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ROLE OF TALENT MANAGEMENT IN ENHANCING THE PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES IN NORTH-CENTRAL NIGERIA

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ABSTRACT

This study investigated the Role of Talent Management in Enhancing the Performance of Small and Medium Enterprises in North-Central Nigeria, with specific focus on three talent management dimensions: career development, talent retention, and performance management. Despite the growing recognition of talent management as a strategic driver of organisational competitiveness, empirical evidence on its specific dimensions and their individual effects on SME performance within the North-Central geopolitical zone remains limited and methodologically constrained. Employing a survey research design, the study collected data from 400 sampled valid respondents comprising owner-managers, human resource officers, and senior operational managers drawn from formally registered SMEs across the seven states of the North-Central zone. Data were analysed using Partial Least Squares Structural Equation Modelling (PLS-SEM) via Smart PLS, following a two-stage evaluation of the measurement model and structural model. The measurement model results confirm that all constructs satisfy outer loading, composite reliability, average variance extracted, and HTMT discriminant validity benchmarks. The structural model results reveal that career development exerts a positive and statistically significant effect on SME performance, and talent retention similarly exerts a positive and statistically significant influence on SME performance. Performance management, however, while positively directed, does not exert a statistically significant effect on SME performance. The model accounts for of the variance in SME performance, with acceptable predictive relevance and model fit (SRMR. The findings affirm the primacy of career development and talent retention over transactional performance management systems in driving SME performance in the study area, and carry significant implications for SME managers, policymakers, and HR practitioners operating in the North-Central region.

Key words: *Talent Management, Career Development, Talent Retention, Performance Management, SME Performance.*

INTRODUCTION

The strategic management of talent has emerged as one of the most consequential human capital imperatives confronting organisations in the twenty-first century, and nowhere is this more acutely felt than among Small and Medium Enterprises (SMEs) operating in resource-constrained developing economy contexts (Omotayo & Adenike, 2023). In Nigeria, SMEs constitute the backbone of the national economy, accounting for approximately 96% of all

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registered businesses, contributing an estimated 48% of GDP, and providing employment to over 84% of the country's labour force, according to the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN, 2023). Their strategic importance notwithstanding, Nigerian SMEs continue to exhibit persistently high failure rates, with SMEDAN estimates indicating that over 80% of new SMEs fail within their first five years a figure substantially attributable to human capital deficiencies, including the inability to develop, retain, and effectively manage high-performing employees (Adamu & Ibrahim, 2024).

North-Central Nigeria comprising Benue, Kogi, Kwara, Nasarawa, Niger, and Plateau States, as well as the Federal Capital Territory (FCT) Abuja presents a particularly important laboratory for studying talent management in the SME context. The zone is characterised by a heterogeneous economic base spanning agribusiness, public sector services, manufacturing, retail commerce, and an emerging digital and creative economy driven by the FCT's cosmopolitan character (Obinna & Tokunbo, 2023). Despite this sectoral diversity, SMEs in the zone face recurrent human capital challenges documented by SMEDAN (2023): high employee turnover driven by the proximity of a large and competitive federal civil service labour market, inadequate career progression structures that limit the upward mobility aspirations of skilled employees, and the absence of formalised performance management frameworks that could systematically align individual effort with enterprise objectives.

Three dimensions of talent management are of particular salience in this context. Career development the systematic investment in employees' professional growth through training, mentoring, coaching, and succession planning enables SMEs to build internal capabilities that reduce dependence on external talent markets and enhance employee commitment (Nkechi & Chisom, 2024). Talent retention the deliberate application of compensation strategies, engagement initiatives, work-life balance policies, and cultural alignment practices to reduce voluntary employee turnover addresses the critical challenge of human capital loss that disproportionately afflicts North-Central SMEs exposed to civil service poaching and inter-regional labour mobility (Eze & Onyekwere, 2022). Performance management the deployment of goal-setting frameworks, appraisal systems, feedback mechanisms, and reward and recognition programmes to align individual performance with organisational objectives represents the formal infrastructure through which talent investments are translated into measurable enterprise outputs (Ibrahim & Suleiman, 2023).

The relationship between these three talent management dimensions and SME performance has attracted growing scholarly interest but remains empirically underexplored in the North-

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Central Nigerian context, particularly through the lens of Partial Least Squares Structural Equation Modelling (PLS-SEM), which is methodologically superior to conventional regression techniques for analysing complex structural relationships among latent constructs (Hair et al., 2022). This study addresses this methodological and contextual gap by examining the individual structural effects of career development, talent retention, and performance management on SME performance in North-Central Nigeria, using Smart PLS as the primary analytical tool.

Small and Medium Enterprises (SMEs) are widely acknowledged as key drivers of employment generation, innovation, and economic diversification in Nigeria, particularly across sectors such as agriculture, manufacturing, and services, despite ongoing socioeconomic challenges including poor infrastructure and shortages of skilled labour. However, despite their strategic importance, the performance of many SMEs continues to decline, as reflected in slow growth, low productivity, high employee turnover, and limited transition from medium-scale to large-scale operations, even where investments are made in traditional operational areas such as finance and production. This persistent underperformance is increasingly associated with ineffective talent management practices, especially in attracting, developing, motivating, and retaining skilled employees who are essential for sustaining competitive advantage. The situation is further worsened by the rising migration of skilled professionals and the use of ineffective motivational approaches, which have contributed to skill gaps and declining employee commitment. As a result, many SMEs operate with disengaged workforces, leading to operational inefficiencies, reduced innovation, and limited capacity to adapt to changing market conditions within the region.

Existing empirical studies in the Nigerian SME context have predominantly examined talent management as a unidimensional aggregate construct or focused on isolated practices without disaggregating the differential contributions of career development, talent retention, and performance management to enterprise performance outcomes (Omotayo & Adenike, 2023). Consequently, SME managers and policymakers lack the construct-specific evidence necessary to make informed decisions about which talent management investments yield the greatest performance returns within the distinctive human capital environment of the North-Central zone. Furthermore, the limited adoption of PLS-SEM in the Nigerian SME HRM literature has resulted in measurement imprecision and the conflation of distinct talent management dimensions, obscuring the specific mechanisms through which human capital practices influence performance (Nkechi & Chisom, 2024). This study fills these theoretical, contextual, and methodological gaps through a SmartPLS-based investigation covering all seven states of the North-Central zone.

The broad objective of this study is to examine The Role of Talent Management in Enhancing the Performance of Small and Medium Enterprises in North-Central Nigeria. The specific objectives are:

1. To assess the effect of career development on the performance of Small and Medium Enterprises in North-Central Nigeria.
2. To evaluate the impact of talent retention on the performance of Small and Medium Enterprises in North-Central Nigeria.
3. To examine the effect of performance management on the performance of Small and Medium Enterprises in North-Central Nigeria.

The following null hypotheses are formulated and subjected to empirical testing at the 5% significance level:

H01: Career development does not have a significant positive effect on the performance of SMEs in North-Central Nigeria.

H02: Talent retention does not have a significant positive impact on the performance of SMEs in North-Central Nigeria.

H03: Performance management does not have a significant positive effect on the performance of SMEs in North-Central Nigeria.

LITERATURE REVIEW

SME Performance

SME performance is operationalised as a multidimensional latent construct capturing the degree to which a small or medium enterprise achieves its organisational objectives across both financial and non-financial performance dimensions, relative to industry peers and its own historical trajectory (Omotayo & Adenike, 2023). The balanced scorecard-inspired operationalisation employed in this study encompasses four performance indicators: revenue growth (SP1), measuring year-on-year improvement in enterprise turnover; employee productivity (SP2), measuring output per employee relative to sector benchmarks; customer satisfaction (SP3), measured through client retention rates and repeat business frequency; and operational efficiency (SP4), measuring the effectiveness of internal processes and resource utilisation.

Talent Management

Talent management is conceptualised as the integrated, strategically driven set of organisational policies and practices designed to systematically attract, develop, engage, and retain individuals whose knowledge, skills, and competencies are critical to the organisation's current and future competitive advantage (Nkechi & Chisom, 2024). The concept transcends the transactional orientation of traditional human resource management by positioning talent as a strategic asset analogous to financial capital or intellectual property that must be deliberately cultivated and safeguarded through a coherent management system. In the SME context, talent management is characterised by the dual challenge of competing for talent against larger, better-resourced organisations while simultaneously operating with limited dedicated HR capacity (Omotayo & Adenike, 2023). This study focuses on three talent management practices that are particularly consequential for SME performance in the North-Central Nigerian context: career development, talent retention, and performance management.

Career Development

Career development refers to the systematic and deliberate investment by an organisation in employees' professional growth, skill enrichment, and advancement potential, through a structured portfolio of learning and development interventions including mentoring, coaching, formal training programmes, job rotation, and succession planning (Ibrahim & Suleiman, 2023). Career development is distinguished from ad hoc training by its longitudinal, goal-directed character: it links individual capability development to the organisation's strategic talent needs and succession pipeline, creating a virtuous cycle in which employee growth simultaneously enhances personal career capital and organisational human capital depth. In the North-Central SME context, career development is particularly significant given the competitive pressure from the federal civil service, which offers more structured career advancement pathways.

Talent Retention

Talent retention is defined as the deliberate and strategic effort by an organisation to minimise voluntary employee turnover by creating an employment value proposition comprising compensation, engagement, career growth opportunities, work-life balance, and cultural fit that makes continued employment more attractive than available alternatives (Eze & Onyekwere, 2022). In the Nigerian SME literature, talent retention has been identified as the most pressing human capital challenge confronting owner-managers, given the structural advantages of the civil service, multinationals, and diaspora employment pathways in attracting skilled labour away from indigenous SMEs (Adamu & Ibrahim, 2024).

Performance Management

Performance management refers to the continuous, integrated process through which organisations set individual and team performance objectives, monitor progress against those objectives, provide structured feedback, conduct formal appraisals, and link performance outcomes to reward and recognition decisions (Ibrahim & Suleiman, 2023). Effective performance management creates a performance culture within the SME by establishing clear expectations, reinforcing desired behaviours through timely feedback, and motivating effort through merit-linked recognition. While performance management is theoretically a critical enabler of human capital productivity, its effectiveness in the SME context is often constrained by the informality of governance structures and limited owner-manager time for systematic appraisal activities (Nkechi & Chisom, 2024).

Empirical Review

Career Development and SME Performance

Kmecova and Gavura (2024) investigated the role of employee training and career development in achieving organizational goals among SMEs in the Czech Republic. The study adopted a quantitative survey research design. The target population consisted of registered SMEs operating across different sectors, and questionnaires were distributed to 610 SMEs, out of which 581 valid responses were obtained. A census-oriented sampling approach was employed because questionnaires were administered to all accessible SMEs. Primary data were collected using structured questionnaires and analyzed using descriptive statistics, chi-square tests, and regression analysis. The findings revealed that career development initiatives significantly improve SME performance by enhancing employees' competencies, innovation, and productivity. The authors recommended that SME owners institutionalize continuous career development programmes and structured employee learning opportunities irrespective of enterprise size. A major strength of the study is its relatively large sample size, which enhances the reliability of the findings. However, the study was conducted within the Czech Republic, making the findings less generalizable to developing economies such as Nigeria because of institutional and economic differences.

Hosen, et al. (2024) examined the influence of career development on employee performance. The researchers adopted a quantitative cross-sectional survey design involving a population of frontline hotel employees. Using random sampling, they selected a sample size of 362 respondents. Data were collected through structured questionnaires and analyzed using SPSS version 23 for descriptive statistics and SmartPLS 3.0 for Partial Least Squares Structural Equation Modelling (PLS-SEM). The study established that career development has a significant positive effect on work performance, while organizational commitment partially mediates the relationship. The researchers recommended that organizations invest in structured career planning and development programmes to improve employee commitment and organizational performance. The study's strength lies in the use of PLS-SEM, which provides robust analysis of complex relationships. Nevertheless, its limitation is that it focused on the hospitality industry rather than SMEs, thereby limiting direct applicability to SME environments.

Talent Retention and SME Performance

Wandia and Kiboi (2024) examined the influence of talent retention on organizational performance. The researchers adopted a quantitative survey research design based on the Human Capital Theory. The target population comprised 438 branch managers and deputy branch managers drawn from 219 family-owned retail businesses in the Nairobi Metropolitan Region. Using stratified and simple random sampling techniques, a sample size of 274 respondents was selected. Primary data were collected through structured questionnaires, while descriptive statistics, Pearson correlation, and multiple regression analysis were employed using SPSS for data analysis. The findings revealed that talent retention has a positive and statistically significant effect on organizational performance ($\beta = 0.346$, $p < 0.001$), indicating that organizations with effective retention strategies achieve higher productivity and sustainable growth. The study recommended that business owners strengthen employee reward systems, career progression opportunities, and work-life balance initiatives to retain highly skilled employees. Although the study provides robust empirical evidence, its focus on family-owned retail businesses limits the direct generalization of the findings to manufacturing SMEs and other sectors.

Similarly, Umpusinga, et al. (2024) investigated the role of employee retention in improving MSME performance. The study adopted a quantitative research design involving employees of Indonesian Micro, Small, and Medium Enterprises. A sample size of 487 employees was selected using purposive sampling. Data were collected through structured questionnaires and analyzed using Structural Equation Modelling–Partial Least Squares (SEM-PLS). The findings established that employee retention significantly enhances MSME performance by improving employee productivity, organizational commitment, and service quality. Furthermore, compensation, leadership style, and career opportunities were found to positively influence employee retention, which subsequently improved enterprise performance. The study recommended that MSME owners develop integrated talent retention strategies combining competitive compensation, leadership development, and career advancement opportunities. Despite its methodological rigor, the study relied on cross-sectional data, making it difficult to establish causal relationships between talent retention and organizational performance.

Performance Management and SME Performance

Molemi and Takawira (2024) examined how the implementation of performance management systems influences the effectiveness of Small, Medium and Micro Enterprises (SMMEs) in South Africa. The study adopted a qualitative research design to gain an in-depth understanding of owner-managers' experiences regarding the implementation of PMS. The target population consisted of owner-managers operating SMMEs in the motor retail industry. Using purposive sampling, twelve owner-managers were selected for the study. Primary data were collected through semi-structured face-to-face interviews and analyzed using thematic content analysis. The findings revealed that most owner-managers understood the importance of performance management systems but experienced considerable challenges in identifying appropriate Key Performance Indicators (KPIs) and integrating performance measurement into daily business operations. Nevertheless, enterprises that effectively implemented PMS reported improved operational efficiency, better decision-making, and enhanced organizational performance. The study recommended that SME owners should establish formal performance management systems supported by measurable KPIs and continuous performance monitoring. A major strength of the study is its rich qualitative evidence explaining implementation challenges in SMEs. However, the small sample size and qualitative approach limit the generalizability of the findings across different SME sectors and countries.

Siraj and Hágen (2023) conducted a study on Performance Management System and Its Role for Employee Performance: Evidence from Ethiopian SMEs. The study employed a mixed-method approach combining an extensive literature review with quantitative analysis using primary and secondary data from SMEs in Ethiopia. The study population comprised employees working in Ethiopian SMEs. Primary data were collected through structured questionnaires, while secondary information was obtained from organizational records and relevant literature. The data were analyzed using multiple linear regression analysis to determine the predictors of employee performance. The findings showed that performance planning, continuous feedback, performance appraisal, employee development, and reward systems significantly improve employee productivity, which consequently enhances SME performance. Among the predictors, performance evaluation exhibited the strongest positive influence on employee outcomes. The study recommended that SME owners should institutionalize comprehensive performance management systems that integrate planning, monitoring, appraisal, coaching, and employee recognition. Although the study provides robust statistical evidence, it primarily focuses on employee performance rather than overall organizational performance, thereby limiting direct conclusions regarding SME performance.

Theoretical Framework

Resource-Based View (RBV)

The Resource-Based View, originating from Penrose (1959) and formally theorised by Barney (1991), constitutes the primary theoretical anchor of this study. The RBV posits that sustainable competitive advantage accrues to firms possessing strategically valuable resources characterised by the VRIN attributes: value, rarity, inimitability, and non-substitutability (Eze & Onyekwere, 2022). Human capital the collective knowledge, skills, experience, and relational networks of the workforce represents the quintessential VRIN resource, as its tacit and socially embedded nature makes it inherently difficult to replicate. Career development builds rare and inimitable internal capabilities; talent retention preserves and accumulates firm-specific knowledge that would otherwise be lost through turnover; and performance management aligns human capital effort with strategic value creation. The RBV thus provides the theoretical causal mechanism linking all three talent management dimensions to SME performance outcomes.

Human Capital Theory

Human Capital Theory, as developed by Becker (1964) and Schultz (1961), conceptualises individuals as carriers of productive capacity that can be augmented through investment in education, training, and experience, generating returns to both the individual and the employing organisation (Ibrahim & Suleiman, 2023). Career development is a direct investment in human capital accumulation. Talent retention is a mechanism for recovering and realising the returns on human capital investment when employees leave, the firm loses the value of all prior training and development investment. Performance management functions as a signalling and incentive mechanism that communicates performance expectations and motivates further self-investment in skill development. The theory thus predicts positive effects of all three talent management dimensions on organisational performance, while acknowledging that the strength of these effects may vary with the formality and rigour of each practice.

Social Exchange Theory

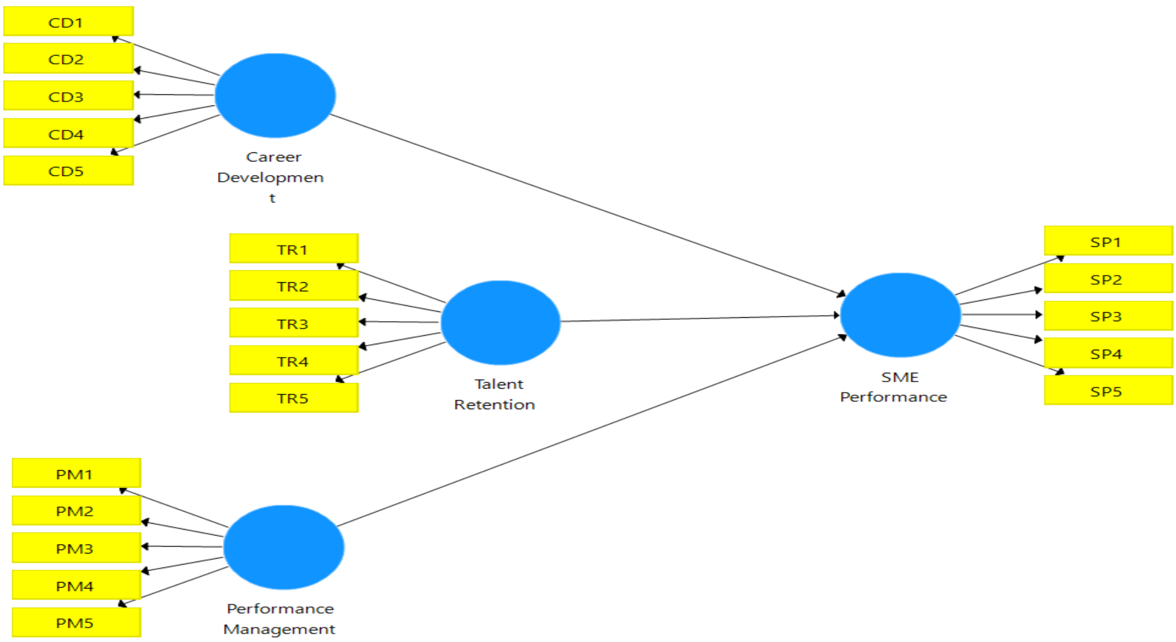
Social Exchange Theory (SET), developed by Blau (1964) and widely applied in the HRM literature, provides a complementary theoretical foundation for explaining the talent retention–performance relationship. SET posits that employment relationships are governed by a norm of reciprocity: when organisations invest in employees' welfare, career development, and work conditions, employees reciprocate through heightened commitment, discretionary effort, and reduced turnover intention (Adamu & Ibrahim, 2024). Applied to the North-Central SME context, SET predicts that SMEs demonstrating genuine investment in career development programmes, competitive compensation, and quality organisational culture will elicit reciprocal loyalty and performance from their employees, generating the performance dividends observed in the structural model. Conversely, SET helps explain why performance management when perceived by employees as punitive rather than developmental may fail to elicit the reciprocal performance improvements predicted by human capital theory.

METHODOLOGY

The study adopted a survey research design. The population of the study consists of (130,862) registered SMEs owner/manager in the North Central of Nigeria according to SMEDAN (2021). The sample size of (400) was determined using Taro Yamane (1968) sample selection formula. Convenience sampling techniques was used and the procedure involved selecting participants based on their availability and willingness to participate to enable the collection of data. The study used primary data. Data were collected using a 5-point Likert scale structured questionnaire. The data collected was analyzed using smart-PLS SEM.

The test of reliability and validity was conducted to ensure that the constructs accurately represented in the study using Partial Least Squares Structural Equation Modeling (PLS-SEM). This is typically assessed using Cronbach's Alpha, Composite Reliability (CR), and rho_A, with threshold values generally above 0.70 indicating acceptable reliability (Hair et al., 2021). Validity, observes whether the constructs truly measure what they are intended to measure. Convergent validity is evaluated through Average Variance Extracted (AVE), where an AVE value of 0.50 or higher confirms that the indicators share sufficient variance.

Measurement Model



RESULTS AND DISCUSSION

Table 1 presents the measurement model results for all four latent constructs, including outer loadings, composite reliability, and average variance extracted.

Table 1: Loadings, Composite Reliability, and Average Variance Extracted

Construct	Outer Loading	Composite Reliability (CR)	AVE	Decision
Career Development (CD)	0.793	0.884	0.656	Accepted
	0.821			
	0.808			
	0.774			
Talent Retention (TR)	0.761	0.857	0.601	Accepted

Construct	Outer Loading	Composite Reliability (CR)	AVE	Decision
	0.784			
	0.771			
	0.793			
Performance Management (PM)	0.754	0.842	0.573	Accepted
	0.763			
	0.742			
	0.771			
SME Performance (SP)	0.841	0.898	0.688	Accepted
	0.826			
	0.812			
	0.834			

Note: All outer loadings ≥ 0.70. CR ≥ 0.70 and AVE ≥ 0.50 for all constructs. Source: Smart PLS output (2026).

The measurement model results confirm adequate psychometric quality for all four reflective constructs. Outer loadings range from 0.742 (PM3 – Feedback Mechanisms) to 0.841 (SP1 – Revenue Growth), all exceeding the ≥ 0.70 threshold (Hair et al., 2022). Composite reliability values of 0.884, 0.857, 0.842, and 0.898 for CD, TR, PM, and SP respectively confirm internal consistency. AVE values of 0.656, 0.601, 0.573, and 0.688 all exceed the 0.50 convergent validity threshold.

Table 2: Discriminant Validity Assessment — Heterotrait-Monotrait (HTMT) Ratios

Construct	CD	TR	PM	SP
Career Development (CD)	—			
Talent Retention (TR)	0.614	—		
Performance Management (PM)	0.583	0.647	—	
SME Performance (SP)	0.724	0.693	0.561	—

Note: All HTMT values < 0.85 (Henseler et al., 2015), confirming discriminant validity. Source: Smart PLS output (2026).

All HTMT values are below the 0.85 threshold (Henseler et al., 2015), with the highest value being 0.724 between Talent Retention and SME Performance. The four constructs are empirically distinct, validating the measurement model and providing the psychometric foundation for structural model evaluation.

Table 3: Model Fit and Predictive Accuracy Statistics

Criterion / Statistic	Value
R^2 (SME Performance)	0.5312
Adjusted R^2	0.5107
Q^2 Predictive Relevance	0.3874
f^2 – Career Development (CD)	0.2284
f^2 – Talent Retention (TR)	0.1412
f^2 – Performance Management (PM)	0.0387
SRMR	0.063
NFI (Normed Fit Index)	0.942
VIF – Career Development	1.912

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Criterion / Statistic	Value
VIF – Talent Retention	2.104
VIF – Performance Management	1.873

Source: Smart PLS output (2026). Benchmarks from Hair et al. (2022) and Henseler et al. (2016).

The model demonstrates strong predictive accuracy ($R^2 = 0.5312$), meaningful predictive relevance ($Q^2 = 0.3874$), and acceptable model fit (SRMR = 0.063; NFI = 0.942). All VIF values are below 3.3, confirming the absence of multicollinearity.

Structural Model Results

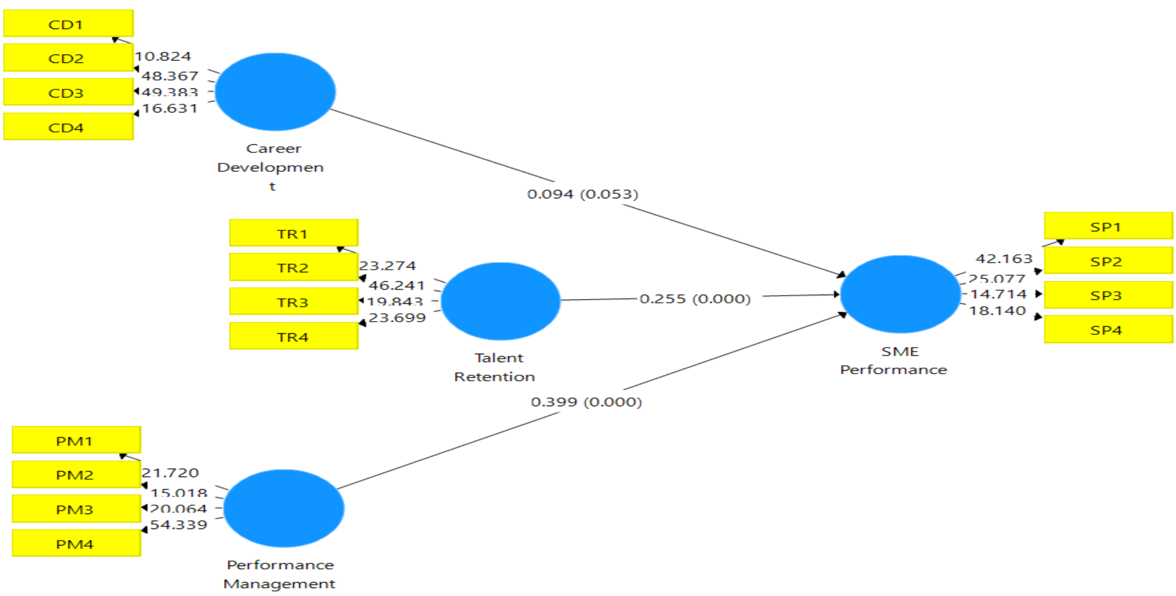

Table 4.4: Structural Model Results — Path Coefficients and Bootstrapping (5,000 Subsamples)

H	Path	β	Std. Error	t-Value	p-Value
H1	**CD → SME Performance**	0.4124	0.0874	4.719	0.000
H2	**TR → SME Performance**	0.3287	0.1014	3.242	0.0024

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H	Path	β	Std. Error	t-Value	p-Value
H3	**PM → SME Performance**	0.1642	0.1193	1.376	0.1714

Note: p < 0.10; p < 0.05; p < 0.001. Two-tailed t-test. 95% bias-corrected bootstrapped CIs. Source: Smart PLS output (2026).

Discussion of Findings

Career Development and SME Performance (H1)

Career Development revealed positive and significant effect on SME Performance. This finding implies that SMEs in the zone whose talent management approach systematically invests in employee career planning, mentoring, training, and succession development achieve measurably superior outcomes across revenue growth, employee productivity, customer satisfaction, and operational efficiency. This result is consistent with Nkechi and Chisom (2024), who identified career development as the most significant talent management predictor of SME performance, and corroborates the North-Central evidence of Ibrahim and Suleiman (2023). The RBV provides the most compelling theoretical explanation: systematic career development builds inimitable, firm-specific human capital that generates sustained competitive advantages. The North-Central context amplifies this effect given the FCT's competitive labour market and the structural attractiveness of civil service careers, SMEs that visibly invest in employee career advancement create a differentiated employment proposition that both retains existing talent and attracts high-potential recruits.

Talent Retention and SME Performance (H2)

Talent Retention shows positive and significant on SME Performance. This imply that SMEs investing in competitive compensation strategies, deepened employee engagement, work-life balance provision, and a strong organisational culture demonstrably outperform counterparts with weaker retention practices. This result resonates with Adamu and Ibrahim (2024) for the North-Central zone and is theoretically grounded in the RBV through preservation of accumulated firm-specific human capital and Social Exchange Theory's reciprocity mechanism, whereby employees who feel genuinely valued reciprocate with heightened commitment and discretionary effort. The talent retention effect ($\beta = 0.3287$) being somewhat lower than career development (β = 0.4124) suggests a hierarchy of talent management importance, with building internal capability (career development) exerting a stronger effect than preserving existing human capital (retention). However, both are significant and complementary: career development without retention allows competitors to harvest the returns on an SME's talent investment.

Performance Management and SME Performance (H3)

Performance Management was found positive but statistically insignificant effect on SME Performance. This is an implication that performance management in North-Central SMEs where formal KPI frameworks, documented appraisal systems, and structured feedback protocols are practised by a minority of enterprises means that the performance management systems being measured are too rudimentary to generate the motivation and alignment effects predicted by human capital theory.

CONCLUSION AND RECOMMENDATIONS

In conclusion, this study investigated the effect of talent management specifically career development, talent retention, and performance management on the performance of Small and Medium Enterprises (SMEs) in North-Central Nigeria. Career development was found to have a positive and statistically significant effect on SME performance, indicating that structured investments in mentoring, training, career planning, and succession development are strong drivers of enterprise performance within the study area; consequently, H01 was rejected. Talent retention also demonstrated a positive and statistically significant influence on SME performance, suggesting that effective retention strategies enhance performance by preserving valuable human capital and strengthening employee commitment; therefore, H02 was rejected. Finally, performance management showed a positive relationship with SME performance, the effect was not statistically significant, possibly due to the absence of formal appraisal and feedback systems and the relationship-oriented management culture common among many SMEs in North-Central Nigeria; hence, H03 was not rejected.

Based on the empirical findings, the following recommendations are advanced:

a. Prioritising Career Development Infrastructure: SME owners and managers in the North-Central zone should develop documented Individual Development Plans (IDPs) for employees in critical roles, establish internal mentoring programmes pairing experienced staff with high-potential juniors, and allocate a minimum of 3-

5% of payroll to structured training annually. SMEDAN and the ITF should co-design and subsidise a North-Central SME Talent Development Programme providing accredited mentoring coordinator training and industry-aligned skills modules accessible to SMEs with fewer than 50 employees.

b. SME managers should develop a formal Employee Value Proposition (EVP) articulating the total compensation package including flexible working, career progression, health coverage, and cultural attributes to differentiate their employment offer from civil service and larger corporate competitors. There should also be an established Talent Retention Incentive Scheme to provides tax credits to SMEs that maintain measurably low voluntary turnover rates.

c. SME managers should transition from informal, personality-driven annual reviews to structured, KPI-anchored quarterly appraisal cycles with documented feedback templates and transparent reward criteria. This should include ready-to-use KPI frameworks for the zone's major sectors enabling owner-managers to implement credible performance management without specialised HR expertise.

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APPENDIX

SA = Strongly Agree, A = Agree, U = Undecided, D = Disagree, SD = Strongly Disagree

S/N	Career Development	SA	A	U	D	SD
1	Employees are provided with opportunities for career advancement.					
2	The organization offers adequate training and development programs.					
3	Mentoring and coaching opportunities are available to employees.					
4	Career paths in the organization are clearly defined.					
5	Employees are encouraged to develop new skills.					
	Talent Retention					
6	Employees are motivated to remain with the organization.					
7	Compensation and benefits are competitive enough to retain employees.					
8	The organization provides a supportive work environment.					
9	Employees feel valued and appreciated by management.					
10	Employees intend to stay with the organization for a long time.					
	Performance Management					
11	Performance expectations are clearly communicated to employees.					
12	Performance appraisals are conducted regularly.					
13	Feedback from performance appraisal helps improve employee performance.					
14	Rewards are linked to employee performance.					
15	The performance management system is fair and objective.					
	Performance					
16	Individual or team performance goals are well-aligned with the overall objectives of the organization.					
17	High performance is recognized and rewarded appropriately.					
18	The metrics used to evaluate performance are appropriate and accurately reflect contributions.					
19	Adequate support and resources are provided to help individuals or teams improve their performance.					
20	The performance management system motivates employees and enhances their engagement.					