocks for the optimization of company goals.

There are many methods a company's leadership can use to enable it identify the talents in employees and tap those resources for the company's benefits and for the advancement of the employees. They include:

- assigning of roles/functions to individual employee (Frimpong, Addai, Amoako & Kyereh, 2016)
- organization of seminar and symposium where the individual employees are required to showcase their competence
- maintenance of bottom-top and top-bottom channels of communication in the company
- regular or routine motivation and promotion in a company (Kavita & Sanjiv, 2014)

In order to enable leaderships in selected companies in Lagos to harness their employees' talents, a company's management is expected to provide necessary tools and resources (S.K Bhar H Rahmat, 2023) which include congenial work environment and good salary structure. When employees know that the leadership of the company has mechanisms in the company that identify and evaluate performance for possible elevation to leadership positions, their talent would most likely be boosted.

Drawbacks to the Engagement of Talented Employees in Selected Companies in Lagos

Talents in organization are unique and distinguish one employee from another (Amune, 2023). No two employees are the same in talent, and the combination of varied talents in an organization is critical and germane for the attainment of organizational vision, goals and profitability. It is the need to hire unique and relevant talent that organizational leaders should

intensify effort to focus on in order to ensure that they recruit and engage the right talented employees that would generate benefits for the organization.

Having identified and engaged the right talent, management is equally required to provide an enabling environment for the employees to operate in, and to be able to do this efficiently the leader must be purpose-driven as organizationally-specific talents are in short supply (Bhar & Rahmat, 2023; Chanico, 2021). According to Kavita & Sanjiv (2014), the new generation of talented employees is looking for challenging assignments with adequate compensation to get professional satisfaction, as job satisfaction is key for the actualization of company goals.

To enable companies in Lagos to engage and retain the right talented employees, management has the responsibility of providing the right environment within which the talents of the workforce can be harnessed by assigning them motivating tasks and ensuring that, in proportion to their efficiency and expertise (Bhar & Rahmat, 2023), they are promoted to leadership positions as and when due. To complement the provision of the right environment, management is expected to establish a growth plan in the company to make ascension to leadership positions pretty seamless, and to ensure that the workforce are not faced with administrative bottlenecks that stall growth and breed frustration and anger; when such bottlenecks become the rule rather than the exception, the company's goal of profit in the long run may be jeopardized.

In the evolving corporate world, there are two broad groups of talented people in the workplace; they are: those who came to the company with the potential, and those who acquired the talent/skill through working in the company. Both groups stay and work for the company's growth when management provides incentives through enhanced salary package and insured assigned roles (Dessler, 2011; Bhar & Ralmat, 2023; Chanico, 202; Tymon et al, 2010; Vaiman, 2010).

Sometimes, the talented workforce may not want to stay in a company that even pays well, especially when the company goals do not conform to their talent; also talented employees may leave the company when they develop new skills/talents which they feel would be better utilized in another company that offers greater potential for personal and professional development, even if that company currently pays less.

Recently, several challenges were associated with the management of talents in selected companies in Lagos State. Some of the challenges were poor motivation and remuneration, autocratic disposition of the leadership

hierarchy, and inefficient communication channels in the company (Chanico, 2021; Amune, 2023; Bhar & Rahmat, 2023). Interestingly, a study carried out in US estimates that by 2030 a large number of talented workforce would leave the workplace due to poor motivation. Bahar and Rahmat (2023); Chanico (2021); and Kavita & Sanjiv (2014) have argued that factors that threaten management of talents in organizations are: age, seniority and level of education, salary and benefits, working environment, succession planning, job security, job flexibility and a whole lot of factors. In Lagos State, based on research carried out by this paper, intrusion of the following factors impedes motivation and hinders the free display and development of employee talents: political affiliation, religion, ethnicity, favoritism, and poor remuneration. All of these hinder employees from showcasing their talents and ascending to leadership positions in companies in Lagos and elsewhere in Nigeria.

Most companies in Lagos operate under two kinds of environment: the closed and open environments. The closed organization determines the talent it attracts. The closed organizations entrenched favoritism, ethnicity and religiosity and these grossly undermine talents in most companies in Lagos while the open organizations engage employees simply based on their capacities to fill organizational positions; they widely advertised job positions and each employee is engaged in relation to competence and expertise.

Findings and Discussion

Ten respondents from three senatorial zones in Lagos State – Central, East and West zones – were purposively interviewed. The respondents represented 5 selected companies in Nigeria. Four (4) respondents were from Lagos Central senatorial zone, three (3) from Lagos East senatorial zone and three (3) from Lagos West senatorial zone. The result of the findings revealed that talent is pivotal and determines a company's growth, development and performance. Respondents #1, #2, #3 and #4 from Lagos Central senatorial zone revealed that lack of motivation and routine training and retraining and ethnicity in companies in Lagos are some of the factors hindering the recruitment of talented employees in selected companies in Lagos. Respondents #5 #6 and #7 of Lagos East senatorial zone said that the right talents suitable for the needs of companies in Lagos are not in short supply, even though they blamed the educational system for churning out half-baked graduates; they identified favoritism and religion as factors hindering the engagement of the right talents. Respondents #8, #9 and #10 observed that companies in Lagos do not pay good wages, and that some of them do not promote talented employees from different ethnic or religious groups but would rather prefer to

promote family members or those employees with whom they share religious or denominational affinity.

Conclusion

The paper observed that talent is critical for a company's growth and development and that talent can possibly be discovered, engaged and retained by good corporate leaders who are committed to their companies' ethic and vision. Leaders succeed when the talents of the employees are nurtured in accordance with the company's managerial ethic and expertise for the company's gain and sustainability. The latter is achieved when talented employees are nurtured and mentored to succeed company leaders or experts when they leave the organization due to resignation or retirement. When the right talent is identified and engaged, performance efficiency is enhanced for the company's development and growth. However, in selected companies in Lagos State, talented employees faced many challenges emanating from poor remuneration, introduction of hiring/contract staffing, favoritism, ethnicity and religion.

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