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RESEARCH ARTICLE

NEXUS BETWEEN TALENT MANAGEMENT AND EMPLOYEE PERFORMANCE: A REVIEW OF LITERATURE

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Abstract

In today's dynamic world, the role of talent management has become critical for attaining organizational strategic goals. Having said that, the nexus of effective talent management and employee performance has been one of the core topics in human resource empirical research encompassing diverse variables and mechanisms. Hence, the current paper offers a review of extant empirical literature discussing the talent management and employee performance paradigm. The review has been carried out in pursuit of consolidating the existing literature through a time frame of five years. The current work reviewed the major mediators, moderators and diverse direct mechanism in relation to the said paradigm, aiming to help future research scholars identify the latest trends and research areas for further scrutiny. Hence, significantly contributing to the body of knowledge associated with TM and EP.

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Introduction:-

Talent management is a substantial activity in a recruitment and selection processes as it helps a company to employ the right workforce with the knowledge and experience needed to meet its current and future needs. Exercises like choosing, advancing, progressing, and board performance are the core elements of talent management process. As per the literature referring developed countries like UK, USA, France, China, and Australia, the board has been considered as a top necessity during the past few decades (as cited in Nagi, & Mohammed, 2020).

Beside the paramount role of talent management in accomplishing organization's strategic goals, it also serves as the core HR challenge to fulfil the futuristic demands of the business. One of the biggest issues that organisations have in the current talent-war economy is to properly recruit, evaluate, train, and retain brilliant individuals. Owing to the current intense competition, any corporate organization tends to survive and flourish sustainably if it effectively adopts talent management systems and practices (Hongal, & Kinange, 2020).

In today's fast-paced corporate climate, talent management has become essential for organizational sustainability and competitiveness. The concept of talent management first appeared in 1990, when the main duties of human resources were shifted from routine administration processing to more complex configuration and machine-based planning duties. The idea of talent management emerged with the evolution of corporate human resource and training. Decision-makers at the time solely relied on the HR department to manage employees and train them in the

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skillful assessment of contemporary industry and commercial sectors. Public sector organisations realised throughout this transitional period that human resources management played a significant role in hiring, educating, and preparing the workforce to compete in today's climate. Hence, talent management has been a proactive strategy for HR to facilitate and improve employment opportunities, internal mobility, and hiring standards (Kaleem, 2019).

Considering the talent management perspective, employees are considered as the most valuable resource for assuring progress and success of any firm. Similarly, employee performance (EP) is thought to be the most crucial factor in today's corporate world for assuring the organization's sustainability (Danish and Usman, 2010). Top executives of organizations all over the world view EP as a key concern. This is why an organization's management pays close attention to selecting the best talent management strategies (TM) techniques to maximize the employee performance (Abdullahi, et al., 2020).

The phenomena of talent management and employee performance are the two inextricable elements of human resource management. The methodical identification of key positions, hiring, development, compensation management, and management of talent retention are all components of TM. This is often thought to result in an improved performance from employees. Employee performance is concerned with carrying out the job obligations while abstaining from undesirable behaviours and carrying out any additional duties that contribute to the accomplishment of the organization's objectives. To this end, task, contextual, adaptive, and counterproductive performance are the four core components of employee performance (Mensah, 2015) and can be achieved through appropriate talent management system.

Mensah (2015) proposed a comprehensive coalesced framework to strengthen the relationship between talent management and employee performance through input and output TM processes. Putting forward the close connection of the two said variables, a voluminous literature has been produced, but as yet, no prominent effort has been exclusively dedicated to review the relevant body of extant literature while offering a future research agenda dealing with the talent management and employee performance paradigm. Therefore, the current review tries to consolidate the existing work dealing with the talent management practices and its impact on employee performance encompassing various facets and dimensions. Further, it seeks to highlight the key variables used in correlation with TM and EP to help research scholars identify future research gaps and study prospects.

Research Objectives:-

1. To highlight the relationship between talent management and employees` outcomes.
2. To consolidate the extant literature relevant to the talent management and employee performance.
3. To help prospective researchers in identifying research gaps particularly in empirical research connecting talent management and employee performance.

Definitions of Key Terms

Talent Management

The process of strategic human resource planning that is used to increase the business value and motivate organizations and companies inattaining their objectives is referred to as talent management. It is an organization's capacity in retaining, recruiting, rewarding, organizing, and deploying appropriate, highly talented and skilled people for prospective leading roles, vacancies in a company.

Employee Performance

The evaluation process used to assess an employee's performance refers to the employee's capacity for work, or what he can and cannot do. The task or jobs assigned to an employee are frequently used to gauge how well they are performing. The completion of a task may include attendance, the caliber and quantity of output, as well as punctuality, cooperation, and behavioral factors.

Acronyms

1. Talent Management (TM)
2. Employee Performance (EP)
3. Employee Engagement (EE)
4. Knowledge Management (KM)

Literature Review:-

Review of literature covers the latest empirical research papers (2018 to 2022) dealing with two dimensions namely talent management and employee performance being studied as dependent and independent variables as well as mediators or moderators.

Talent Management as an Independent and Employee Performance as a Dependent Variable

In this perspective, Bibi (2018) in Pakistan's health care organization examined the impact of TM strategies on EP. The findings indicated a significant impact of TM strategies on employee performance. TM strategies and EP indicators including, recruitment and selection strategy for effectively attracting talent, coaching and mentoring for employees' learning and development, compensation for talent retention have been significantly correlated. Further, in a similar context, Al-Hussaini, et al., (2019) empirically investigated the connection between strategies of TM and EP through the mediating effect of talent management outputs in Pakistan's telecommunication industry. Findings demonstrated that talent management techniques have a considerable and beneficial impact on employees' performance with talent management outputs serving as a partial mediator in this relationship. Additionally, it provided management with chances to prepare and launch effective interventions to encourage workers' performance behaviour to achieve a competitive edge. Similarly, to study a Banking Sector of Pakistan in terms of TM and EP, Shafique, & Zia-ur-Rehman (2021) suggested that the talent management practices have a significant relationship with employees' outcomes together with their intentions to stay in an organization. Moreover, employee engagement may partially mediate the relationship between talent management and employees' outcomes.

In continuation of the same phenomena, Dixit, & Arrawatia, (2018) explored the relationship of TM and EP in public sector banks in the Indian state of Rajasthan, however with addition of job satisfaction as a dependent variable. Findings hinted significant correlation of employee performance and job satisfaction with talent management practices. Hence, talent management tactics play a significant role in influencing employee attitudes in addition to being linked to improved organisational outcomes.

Considering the talent management strategies, Kaleem et al., (2019) in the context of UAE recommended that employee motivation, creativity, satisfaction, and competency are directly impacted by talent management strategies leading to good employee performance. Moreover, there should be a productive environment devoid of stress and opportunities for career advancement with a focus on frequent training, welcoming employees' new ideas, and transparent, appropriate promotion policies.

Mahlahla, et al., (2020) in yet another context of Zimbabwe, postulated talent management as an essential pillar to ensure that high potential and high-performing people are retained. They empirically studied talent management practices and employee performance in terms of attracting talented employees, employees' engagement, empowerment, motivation, and achieving performance targets. It was concluded that the successful implementation of talent management practices results in effective employee performance.

Further investigating talent management as an independent variable, a study conducted in Indonesia by Sopia, et al., (2020) considered the talent management as a significant indicator of employee engagement and effective performance. Additionally, their study confirmed that work engagement is crucial in mediating across TM and EP. Therefore, endorsed the significance of talent management and work engagement for nurses' performance.

In a similar context, implementing the same independent and dependent variables as well as mediator, however with addition of another independent variable, Sumarto, & Rumaningsih, (2021) opined that both talent and knowledge management displayed direct and indirect effects point to the efficacy of both routes, necessitating the maintenance of both variables. Employee engagement as a mediating variable partially mediated the relationship between TM and KM, however, they both showed favourable and significant direct and indirect effects on employee performance. Authors further suggested to create a model or retest the conceptual framework for the research in order to get support for the study's conclusions.

Another work carried out by Damanik, et al., (2020) studied Simalungun District Civil Service and Civil Servants in Indonesia. The research incorporated employee self-efficacy as another independent variable with talent management while involving motivation as a mediator between the said independent variables and employee performance. Findings reflected positive direct associations of TM and EE with EP and also a significant indirect impact of

motivation between TM and EP and EE and EP. Authors further suggested to emphasize the human resources strategy beginning with the recruitment system, development, employee inspiration, and initiatives to keep talent-rich personnel.

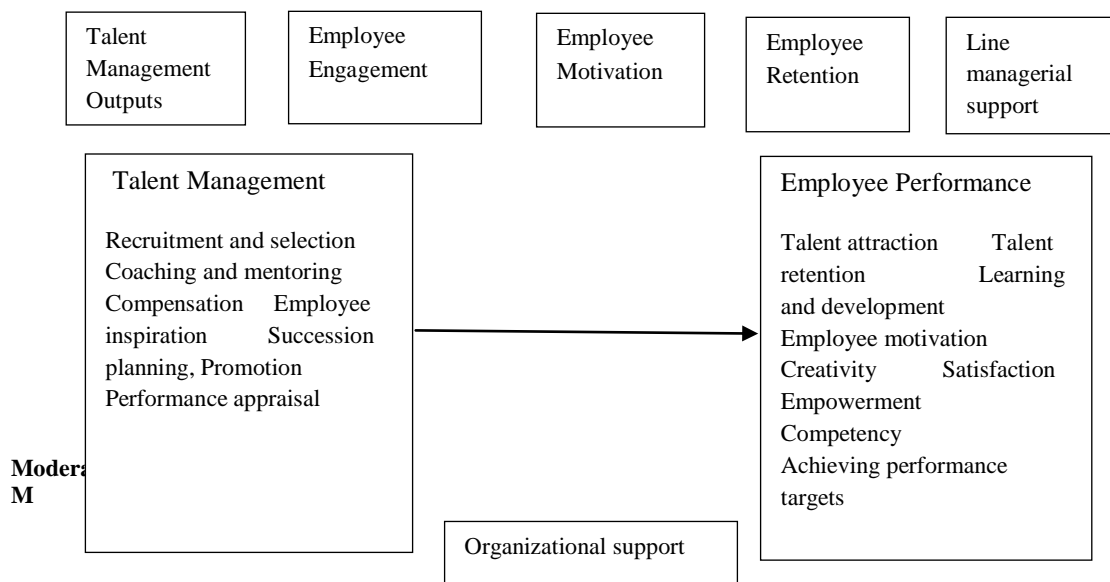
Putting forward the connection of TM and EP with employee engagement as a mediating mechanism, Abdullahi, et al., (2020) in Malaysian context also endorsed the positive impact of TM practice encompassing succession planning, promotion and performance appraisal practices on EP, with a significant role of EE as a mediator betwixt TM practices and EP amongst academic staff of Malaysian private universities.

Yet, another study in Indonesia proposed that good talent management tends to advance the performance of employees. In this regard, Hermawati, et al., (2021) suggested that optimal employee performance and consistent employee retention can result from effective talent management. The organization is therefore advised to develop and implement Talent management policies, advance its talented staff and maintain its current state. If employee retention is tackled up effectively, it will be easier for good talent management to contribute to maximum employee performance. Furthermore, Banuari, et al., (2021) also in Indonesian's context highlighted the significant relationship between TM and KM and employee performance. To add, Employee retention positively mediated the association between TM and EP and KM and EP.

Additionally, Omotunde, & Alegbeleye, (2021) from Nigeria explored the same phenomena. They deduced that the effectiveness of librarians' jobs was impacted by talent management strategies. Therefore, it is advised that library management concentrate highly on maximizing the potential of librarians in university libraries in order to improve their effectiveness at work and stop the brain drain from universities.

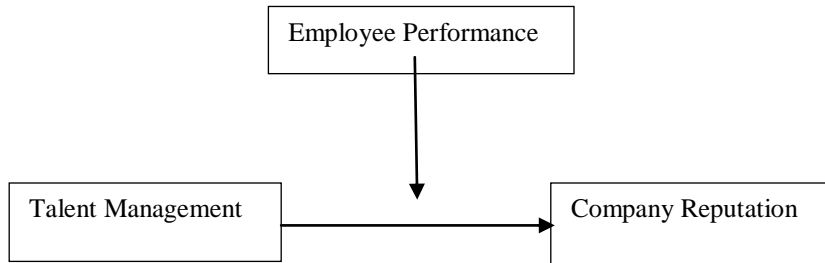
Yet, the direct relationship of TM and EP has been explored by Nagi, & Mohammed Ali (2020) in the context of Bahrain. The study found a significant relationship among TM practices and EP and concluded that the training and talent management practice holds huge importance for any organization and play a crucial part in talent management strategies supporting and improving employee performance. Kravariti, et al., (2022) also explored the direct impact of TM and EP, however, with line managerial support as a mediator and organizational support as a moderating mechanism between the said variables in a similar context of Bahrain. Analysis demonstrated a significant impact of TM on EP with an evident pivotal role of line managers acting as key enablers in enactment of TM practices leading to effective outcomes. Further, the provision of organizational support to line managers can significantly improve employee performance. Results therefore suggested that talent can be effectively utilized to accelerate performance by investing in a proficient line manager.

Mediators



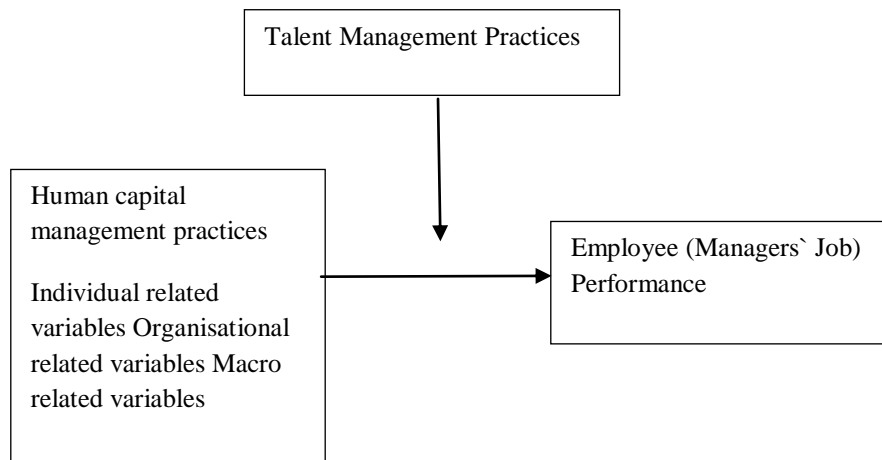
Employee Performance as a Mediator

A study conducted by DP, Hariadi et al., (2020) in Indonesian`s perspective highlighted positive effects of both talent and knowledge management on company reputation. Whereas, employee performance acted as a partial mediator between TM and KM. Research further postulated that if TM is well implemented, it tends to likely foster EP and firms` reputation. Further, effective KM yields good performance leading to positive reputation of a company. To add, employee positive outcomes also improve the reputation of a company.



Talent Management Practices as Moderator

In Malaysian context, Krishnan, et al., (2020) explored the indirect relation between human capital management and managers` job performance in SME`s. Research authors employed Mitchel`s job performance motivation model involving HRM, focusing on individual, organizational and macro factors containing further elements with a modification of incorporating talent Management Practices as a moderator between HCM and EP. Findings proposed a profile of the managers personal feelings in the manufacturing sector of SMIS, illustrating the distinct profiles of job performance-related elements. Second, the subjective work performance of manufacturing sector managers is influenced by both micro and macro factors. Thirdly, the Malaysian SMI setting, motivation, inter-organizational contact, culture system and organizational process are important factors in how well managers accomplish their jobs subjectively. Last but not least, although TMP's moderating effect is not extensive, some of its stated components do have an impact on managers' subjective job perform



Research Methodology:-

The research work is qualitative in nature and is based on the secondary data. The data has been retrieved from google scholar, and HEC digital library. The last five-year literature dealing with TM and EP was searched. Afterwards, relevant and latest studies (2018-2022) have been selected to identify the current trends in the relationship of the said paradigm. In this endeavor, 17 most relevant research papers have been chosen for analysis. Rationale for selecting the last five -year time frame was the motive for developing an insight into the current and latest trends in TM and EP relationship.

Criteria for Selection:-

The scholarly work dealing with under-reviewed paradigm has been selected based on the pre-identified criteria. Foremost, studies produced in the last five years have been selected. Secondly, only empirical studies have been considered for the analysis. Finally, papers considering the relationship of TM and EP were supposed to be shortlisted.

Discussion and Future Recommendation:-

The current paper mirrored the close connection of talent management and employee performance via diverse mediators and moderators and tried to help research scholars in identifying the latest trends and research areas for further scrutiny, hence, significantly contributing to the body of knowledge associated with TM and EP.

Referring to the direct impact, the main determinants of TM including attracting, retaining and developing have been given importance. However, in one of the studies, employee selection, engaging, evaluating, rewarding, TM programs, talented pools, Pivotal talents and Pools of talents have also been considered. In this thread, the incorporation of diverse moderating mechanisms among TM and EP serve as significant research gap.

Considering a mediating impact, different mediators namely, employee engagement, motivation and line manager support have been studied. However, employee engagement has been widely incorporated as a significant intervening factor strengthening and enhancing the relationship between TM and EP. Only two studies examined the indirect impacts of TM and EP. Wherein, TM acted as a moderator and EP as a mediating mechanism, thus, hinted a scope for studying TM and EP in mediating and moderating roles.

Interestingly, Indonesia has produced a maximum number of papers relevant to the said phenomena, following Pakistan, Malaysia, and Bahrain presenting two papers each and India, Nigeria, Zimbabwe, UAE putting out one study in a time frame of the last five years.

Considering the limitation of time span, future studies may consider a decade to identify the latest trends dealing with TM and EP. Furthermore, future work can focus on other paradigms under the talent management domain such as relationship between Talent Management and Employee Engagement or Employee Retention. Finally, prospect researchers may infer from the literature highlighted in the current paper and can represent the research gaps and future research agendas extended in the reviewed literature in a composed manner.

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