

**The impacts of talent management and organizational justice
on turnover intention in the public sector.**

Regional differences in Vietnam

Pham Thi Thanh Huyen (PHD 20610)

National Graduate Institute for Policy Studies

SUMMARY

Introduction

Since the publication of "*the war of talent*" in the late 1990s by a group of McKinsey consultants, "talent management" (TM) has been incrementally gaining attraction in the academic world. This term has stemmed from the private sector yet captured growing attention in the public sector because it is considered a pivotal tool for competitive advantage and organizational performance enhancement (Kravariti and Johnston, 2020). Furthermore, TM has proven its significant value in individual, organizational and societal levels in both economical and non-economical way (Thunissen et al., 2013). However, many public organizations worldwide have experienced unfavorable turnover problems of talented employees because salary and benefits in the public sector are relatively lower than those in the private sector (Thunissen and Buttiens, 2017).

Despite being universally recognized as a major source of competitive advantage, most research on the management of talented employees originated from and deals with private sector practices while TM in the non-profit sector stays scarce (Poocharoen and Lee, 2013). Furthermore, talent management has been most geographically examined in USA and European countries (Lee and Rezaei, 2019). Due to increasingly significant economic and political roles of Asian region, it is essential to researchers to put more efforts in examining TM in the contexts of Asian countries.

Recent research on TM has put considerable focus on effects of narrow sets of TM practices on turnover intention, such as recruitment, selection, planning, pay, rewards, training, and development (CIPD, 2006; Thuisen et al., 2013). However, there has been few research classifying these sets into two kinds of TM practices including hard TM practices (TMH), which focus on the 'resource' side of TM to enhance organizational competitive advantage) and soft TM practices (TMS), which priorities the 'human' side of TM to enhance talent commitment and engagement towards organizations.

Another significant concern in the workplace management in the past 50 years since Adams Smith (1965) proposed Equity Theory is organizational justice (OJ), which normally refer to perceptions of talented employees towards organizational fairness and equality (Greenberg, 1990; Boonbumroongsuk and Rungruang, 2021). Due to its significance, organizational justice has become a topic of interest in talent management literature. However, direct effects and mediating effects of organizational justice in the relationship between on TM and turnover intention has received little attention (Boonbumroongsuk and Rungruang, 2021). Furthermore, although there are four elements of organizational justice being developed respectively in the past 50 years: (1) organizational distributive justice (OJ): justice on distribution, (2) organizational procedural justice (OP): justice on procedure, (3) organizational interpersonal justice (OI): justice on interaction and (4) organizational informational justice (OIf): justice on information (Colquitt, 2001). However, most research on this topic emphasized on OD and OP and neglecting the significance of the two remaining elements.

Originated from the above academic and practical challenges the world in general and in Vietnam in particular, together with research gaps in this field, the research aims are to investigate the impacts of TM practices and organizational justice on turnover intention of public employees at national level and regional level in Vietnam. The research also attempts to supply a comparative perspective on turnover intention of talented public employees and different impacts of TM practices and organizational justice on turnover intention geographically in Vietnam.

Methodology

The combination of qualitative method and quantitative method is employed to obtain a profound understanding of the relationships among TM practices, organizational justice, and talent turnover intention. Comparative research is also conducted to make comparisons on turnover intention across regions in Vietnam and the extent to which TM practices and organizational justice impacts turnover intentions at national level and regional level. There are two main instruments. The one instrument is to send questionnaire using 5-point Likert scale given to talented employees in three regions to explore their deep perceptions towards TM practices and organizational justice towards their turnover intention. The other instrument is a semi-structured interview given to selected talented employees in three regions for further confirmation and explanation of quantitative findings.

The scope of the research is civil servants who obtained master or doctorate degree based on the definitions of talents in the document of the 11th Party Congress Doctrine (2011), in which highly qualified civil servants are those who obtain a high level of education and expertise. The research population targets both people who left their organizations and currently work in public sector organizations in the North, the Middle and the South geographically. In quantitative research, 597 questionnaires were collected with a high response rate of 90.45%, in which there are 135 questionnaires collected in paper. In follow-up qualitative research, the chosen sample size are 18 people (including 6 officials each city), 03 officials who remained working in the public sectors and 03 officials who quit their positions.

Results and discussions

Quantitative results

At national level, turnover intention is affected directly by TMH, TMS, OP, OI and indirectly by TMS via OD and OI. At regional level, OD has a negative impact on TI in the North; TMH, TMS, OI and OD have an impact on TI in the Middle; and TMH, TMS, and OI have an impact on TI in the South. Total impacts of TMS and TMH and mediating impact of OJ on TI vary in each region. In the North TMS has strongest total impacts while in the South total impacts of TMH are the biggest and those in the middle region always have medium impacts compared with the other two regions. Similarity to TMS, OJ has strongest mediating impact on TI in the North and weakest in the South. Quantitative findings also highlight the variations among the three locations in terms of the degree of turnover intention in which the South accounts for the biggest degree of intention to leave and the North people tend to consider quitting the least.

Qualitative results and discussion

The interpretations made from the qualitative data are in line with the conclusions from the quantitative data and supply further justification for those conclusions in the context of Vietnam, including political structures, institutions, traditions, history, and socio-economy. At national level, TMS negatively impacts TI while TMH positively impact TI because in Vietnam, annual salaries are raised in minimum level, causing dissatisfactions that increase the intention to leave. OD and OI have no direct impact on turnover intention due to the strong influence of Confucian, the culture of obedience and acceptance of unequal power distribution at work. At regional level, the total impact of TMS in the North is the strongest while TMH has the strongest impact in the South. Similarity, the indirect impacts of TMS and TMH via OJ in the North is strongest and in the South is the weakest.

The reasons stemmed from the uniqueness of each region in tradition, custom and social economic development. To be more specific, in the North, where traditions and customs remained thousands of years and where the capital city is located, a career in the public sector is generally respectful and privilege but it is not the case in the South. The South used to be invaded by the American, therefore Southerners tend to hold more Westernized lifestyle and thinking and less value a public sector job. Additionally, due to the highest level of economic development, the living cost in the South is the highest, causing more stress for public civil servants because salary and pay raise in the public sector are much less brilliant than those in the private sector.

Conclusions and implications

Based on research findings, there are some implications at national level and at regional level as follows:

At national level, TMS has the strongest direct impact on reducing the employees' turnover intention. In addition, TMS indirectly impacts TI via OD and OI. This is the most crucial factor that needs to be considered when making and implementing policies to retain talented employees and reduce their intention to quit. In addition, all elements of organizational justice including OP and OIF as independent variables; OD and OI as mediators contribute to lessen intention to leave of talented officials. Therefore, policies on retaining talented employees should focus on how to increase all four elements of perceived organizational justice in the public sector in Vietnam.

At regional level, local governments in each region should put priority in their crucial determinants of turnover intention. To illustrate, the Northern local government should implement policies to improve OD, the Middle local government should design policies to enhance TMH, TMS, OI and OD, and the South local government should focus in enhancing TMH, TMS and OI. Additionally, local governments in the Middle part and the South should increase official awareness of the privilege working in the public sector by giving several intangible rewards, such as a generous package of insurance and cheap housing rental to promote the preference working in the public sector and tighten commitment between talented employees and their organizations. Furthermore, due to higher living cost in the South, Southern local government may take more actions in improving TMH to reduce turnover intention.

Bibliography

- Boonbumroongsuk, B., & Rungruang, P. (2021). Employee perception of talent management practices and turnover intentions: a multiple mediator model. *Employee Relations*. <https://doi.org/10.1108/ER-04-2021-0163>
- Creswell, J., & Plano Clark, V. (2007). *Designing and Conducting Mixed Methods Research*. CA: Sage.
- Kravariti, F., & Johnston, K. (2020). Talent management: a critical literature review and research agenda for public sector human resource management. *Public Management Review*, 22(1), 75–95. <https://doi.org/10.1080/14719037.2019.1638439>
- Lee, C., & Rezaei, S. (2019). Talent management strategies in the public sector: A review of talent management schemes in southeast asia. In *Research Handbook of International Talent Management* (pp. 364–395). Edward Elgar Publishing Ltd. <https://doi.org/10.4337/9781786437105.00027>
- Matthew J. Salganik, & Douglas D. Heckathorn. (2004). Sampling and Estimation in Hidden Populations Using Respondent-Driven Sampling. *Sociological Methodology*, 1(34), 193–240.
- Thunnissen, M., & Buttiens, D. (2017). Talent Management in Public Sector Organizations: A Study on the Impact of Contextual Factors on the TM Approach in Flemish and Dutch Public Sector

Organizations. *Public Personnel Management*, 46(4), 391–418.
<https://doi.org/10.1177/0091026017721570>