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IMPACT OF TALENT MANAGEMENT ON THE ORGANIZATIONAL PERFORMANCE

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Abstract

These days, the ability of a firm is what really differentiates it from the other businesses in its industry. The effectiveness of a firm is directly related to the effectiveness of the employees that work for that organization. A firm will be able to differentiate itself from its rivals if its employees have unique abilities that are not possessed by anybody else. In today's highly competitive market, managers of human resources have a twofold challenge: the acquisition of qualified people and the retention of those individuals. The duty of managing talent is one that is considered to be both vital and challenging. The acquisition of the appropriate people is a critical component in strengthening organizational strategy. There is a rising problem known as "Talent Mismatch" as a consequence of the current global economic crisis, which has led to a rise in the number of individuals seeking for job all over the world. Given the current state of the commercial world, where the ability to multitask is absolutely necessary, talent acquisition has become an increasingly difficult endeavor. The identification of the "right" applicant for each available post is made more difficult as a result of this. Acquisition of talent and retention of that talent have emerged as the two most urgent concerns that contemporary enterprises are now confronting. In the modern, fast-paced business world, human resources departments need to adopt a more strategic approach in order to cultivate employee engagement, which is a key asset for talent management. Within the realm of talent management, the major focus is on the process by which individuals join, rise within, and ultimately depart an organization. When it comes to the effectiveness of talent management, having a strong organizational structure is very necessary. Management of talent should be a top priority for organizations since great personnel has the ability to determine the future of the organization. The use of talent management strategies by enterprises results in an increase in employee engagement, which eventually leads to an improvement in the performance of the firm. There is a clear correlation between employee participation and an increase in productivity. One of the key objectives of this study is to investigate the relationship between talent management and the outcomes of company operations. The findings from the appropriate literature reviews served as the foundation for the empirical inquiry that was conducted for this project. The purpose of this research is to examine different articles, papers, and books that are pertinent to the topic at hand in order to discover proof of a positive association between talent management and organizational success. The purpose of this empirical research study is to give insights based on real research in order to assist human resource managers in developing talent management as a strategic tool to boost employee engagement and, therefore, organizational performance.

Keywords: Talent Retention, Employee Engagement, Organization Performance, Competencies

Introduction

One of the most significant challenges that businesses all over the globe face is the need to effectively manage their personnel. Even more challenging is the current corporate environment, which is marked by a high degree of uncertainty and constant change. The reason for this is because talent management requires a mix of quantitative and qualitative skills. This is the reason why this circumstance exists. The process of selecting the individual who is the most competent for a position is an essential component of talent management. It is beneficial to the success of an organization to assign individuals to positions that allow them to make the most of their skills and abilities. Talent management is a topic that has only lately began to get attention from businesses in both the public and private sectors. The majority of companies are presently placing a high focus on talent management as a recruitment strategy since it has been shown to be successful in attracting, retaining, and developing staff. Strategies for obtaining, keeping, and

growing human capital are included in the scope of talent management efforts. In addition, for a firm to be successful, talent management is essential since it helps in the process of recruiting and keeping the best employees. Additionally, by putting an emphasis on talent discovery and development, businesses have the potential to discover potential future leaders within their existing workforce. This facet of talent management focuses on the process of constructing talent pools that include individuals who have promising leadership potential. In addition to performance enhancement, succession planning, carry development, and employee development in addition to employee development, talent management is a strategy that assists the organization in being competent.

The management of talent is a difficulty that is faced by corporate organizations of all kinds and sizes all around the globe. Companies from all over the world are competing with one another for the same pool of prospective employees since there is a limited supply of individuals who meet the necessary qualifications. As a result of the trend toward global integration, businesses are standardizing their processes for people recruitment, development, and management in order to maintain their competitive edge and position. As a result, companies need to respond not just to the local labor market and the needs of that market, but also to the best practices for managing people on a worldwide scale. According to the findings of past research, talent management has the potential to improve the performance of an organisations. There are a number of factors that may have an effect on the association between talent management and the effectiveness of company operations. In addition, the purpose of these other components is to enhance the performance of the company as well as the skill of its employees. One of these elements is the performance management system (PMS), which is sometimes referred to as the "Achilles Heel" of human capital management. This is due to the fact that it is a mechanism that ensures individuals are working diligently in order to succeed in accomplishing the aims and objectives of the business.

Objective

1) To present a basic understanding of Talent Management and how talent management is related to the Organizational Performance.

2) To examine the impact of talent management on the organizational performance.

Literature review

According to the findings of study conducted by Sheokand and Verma (2015), the concept of talent management is only starting to make its way into the contemporary business world. The human resources of a company, which are often referred to as its human capital, are the most important aspect in acquiring a competitive edge, and it is only very lately that multinational organizations have began to recognize this reality. According to the findings of the research, which relied significantly on investigations that had been conducted in the past, talent management is still a contentious concept in the current day, but it does lead to businesses that operate exceptionally well. According to Oladapo (2014), the ability of a firm to retain its top and critical people has a direct impact on the bottom line of the business. After that, he went on to remark that there is a correlation between having the greatest personnel management procedures in place and the success of a firm over the long term. In addition, he said that in order for businesses to have the best talent management practices, which in turn depend on having the finest workforce, they need to have a fundamental understanding of talent management.

A study was conducted by Rana and Abbasi (2013) to evaluate the impact that talent management and people turnover have on the overall performance of organizations operating in the telecom sector in Pakistan. Upon investigation, it was found that all of the components were positively related to one another and had an influence on one another. In the current market, the only businesses that are able to achieve success are those who are skilled at managing their talented employees. The authors Hanif and Yunfei (2013) state that there are several talent management strategies that is essential for motivating and retaining the most talented personnel. Effective techniques for talent management are an essential component of a wide range of human resource management procedures, including recruitment, training, performance assessment, succession planning, and many more. The implementation of these talent management strategies in an appropriate manner has a substantial and favorable impact on the bottom line of a business as well as the efficiency and effectiveness of the job performed by its workers.

According to Kaur (2013), it is more difficult for multinational organizations to manage the talents of their workers than it is for smaller enterprises that are known for their localization. On the other hand, a few of these firms have achieved significant progress in this particular domain. As a result of the fact that the success of an organization is dependent on its employees, it is essential for companies to effectively manage their workforce by making investments in their professional growth and retaining their employees. Khoram and Samadi (2013) conducted research to determine whether or not there is a connection between talent management companies and creative and efficient banking firms. Their research, which was based on the replies of 202 participants, discovered

that there is a substantial association between talent management, organizational performance, and creativity. According to Sastry (2013), the talent of a firm is comprised of its employees who possess the knowledge, skills, and abilities essential to do their jobs effectively while they are employed there. When employees are a part of a culture that supports and fosters continual professional growth via open and honest talent management methods, they are better equipped to adapt to a dynamic business environment and take on new duties. This is because they are more likely to be able to take care of new obligations.

Research conducted by Kehinde (2012) looked at the impact that talent management has on the outcomes of businesses. The results of the research indicate that it increases the level of production inside the organization. Furthermore, it was said that in the current economic context of Nigeria, talent management practices, despite the fact that they unquestionably benefit giant multinational and national organizations, have very little impact on small and medium-sized businesses. One of the studies that Haghparast, Moharamzadeh, and Mohamadzadeh (2012) carried out was an investigation of the ways in which talent management influences the performance and productivity of businesses. Management of talent is an essential component for every business that aspires to achieve success. When it comes to gaining a competitive edge in the market, it is essential for firms to hire people who possess the necessary skills.

Snell (2011) asserts that the most precious asset that a business has is its human resources, which therefore have to be managed and cared for in an appropriate manner. The capabilities and expertise of the employees of the company are the only ones who can generate value for the organization; hence the success of the company is fully dependent on their talents and knowledge. It is unclear to the higher echelon of companies and the directors of human resources how to get the most out of these assets in order to achieve amazing achievement. According to the findings of study conducted by Bano, Khan, Rehman, and Humayoun (2011), talent management has the ability to boost both the morale of employees and the results of businesses. Additionally, they arrived to the conclusion that businesses that want to maintain a competitive advantage over their rivals should maintain an efficient management of their talent pool.

Research methodology

A particular emphasis of this study was placed on the Jordanian health care sector. In light of previous research (Abdelhafiz et al., 2015; AbuAlRub& Nasrallah, 2017; Alhamwan et al., 2015; Alawneh et al., 2015; Higazee et al., 2016), the purpose of this investigation is to address the following problems that have been identified in Jordan's health care sector: the dearth of qualified medical professionals, the absence of ethical and moral standards in the process of hiring medical professionals, the poor quality of care that is provided, and the efficiency of training and ongoing education for medical professionals. There were a total of 4,373 beds available among thirty public hospitals in Jordan that were included in the sample selection. According to Alawneh et al. (2015), Ministry of Health (2018), and Saif (2017), these hospitals accounted for 37.1% of the hospitals that were considered to be within the Ministry of Health and 28.8% of all the hospitals in Jordan. The 600 questionnaires that were sent to healthcare professionals at various public institutions resulted in the collection of a total of 454 questionnaires. When doing the analysis, surveys that had incomplete or missing information were not considered. At the conclusion of the day, there were 430 individuals that participated in the survey, which is equivalent to a response rate of 71.67%.

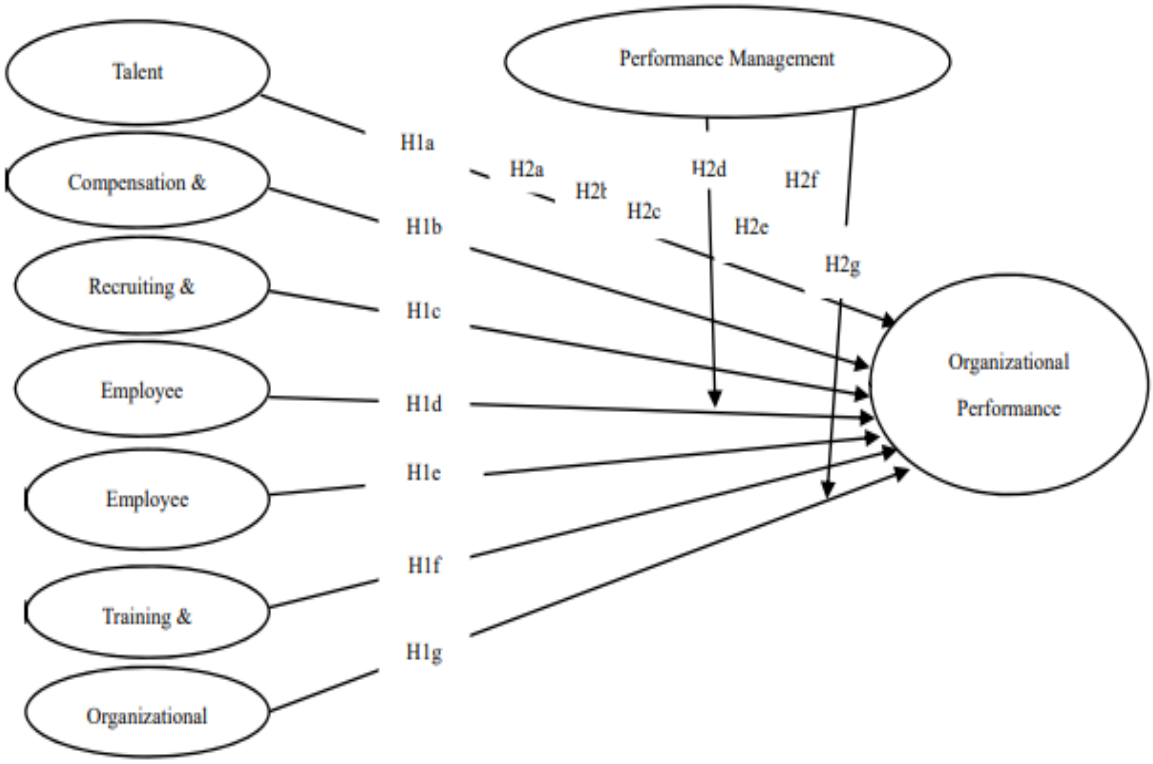

Figure1. Proposed empirical model

In this study, which looked at previous research, both the content and the face validity of the modified measures were validated after being assessed. It was the study conducted by Heinen and O'Neill that served as the source of inspiration for the underlying constructs of the talent management features. The research conducted by Heinen and O'Neill served as the foundation for four items on the talent management planning, compensation and rewards, recruiting and attracting, employee empowerment, engagement, and organizational culture scales. On the other hand, the research conducted by Ali served as the foundation for four items on the training and development scale. The total number of questions for talent management is now 28 as a result of this. Ying and Zhang devised a four-item scale to assess performance management systems based on the findings of their individual research projects. Four aspects were extracted from Darroch's study and used as a means of evaluating the accomplishments of the organization.

Data Analysis

The sample set was checked for potential outliers, missing data, and multicolinearity concerns, using a variance inflation factor (VIF) of less than ten and a tolerance of one to one. According to the findings, there was not a single aspect of the sample set that was problematic.

Descriptive Statistics, Reliability and Correlation Matrix

A summary of the descriptive statistics, the correlation matrix, the average variance extracted (AVE), and the composite reliability (CR) is shown below. These factors include organizational performance (PER) (with a correlation coefficient of.374, $p<.01$), performance management system (PMS) (with a correlation coefficient of.241, $p<.05$), and talent management planning (TMP). The correlation coefficient ($r=.403$, $p<.01$) between pay and rewards (COM), performance management system (PMS), and organizational performance (PER) ($r=.295$, $p<.05$) is an indication of a high association between these three factors. The performance management system (PMS) and organizational performance (PER) have a substantial correlation with recruiting and attracting (REC) ($r=.372$, $p<.01$) and REC ($r=.522$, $p<.05$), respectively. This correlation is statistically significant on both levels. A significant correlation exists between employee empowerment (EMP), organizational performance (PER), and performance management

system (PMS) (r=.348, p<.05; r=.235, p<.05). This link is significant enough to warrant attention. A significant correlation (r=.422, p<.05) was observed between employee engagement (ENG), organizational performance (PER), and performance management system (PMS). An relationship was found between these three factors. It was shown that there was a significant correlation between training and development (T&D), performance management system (PMS) (r=.526, p<.05), and organizational performance (PER) (r=.381, p<.05). The correlation between the performance management system (PMS) and organizational performance (PER) was shown to be significant with the organizational culture (CUL) (r=.329, p<.05) and with the PER (r=.256, p<.01), respectively. In addition, it was observed that there was a correlation that was both positive and statistically significant between the performance of the organization (PER) and the performance management system (PMS) (r=.482, p<.05). When everything is taken into consideration, these results provide credibility to the structural links that were posited in the research.

Constructs		Mean	SD	Alpha()	CR	AVE	1	2	3	4	5	6	7	8 9
1	TMP	3.629	0.625	0.776	0.7884	0.5217	**0.714**							
2	COM	3.471	0.651	0.763	0.7922	0.5663	.373*	**0.709**						
3	REC	3.544	0.574	0.792	0.8113	0.5242	.458**	.233*	**0.711**					
4	EMP	3.685	0.637	0.784	0.7782	0.5055	.247**	.573**	.254**	**0.742**				
5	ENG	3.693	0.562	0.725	0.8025	0.5725	.471**	.364**	.431**	.416*	**0.731**			
6	T&D	3.572	0.611	0.741	0.7948	0.5251	.282**	.442**	.362**	.424*	.275*	**0.728**		
7	CUL	3.751	0.596	0.736	0.8146	0.5834	.502*	.325*	.419*	.293*	.517*	.452*	**0.739**	
8	PMS	3.684	0.647	0.801	0.8217	0.5527	.241*	.403**	.372**	.348*	.422*	.526*	.329*	**0.745**
9	PER	3.775	0.679	0.812	0.8210	0.5602	.374**	.295*	.522*	.235*	.214*	.381*	.256*	.482***0.727**

Table2.Descriptivestatistics, reliability and correlation matrix

Notes Significantatp<.01and*significantatp<.05.DiagonalitalicsarethesquarerootofAVE.CR=Composite Reliability. AVE= Average Variance Extracted.

Using a t-test, this study compared the early (n=30) and late (n=30) respondents in order to evaluate the possibility of non-response bias. The criteria for this comparison were established by Rotenberg and Stanton (2007). The t-test revealed that there was no statistically significant difference between the two groups (at a significance level of p>.05), indicating that this study did not suffer from non-response bias. The possible common method bias (CMB) issue, which was brought to light by Podsak off et al. (2003), was also investigated in this paper. Despite the fact that the original measurement model in CFA and the common latent factor (CLF) were coupled, there was no substantial decrease in factor loadings. Despite this, the CF Aestimates continued to be significant (at a level of p<.05). Considering that the common variance that CLF and the observed variables shared was less than fifty percent, CMB is not a problem at all for the time being. CMB should be present if the correlation values are more than.90, which brings us to the third point. The correlation statistics, on the other hand, demonstrated that none of the correlation values in this investigation were more than 0.90. The fact that CMB is not present in this study is the conclusion that can be drawn from all of these results.

The convergent validity was also investigated in this study (Hair et al., 2012). This was accomplished by analyzing the values of composite reliability (CR), Cronbach's alpha, average variance extracted (AVE), and factor loadings. A range of Cronbach's alpha values, ranging from 0.75 to 80, is shown in Table 2. These values are higher than the threshold requirement of 0.70. When compared to the authorized range of 0.50 for AVE and 0.70 for CR, respectively, AVE levels that fall between 0.50 and 0.56 and CR values that fall between 0.79 and 0.81 are both considered to be unacceptable. In addition, as can be shown in Table 3, the factor loadings go over the threshold of 0.60. A substantial piece of evidence supporting the convergent validity of the research instrument is provided by these findings. Further, the research scales that were changed for this study were evaluated for discriminant validity by comparing the values of correlations and the square root of AVE, using the methods of Fornell and

Larcker (1981). This was done in order to determine whether or not the scales were discriminatory. This experiment did not have any discriminant validity, as shown by Table 2, since the correlation values were lower than the square root of the average variance extracted (AVE).

Variables		**Paths**	**Loadings**
		TMP1<— Talent Mgt Planning	0.652
Talent Management	Talent Mgt Planning	TMP2<— Talent Mgt Planning	0.695
		TMP3<— Talent Mgt Planning	0.724
		TMP4<— Talent Mgt Planning	0.824
		COM1<—Compensation & Rewards	0.783
	Compensation & Rewards	COM2<—Compensation & Rewards	0.753
		COM3<—Compensation & Rewards	0.818
		COM4<—Compensation & Rewards	0.682
		REC1<—Recruiting & Attracting	0.801
	Recruiting & Attracting	REC2<—Recruiting & Attracting	0.640
		REC3<—Recruiting &Attracting	0.791
		REC4<—Recruiting & Attracting	0.711
		EMP1<—Employee Empowerment	0.674
	Employee Empowerment	EMP2<—Employee Empowerment	0.629
		EMP3<—Employee Empowerment	0.734
		EMP4<—Employee Empowerment	0.609
		ENG1<—Employee Engagement	0.772
	Employee Engagement	ENG2<—Employee Engagement	0.759
		ENG3<—Employee Engagement	0.689
		ENG4<—Employee Engagement	0.808
		T&D1<—Training & Development	0.722
	Training & Development	T&D2<—Training & Development	0.738
		T&D3<—Training & Development	0.651

		T&D4<—Training & Development	0.688
		CUL1<—Organizational Culture	0.744
	Organizational Culture	CUL2<—Organizational Culture	0.752
		CUL3<—Organizational Culture	0.633
		CUL4<—Organizational Culture	0.671
		PMS1<—Performance Mgt System	0.830
Performance Mgt System		PMS2<—Performance Mgt System	0.703
		PMS3<—Performance Mgt System	0.766
		PMS4<—Performance Mgt System	0.719
		PER1<—Organizational Performance	0.799
Organizational Performance		PER2<—Organizational Performance	0.753
		PER3<—Organizational Performance	0.784
		PER4<—Organizational Performance	0.828

Table3. Confirmatory factor analysis

This research carried out the confirmatory factor analysis (CFA) in order to validate the suggested model. This was accomplished by establishing a connection between the three variables (i.e., the independent variables, the dependent variables, and the moderating variables). An appropriate measurement model that has a good fit and has met the threshold criterion for model acceptance, as emphasized by Hair et al. (2012), and this is supported by the findings of the CFA. All of the estimations of the it emsareata statistically significant (atp<.05) are shown in Table 3. In addition, the indices of model fit, which are shown in Table 4, indicate that the data are a good match.

Fitness Indicators	Measurement Model	Structural Model	Threshold indices
CMIN/DF	3.000	2.561	<3
CFI	0.952	0.977	<.90
SRMR	0.052	0.054	<.06
RMSEA	0.078	0.069	<.08
P-Value	0.000	0.000	>.05
TLI	0.945	0.978	>.90
NFI	0.927	0.983	>.90
NNFI	0.923	0.949	>.90

IFI	0.951	0.978	>.95
GFI	0.964	0.985	>.95
AGFI	0.935	0.967	>.90

Table4. CFA model fitness indices

Finding\ result

Out of a total of 206 respondents, we discovered that 123 of them were male, and that they are more content with the Talent Management procedures of firms that are involved in the information technology sector. The following are some examples of these practices: recruiting, remuneration and incentives, succession planning, training efforts, and organizational retention strategies. On the other hand, as compared to men working in the information technology industry, 83 females are less satisfied with the techniques of talent management. In addition to this, the sample for the research is dominated by males rather than females, and the men in the sample are more likely to have a favorable perception of the performance of their firm. The guys in the group are of the opinion that their business is well regarded by its clientele and that it surpasses its rivals in terms of both productivity and performance. On the other hand, since women's means are less valued than men's, they are less satisfied with the performance and productivity of their organizations. According to the findings, respondents who were younger than thirty years old expressed more satisfaction with the organization's performance as well as the strategies it used for talent management. Dimensions such as training and development, as well as identifying and maintaining talent, had a somewhat lesser influence on the dependent variable, which was organizational performance. This is in comparison to dimensions such as recruiting and attracting, remuneration and rewarding, and succession planning. Workers in the information technology industry are of the opinion that their companies need to take further measures to retain their most talented employees in order to reduce employee turnover and increase productivity.

Conclusion

A research team that was responsible for this study had the objective of determining whether or not performance management systems mediated the relationship between talent management and business results, as well as the manner in which they did so. The goal of the researchers in Jordan was to have a better understanding of the public health experts working in the nation. The study sample consisted of thirty public hospitals, and 430 public workers in the public sector were polled for the purpose of conducting the analysis. According to the findings of the study that used structural equation modeling (SEM) in AMOS 24.0, the conclusion was that the performance management system acts as a moderator in the relationship between talent management and organizational performance. Based on this information, it seems that administrators of public hospitals in Jordan might potentially reap the benefits of implementing a performance management system in order to improve their ability to connect with their staff, reassess their objectives, and improve the overall efficacy of their organization. It is possible that a competent performance management system may also help in the process of locating talented individuals who can be kept in order to increase organizational performance. This is in addition to the fact that it assists management in measuring, delivering, and rewarding employee performance. This study not only helps to fill a vacuum in the existing body of literature, but it also contributes to our general knowledge of how talent management and performance management systems influence the results of corporate operations. Previous studies have provided evidence in favor of the hypothesis that a performance management system has the potential to improve talent management and organizational performance by reorganizing and integrating management strategies. This study provides more evidence that supports this hypothesis. A significant number of skilled healthcare workers are leaving the public health sector in Jordan, according to the results of this research, which indicates that the industry is experiencing a serious talent shortage. A performance management system should be implemented by the government in order to reverse this trend. This system would allow for the tracking and reward of workers for their hard work, as well as the identification and retention of the most competent healthcare professionals. As a quantitative (by ensuring that there are sufficient health workers) and qualitative (by ensuring that they have the appropriate skills) response, the public health system might establish an efficient performance management system to assist in the search for skilled health professionals. In addition, a performance management system may assist in strengthening the relationship between talent management and organizational performance in any setting, but it is especially useful in the fast-paced and unpredictable world of today, when talent management is one of the most important concerns for enterprises.

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