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## **The Impact of Talent Management on the Performance of Employees The Case of Bank X**

**Hani M. Haidoura PhD**

American University of Culture and Education

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The Case of Bank X

### **Abstract**

The research will address approaches implemented in talent management across different countries in the world, and then will address studies implemented in the Middle East, and at last the research will provide a detailed case study in Lebanon about the impact of talent management on employees' performance. The quantitative methodology will be implemented for data collection of 100 respondents to study the impact of talent management on employees' performance. Retention and talent management will be the independent variables as for performance will be the dependent variable. The results proved that the higher the talent management programs are implemented the higher the retention rate will be and the higher the performance will be.

### **Introduction**

In the late nineties, the study of McKinsey "War of talent" has generated the concept of talent management which consisted of giving importance to retain qualified and talented people in order to succeed in business (Stahl et al., 2012).

Competitive advantage and sustaining organizational performance are one of the most important sources formed by human capital. Talent management should be implemented and developed by companies in order to recruit and retain employees.

According to Çırpan&Şen (2009), talent management plays a crucial role in filling the gap between the required talents and the current ones in order to accomplish their objectives. Talent management practices were stated by Merlevede (2014) to be conducted at all employee's lifecycle phases starting from the first day an employee is hired until the day he quit the company.

Furthermore, it was indicated by (Ganapathy, 2018) that in order to implement human resources' vision, possessing qualified workforce with high skills and competencies form talent management.

Many authors have developed definitions and terms of the term "talent management" and (Lewis and Heckman, 2006) state that they can be classified into three categories. The first one defines talent management as the selection, training and planning of employees which constitute the elements of a human resources team. The second one focuses on a pool of qualified people as a set of procedures established by an organization to provide a sufficient flow of employees in the company. The third talent management's type emphasizes on talent which is defined as a high performance with developed skills (Lewis and Heckman, 2006).

The research will address approaches implemented in talent management across different countries in the world, and then will address studies implemented in the Middle East, and at last the research will provide a detailed case study in Lebanon about the impact of talent management on employees' performance.

## Dimensions of Talent Management

The first chapter of this study includes a literature review about talent management. It will be divided into two sections; section one will cover the, definition of talent management and its dimensions. Section two will cover the key terms related to talent management and its impact on performance.

### Section 1: Talent Management Literature Review

In this section, we will discuss the Literature Reviews of talent management; in addition, we will discuss their importance on the employees' performance in the organizations and how it impacts the employees' behavior in the workplace.

#### 1.1 Talent Management

It was indicated by Thunnissen, Boselie, and Fruytier (2013) in their research that two types of results were in the core of the talent management literature review: the organizational level and the individual one. In the first type of results, it was proposed by the literature that talent management affects the results of a company such as improving effectiveness, ensuring progress and competitive advantage in addition to ROE and ROI that form the financial effects of a company (Al Haidari, 2015; Sabuncu&Karacay, 2016). The literature suggested that talent management has also results at the individual level and motivation and commitment are the most introduced strategical ones to gain high organizational performance (Cheese, Farley, & Gibbons, 2009). A diversity was revealed by dimensions' scholars in identifying the practices of talent management from different point of views. Three categories of talent management practices such as the staff recruitment, training and employee's retention were presented (Stahl et al., 2007) and are the most applied in the companies. On the other hand, the following talent management dimensions such as attraction, retaining and motivating qualified people were addressed (Armstrong and Taylor, 2014) and will be employed in this study because of the real meaning of talent management practices as follows: organizations were given the most talented and attracted employees in order to reduce costs while achieving a better result. Moreover, in addition to the cost of dismissing a wrong employee and the cost of hiring a new one, bad hiring procedures can be costly and vary from 20% to 200% of the annual salary (Merlevede, 2014).

Attraction is defined (Tyson, 2014) as the procedure of producing candidates and helping to build the employer's image. Finding appropriate candidates is the basis of recruitment process to meet organizational expectations in an efficient way. It is stated (Tyson, 2014) that the following procedures such as determining the job vacancies, the sourcing strategy and the recruitment policy are included in an efficient recruitment process. Job vacancies in companies start when a new unit is opened or when employees leave the company. Two strategies of internally and externally outsourcing exist and it is important to internally fill vacancies because it has a positive impact on institutions.

The recruitment policy contains three principal policies regarding the decisions about sourcing, the level of flexibility in responding to recruitment requirements and the relationship between recruitment and other policies such as the reward one.

Moreover, the purpose of publishing an information within certain conditions is to describe the job offer and attracting a high number of talented candidates in addition to communicating a good brand of the companies' products and adapting to the employment rules and regulations. Processing and evaluating applications also involve examining and compare carefully and take decision regarding the recruitment of a candidate based on the results of the application. However, the final task in the recruitment process is about notifying the candidates who either have passed successfully or failed in the recruitment tests and interviews.

The impact of employees' engagement on both performance and retention is important to talent motivation. Productivity can be improved as well as turnover decreased by motivation's application. A considerable amount of money is spent by many companies to motivate their employees using a big range of policies. For instance, motivational speakers are hired by some companies in order to inspire employees and fees up to \$50,000 are required by "motivational coaches" (Mathis and Jackson, 2011). An internal force making human beings to behave in a wide range of ways defines motivation and therefore is vital for understanding human's personality (Tyson, 2014).

Talent development is crucial for both companies and individuals since qualified employees can contribute in enhancing the organizational competitiveness and increase the capacity of adapting to changing environment. The development concept is different from the training one. Employees can be trained to respond to clients' requests, to enter data in a system or to drive a truck. Nevertheless, according to Mathis and Jackson (2011), a bigger challenge is formed by the development in topics like judgement, responsibility, communication and decision making.

Development is defined by (Armstrong & Taylor, 2014) as "the process that enables people to progress from a present state of understanding and capability to a future state in which higher-level skills, knowledge and competencies are required".

The integration of learning is involved by the development process, the procedures and regulations (CIPD, 2006). Additionally, it is stated (Armstrong and Taylor, 2014) that the following strategies are included in the process of learning and development:

Kolb (2000) defines learning process as "the process whereby knowledge is created through the transformation of experience".

The improvement of skills, values and experience are included in the education field through all its types of life which differ from the knowledge related to some working areas.

The development process: applying learning experiences leads to the enhancement of human capabilities.

Training: adapting systematically human behavior by learning events, strategies and instruction which help employees to earn more experience, develop their competencies in order to work effectively.

Talent retaining: It is argued (Mathis & Jackson, 2011) that the role of retention is crucial since turnover can lead to a lower performance. The recruitment and selection practices of integrated human resources can be affected by an efficient retention management. The purpose of the established rules is to guarantee people's commitment. These rules result in a talent flow which aims of retaining the pool of talented people (Armstrong & Taylor, 2014).

Job relationships, company's characteristics, geographical issues are the reasons why an employee might stay or leave a work (Mathis & Jackson, 2011). However, there are many driven factors which are:

Organizational factors: planned objectives that are possessed by companies having a good management represent a healthy environmental work and employees who are considered as an asset for a company are likely to perform better.

Job relationships imply enhancing retention through many practices such as positive relationship, job equity, work flexibility and balance between life and work, providing feedback and ensuring career path progress.

Job and Work-Life: anxiety among employees might increase as well as employee's retention decrease due to downsizing, layoffs, mergers and acquisitions and restructuring which constitute reorganization decisions.

Rewards and compensation are advantaging that employees benefit from in order to stay or quit the job or find another one. That's why it is important that benefits that match employee's skills be fairly provided by employers.

Career Training and Development: Opportunities for personal growth are the priority among reasons why employees stay in their current jobs.

The employment policies and practices represent the human resources practices, the balance between disciplinary activities and the methods used to determine work responsibilities and opportunities.

The results and the objectives that should be attained by companies are the criteria based on which human resources policies vary. The size, capital intensity, industry and union intensity constitute various types

of control which affect the adoption of business strategies and human resources policies and organizational effectiveness (Pauwe & Richardson, 1997).

Focusing on the policies is dependent on the outcomes of human resources practices. For instance, Human resources policies are indicated by the research of Teo (2002) to directly contribute to organizational effectiveness.

## 1.2 Training and Development

Talent management enjoys the significance of training and development. The significance of training and development is shown by the basic definitions of talent management stated by researchers. Nevertheless, it is an ongoing debate that if the “talent” is innate or it can be “acquired.” The sustainability of talent management is marked by hard work, training and development.

The culture of the basic skills in performing human resources management practices is done through training and development. The need for a continuous and systematic training in human resource management practices has been shown by some authors such as Coetzer et al. (2012).

However, according to (Sparrow et al., 2004), a lack of adequate training courses for particular human resources management is also noted. An investment in organizational human assets form the training and development. A visible progress is recognized in the enterprises that provide training and development to their talented employees (Waterman et al., 2004).

However, organizational risk is also increased by generalized skills training and development because a talented employee may decide to quit his job. Indeed, a considerable expense might be incurred by managers through the extension of training activities. As such, an investment in employee training is required from managers who highly trust their subordinates.

The investment in talented employee was proven to be strongly resilient to the modern economic downturn. Despite the remaining of the recession the scarcity of talented employees and managers persists. Talented employees are needed, and their demand is still increasing and is crucial for the success of a company. That’s why, development and training are required to identify talent in order to gain competitive advantage. Five major keys are essential for developing and training the talent. Talent is formulated by a crystal-clear talent policy.

It is important to note that perceiving the talent development and training as an integrated process is crucial for the development process (Bryan and Joyce, 2007).

Providing mentoring through a true role of models, meeting the need of a company in terms of talent management and suitable training and development as well as addressing the right questions regarding the function of talent development are the main roles of models. Those models identify leaders who are likely to improve the know-how of the companies. In addition to that, understanding the ability of what the talented pool is supposed to provide also improves organizational development (Shirky, 2010).

Ability is defined according to AMO Model and to Purcell et al. (2003), as the potential to perform the given work activities and as the human resources management which are related to the necessary competencies that should be implemented successfully at workplace.

The human resources management literature suggests a lot of examples of inadequate human resources management abilities of employees and its detrimental effects. It is argued by Fandale et al. (2010) that employee’s qualifications and competencies in human resources practices are insufficient. They also said that employees’ effectiveness will undoubtedly be affected by a lack of training thus diminishing the overall effectiveness of companies. It will be impossible for any organization to implement human resource practices in an efficient way if someone does not possess the necessary skills. Grasberg et al. (2006) state that the other dimension of ability in Talent management is “an individual’s ability to build and sustain relationships and networks.” Leaders are the people who are capable to identify hidden talent among their subordinates (Day, 2000).

It is concluded by Appelbaum et al. (2000) that “employees must have enough required competencies, skills, experience and knowledge to all the necessary work for the benefit of the organization.” The vital element for any company is a motivated talent which is crucial for organizational performance. Such performance is led by a good motivation for all the sectors including the non-profit one. Motivation is defined by Pinder (2008) as “a set of energetic forces that originates both within as well as beyond an individual’s being, to initiate work-related behavior and to determine its form, direction, intensity and duration.” Employee’s willingness describes motivation in simpler words. Some of them are motivated to perform human resources tasks while others feel that they are coerced that are why they hesitate of getting involved at work. According to (Perry & Wise, 2000), individual incentives or institutionalized ones encourage motivation.

Little interest in the policies is shown by employees in terms of personal incentives (Brewster & Larsen, 2000) and they are not persuaded that human resources management work is something they should dedicate too much time on it. Nevertheless, with respect to institutional incentives, the role of human resources management is not an overall part of employee’s performance goals which are only assessed through the achievement of targets related to profits or sales which are in the area of people’s management.

Motivation has been split into two types: extrinsic motivation which constitutes external motivation and intrinsic ones which represents the internal one.

According to Calder and Staw (2015), employees are stated to be extrinsically motivated if their needs are satisfied, especially through monetary compensation. Money is a “goal which provides satisfaction independent of the actual activity itself.” Extrinsically motivated coordination in enterprises is accomplished by relating employees’ monetary purposes to the objectives of the company.

Extrinsic motivation happens when an employee feels motivated to do his job in order to be rewarded or to avoid punishment, contrary of the intrinsic one which consists of performing a task due to the job satisfaction. Therefore, the motivation of a talented employee is for personal reasons such as his/her well-being rather than for the desire of being rewarded. Intrinsic motivation “is valued for its own sake and appears to be self-sustained.”

Companies must offer employees suitable opportunities even if they are capable to follow the human resources policies in order to benefit from their talent (Lepak et al., 2006). Opportunity is defined by Boxall and Purcell (2003) in terms of talent management as happening when the work environment provides the necessary support and avenues to express talent.

First of all, a good support for the human resources professionals is needed. Secondly, adequate capacity is necessary in terms of time to get involved in human resource implementation. Third, the definition and the distribution of roles is important as well as minimizing role’s ambiguity; rules and regulations should be consequently supportive. Nevertheless, talented employees are not always provided by human resource professionals with the services that they need because there is not enough time for them to be advised by human resource experts who are not able to provide effective support. Additionally, they hesitate in abandoning their remaining responsibilities in order to play a new organizational role in supporting line managers (Farndale et al. 2010).

In such a context, the talented employees should develop their personal chances in order to demonstrate their skills. Furthermore, providing ample opportunities for their followers is also part of a leader’s job to display their potential. Finally, Farndale et al. (2010) shows in his research that human resource management unit is sometimes unable to define adequate opportunities for the qualified employees, so their real talent is not exhibited. Therefore, a good human resource policy is essential for providing clear opportunities to distinguished employees.

## Section Two: Definition of Key terms

This section will address briefly the key terms that will be used in the research and that they are related to talent management.

### 2.1 Organizational Performance

Organizational performance plays a major role to companies in order to succeed in the competitive business field nowadays and because of that constitutes an important of the studies' interests (Richard, Devinney, Yip, & Johnson, 2009).

A group of task-oriented employees form an organization which purpose is to achieve a common target by continuously coping with the quickly internally and externally changing environment (Tseng & Lee, 2014). On the other hand, performance is known as a measurable result of the achievement level of the companies' targets (Daft and Marcic, 2016).

Organizational performance is defined by Sastry (1997) as combining both organizational effectiveness and efficiency. The external indicators utilized to assess the services of a firm are described as an organizational effectiveness (Pfeffer and Salancik, 2003) while the way methods are employed in the production of services is referred to organizational efficiency.

Daft (2012) defines organizational performance as a company's ability to achieve its goals by using assets effectively.

Yaghoobi and Haddadi (2016), defines performance measurement as "a systematic process for obtaining valid information about the performance of an organization and the factors that affect performance". Diversity in the companies' performance evaluation is revealed in the literature regarding organizational performance indicators of measurement.

It is argued by Sonson, Kulatunga and Pathirage (2017) that organizational performance measurement can be considered as contemporary performance measurement while financial measures such as ROI and profits are emphasized by the traditional one. Both financial and non-financial performance measures however are used by contemporary performance measurement in the organizational strategy (Franco Santos, Lucianetti and Bourne, 2012).

Using financial performance measurement has been claimed by many authors to not be enough to assess a company's performance. It was indicated by Munir and Baird (2016) that financial performance measurement is not enough nowadays to evaluate the performance of an institution in an uncertain business environment. Niven Paul (2006) defined the dimensions of this scale as follows:

Financial perspective: providing an indication such as profitability, revenue growth and asset utilization regarding the final outcomes of the companies is the objective of this perspective. It also emphasizes the importance of client satisfaction, enhances items and other services.

Internal business processes perspective: the purpose of this perspective is to identify the main series actions that a company must take in order to improve the value of the products and deliver them to customers and shareholders in a right manner. These actions constitute product development, production, manufacturing, delivery and postsale services. Customer perspective: customer satisfaction and loyalty, market share and client acquisition are indicators included in this perspective.

Learning and growth perspective: Facilitating the other three dimensions of the Balanced Scorecard by filling the gaps between employee skills, information systems, and the workplace requirements is the purpose of this perspective which indicators include employee skills, job satisfaction and availability of information.

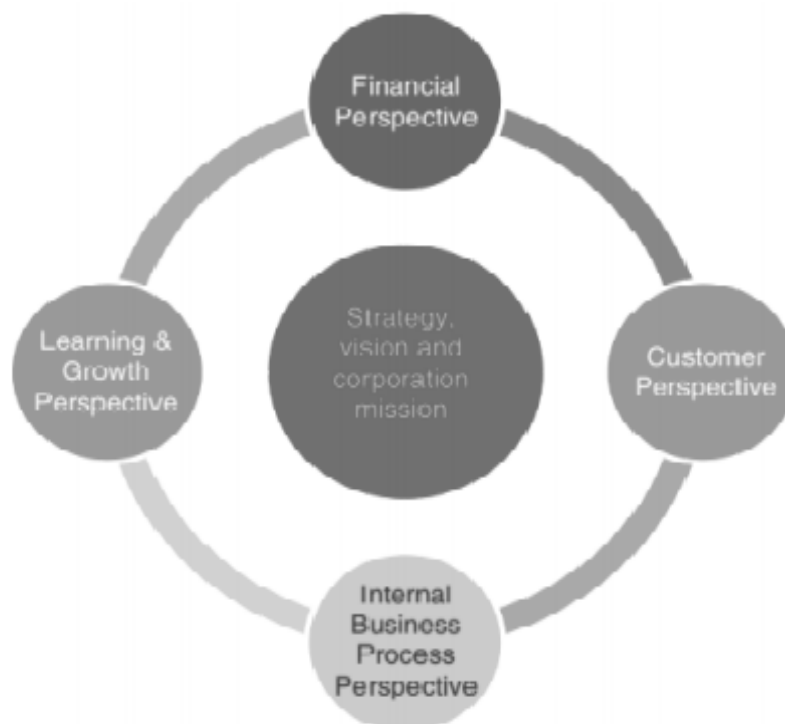


Figure 1 Corporation Mission  
Source Poley: 2012

The effects of talent management practices on companies have been studied by many researchers in the past years. These effects have been classified by Thunnissen et al. (2013) based on the perspective of different studies into two groups. Talent management is claimed by the first one to have an indirect positive impact on organizational performance by improving human resources practices (Beechler and Woodward, 2009; McCauley and Wakefield, 2006) while talent management is argued by the second group to have a direct impact on the whole organizational performance (Cheese et al., 2009; Collings and Mellahi, 2009; Lewis and Heckman, 2006; Moczyłowska, 2012; Stahl et al., 2007).

It can be concluded therefore that organizational performance is improved by talent management through the attraction and retention of talented people (Armstrong and Taylor, 2014).

## 2.2 Employee Engagement

An interest in employee's commitment has raised in the past because of the role it plays in companies to help them gain competitive advantage. Human capital has been indicated by Anitha (2014) to be one of the most important sources of success for enterprises. Firms are supported by employee engagement in creating a healthy work environment which in return helps in increasing performance and productivity (Anitha, 2014).

Models of employee engagement have been summarized by Shuck (2011) and developed in the literature into four concepts:

**Need-satisfying approach:** it is suggested by Kahn (1990) that employee engagement has three types which are physical, emotional and cognitive and are influenced by three states which are: meaningfulness, safety and availability.

**Burnout-Antithesis Approach:** According to Maslach et al. (2001), employee engagement is considered to be the opposite of the burnout-antithesis's elements which are exhaustion, cynicism and inefficiency. Workload, supervision, rewards and recognition, social support and perceived fairness are six dimensions by which the previous mentioned elements happen.

**Satisfaction-Engagement Approach:** Harter et al. (2002) state that engagement is defined as "the person's participation and satisfaction with as well as passion for work".

Multidimensional Approach (Saks, 2006): This approach state that engagement is divided into two types: job commitment and organizational engagement. Moreover, and according to Saks (2006) employee engagement is defined as “a distinct and unique concept that composed of cognitive, emotional, and behavioral elements that are linked with person role performance”.

Employee engagement is defined as “the individual’s involvement and satisfaction with as well as enthusiasm for work” (Harter et al., 2002), contrary of the disengagement which has a negative impact on productivity at work such as increased repetitive work, excessive waste of time and decrease in the number of products (Meyer, Stanley and Parfyonova, 2012). Disengagement behaviors were studied by researchers who tried to identify its predictors and report them to managers so they can act accordingly to prevent future bad effects. Talent management is seen as one of the most key predictors of disengagement.

According to (Iqbal, Qureshi, Khan, & Hijazi, 2013), talent management is “the systematic attraction, identification, development, engagement, retention and deployment of those individuals who possess high potential that creates a particular value to an organization”.

Talent management practices are easily applied and implemented by employee engagement in companies, so difficulties and challenges are decreased in an organization. There are a lot of studies which have showed the necessity of implementing talent management practices in order to improve employee engagement which contribute to the organizational growth and success.

Effective talent management implementation was suggested by Deshpande (2015) to contribute in the employee commitment and diminish turnover which improve both employee performance and talent retaining.

In addition to that, it is argued by (Christensen Hughes & Rog, 2008) that employee engagement has been associated to many organizational results which are referred to talent management such as attracting, retaining and turnover. Moreover, (Piansoongnern, Anurit, and Kuyawattananonta, 2011) focused on the importance of talent management strategy in contributing to employee’s commitment.

The ability of a company in achieving its objectives is considered as the organizational performance. Such goals can be high profit, quality of items, large market share, good financial outcomes and survival time using appropriate strategy for actions (Koontz and Donnell, 2003). The success of a company in reaching its purposes is determined by a different performance measurement.

The impact of many factors on organizational performance has been studied by researchers due to its importance. Employee engagement is one of them. A committed employee is partly responsible for improving the performance of companies because of job satisfaction. Moreover, the effects of employee engagement on enterprises’ performance have been studied by different researches.

Employee commitment has been indicated by Rayton and Yalabik (2014) to be an efficient predictor of companies’ performance and constitutes a reciprocal relationship between employer and employees. Furthermore, Kompas and Sridevi (2010) stated that there is a relationship between the degree of employee commitment and the level of company’s profit growth. Nevertheless, a high turnover and a low customer satisfaction is the consequence of the absence of employee commitment (Wise, 2017).

According to (AbuKhalifeh and Som, 2013; Alias, Noor, & Hassan, 2014; Christensen Hughes & Rog, 2008; James Sunday Kehinde PhD, 2012; Nijveld, 2014; Wiley, 2014), the relationship between the research variables which are the practices of talent management, organizational performance and employee commitment have been studied by many researchers during last decades. Additionally, the mediating role has been tested by prior researches (Gu Kang and Kim, 2014; Rubel and Kee, 2013) and the mediating role of employee commitment on the relationship between talent management practices and institutional performance has been explored by a lack of empirical studies. Therefore, the purpose of this study is to test this mediating role.

This part of the research addressed the literature review of the research concerning talent management and its impact on organizational performance. The following section will address empirical studies and researches related to talent management. The researches that will be addressed will be from different countries.



## Chapter Two

### Talent Management Effect on Organizational Performance

The following chapter of the research will address empirical and previous studies done about talent management impact on employees and organizational performance.

#### Section One: Relationship between talent management and organizational performance

This section of the research will address briefly the relationship between talent management, and job performance by providing previous studies about the importance of talent management in motivating employees in the workplace.

##### 1.1 Talent Management and Performance

Nowadays, companies face the challenge of selecting and retaining talents within a period of time. According to Murthy (2010), the definition of talent management is the management of the entire workforce from the attraction of talented employees, to their promotion and finally to find a successor after they retire.

Identifying the gaps between the talent in place and the one required to drive a successful business is included in this process. In addition to that, the result of ensuring the right person in the right job is part of talent management. The recognition of talented employees within a company is to develop them and afterwards to conduct development activities for the talent pool in order to retain employees.

It is stated according to Baum (2008) that talent management is the institutional mind-set which aimed based on the business' goals, to make sure that the number of talents is available to find the right people to the right job at the right time.

It was revealed by Ross (2005) that during the recruitment process, companies hire talents which skills match the organization's ones in both the short and long run. It was claimed by many studies that implementing talent management in an efficient way will help to improve the rate of employee's recruitment and retention.

The researches of Plansongnern, Anurit and Kuyawattananonta (2011) regarding talent management strategies and employee commitment showed that an efficient talent management planning, regular support from leaders, balance between work and life and environmental factors are necessary to retain talented employees to the company.

The use of technology is important in all the stages of talent management practices as it was indicated by Golshan and Oman (2011) during the start-up stage of a company. In a competitive environmental business, the presence of social media is crucial to attract and hire potential talented candidates.

It was suggested by researchers to explore the main areas serving for future development in which competency model tailored to business was recommended by them. Additionally, technology is used when it comes to conduct talent review based on their performance.

A study done by Hughes and Rog (2008) revealed that the process of talent management will be enhanced by an effective implementation of its strategy which will improve the quality of the recruitment process and also retention's rate. Financial performance is closely related to these findings.

The strategy of an enterprise relates to talent management. Barney has stated in 1991 that the resources based on the view of the company is the foundation of the strategical role of human resources. It was concluded by him that the resources are scarce, inimitable and non-substitutable and thus can be a source of competitive advantage leading to a more strategical research recognizing the human capital's role.

According to (Wright, Dunford and Snell, 2001), it is essential that employees are told by the strategical firm how the company is clearly separated from the competition. Employee's actions will not be guided by an abstract and a vague strategy.

Moreover, the objectives of a company are stated in a clear way that they can be measured and that employees' role in accomplishing their objectives are well understood. The strategy's support should be understood by the human resources (Becker, Huselid and Ulrich, 2001).

According to Becker, Huselid and Beatty (2009), it was contended that strategy is set by companies and not by individuals, because it is meant that differentiation from competitors is needed to every company through its strategy in order to survive.

Therefore, it is argued that employees should be made by the companies into an instrument to implement the strategy which also should be distinguished from its competitors in order to be prosperous. The creation of a distinguished workforce strategy is labeled as the way of working with the human capital.

The firm is not differentiated from its competitors in the first phase but rather is implementing its most suitable practices which are related to its business. A "bare minimum" effort's level is represented for the company, since a minimum of effort that companies do not move more slowly than others is assured but the firm is put at risk since the most adequate practices are not difficult to imitate.

A generic is represented in the second phase where the first steps of aligning the labor force with the strategy of the company are taken into consideration. In this phase, a generic differentiated workforce has been adopted by the firm to their specific strategy which is still easy to copy by the competitors and therefore a sustainable competitive advantage will not be led.

In the third phase, the company is differentiating its personnel through its critical capacities. Strategic capacities are the job process which are necessary to the enterprises and the competitive advantage is provided to the firm in comparison to its opponents. A choice is important to be made which abilities are essential since the strategic practices are the driven factor for the company's performance and will result in an unequal return if invested in.

In the last phase, a more important knowledge of the important abilities of the company is taken into account, where the differentiated labor force is achieved on a job-level.

It is primordial for the company to recognize which tasks are the important keys to the strategic capacities for the strategy's implementation. Various job families as A, B or C are referred by Becker et al. where job A is emphasized in the fourth stage. These A jobs are seen to be strategic benefits and necessary to handle through managing performance, retaining strategies and structural responsibilities.

All jobs are not necessary differentiated for companies which rather may have simultaneously different responsibilities in all four types. Nevertheless, it is necessary to differentiate strategical jobs.

It is written by Michael Porter that an organization can find a better technology in accomplishing a task than its competitors and by that gaining a competitive advantage. Becker, Huselid and Beatty noted that the corporate actions which are crucial to the company's strategy and which offer a competitive advantage to her are considered as strategical efficiencies.

They argue that the labor force can turn into a competitive advantage by choosing a distinguished workforce strategy. Nevertheless, it is noted that there is an increase between the strategical abilities identification of a company and the creation of a differentiated personnel strategy due to an absence of link that the company often should have to express how talent can lead to a strategical successful capacity.

According to Becker, Huselid and Beatty, a talent map performance is recommended which is the continuation of Kaplan and Norton's strategy map adapted to talent management and is necessary to further understand which talent factors contribute to implement the strategy of a firm.

Balanced Scorecard concept contains the strategy map which describes the strategic objectives as part of strategic drivers' chain based on a logical cause and effect (Kaplan and Norton, 2001). The workforce dimension of the company's strategy is highlighted by talent map and according to Becker, Huselid and Beatty's (2009), the learning and development is opposed to the base line in the talent map which include the talent drivers of the firm.

## **H1: There is a significant effect between talent management and performance**

### 1.2 Implementation of a successful talent management and performance

#### 1.3

It has been shown by researches that successful talent management organizations have installed an internal consistent system and strengthen the practices used in order to attract, select, assess and retain talent. Furthermore, these practices are aligned with their business strategy, organizational culture and long term objectives (Beechler and Woodward, 2009).

Additionally, there are many owners in the company who are the Chief executive officer, the managers at every level and the human resources department (Beechler and Woodward, 2009). The Boston Consulting Group, BCG and WFPMA argue as well that it is not sufficient for the talent management to be successful to implement management practices in a linear fashion way, because each activity is to be accomplished in parallel and since the logic that lies behind talent management is incorporated into the managerial culture.

The report from Capability to Profitability by the Boston Consulting Group (2012) denotes that firms which have the best economic performance strongly exceed their peers in three domains which are talent management, performance management, rewards and leadership development.

Moreover, it was found that incentives are used by these organizations to engage a strategic position. Strategic effect is a high performance variability talent and is not easy to attract and retain. Talent is more largely defined by potential in order to create wealthy managers and to reinforce their increased potentials and attracting simultaneously internationals.

## **H2: There is a significant relationship between the successful implementation of talent management and organizational performance**

### Section Two: Relationship between Career Management and Performance

The following section of the research will address the relationship between career management and performance by addressing previous studies about the importance of career management in retaining potential employees.

#### 2.1 Career management planning and organizational performance

Weber founded the concept of bureaucratic institutions which states that the former organizational career consists of employees' promotion (Clarke, 2013). Since the career's management responsibility has switched from the employer to the employee, there were needs of changing the structure of companies and improving technologies (Hirschi, 2012). These changes have led during last three decades to a non-linearity in the career models which became less predictable (Hirschi, 2012).

It was stated that the past organizational career disappeared due to the environmental changes and the new tendency of focusing on people as employability instead of employment safety. Future employees would rather have less boundaries careers in which they are personally responsible to manage it and they would be disengaged from employers.

This resulted in the concept of the multifaceted career which is a career where the knowledge, the skills and the competencies are reshaped by the individual to fit a changing work context and employability is seek to be maintained, in addition to the flexibility in values and a constant learning process accompanied by intrinsic rewards (Clarke, 2013, p. 686).

Nevertheless, Clarke (2013) found that despite rumors of its death, organizational career is still desired by today's employees. She discovered that organizational career is not as inflexible as people thought. The following suggestions regarding a new organizational career are proposed by her:

- There is a flexibility in organizational careers which are found to be challenging
- Opportunities are provided by organizational careers to employees
- Both employees and directors can manage together organizational careers

Balanced relationships such as sense of mutual investment are fostered by organizational careers  
Mobility can be hindered by organizational careers

It is proposed by her that a new institutional career be a mixture of the former bureaucratic career and a new one without boundaries. Employees' expectations are needed to be acknowledged while satisfying the needs of a company is important to retain qualified people.

Furthermore in the new organizational career, horizontal moves are important in the same way as vertical ones which will contribute to lateral tasks, variety of skills, innovation and cross-training.

Clarke (2013) also asserted that the evaluation of a new organizational career is in terms of both subjective and objective success' measurements. There will be equity in rewards and a successful lateral move within the company since it has been known till now to move vertically in the firm. The career will consequently be forced into more of a "spiral" evolution instead of a solely linear one.

The definition of succession planning, or succession management according to (Huang, 2001) is the process of providing an adequate supply for present and future key jobs successors.

The projection of the competence needs for the future for some specific positions is involved in the succession planning since employees' evaluation which are on the "short-list" for these positions and a plan for how to improve their skills is implemented in order to present the strategical interests of the company (Huang, 2001).

Furthermore, it is stated by Huang (2001) that one of the sources of competitive advantage is succession management and has been presented as an essential part of talent management (Gunnigle and Lavelle, 2010). According to Conger and Fulmer (2003), it is important to mix succession planning with leadership.

Four principles are proposed for this:

Talent should be made and bought to manage risk.

Adaptation to uncertainty is essential, for example breaking up development programs into shorter departments. The return on investment in training employees should be improved in order to involve employees in the sharing of the development costs. Maintain the balance between the needs of employers and employees' ones. Complicated social systems such as companies are managed by values-based management. The way organizations perceive and evaluate themselves has been changed by this kind of management. Pruzan (1998) and Bourne and Jenkins (2013) suggested the values-based management as a different bureaucratic type of control.

Bureaucratic control has been criticized to lead to ineffectiveness and counter productivity due to the simplification of the complexity of companies into financial measures which do not facilitate an analysis of several stakeholders and their values (Pruzan, 1998).

The way companies interpret strategic issues, decisions and changes is affected by values and management decision-making is influenced by them (Bourne and Jenkins, 2013). According to (Lencioni, 2002), it is recommended to have a distinguished series of values which match the company's strategy in order to avoid setting the firm apart from the competitors.

Employee behavior's is based on values and will not be strategic unless these values are provided to them with guidance in a strategical way. Furthermore, it is also stated by Lencioni (2002) that there is a need to integrate the core values of the company in the employee-related processes such as recruitment, performance management since decision making is guided by values in the company.

It is noted by Pruzan (1998) that both bureaucratic forms of control and values-based management play important roles due to their co-dependency. It appeared that the new generation has different values than previous ones which will impact the values-based management.

**H3: There is direct relationship between career management planning and organizational performance**

**2.2 Talent development and organizational performance**

Garavan, Carbery and Rock (2012) define talent management as “a meaningful under-developed and under-researched concept”. Nevertheless, it is stated that since a talent in another company is not needed in our ones, that’s why it seems that a lot of people agree that talents be developed in house instead of hiring them from outside the company.

It is contended according to Burkus and Osula (2011) that a deliberate practice opportunities should be created by the company and that all employees should have access to training programs. Four future main areas in the field of talent development are presented by Garavan, Carbery and Rock (2012) such as:

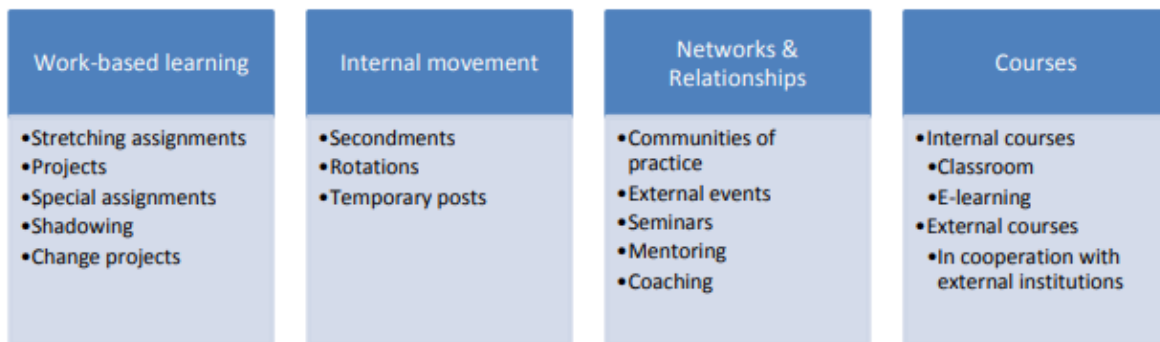
Focusing in strategic talent and integrate talent development processes with the strategy of business  
 Since not all the practices are efficient, it is recommended to differentiate talent development

The responsibility and supervision over talent development is shifted from the company to individuals who will be able to manage their development which in return will add more values to practices as a mean of training people in different contexts

Talent development process is always proposed due to a constant demand for talent development integrated with the need for a combined strategy which composes different sources of learning along the lines of the 70-20-10 model.

According to (Becker, Huselid, & Beatty, 2009), seventy per cent of this learning model are based on work, twenty per cent on coaching and guiding and ten per cent on official training programs.

The following figure describes the general development tools which is a collection performed by the researchers of this study. The model mentioned above can be used in the following way where the work based on learning constitutes 70% of the model, the networks and relationships 20% and the courses 10% of the model.



**The 70 %: work-based learning and internal movement**

The work-based element is the most important development. It is noted by Garavan, Carbery and Rock (2012) that in order to have an efficient work-based learning, three elements are necessary and are detailed as follows:

Unstable tasks should be comprised in the job description  
 Employees should leave their comfort zones

A wide strategic component is required thus involving contact with different directors is necessary

It is suggested by Wikström in the (2013) that a senior colleague could teach employees which can also learn by taking part in the work of colleagues. Employees are given the opportunity to expand by offering them special tasks or by leading projects that contribute to change the company or help personal to work in cross-functional teams.

Additionally, many ways of changing the environment at workplace are reflected by temporary job positions and providing employees with challenges in different services and different units is also important. The purpose of networks and relationships with people from inside or outside the company is to develop employees by putting them in contact with other ones, whether they are directors or colleagues from the same department. Due to the knowledge of today’s driven economy, competitiveness requires working with cross-functional teams in addition to clients or products focus business units approach used by companies.

According to Wenger (2006), these types of organization are useful but the so called communities of practices which are groups of people that share a common interest or knowledge can complement such forms of organization. Stories are shared in the community of practices which could be for example a line of profession.

A problem is solved by committed participants and their knowledge mapped during the discussions. Driving strategy, generating new business lines, promoting the spread of most adequate practices, developing professional skills constitute the objectives for companies to administer communities of practices and retain their talents. Shaw and Fairhurst (2008) suggest that the mentoring relationship could be achieved through communities of practices in order to engage employees. Matters of common interest are discussed by employees and their peers.

It is explained by Wattamwar (2016) that competencies are formed by three elements which are skills, knowledge and attributes that help an employee to perform their tasks in a successful way.

The development of mapping of competencies which is fundamental for an employee to be successful in performing any given task at a certain point of time represents the definition of competency mapping. It is becoming primordial to develop competitive advantages within the company in a modern challenging business environment (Sanghi, 2007). The body of any successful business activity depends on employees' competencies or skills.

Over the past, there has been a lot of discussions regarding business strategies and importance of having competencies in order to survive in the market. It was added by Sanghi(2007) that a company which uses those competencies have more chance to compete with other companies.

Competency mapping leads to employee's job satisfaction improvement and also increase the rate of retention. This is also useful for a company in managing its recruitment process, improving its performance management and determining which are the best training for employees (Wattamwar, 2016).

#### **H4: There is direct relationship between training and development and organizational performance**

##### **Research Methodology**

##### **Section 1: Data Collection, Sampling and Empirical Framework**

The methods that will be practiced in this research will be introduced briefly in this section of the research.

##### **1.1 Data Collection**

The main aim behind every research is to collect data through the use of a survey or questionnaire to be able to validate the research hypotheses and solve the research problem proposed. Furthermore, the data that will be collected will be analyzed using the SPSS statistical package and this will be done throughout the construction of the survey based on the research variables which are the dependent and independent variables.

As proposed previously, the main objective which lies behind the research design is to study the correlation among talent management, retention and their impact on employees' performance as a whole. Furthermore, to measure employees' performance, there will be many indicators including the absenteeism rate, and the turnover rate. The questionnaire will be constructed based on Likert Scale (Strongly Agree, Agree, Disagree, Strongly Disagree). The research will be made up of four main sections.

The first section will include the demographic variables.

The second section will include questions related to talent management

The third section will include questions related to retention

The fourth section will include questions related to employees' performance.

##### **Sampling**

The sample will include a defined number of contributors which will respond to the constructed questionnaires to study the impact of talent management on employees' performance. The questionnaire will be constructed based on the dependent and independent variables.

The sample will target contributors which work in different banks, and a survey will be distributed for data collection among different contributors which occupy different positions in different banks.

## 1.2 Empirical Framework

Google forms will be used as a tool to distribute the questionnaire. The sample will include different contributors with different ages, positions, years of experience which correspond to talent management practices and its impact on employees' performance in Lebanese Banks.

As for the analysis of the collected data, there are many tools which can be used, however in this research the SPSS statistical tool will be implemented to analyze the collected data. As for the statistical techniques, there are different techniques which will be implemented.

The regression analysis is a correlational test which aims to test the relationship between the research variables based on a standard error of 5%, if the significance level indicated a margin less than 5% then there is a significant relationship and vice versa.

The chi-square tool is a non-parametric test which will be implemented for analyzing the collected data based on standard error of 5%.

Pearson Correlations is a test which aims to test whether the relationship among the variables is positive or negative based on Pearson Coefficient. If the coefficient showed a positive sign, then the results will be positive and vice versa.

Validity and reliability: is a test used to test whether the collected data are valid and reliable for statistical analysis based on an indicator called Cronbach Alpha. The indicator should show a value of 0.7 and above to indicate a valid data.

## Section 2: Variables Characteristics

Understanding the relationship between the research variables is the main objective which lies behind this research. The independent variables are employee retention and talent management practices as for the dependent variable is the performance of the employees in the workplace.

Furthermore, the research will study how each variable affect the employees performance, and whether it affects it positively or negatively. Accordingly, we had previously proposed our three hypotheses:

Hypothesis 1: There is a direct relationship between talent management and employees performance

Hypothesis 2: There is a direct relationship between employee retention and employees performance

### 2.1 Independent Variable Measurement Scale

The independent variable can be defined as the factor which has a direct effect on the dependent variable. It is the core of every research and based on them the questionnaire is constructed. However, the independent variables of the research will be addressed briefly through this section of the research

**Talent Management:** it is the act of managing potential employees in the workplace to enhance employees' performance and by that boosting the productivity as a whole. This can be done through engaging employees in daily activities and in taking decisions. Another act of talent management is conducting periodic training and development programs to upgrade the employees' skills and ensure career growth on the long run. Thus, the higher the talent management practices are implemented in the workplace, the higher the performance will be reflecting better productivity.

**Retention:** is defined as the act of retaining employees in the workplace and minimizing turnover rate. This can be achieved throughout implementing many strategies and talent management programs. Implementing such programs can lead to enhancing career growths and to the satisfaction of the employees' needs.

### 2.2 Dependent Variable Measurement Scale

The dependent variable in this research is employee performance, and it will be measured throughout constructing a set of questionnaires which tend to indicate the employee performance in the organization. Several indicators will be constructed including absenteeism rate, job satisfaction, and motivation and performance appraisals.

### 1.2 Regression Analysis

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.998 <sup>a</sup>	.995	.995	.00223

a. Predictors: (Constant), TalentManagementAverage, RetentionAverage

**Coefficients**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.000	.001		-.859	.393
	Retention Average	.473	.057	.458	8.277	.000
	Talent Management Average	.552	.056	.542	9.788	.000

a. Dependent Variable: Performance Average

The significance level showed a level of 0.00 for retention with respect to performance and a level of 0.00 for talent management with respect to performance meaning that the null hypotheses is rejected, and the alternative hypotheses is accepted.

Based on the mentioned statistics, the below hypotheses can be validated:

- There relationship between retention and performance is accepted
- There is relationship between talent management and performance is accepted.

#### 2.1 Pearson Correlations

		Performance Average
Talent Management	Pearson Correlation	.996 <sup>**</sup>
	Sig. (2-tailed)	.000
	N	100
Retention	Pearson Correlation	.995 <sup>**</sup>
	Sig. (2-tailed)	.000
	N	100

The mentioned table explains briefly the relationship between the research variables and whether this relation is positive or negative based on an indicator called Pearson Coefficient. However, the results will be addressed as follows:

- Positive relationship between talent management and performance (0.996)
- Positive relationship between retention and performance (0.995)

#### 2.2 Validity and Reliability



### Reliability Statistics

Cronbach's Alpha	N of Items
.998	3

The validity and reliability analysis aims to study whether the collected data are valid or not based on an indicator called Cronbach Alpha. The indicator showed a sign above 0.7 which means the collected data are valid and ready for statistical analysis.

### Conclusion

At last, the research findings proved that effective global talent management requires a formal succession planning system since the purpose of the development programs is to identify employees considered as important assets to the company from whom it is expected to move on higher positions in the long run. Similarly, development programs should be integrated with succession planning systems.

The necessity of having a formal succession planning system is combined with different human resources processes. Talent development is also asserted to be too risky since conditions are constantly changing in a modern business world. A talent management doctrine inspired by supply chain management should instead be adopted by organizations.

However, the research also found that there is positive relationship between retention, talent management and employees performance and the results were validated using the regression analysis and the Pearson Correlations.

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Appendix A  
Questionnaires

Listed below are a number of statements that describe your feelings about your current job. Please select the number on the scale below each question that best represents your feelings about the bank for which you presently work. Please respond to all questions in this page.

1. What is the gender of the employees?
  - A. Male
  - B. Female
  
2. What is the age of the employees?
  - A. 18-25
  - B. 26-30
  - C. 31-35
  - D. 36-60
  
3. What is your experience?
  - A. 1 year to 5 years.
  - B. 5 Years to 10 years.
  - C. 10 years to 15 years
  - D. 15 years and above

<b>Talent Management</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
Talent management is implemented successfully in this organization to advance employees.				
I feel empowered to take responsibility of my personal development.				
My inputs, suggestions and ideas are valued.				
I have an idea about my career plan in the next 12 months in the organization.				
This organization attracts highly talented employees				
I am satisfied with my chances of promotion.				
This is a good place for training and development				

I am satisfied by the organization's personnel policies				
My manager supports my personal development so that I can reach my full potential.				
<b>Performance</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
I receive regular feedback on my performance.				
I am motivated to contribute more than is usually required.				
I am involved in decision making that affect my performance.				
The performance review process provides me with accurate information about my strengths and weaknesses.				
In the organization, people are rewarded for outstanding performance				
I always reach my performance target.				
Poor performance is adequately managed.				
I perform well because I am satisfied by what I earn.				
I cannot perform well due to a lack of resources.				
I perform well because I have a supportive supervisor.				
<b>Retention</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
I rarely think about leaving this organization to work somewhere else.				
The organizations' culture helps to retain employees.				
Given the opportunity, I tell others great things about working here.				
There are measures to retain employees in this bank.				
At this point, remaining with my bank is a matter of necessity as much as desire.				
One of the major consequences of leaving my bank is the scarcity of available alternatives				
If I got another offer for a better job elsewhere I would not feel it was right to leave my organization				
One of the major reasons that I continue working for this bank is that I believe that loyalty is important and thus I feel a sense of moral obligation to remain here.				
The retention strategies in this bank are satisfactory.				
I see myself within the bank in the next 5 years				