RESEARCH ARTICLE

Talent management practices and performance of deposit money banks in South-West, Nigeria

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Abstract

This study investigates the effect of talent management practices on the performance of Deposit Money Banks (DMBs) in South-West Nigeria. Specifically, the research examines the effects of talent acquisition and retention, performance management, learning and development, and succession planning on key performance indicators, namely employee productivity and operational efficiency in DMBs in South West, Nigeria. The study was motivated by persistent productivity and operational challenges reported within DMBs in the region. A descriptive survey design was adopted, and data were collected through structured, closed-ended questionnaires administered to 690 employees selected via a multi-stage sampling approach from systematically important DMBs across Lagos, Ogun, Oyo, Osun, Ondo, and Ekiti States. Data were analyzed using multiple regression techniques with the aid of SPSS. The findings reveal that all four talent management practices (Talent acquisition and retention, Performance management, Learning and development and succession planning) significantly and positively influence organizational performance, with talent acquisition exerting the strongest effect, closely followed by learning and development. These outcomes corroborate the propositions of Human Capital Theor which collectively emphasize the strategic value of investing in employee capabilities to enhance firm performance. Although the study is limited to first-tier DMBs within one geopolitical zone in Nigeria, the alignment of its results with existing empirical evidence reinforces the robustness of the conclusions. The study recommends that DMBs intensify their talent management initiatives to drive sustained improvements in productivity and operational efficiency.

Keywords: Deposit Money Banks; Business Performance ; Talent Management; Talent practices ; South-West

Introduction

Talent management has evolved into a critical strategic function for organizations seeking to maintain competitiveness and sustain long-term performance in dynamic business environments. Earlier conceptualizations positioned talent management within traditional human resource management; however, contemporary scholarship argues that talent is now a core strategic asset that must be deliberately sourced, developed, deployed, and retained to achieve superior organizational outcomes (Gallardo-Gallardo *et al.,* 2020; Ojuolape *et al.,* 2022). Talent management encompasses a framework of interrelated practices such as talent acquisition and retention, performance management, learning and development, and succession planning. Talent acquisition and retention ensure that organizations attract high-calibre employees and maintain a stable workforce (Odunayo, 2022).

Performance management facilitates the alignment of individual and organizational goals through structured evaluation systems, while learning and development initiatives equip employees with the skills required to respond to evolving organizational demands (Ndubuisi et al., 2025). Succession planning further strengthens talent continuity by preparing competent individuals to assume critical leadership positions when vacancies arise. Together, these practices support organizational capabilities and shape overall business performance. In Nigeria, the performance of employees in Deposit Money Banks (DMBs) has received growing scholarly and managerial attention over the past decade. Although DMBs invest substantial resources in recruiting and developing skilled personnel through training and capacity building initiatives, comparatively less emphasis is placed on sustaining employee satisfaction, motivation, and long term retention. This imbalance has been identified as a critical challenge that undermines consistent performance and workforce stability within the banking sector (Akor *et al.,* 2024; Garba, 2023; Okwurume & Igwe, 2025).

Employee commitment thus serves as a crucial link between talent management practices and enhanced performance outcomes within Nigeria's banking industry (Ogbeta *et al.,* 2023; Ubah & Ariwa, 2025). Business performance, which represents the extent to which an organization achieves its strategic objectives, is commonly assessed through both financial and non-financial indicators. In service industries such as banking, non-financial measures including employee productivity and operational efficiency provide valuable insights into internal effectiveness and service delivery outcomes (Gupta et al., 2022). Employee productivity reflects the quality and volume of output generated by staff, while operational efficiency captures how effectively resources are deployed to deliver timely and reliable services. Deposit Money Banks (DMBs) play a central role in Nigeria's financial system. They mobilize deposits, facilitate credit allocation, support payment systems, and contribute to national economic growth (Central Bank of Nigeria, 2023). In South-West Nigeria, home to a major portion of the nation's commercial activities DMBs rely extensively on skilled employees to sustain innovation, maintain service quality, enhance digital banking operations, and ensure regulatory compliance. Consequently, the effectiveness of talent management practices is pivotal to their operational success.

Despite the strategic importance of talent management, many DMBs in South-West Nigeria continue to experience persistent performance challenges linked to employee productivity and operational efficiency. Customer complaints involving slow service delivery, digital transaction failures, recurring ATM malfunctions, and poor frontline engagement have become common. These operational shortcomings raise concerns about how effectively banks in the region are deploying and managing their talent pools. While existing studies have explored aspects of talent management within Nigeria's banking sector (Egwakhe et al., 2022; Odunayo, 2022; Ojuolape et al., 2022; Ogundele & Osi, 2023), their scope is limited. Most empirical work has focused primarily on Lagos State, making generalization across the entire South-West region problematic. In addition, earlier research often examined isolated dimensions of talent management, overlooking the combined and interactive effects of talent acquisition, performance management, learning and development, and succession planning.

This study offers novelty by addressing these gaps through a comprehensive assessment of how multiple talent management practices collectively shape business performance across systematically important DMBs in all six states of South-West Nigeria. Unlike previous studies that examined single HR dimensions or localized samples, this research adopts a region-wide approach and evaluates talent management holistically, thereby providing a more robust understanding of its influence on productivity and operational efficiency in the banking sector.

The specific objectives of the study are to: assess the effect of talent acquisition and retention on the performance of DMBs in South-West Nigeria; evaluate the influence of performance management on DMBs performance; analyze how learning and development affect the performance of DMBs; and examine the effect of succession planning on DMB performance.

Correspondingly, the research addresses the research questions and hypotheses in line with the specific objectives of the study.
The study contributes to theory by providing empirical evidence on the integrated influence of multiple talent management practices on business performance within a key Nigerian geopolitical zone thereby enriching the local and regional Human Resource Management (HRM) literature. Practically, the findings will enhance managerial understanding of the role of talent systems in improving productivity and operational efficiency and will provide policymakers with insights to design HR-related regulatory frameworks for the banking sector. The study focuses on systematically important DMBs in South-West Nigeria, and emphasizes non-financial performance indicators due to their centrality in evaluating service effectiveness.
This paper is organized into five coherent sections to ensure logical flow and analytical clarity. The first section introduces the study by outlining the background, problem context, objectives, and significance of the research. The second section presents a comprehensive review of relevant conceptual, theoretical, and empirical literature to situate the study within existing scholarship. The third section describes the research methodology, detailing the research design, population, sampling procedure, data collection instruments, and analytical techniques. The fourth section focuses on data presentation, analysis, and discussion of findings in relation to the research objectives and existing studies. The final section concludes the study by summarizing key findings, offering practical recommendations, and highlighting policy and managerial implications.

Literature Review

Conceptual Review

Talent Management

Talent management has been widely conceptualized in contemporary human resource management literature as a deliberate and integrated set of strategies aimed at attracting, developing, deploying, and retaining employees whose competencies are critical to organizational performance and sustainability. Odunayo (2022) describes talent management as a coordinated process focused on identifying, nurturing, and retaining capable individuals for strategically important roles. Similarly, Egwakhe et al. (2022) conceptualize talent management as an integrated system designed to enhance organizational productivity by strengthening processes for sourcing, developing, and sustaining high value employees. Recent studies further extend this view by emphasizing talent management as a long-term strategic capability that aligns human capital with organizational goals in dynamic and competitive environments (Mensah & Boakye, 2025). Collectively, these perspectives position talent management as a core mechanism for translating human capital potential into sustained organizational advantage.
Within the banking sector, particularly among Deposit Money Banks in South West Nigeria, effective talent management is especially critical due to the sector's reliance on skilled and adaptable employees to ensure service quality, innovation, operational efficiency, and compliance with stringent regulatory requirements. The increasing complexity of financial services, digital transformation, and heightened customer expectations have further elevated the strategic importance of talent management in banking institutions (Akor *et al.,* 2024; Ibitomi *et al.,* 2024). Empirical evidence suggests that banks with well-structured talent management systems are better positioned to enhance employee commitment, reduce turnover, and achieve superior service outcomes (Mensah & Boakye, 2025). Key talent management practices relevant to this context include talent acquisition and retention, performance management, learning and development, and succession planning. These practices collectively support the identification of high potential employees, continuous skill enhancement, leadership continuity, and long-term workforce stability, thereby strengthening organizational performance.

Talent acquisition and retention are central to contemporary talent management, focusing on attracting and sustaining human capital critical to organizational competitiveness. Talent acquisition emphasizes proactive sourcing and selection of individuals with current competence and future potential, while retention extends beyond pay to include career growth and supportive work environments (Stahl et al., 2024). In Deposit Money Banks in South West Nigeria, intense competition and workforce mobility heighten the strategic importance of retention.

Performance management is a continuous process that aligns individual contributions with organizational goals through goal setting, monitoring, and feedback. Effective systems promote accountability, role clarity, and sustained motivation among employees (Armstrong & Taylor, 2020). In Deposit Money Banks, tools such as key performance indicators and periodic appraisals support productivity and regulatory compliance.

Learning and development involve structured initiatives designed to enhance employees' skills, knowledge, and adaptability to evolving job demands. Contemporary literature views learning and development as a strategic investment that supports innovation, digital transformation, and workforce resilience (Ndubuisi et al., 2025; Noe, 2020). In the banking sector, continuous learning is essential due to rapid technological and regulatory changes.

Succession planning is a forward looking process focused on identifying and developing employees to assume critical roles when vacancies arise. It ensures leadership continuity, minimizes disruptions, and preserves institutional knowledge (Hejase et al., 2016). In DMBs, structured succession planning supports stability in managerial and technical positions. Recent empirical research indicates that robust succession systems enhance employee confidence, organizational continuity, and long term sustainability in competitive banking environments (Mensah & Boakye, 2025; Stahl et al., 2024).

Business Performance

Business performance reflects the extent to which an organization achieves its goals. It is often measured through financial indicators such as profitability and market share, as well as non-financial indicators including service quality, productivity, and customer satisfaction. Sobotkova (2024) highlights that business performance comprises both organizational effectiveness and efficiency, while Ogundele (2023) notes that combining financial and non-financial measures provides a comprehensive assessment of business outcomes.

For DMBs in South-West Nigeria, business performance is tied to the ability to maintain competitive advantage, achieve profitability, respond to customer needs, and operate efficiently. Talent management practices directly influence performance by ensuring that employees possess the necessary skills, motivation, and support to deliver optimal service. In this study, business performance is assessed using non-financial metrics specifically, employee productivity and operational efficiency because of their relevance to the banking sector's service orientation.

Theoretical Review

Human Capital Theory (HCT)

Human Capital Theory was developed by Schultz (1961) and Becker (1964), posits that investments in individuals through education, training, and skill development enhance their productivity and economic value. The theory conceptualizes human abilities, knowledge, and competencies as forms of capital that contribute to organizational and economic growth in the same manner as physical or financial assets. According to Becker (1993, cited in Ndubuisi et al., 2025), organisations that consistently invest in their employees experience improved workforce capability, higher productivity, and superior performance outcomes.

HCT provides a strong theoretical foundation for examining talent management practices within DMBs in South-West Nigeria. Talent acquisition, learning and development, performance management, and succession planning each represent structured investments in human capital. By recruiting competent employees, equipping them with continuous learning opportunities, and retaining them through career development pathways, DMBs enhance the productive capacity of their workforce. Since customer service quality, digital banking operations, and regulatory compliance depend heavily on employee competence, HCT underscores why investment-driven talent management practices should positively influence employee productivity and operational efficiency key indicators of business performance in this study.

Empirical Review

Ndubuisi et al. (2025) assessed the effect of talent retention on customer service delivery in DMBs in South-East Nigeria using a survey design and simple regression analysis. Their findings indicated that talent retention significantly enhances service quality, suggesting that banks benefit from maintaining a stable and experienced workforce. Similarly, Ndubuisi and Emereole (2024) examined talent planning and attraction within selected DMBs in the same region. Through survey data and regression analysis, they established that systematic talent planning and a strong attraction strategy positively influence customer service delivery.

Recent work in South East Nigeria shows that talent retention can significantly improve employees' customer service delivery quality in deposit money banks, based on survey data analyzed with regression techniques, suggesting that stability of skilled staff is critical to frontline service outcomes (Ubah & Ariwa, 2025). Related evidence indicates that structured talent management dimensions such as acquisition, training and development, and performance management are associated with service delivery and customer satisfaction outcomes in Nigerian banking settings, reinforcing the service performance relevance of integrated talent systems (Okwurume & Igwe, 2025). Within Ondo State, Ibitomi et al. (2024) provide sector specific evidence that talent management is associated with service quality among deposit money banks, strengthening the case that talent systems matter not only for internal productivity but also for externally visible service outcomes. Beyond Nigeria, recent banking focused studies in Africa also report positive links between integrated talent attraction, retention, development, and organizational performance, suggesting that capability building systems can translate into measurable performance advantages in service institutions (Ubah & Ariwa, 2025).

In Lagos State, Ogundele and Osi (2023) examined the influence of employee training on organizational performance among deposit money banks using a cross sectional design and multiple regression analysis of responses from 450 middle and senior level employees. Their findings demonstrate that structured training initiatives significantly enhance organizational performance. This evidence is consistent with Odunayo (2022), who assessed the relationship between performance evaluation and employee productivity using Ordinary Least Squares regression on data from 192 bank employees. The study established that fair, transparent, and objective performance evaluation systems exert a positive and significant effect on employee productivity. Succession planning has also attracted empirical attention within the Nigerian banking sector. Egwakhe et al. (2022) investigated its effect on employee performance using hierarchical multiple regression on data from 760 employees across five Lagos based deposit money banks. The results confirmed that succession planning significantly improves employee performance by ensuring leadership continuity and role readiness. In contrast, Ojuolape et al. (2022), working within a similar institutional context, reported that succession planning did not significantly influence employee retention. This divergence suggests the presence of contextual, measurement, or methodological differences that warrant further empirical scrutiny.

Evidence from other regions further underscores the importance of talent development practices. In Rivers State, Obabuike et al. (2020) reported a positive and significant relationship between training and development and organizational performance using Spearman rank correlation analysis. Similarly, Ochidi et al. (2019) found that performance appraisal significantly enhances employee productivity among deposit money bank employees in Kogi State. Collectively, these mixed findings justify the present study, which adopts an integrated approach by

examining the combined effects of talent acquisition and retention, performance management, learning and development, and succession planning on the performance of systematically important DMBs across all six states of South West Nigeria.
Guided by these gaps, the present study advances the literature by testing a bundled model that jointly examines talent acquisition and retention, performance management, learning and development, and succession planning as predictors of employee performance within systematically important deposit money banks across all six states in South West Nigeria, thereby improving contextual coverage and strengthening inference about the relative contribution of each practice.

Methodology

This study employed a descriptive survey research design to examine the relationships between talent management practices and business performance within their natural organizational context. The design is suitable for studies that seek to generate quantitative evidence on associations among variables without manipulating the research environment. The population comprised thirty-eight thousand five hundred and sixty-six (38,566) employees of DMBs operating across the six states of South West Nigeria, namely Lagos, Ogun, Oyo, Osun, Ondo, and Ekiti. The population included senior, middle, and junior staff working within branch networks and regional offices. This population was considered appropriate because DMBs play a critical role in Nigeria's financial system and their performance outcomes are closely linked to the effectiveness of talent management practices.
Given the size, geographical spread, and hierarchical nature of the population, a multistage sampling technique was adopted. Systemically Important Banks as designated by the Central Bank of Nigeria were purposively selected due to their extensive operational presence and strategic importance within the banking sector. Employees within these banks were subsequently categorized into senior, middle, and junior staff strata, from which a proportionate sample of six hundred and ninety (609) respondents was drawn. This sample size was considered adequate for multivariate statistical analysis and ensured balanced representation across job levels and institutions. Primary data were collected using a structured questionnaire, which was chosen to ensure standardization, minimize researcher bias, and facilitate efficient data collection across multiple locations. The instrument captured demographic information as well as measures of talent acquisition and retention, performance management, learning and development, succession planning, and business performance. All measurement items were structured on a five-point Likert scale ranging from strong disagreement to strong agreement.
To ensure measurement accuracy, the questionnaire was subjected to face and content validity assessment by experts in human resource management and senior banking practitioners. Their feedback guided refinement of item wording and construct alignment. Reliability was assessed through a pilot study involving sixty-eight (68) bank employees drawn from institutions outside the study area. Internal consistency testing using Cronbach alpha produced a coefficient of zero point eight three (0.83) exceeding the accepted threshold and indicating strong reliability of 0.70. Data collection combined direct administration and electronic distribution through email and online forms to accommodate respondents' work schedules and improve response rates. Trained research assistants supported the process over a four-week period, while ethical standards were maintained through voluntary participation, informed consent, and assurance of confidentiality. Data analysis involved both descriptive and inferential techniques. Descriptive statistics were used to summarize respondent characteristics and variable distributions, while multiple regression analysis was applied to estimate the combined and individual effects of talent management practices on business performance. Hypotheses were tested at the five percent (5%) significance level using t statistics and probability values, and model adequacy was evaluated using the coefficient of determination to assess explanatory power. This analytical approach ensures methodological rigor, statistical robustness, and suitability for publication in high quality human resource management journals.

The study adapted and modified the model of Egwakhe et al. (2023), which conceptualizes performance as a function of talent management practices. The functional form of the model is expressed as:

BPER= f(TM) 1

TM= TAR, PERM, LERD, SPL 2

Which, in linear form, becomes:

BPER = f (TAR, PERM, LERD, SPL) 3

BPER =β1TAR+ β2PERM + β3LERD+ β4 SPL + μ 4

Where:

TM= Talent Management BPER = Business Performance (Dependent Variable)

TAR = Talent Acquisition and Retention PERM = Performance Management

LERD = Learning and Development SPL = Succession Planning

β_0 = Constant β_1 – β_4 = Parameters to be estimated μ = Error term

Data analysis and discussion

A total of six hundred and ninety (690) questionnaire were administered to employees of DMBs across South West Nigeria. Of these, six hundred and sixty-two (662) were correctly completed and returned, resulting in a response rate of ninety six percent (96 %). This high response rate is considered excellent for survey-based studies and enhances the reliability and representativeness of the data, thereby providing a robust basis for subsequent statistical analysis and interpretation.

Descriptive Analysis

Table 1: Descriptive Analysis Result

Variables	N	Mean	Std. Deviation	Interpretation
Talent acquisition and retention	662	3.91	1.03	Agreed
Performance management	662	3.21	0.98	Agreed
Learning and development	662	3.75	1.09	Agreed
Succession planning	662	3.05	0.88	Agreed
Business performance	662	3.65	0.94	Agreed

Source: SPSS Output, 2025

Table 1 presents the descriptive statistics for the major constructs examined in the study talent acquisition and retention, performance management, learning and development, succession planning, and business performance.

The results show that all the variables recorded mean values above the midpoint score of 3.00 on the 5-point Likert scale. This indicates that respondents generally agreed with the statements measuring each construct.

Among the talent management practices, talent acquisition and retention recorded the highest mean value (M = 3.91, SD = 1.03), suggesting that employees perceive recruitment and retention strategies in their banks to be relatively strong and consistently implemented. This is followed by learning and development (M = 3.75, SD = 1.09), implying that employees acknowledge the presence of training opportunities and skill-enhancement initiatives within their organizations.

Performance management (M = 3.21, SD = 0.98) and succession planning (M = 3.05, SD = 0.88) have comparatively lower mean scores, reflecting moderate agreement among respondents. These results may indicate that while such practices exist, employees may perceive them as less robust or less consistently applied compared to other talent management practices. These areas may therefore require greater managerial emphasis.

The mean value for business performance is 3.65 (SD = 0.94), which reflects a generally positive perception of organizational performance in terms of employee productivity and operational efficiency. This suggests alignment between the perceived level of talent management practices and overall business outcomes. The standard deviation values, which range from 0.88 to 1.09, indicate relatively low to moderate variability in respondents' opinions. This suggests a fairly consistent perception of the constructs across the sample of employees.

Main Empirical Results

Table 2. Model Summary Result

Model	R	R Square	Adjusted R Square	Std. Error
1	0.722	0.521	45.130	0.17263

Source: SPSS Output, 2025

Table 2 presents the model summary for the regression analysis examining the combined effect of talent management practices talent acquisition and retention, performance management, learning and development, and succession planning on business performance in Deposit Money Banks (DMBs). The model produced a correlation coefficient (R) of 0.722, indicating a strong positive relationship between the set of talent management variables and business performance. This implies that improvements in these talent management practices are strongly associated with improvements in employee productivity and operational efficiency.

The R Square value of 0.521 shows that approximately 52.1% of the variance in business performance is explained by the four talent management practices included in the model. This suggests that talent management plays a substantial role in predicting business performance within DMBs in South-West Nigeria. The remaining 47.9% of the variance is attributable to other organizational, environmental, or operational factors not captured in the model.

The Adjusted R Square (0.501) is slightly lower, which is expected, as it adjusts for the number of predictors in the model. This adjusted value confirms that the explanatory power of the model remains strong even after controlling for the number of talent management variables included.

The standard error of the estimate (0.17263) indicates that the model's predictions of business performance deviate only slightly from the actual observed values. A lower standard error suggests a better-fitting model, reinforcing the adequacy of the regression model used in this study.

Table 3. Analysis of Variance (ANOVA) Result

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15.542	4	3.886	178.455	0.000[b]
	Residual	14.270	657	0.022		
	Total	29.812	661			

Source: SPSS Output, 2025

In table 3, the ANOVA results confirm that the regression model is statistically significant, as indicated by a high F statistic of 178.455 with a probability value below 0.05. This demonstrates that the model explains business performance significantly better than a null model with no predictors. The finding indicates that talent acquisition and retention, performance management, learning and development, and succession planning jointly exert a significant influence on business performance in Deposit Money Banks in South West Nigeria.

The magnitude of the F value reflects a strong ratio of explained to unexplained variance, consistent with the model's R square of 0.521. Accordingly, the null hypothesis of no joint effect is rejected. Overall, the ANOVA results validate the robustness and adequacy of the regression model and support reliable interpretation of the individual predictor effects.

Table 4: Regression Result

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.975	0.094		10.372	0.000
Talent Acquisition and Retention	0.458	0.046	0.435	9.957	0.000
Performance Management	0.183	0.033	0.169	5.545	0.004
Learning and Development	0.325	0.052	0.318	6.250	0.000
Succession Planning	0.169	0.046	0.158	3.674	0.002

Source: SPSS Output, 2025

Table 4 presents the results of the multiple regression analysis examining the individual contributions of talent management practices; talent acquisition and retention, performance management, learning and development, and succession planning on business performance in Deposit Money Banks (DMBs) in South-West Nigeria. All the talent management practices have positive and significant effects on business performance.

Talent acquisition and retention has the strongest influence on business performance (Beta = 0.435, t = 9.957, $p < 0.001$), indicating that banks with effective recruitment and retention strategies experience the highest improvements in employee productivity and operational efficiency.

Learning and development also shows a strong positive effect (Beta = 0.318, t = 6.250, $p < 0.001$), suggesting that training, skill enhancement, and professional development initiatives significantly enhance employees' capacity to contribute to business outcomes. Performance management exhibits a moderate effect (Beta = 0.169, t = 5.545, p = 0.004), highlighting the role of goal alignment, appraisals, and feedback mechanisms in improving operational results.

Succession planning has the lowest yet significant effect (Beta = 0.158, t = 3.674, p = 0.020), indicating that preparing future leaders and ensuring continuity positively impacts performance, albeit to a lesser extent than other talent management practices.

Discussion of Findings

The findings of this study demonstrate that talent management practices significantly enhance business performance in Deposit Money Banks (DMBs) in South-West Nigeria. Specifically, the analysis revealed that all the key dimensions of talent management talent acquisition and retention, performance management, learning and development, and succession planning positively and significantly contribute to improvement in business performance. Among the variables, talent acquisition and retention exhibited the strongest influence, highlighting that attracting the right talent and retaining high-performing employees is critical to sustaining operational effectiveness and competitive advantage in the banking sector. Learning and development also emerged as a key driver, reflecting the importance of continuous skill enhancement and capacity building in adapting to dynamic banking operations and technological advancements. Performance management and succession planning, while showing moderate effects, remain important for aligning individual goals with organizational objectives and ensuring leadership continuity, respectively.

The results of this study are theoretically anchored in Human Capital Theory (HCT)**,** which emphasizes that strategic investment in employee skills, knowledge, and competencies enhances organizational productivity and performance. Empirically, these findings corroborate prior research in the Nigerian banking context. For instance, Ndubuisi et al. (2025) demonstrated that talent retention and training significantly improved service quality and organizational outcomes, while Odunayo (2022) confirmed the positive impact of performance management on employee productivity. Similarly, Ochidi et al. (2019) and Egwakhe et al. (2022) highlighted the role of succession planning in enhancing employee performance and ensuring continuity in leadership. The consistency of these findings with previous studies reinforces the validity and reliability of the present research.

Overall, this study underscores that strategic talent management is a critical enabler of business performance in South-West Nigerian DMBs. The evidence suggests that banks seeking to maintain competitive advantage should prioritize integrated talent management practices, ensuring that employees are well-selected, adequately trained, effectively managed, and prepared for future leadership roles.

Conclusion and recommendations

This study provides strong empirical evidence that talent management practices are central to enhancing business performance in DMBs in South West Nigeria. The high response rate and consistent descriptive patterns suggest that employees clearly recognize the presence and relevance of talent management systems within their organisations. More critically, the regression results show that talent acquisition and retention, performance management, learning and development, and succession planning jointly explain a substantial proportion of variation in business performance. This confirms that effective management of human capital remains a strategic foundation for competitiveness and sustainability in the banking sector.

Among the examined practices, talent acquisition and retention emerged as the most influential predictor of business performance, emphasizing the importance of attracting capable employees and sustaining their commitment in a highly competitive, service-oriented industry. Learning and development also demonstrated a strong effect, reflecting the growing need for continuous skill enhancement and professional growth in response to technological advancement and regulatory complexity. Although performance management and succession planning exerted comparatively weaker effects, their statistical significance highlights the continued relevance of goal alignment, performance feedback, and leadership continuity for long term organizational effectiveness. Overall, the findings affirm that business performance in DMBs is shaped by the collective strength and coherence of integrated talent management practices. Based on these findings, several practical recommendations are proposed. DMBs should give strategic priority to talent acquisition and retention by strengthening employer reputation, offering competitive compensation and benefits, and establishing transparent career progression systems that foster sustained employee commitment.

In addition, DMBs should deepen their investment in learning and development through structured training, digital learning systems, and continuous professional development initiatives to enhance workforce adaptability and productivity. DMBs should also refine performance management systems to ensure clarity, fairness, and alignment between individual contributions and organizational objectives. Consistent feedback mechanisms, clearly defined performance indicators, and objective evaluation processes will reinforce motivation and accountability. Furthermore, formal succession planning frameworks should be institutionalized to identify and prepare high potential employees for critical roles, thereby minimizing leadership gaps and preserving organizational stability.

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