



Impact Of Talent Management Strategies On Employee Performance Behaviour With The Mediating Role Of Talent Management Outputs

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ABSTRACT

The purpose of the study was to examine empirically the effect of talent management strategies on employees' performance behavior, through mediation of talent management outputs, in telecommunication industry in Pakistan. Positivist paradigm had been used for the study. A structured questionnaire was used to collect data from a convenience sample of 200 employees of telecommunication industry located in Rawalpindi-Islamabad area. Descriptive statistics, correlation, and regression tests were used to analyze the data. The results indicated that talent management strategies significantly and positively affect employees' performance behavior; whereas the talent management outputs partially mediate the relationship between talent management strategies and employees' performance behavior. The results provided new insights into the phenomenon of the study. It also offered opportunities to management to plan and initiate appropriate interventions to foster employees' performance behavior for organizations' competitiveness.

Keywords: Talent management, Employee performance, Telecommunication, Pakistan

INTRODUCTION

Talent management has become vital for organizational competitiveness and sustainability in dynamic business environment. This aspect is receiving importance and attention of researchers that necessitates further exploring this phenomenon (Collings & Mellahi, 2009). Within the context of Pakistan, the telecommunication industry is experiencing performance gap and organizations are pursuing talent management strategies to improve performance (Cooke, 2014).

In a study Mensah (2015) conceptualized the role of talent management strategies in promoting employee performance behavior through the mediating role of talent management outputs. The study necessitated further examination through empirical testing of the theorized relationship. This paper is extension of the Mensah (2015)'s study. The purpose of the study is to empirically examine the relationship of talent management strategies and employee performance behavior with the mediating role of talent management outputs in this relationship.

LITERATURE REVIEW

Talent Management

Talent management is the proactive identification of the important strategies and positions and the deployment of the qualified, skilled and differentiated human resource system to attract, recruit, develop and retain the talented and sharp employees on the basis of their performance behavior (Collings & Mellahi, 2009). Talent management entails differentiation and the strategic positioning of the talented employees in order to lead towards performance development and as well as the organizational differentiation and development (DiRomualdo, 2009; DiRomualdo, 2009). Talent management strategy is the pivotal position needs potential for roles and responsibilities in order to contribute to the organizational strategic issues (Tansley, 2007). The focus is primarily on ensuring compatibility of person with the right job as well as role and responsibilities contributing to firms' strategic goals (Iles, 2010). The scope of talent recruitment is based on a find blend of internal and external markets and the staffing from a mixed talent pool (Collings & Mellahi, 2009).

Management of the employees is to develop the employees of the organizations enabling them to work better for the organization and make them more competent in their skills and abilities, development of a differentiated human resource team and structure of an organization in order to facilitate and support the management of the talented employees of the organization (Collings & Mellahi, 2009). Researchers found that training and development, performance management, and integrated reward management contribute towards firms' strategic objectives (Mahapatro, 2010). Retention of talent is key to organizational competitiveness (Tarique, 2010; Schuler, 2011; Vairman, 2012). An innovative approach to talent retention based on multidimensional aspects of work life balance, an effective work diversity policy, open communication providing employees with opportunity for a strong and powerful voice in the organization for their own rights and for the rights of other talented employees; flexible working hours, conducive work climate, and management orientation towards competence, fairness, and mutual respect (Gallardo-Gallardo, 2013; Swailes, 2013; Iles, 2010).

Talent Management Outputs

The aim of the talent management strategies is to achieve maximum output from talented employees of the organization and to utilize the talented employees more appropriately.

The investment of talent management strategies helps in achieving some great outcomes such as employee satisfaction, employee engagement, employee motivation, employee commitment and perceived organizational support (Byckingham, 2001). Employees' motivation is the drive that energizes the employees to excel in physical, cognitive, and behavioral dimensions to achieve and sustain organizational objectives with a sense of purpose and devotion (Cappelli, 2008; Dries, 2013). The talent management strategies provide requisite stimulus to employees to demonstrate their best in tangible and intangible dimensions with a focus on organizational objective (Hajimirab, 2011; Hartmanna, 2010; Tarique, 2010; Deborah, 2009).

Employees' commitment is an individual's emotional attachment to the identification with and the involvement in the organization. This phenomenon fosters productivity, enhanced relationship, devotion to achievement of organizational goals, customer satisfaction, organization citizenship behavior, quality of products and services, and loyalty to the organization (Collings & Mellahi, 2009; De-Meuse, 2009; Barkhuizen, 2014; Lockwood, 2006).

Employee Satisfaction

The organization determinants of employee satisfaction plays very important role (Farah et al., 2018). In an organization, proper organizing and managing the organizational variables can increase employee satisfaction (Balouch, 2006). Talent focused variables of organizational development, policies of compensation and benefit, promotion and career development, job satisfaction, job security, working environment and conditions, relationship with supervisors, work groups, leadership styles, and performance management determine employee satisfaction (Bakka, 2006; Herzberg F., 1968; Warren R., 1989).

Employee Engagement

According Cooke (2014) the employee engagement is the active and full performance of an employee or individual's cognitive, emotional and physical energies and efforts. The level of engagements is observed by the energy and efforts that an employee applies and that level of engagement highlight his or her motivational dimension of the engagement. These aspects reflect a positive and productive behavior that is congruent with organizational strategic objectives (Farah et al., 2018; Meyer & Allen, 1991; Allen & Mayer, 1990).

Perceived Organizational Support

Perceived organizational support refers to the extent to which an organization gives importance to their employees or how much an organization values their employee's contribution and how much the organization cares about the well-being of their employees, however high perceived organizational support will lead towards the improvement in work behavior and attitudes and it will affect the work in positive and effective way. Employees will feel owned and cared and they will be obliged to pay and contribute in the production of the organization and to achieve the targets and goals of both individual and organization (Meyer & Allen, 1991).

Employee Performance

Job performance refers to how good and effectively or resourcefully an individual takes action and contribute with his or her behaviors (Dries, 2013). Performance is a positive or effective contribution of an employee or individual for the performance of the organization (Mensah, 2015). Task performance refers to the behaviors that contribute to the core duties and responsibilities (Sageer, Rafat, & Agarwal, 2012; Meyer & Allen, 1991). Task performance indicates the actions that are part of the formal duties and reward system that has been made by the organization and it refers to the requirements that are specified and mentioned in the job description of an employee (Sageer, Rafat, & Agarwal, 2012). Contextual performance refers to the factors and issues that are not directly concerned or not directly part of the job of an employee. It is the psychological and social mind setting that an employee has and acts with his or her behaviors. Contextual performance involves the behavioral patterns and factors involving extra role behavior both towards coworkers and organization (Sageer, Rafat, & Agarwal, 2012). Adaptive performance focus on organizational and employees' agility. and responsiveness to the changing external environment and aligning with the changes in proactive manner (Rich LePine, & Crawford, 2010).

Talent Management Strategies, out puts and Performance

Researchers have consensus that talent management strategies create an environment in which employees give their best in physical and psychological dimensions. The shaping of responsive and positive attitudes of employees results in desirable organizational behavior in the form of desirable performance behavior that affects organizational performance. Strong empirical evidence is available in literature that indicate that efficient talent management strategies affect attitudinal aspects of employees in the form of outputs that in turn affect performance (Rich, LePine, & Crawford, 2010; Kahn, 2010).

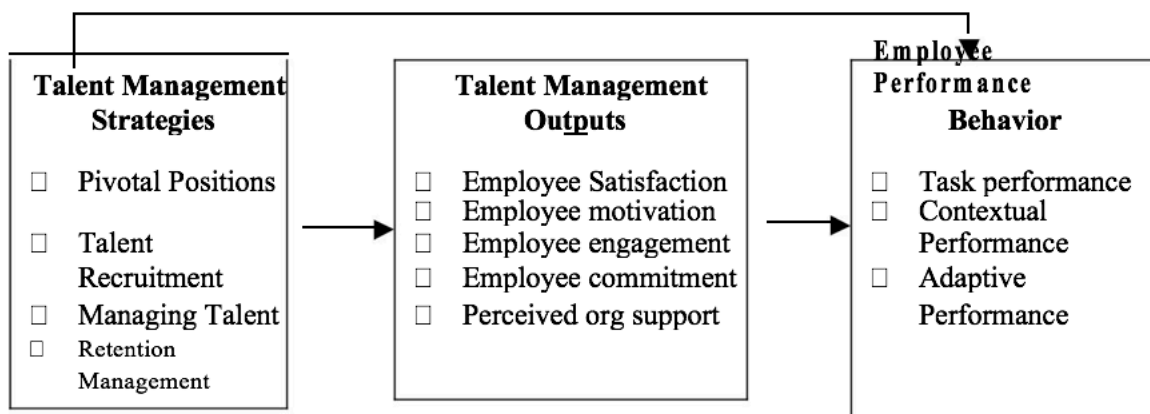


Figure 1: Conceptual Framework

Statement of Hypotheses

H1: There is a positive effect of talent management strategies on employee performance behavior.

H2: There is a positive effect of talent management strategies on talent management outputs.

H3: Talent management outputs positively affect employee performance behavior.

H4: Talent management outputs mediate the relationship between Talent Management Strategies and employee performance behavior.

METHODOLOGY

The study is quantitative causal and cross-sectional in nature. A structured questionnaire had been used to collect data from a sample of 200 employees working in Mobile Operators located in Rawalpindi-Islamabad area. Convenience sampling technique was used for selection of sample. The scale for different variables had been adapted from studies in which these scales had already been validated. The scale of talent management strategies; talent management outputs; and employee performance behavior were adapted (Rich, LePine, & Crawford, 2010; Kahn, 2010; Rhoades, 2001). Face and content validity was undertaken through expert advice of academicians and practitioners. The pilot study was also conducted to test the reliability and validate the instrument of forty-eight items. To empirically determine the impact of talent management strategies on employee performance behaviors, in this study various statistical techniques, including descriptive stats, OLS regression, correlation analysis techniques and Andrew F, Hayes model used for examining mediation effect with model 4 were used.

DATA ANALYSIS AND RESULTS

Table 1: Descriptive Statistics

Variable	N	Min	Max	Mean	Std.Dev	Skewness	kurtosis
TMS	200	1.75	4.31	3.3031	0.66042	-.573	-.650
TMO	200	1.65	4.30	3.1742	0.55076	-.360	-.388
EPB	200	1.44	4.44	3.1894	0.66301	-.386	-.137

This table indicates the normality of the data. The respondents were generally in agreement with regard to the variables of the study.

Table 2: Reliability Test

Variables	Cronbach's alpha	Items
TMS	0.759	16
TMO	0.795	20
EPB	0.801	12
Complete Instrument	0.785	48

The reliability statistics shown in Table 2 are within acceptable range.

Table 3: Correlation

	TMS	TMO	EPB
TMS	1		
TMO	0.685**	1	
EPB	0.438**	0.444**	1

Correlation is significant at 0.01 levels

The results in Table 3 indicate a positive and statistically significant correlation among the variables.

Table 4: Hypothesis Testing

Hypothesis	Variables	R	R2	B	S.E	F Statics	T Value	P
Hypothesis 1	TMS-EPB	0.685	0.470	0.433	.069	39.303	6.269	.000
Hypothesis 2	TMS-TMO	.685	.470	.572	.043	175.418	13.245	.000
Hypothesis 3	TMO-EPB	.439	.193	.560	.081	47.383	6.884	.000

N =200, **p< 0.001**, *p<0.05.

Direct and Indirect Effects (Mediation)

Direct Effect of X on Y (TMS on EPB)

Table 5: Mediation Results

Effects	SE	T	Sig	LLCI	ULCI
0.2122	0.0922	2.3003	0.0225	0.0303	0.3941

Indirect Effect of X on Y (TMS on EPB)

	Effects	Boot SE	Boot LLCI	Boot ULCI
TMO	0.2206	0.0671	0.0951	0.3535

(Collings & Mellahi, 2009; Cappelli, 2008) methodology was used for mediation and interpretation of the results as indicated in Table 5. Firstly, the direct effect of independent variable (talent management strategies) on dependent variable (employee performance behavior) is checked and analyzed. Thereafter, the indirect effect of talent management strategies on employee performance behavior has been tested statistically. Here the value of t-value is greater than 2, which shows that there is need of this mediating variable in order to have the results and relationship between the independent variable and the dependent variable. The results indicate a partial mediation.

Strategies Selection

In this study, there are four different dimensions of the talent management strategies, which are having impact on the employee performance behavior through the talent management outputs. In order to find out the best suitable strategy in the four different dimensions, all dimensions of the talent management strategies were examined separately using Hayes model. All of the dimensions named as, pivotal positions (PP), talent recruitment (TR), managing

talent (MT) and retention management (RM) were examined and their impact on the dependent variable, employee performance behavior (EPB) was analyzed through the role of the mediating variable, talent management outputs (TMO). The results are given below:

Table 6: Outcome EPB

Variable	Coefficients	t	P	Indirect Effect
PP	0.0697	1.1722	0.2425	0.1723
TR	-0.0162	-0.3432	0.7318	0.1482
MT	0.1459	2.6759	0.0081	0.1070
RM	0.1319	3.1386	0.0020	0.0942

In Table 6, the entire coefficient values, t values, p values and values for the indirect effect are given for each variable. In the coefficient values, the highest value is for managing talent, which is 0.1459. It means the contribution and the changes due to the managing talent in the employee performance behavior are almost 15 %. The t-value, which shows the individual testability of retention management (RT) is 3.1386, which is highest than any other variable. The P value, which shows the significance, is more significant for the managing talent (MT). In the indirect effect, the highest value in all variables is for managing talent, which shows that there is almost 11 % effect of managing talent on the employee performance behavior. According to the above results, in the four talent management strategies the best suitable strategy is managing talent (MT), because it has large contribution in the effect on employee performance behavior and its indirect effect on the employee performance behavior is also up to 11% with the 2.6759 t-value.

DISCUSSION

The aim of this study is to examine the impact of talent management strategies on employee performance behavior and how these talent management strategies plays its role through the talent management outputs which leads towards the employee performance behavior. The results indicate the confirmation of the hypothesized relationship. The results of the study are in conformity with earlier studies (Kahn, 2010; Rich, LePine, & Crawford, 2010; Sageer, Rafat, & Agarwal, 2012; Bakka, 2006). The newness of this study lies in its empirical testing to examine the relationship between the talent management strategies and employee performance behavior. Hence the study positively contributes towards existing body of knowledge. The study also provides opportunities to managers and practitioners to initiate appropriate interventions strategies to attract and retain the talents for positive performance behavior resulting into organizational competitiveness. The study has limitations of small sample size, based on limited number of organizations, and cross section nature of the research. The choice of sample is likely to limit the generalizability of the findings. Future research should be based on random sampling and the longitudinal approach is recommended.

CONCLUSIONS AND RECOMMENDATION AND FUTURE STUDIES

In changing environment of uncertainty, performance and sustainability of the organization is vital. Proactive identification of organizations' talent and its subsequent nourishment and development provide requisite stimulus for positive attitude towards work, co-workers, customers, and organizations. This positive attitude transforms in tangible performance behavior of employees that is vital for organizational survival in competitive environment. Organizations need to plan innovative talent management strategies enabling employees to demonstrate positive attitudes and behavior that would enable organization to achieve sustainable success.

Future research may be carried out to hold talent inside the organization. Large companies are investing billion dollars on employees' development but they failed to retain their knowledgeable workers and turn out is the major issues in large multi-national organizations and companies. Future researcher are should also strive to explore the factors of maintaining knowledgeable workers in their organization.

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