TALENT MANAGEMENT AND ORGANIZATIONAL CITIZENSHIP BEHAVIOUR: A STUDY AT PRIVATE HIGHER LEARNING INSTITUTION IN SABAH

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The materials in this dissertation are original except for quotations, excerpts, summaries and references which have been duly acknowledged.

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ABSTRACT

This study aims to examine the relationship between talent management factors (skill development and perceived organizational support) and organizational citizenship behaviour at the Private Higher Learning Institution in Kota Kinabalu, Sabah. Through this paper also, both academic researcher and organization may be able to discover the significant effect of talent management factors (skill development and perceived organizational support) and organizational citizenship behaviour in order to improve the performance of the organization and thus survive in the competitive market. There are 128 respondents who have given cooperation in providing the data needed by the researcher to accomplish this study. Then, the data have been analyzed by using SPSS program such as reliability analysis, multiple regression and etc. Through the analysis result, the hypotheses testing, which involved the relationship between skill development and organizational citizenship behaviour and also perceived organizational support and organizational citizenship behaviour are significant. The study suggests that the employers need to highly emphasize on the skill development and organization support to promote organizational citizenship behaviour in the organization to achieve their vision and mission.

ABSTRAK

Pengurusan Potensi dan Kelakuan Kewarganegaraan Organisasi: SatuKajian di Institusi Pengajian Tinggi Swasta di Kota Kinabalu, Sabah.

Kajian ini bertujuan untuk menyelidik hubungan diantara faktor pengurusan potensi "talent management" (pembangunan kemahiran "skill development" dan penerimaan sokongan organisasi "perceived organizational support") dan kelakuan kewarganegaraan organisasi "organizational citizenship behaviour" di Institusi Pengajian Tinggi Swasta di Kota Kinabalu, Sabah. Melalui kajian ini juga, kedua-dua pengkaji akademik dan organisasi boleh mengenalpasti kesan kepentingan faktor pengurusan potensi "talent management" dan kelakuan kewarganegaraan organisasi "organizational citizenship behaviour" di dalam mempertingkatkan pencapaian organisasi dan seterusnya kekal dalam pasaran persaingan. Seramai 128 responden yang telah memberi kerjasama dalam menyediakan maklumat yang diperlukan oleh pengkaji untuk menyiapkan kajian ini. Kemudian, maklumat telah dianalisis dengan menggunakan program SPSS seperti regresi berbilang "multiple regressions", analisis kebolehpercayaan "reliability analysis" dan sebagainya. Melalui keputusan analisis, ujian hipotesis "hypothesis" yang melibatkan hubungan diantara pembangunan kemahiran "skill development" dan kelakuan kewarganegaraan organisasi "organizational citizenship behaviour" serta penerimaan sokongan organisasi "perceived organizational support" adalah penting "significant". Kajian ini mencadangkan majikan perlu memberi penekanan yang tinggi terhadap pembangunan kemahiran "skill development" dan sokongan organisasi untuk mempromosikan kelakuan kewarganegaraan organisasi "organizational citizenship behaviour" di dalam organisasi untuk mencapai visi dan misi mereka.

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INTRODUCTION

1.1 Overview

Nowadays, the issue of human capital has become an essential part in the corporate world to be more competitive and develop either locally or globally. While companies continue to downsize and increase productivity in order to reduce cost so that they are able to compete globally, it is imperative that a futuristic perspective is assimilated into the corporate world. This requires organizations who are involved in the corporate world to pay more attention in talent management for their human capital as valuable asset for them to be excellent and success in competitive market.

Talent management is an important issue in an organization. However, what is "talent management"? Fralix (2006), a Raleigh-based Management Consultant, stated that: "It's identifying, recruiting, hiring, and developing people with a strong potential to succeed in organization. When most organizations talk about talent [management], they're just using current lingo to describe something that's always been done" (Laff, 2006: 1).

According to Oakes (2006), one of the early adopter of talent management is Aetna Company that is known as the nation's leaders in health care, dental, pharmacy, group life, disability, and long-term care insurance, which have more than 28,000 employees. Aetna has been experiencing many kinds of problems before practicing talent management at their company. In order to solve this problem Aetna Company has adopted talent management at their company whereby they start to focus on integrating of company goals and development of their workforce.

Other than that, Cingular that known as the largest wireless provider in North America is also the early adopter of talent management. Lauber has said that:

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"Convergence of talent management is happening but it is driven more by HR leadership at the moment. I see two areas of convergence right now: selection and learning, and performance management and developmental planning. I see more activity in the latter than in the former from a tools and technology perspectives, but there are really two ends trying to be achieved: improved retention and shortened time to proficiency" (Oakes, 2006).

The other example of an organization that has been practicing talent management in their daily operation is Electrolux Company. Electrolux Company known as the world's largest producer of appliances and equipment for kitchen, cleaning and outdoor use, and one of the largest producers in the world of similar equipment for professional users. Straberg, Chief Executive of Electrolux said, "Building an increasingly strong talent base with the right attitude and enthusiasm is one of our most effective competitive weapons. We need to attract, develop and retain top talent, which in turn will develop Electrolux. It is absolutely vital that we succeed in this" (Pollitt, 2004).

Straberg also said that: "We believe that actively managing and developing our talent that is our people and all their abilities and skills is a prerequisite for success. We have made talent management a strategic priority and part of our daily work" (Pollitt, 2004).

In this study, the researcher focused on the area of talent management and tries to examine the significant effects between talent management (including skills development and perceived organizational support) with organizational citizenship behaviour. Through this research, it helped us to avoid the negative point of view about talent management and organizational citizenship behaviour in the organization. Perhaps it might help to find the best solutions to solve the current problems faced by Private Higher Learning Institution in Kota Kinabalu, Sabah.

1.2   Problem Statement

As mentioned earlier talent management and organizational citizenship behaviour is not a new issue in the corporate world. However, there will be some issues that need to be answered and take consideration by organization as well as the human capital as a valuable asset for the organization.

The first issue needs to be answered is the acceptance of employer and employee towards the talent management at their organization. It is true that, there are organizations that are already implementing talent management in their organization, but not all organization really understand or see the clear picture about the significance impact of talent management in their organization to be more competitive and excellent in the corporate world. Both employer and employee may think that, talent management is the same as training that any organization may have in their organization, which only provide certain skills or experience for their employees.

The second issue needs to be answered is the mechanism to implement talent management in the organization. There is question that either talent management should be integrated with or separated from Human Resource Department. Rowan (2006), program manager for IDC, a Massachusetts-based workforce research company, says, "Personnel departments should view talent initiatives as a partnership and not as a threat and believes it is essential to assign clear responsibility to an individual or department for talent management". In contrast, Tighe (2006) said, "I don't think it will break away from Human Resource Department, if it splits, you reduce Human Resource Department to a transactional group. From a cost standpoint, if I were a chief executive, I would outsource payroll" (Laff, 2006: 3).

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The third issue needs to be answered is the willingness of the organization to give their support towards the needs of employee to develop their skills in career. The employer may think about the risk that they may have if they are going to implement talent management in their organization by investing a high value of money. At the same time, they may not confirm either the employee who already gets their support to have skills development in their career either will be loyal to them or may leave them whenever they have an opportunity in another organization. This is further supported by Barton and Delbridge (2001), who said that based on their research, some organization demonstrate a willingness and commitment to ongoing personal and professional development, whilst at the other end of the spectrum, training and development were still seen very much as a cost that had to borne; the management challenge being to minimize such expenditure.

The last issue needs to be answered is the willingness of employee to perform something extra than their job description at the organization whereby different employees will have different behaviour in performing their task. There will be some employees who are not willing to perform something extra out of their job description because they might think that they are paid based on their job description and the employees may not be given any reward if they perform other than their job description.

In addition, this paper attempted to answer the research question as follows:

1.2.1 What is the effect of talent management (TM) on organizational citizenship behaviour (OCB)?

1.2.2 What is the effect of skills development (SD) on organizational citizenship behaviour (OCB)?

1.2.3 What is the effect of perceived organizational support (POS) on organizational citizenship behaviour (OCB)?

1.2.4 Can demographic factor function as moderator between skills development (SD), perceived organizational support (POS), and organizational citizenship behaviour (OCB)?

1.3 Research Objectives

The main objective of this study is to examine how the talent management program at the Private Higher Learning Institution in Kota Kinabalu, Sabah can affect the employees' organizational citizenship behaviour (OCB). Specifically this paper attempted:

1.3.1 To examine the relationship between the skills development (SD) with organizational citizenship behaviour (OCB).

1.3.2 To examine the relationship between perceived organizational support with organizational citizenship behaviour (OCB).

1.3.3 To test the moderating effect of age, gender, education, and marital status on the relationship between skills development (SD), perceived organizational support (POS) and organizational citizenship Behaviour (OCB).

As a whole, this study was concerned with how skill development will influence the employees' organizational citizenship behavior (OCB). It also attempted how to increase organizational citizenship behaviour through skill development (SD) and perceived organizational support (POS).

1.4 Scope of the Study

The objective of this research was to examine the significance effect of talent management with organizational citizenship behaviour (OCB). The survey was done by distributing questionnaires among the employees at Private Higher Learning Institution in Sabah.

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The human capital at Private Higher Learning Institution in Kota Kinabalu, Sabah always faces new challenges and competitiveness to survive at corporate world. However, there is no talent management program have been emphasized at these organizations. This study used to evaluate the talent management impact to organizational citizenship behaviour at the organization by selecting middle-level management and first-line level management at this organization as the respondents through distributing questionnaires.

1.5   Significance of Study

As mentioned at the previous page earlier, talent management, become an essential issue and element of the organization to emphasize for their future challenges. This study helped the Private Higher Learning Institution in Kota Kinabalu, Sabah to recognize the effect of the skill development (SD) on Organizational Citizenship Behavior (OCB) and the effect of the Perceived Organizational Support (POS) on Organizational Citizenship (OCB).

Furthermore, this study helped the management at the Private Higher Learning Institution in Kota Kinabalu, Sabah to improve their human capital management practices to be more effective and efficient by being concerned more on the employee's needs as valuable asset for the organization to strive for excellence.

In addition, the management would find that high salary or good compensation package is not the only reason that can make the employees (human capital) to enhance their productivity in performance but they need personal development in their career and also support by their organization to be more competitive in the workplace either locally or globally.

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Finally yet importantly, the other significance of this study is to help the management to find the solution to solve the problem of willingness of employees to perform something extra out of their job description in the organization.

Without doubt, this study is still limited in some fields, but the result of this research could serve as a reference for further investigations about factors of organizational citizenship behaviour (OCB).

1.6   Key Variables

The key variables used in this study have specific definition in general context as mentioned below:

1.6.1 Talent Management

Luisa (2004) defines talent management as the capacity of the leaders to recruit, develop and retain talented people, to ensure the achievement of the organization's goals. In addition, Development Dimensions International (DDI) that defines talent management as the system in which people is recruited develops, promoted, and retained to fully optimize the organization's ability to realize positive business outcomes in the face of shifting competitive landscapes and labour requirements (Law, 2006) further supports this definition.

1.6.2 Skill Development

According to Grundy and Brown (2003), development defined as the process of transforming an individual or group from one level of capability to another. Development is different from training, whereby:

- It is more broad-based, covering not just one skill or a number of specific skills, but a more generic capability (like leadership).

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- Long term in its focus (frequently more than one year and perhaps longer).

- Generally more concerned with acquiring new skills or applying exiting skills in new ways.

While, skills defined as a learned talent that a person has acquired to perform a task (Ivancevich *et. al.,* 2005).

Nelson and Quick (2006) defined skill development as the mastery of abilities to successful functioning in organization. Skill development involves all level be it individual, group or the organization. In addition, Barton and Delbridge (2001) indicates that, the success of an organization depends on the skills and actions of its people and a key determinant of this will be the way they are developed, including the training they receive. Beside that, training at some plants is "viewed not just as a means to develop skills but as a socialization tool" (McDuffie & Pil, 1999: 380).

1.6.3 Perceived Organizational Support

Perceived organizational support is a belief in the organization's willingness to reward their efforts, a belief that the organization values their contribution, and a belief that the organization is concerned about their well-being (Eisenberger *et al.,* 1986).

1.6.4 Organizational Citizenship Behaviour

Organ (1988) defines organizational citizenship behaviour (OCB) as discretionary, 'extra-role', behaviour, not formally rewarded or punished by the organization, which, in the aggregate, benefits the organization by improving efficiency and/or effectiveness.

1.6.5 Demographics

Demographic consists of age, sex, education, and marital status.

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1.6.5.1   Age

Age is the length of time that a person or thing has existed and particular stage in someone's life (Concise Oxford English Dictionary, 2002).

1.6.5.2   Gender

Gender refers to how social and cultural factors shape our reality and our sense of identity (Ansemi & Law, 1998). In addition, Brannon (2002) said that: "Gender is to describe the traits and behaviours that are regarded by the culture as appropriate to men and women.

1.6.5.3   Education

Peters (1972), an English philosopher of education regards being "educated" as a state, which individuals achieve, while education is a set of processes that lead to this state. Peters (1972), claim that education, like many other phenomena, is too complex to define and suggests a set of criteria for consideration as the basis of education. Others such as Jarvis (1995) have added other criteria. These include the following:

- Education must involve a learning process.
- The learning process must not be a single event.
- The process should be planned rather than haphazard;
- Education is essentially a humanistic process.
- Learning has to involve understanding.

These criteria led Jarvis (1995) to define education as any planned series of incidents, having a humanistic basis, directed towards the participants' learning and understanding. This definition does not restrict education to a specific learning process, to a specific time in life, or to a specific location.

1.6.5.4   Marital Status

The concept of marital status applies to the conjugal arrangements of a person. It includes persons who are living together as husband and wife, regardless of whether they are legally married or in a common-law relationship. The statement living together implies that both persons in the relationship live in the same household (Statistics Canada, 2006).

1.7   Organization of thesis

These sections organized into five chapters. Chapter 1 discussed the outline of the introduction of the study, problem statement, objectives of the study, the limitations, the assumptions, and the significance of the study and organization of the thesis.

In Chapter 2, which the literature reviews, contains three main sections. The first section gives the introduction, theoretical framework on skill development, organizational citizenship behavior, perceived organizational support and demographic. The second section provides reader with the relationship between talent management and organizational citizenship behaviour, the relationship between skills development (SD) and organizational citizenship behaviour (OCB), perceived organizational support (POS) and organizational citizenship behaviour (OCB). It also provides how the demographic factor can moderate skills development and perceived Organizational Support (POS) towards organizational citizenship behavior (OCB) and lastly the summary.

Chapter 3 outlines on the research methodology and framework that used in collecting and analyzing the data. It divided into few sections. Section one is introduction. Section two is research framework. Third section followed by the hypotheses. Section fourth is research design. Section five is unit of analysis. Section

sixth is sampling design. Section seven is instruments design. Section eight data collection method. Section nine is data analysis methods and lastly the summary.

In chapter four, this will concentrate on the analysis of the results. There are divided into few sections. The introduction would be the first one followed by the profile of the respondents, reliability test analysis, and descriptive analysis of the variables, inferential analysis, hypotheses testing and the summary of the findings.

In the final chapter, which chapter five is mainly on discussion and conclusion based on the finding of this study. A brief introduction followed by a recapitulation, discussion and its implication, the limitations of the study, suggestion for future research and a final conclusion.