



**Arab American University**  
**Faculty of Graduate Studies**

**The Impact of Talent Management on Organizational  
Performance in Banking Sector in Palestine: The  
Mediating Role of Employee Engagement**

By

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**This thesis was submitted in partial fulfilment of the  
requirements for the Master's degree in Human  
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02/2025**

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## Thesis Approval

### **The Impact of Talent Management on Organizational Performance in Banking Sector in Palestine: The Mediating Role of Employee Engagement**

By

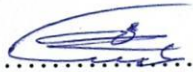
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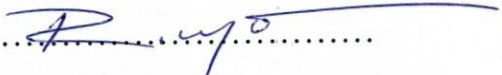
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## **Declaration**

I declare that all the work presented in this thesis, titled “The Impact of Talent Management on Organizational Performance in the Banking Sector in Palestine: The Mediating Role of Employee Engagement,” has been completed to satisfy the requirements for the Master’s degree in Human Resources Management and submitted to Arab American University Palestine. All work is original and authored by me, with proper acknowledgment of all sources utilized in this thesis.

This thesis has not been submitted to any other degree or institution.

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## **Dedication**

I dedicate this study to my parents, especially my father, whose unwavering support, encouragement, and belief in my abilities have always inspired me. I am confident you are proud of me, as you have always been.

To my family, my husband and daughters, thank you for your endless love, patience, and motivation. Your constant encouragement and understanding have been my greatest source of strength throughout this journey.

I also dedicate this work to myself. I believed in my ability to succeed, and despite the challenges and responsibilities, I remained determined. This achievement is a reward for my perseverance and resilience.

## **Acknowledgment**

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## Abstract

The purpose of this study was to examine how talent management (talent planning, talent acquisition, training and development, performance management, and talent retention) affects organizational performance, as measured by the Balanced Scorecard dimensions: financial performance, customer satisfaction, internal business processes, and learning and growth. The study also considered employee engagement as a mediating variable in this relationship. A correlational approach was adopted, using a structured questionnaire for primary data collection targeting supervisors and managers working in banks in Palestine. Through a convenient sampling method, the final sample in this study comprised of (295) employees out of an overall population of (1358) employees at the end of 2023. The collected data were analyzed using SPSS v.26 and AMOS v.23. The findings show a significant impact of talent management practices on organizational performance ( $R^2 = 0.533$ ,  $\text{sig} = 0.000$ ). Moreover, employee engagement partially mediates this relationship ( $a \times b = 0.723 \times 0.170 = 0.123$ ). Finally, talent planning is the most influential factor in the talent management dimension ( $M = 3.93$ ,  $SD = 0.581$ ). The study provided several recommendations, the most is: encourage banks to adopt and implement talent management practices as these have been shown to positively influence organizational performance as well as employee engagement. Additionally, banks should focus on enhancing employee engagement through innovative practices, investing in planning initiatives and training programs for employees along with developing retention strategies for long-term success. Other recommendations include offering competitive compensation, providing internal job rotation opportunities, and

fostering career development. Improving retention strategies is particularly vital for maintaining a high-performing workforce and achieving organizational objectives.

keywords: Talent Management, Organizational Performance, Employee Engagement, Talent Retention, Training and Development

**Table of Contents**

Thesis Approval.....	I
Declaration .....	II
Dedication.....	III
Acknowledgment.....	IV
Abstract.....	V
Table of Contents.....	VII
List of Tables .....	XII
List of Figures.....	XIV
List of Appendices .....	XV
List of Abbreviations .....	XVI
Chapter One.....	1
1.1 Introduction.....	1
1.2 Problem statement.....	4
1.3 Research Objectives.....	5
1.4 Research Questions.....	6
1.5 Hypotheses.....	6
1.6 Study structure .....	7



Chapter Two.....	9
Theoretical Framework and Literature Review .....	9
2.1 Introduction.....	9
2.2 Talent management .....	9
2.2.1 Introduction to Talent Management .....	9
2.2.2 Definition of Talent .....	11
2.2.3 Definition of Talent Management .....	12
2.2.4 Creating and Managing Talent Pools .....	14
2.2.5 Integrated Talent Management and Strategic Alignment .....	15
2.2.6 Approaches to Talent Management .....	16
2.2.7 Talent Management and Human Resource Management.....	17
2.2.8 Talent Management in the Banking Sector .....	20
2.3 Dimensions (Practices) of Talent Management .....	21
2.3.1 Talent planning.....	22
2.3.2 Talent Acquisition.....	24
2.3.3 Training and Development.....	27
2.3.4 Performance Management.....	30
2.3.5 Talent Retention .....	31
2.4 Challenges in Talent Management.....	33

2.5 Organizational Performance .....	34
2.5.1 Definition and importance of Organizational Performance .....	34
2.5.2 Assessing Organizational Performance: Financial and Non-Financial Perspectives .....	36
2.5.3 Organizational Performance and Talent Management .....	39
2.5.4 Organizational Performance in the Banking Sector .....	40
2.6 Employee Engagement .....	41
2.6.1 Definition of Employee Engagement.....	41
2.6.2 Importance of Employee Engagement.....	42
2.6.3 Talent Management and Employee Engagement .....	43
2.6.4 Organizational Performance and Employee Engagement.....	46
Chapter Three .....	48
Methodology.....	48
3.1 Introduction.....	48
3.2 Thesis Design.....	48
3.3 Target Population .....	49
3.4 Unit of Analysis .....	49
3.5 Sampling.....	49
3.6 Questionnaire design.....	50

3.7 Data collection .....	52
3.8 Ethical Approval .....	53
3.9 Structured Equation Modeling (SEM).....	53
3.9.1 Measurement model: Validity and Reliability.....	53
3.10 Reliability analysis.....	58
3.11 Statistical tests.....	59
3.12 Research Variables .....	60
3.13 Conceptual Model.....	60
Chapter Four .....	62
Data Analysis and Discussion .....	62
4.1 Introduction.....	62
4.2 Demographic Analysis .....	62
4.3 Descriptive statistics .....	63
4.4 Hypothesis Testing.....	75
4.4.1 First hypothesis linear regression test results:.....	76
4.4.2 Test results of the second hypothesis: .....	80
Chapter Five .....	86
Discussion & Recommendations.....	86
5.1 Introduction.....	86

5.2 Discussion.....	86
5.3 Results.....	88
5.4 Recommendations.....	91
5.5 Limitations of the Study .....	92
5.6 Future Studies .....	93
References .....	95
Appendices .....	115
المخلص.....	129

### List of Tables

No.	Table name	Page number
3.1	Factor Loadings Scale, Average Variance Extracted (AVE), Composite Reliability (CR) for Variables.	57
4.1	Demographic Characteristics of Respondents (n=294).	62
4.2	Talent Management Dimensions in Banks in Palestine.	64
4.3	Minium, Maximum, Mean and Standard Deviation for Talent Planning.	65
4.4	Minium, Maximum, Mean and Standard Deviation for Talent Acquisition.	66
4.5	Minium, Maximum, Mean and Standard Deviation for Training and Development.	68
4.6	Minium, Maximum, Mean and Standard Deviation for Performance Management.	69
4.7	Minium, Maximum, Mean and Standard Deviation for Talent Retention.	70
4.8	Minium, Maximum, Mean and Standard Deviation for Organizational Performance.	71
4.9	Minium, Maximum, Mean and Standard Deviation for Employee Engagement in Banks in Palestine.	74

4.10	Linear Regression Results of The First Hypothesis.	76
4.11	Linear Regression Results of The First Hypothesis.	76
4.12	Linear Regression Results of The First Hypothesis.	76
4.13	Model Summary Results of sub-Hypothesis Testing.	77
4.14	ANOVA Results of sub-Hypothesis Testing	77
4.15	Summary Results of Direct Effect Sub-Hypothesis Testing.	77
4.16	Goodness-of-Fit Indicators in The Structural Model.	81
4.17	Results of Mediation Hypotheses.	81

**List of Figures**

No.	Subject	Page No.
Figure (3.1)	Structural Equation Model (SEM)	55
Figure (3.2)	Model of the Study (Source: By the researcher)	61
Figure (4.1)	SEM Results	83
Figure (4.2)	Conceptual Model Summary	85
Figure (4.3)	Statistical Model	85

**List of Appendices**

No.	Subject	Page No.
Appendix 1	Questionnaire of the Study (Arabic)	115
Appendix 2	Questionnaire of the Study (English)	122
Appendix 3	Questionnaire Revision	128



## List of Abbreviations

Abbreviation	Full term
HRM	Human Resource Management
BSC	Balanced Scorecard
SEM	Structural Equation Modeling
CFA	Confirmatory Factor Analysis
AVE	Average Variance Extracted
CR	Composite Reliability
SPSS	Statistical Package for the Social Sciences
AMOS	Analysis of Moment Structures
ROE	Return on Equity
ROI	Return on Investment
TM	Talent Management
OP	Organizational Performance
EMP_ENG	Employee Engagement
GFI	Goodness-of-Fit Index
CFI	Comparative Fit Index
RMSEA	Root Mean Square Error of Approximation
LI	Tucker-Lewis Index
IFI	Incremental Fit Index
RMR	Root Mean Square Residual
CMIN/DF	Chi-Square/Degrees of Freedom
RFI	Relative Fit Index
NFI	Normed Fit Index
TLI	Tucker-Lewis Index

## Chapter One

### 1.1 Introduction

Staying ahead of rivalry is still a challenge, especially when incorporated into the business's overarching plan. Organizations are trying to locate new ways to stay competitive (Frimpong et al., 2016). The emphasis has now shifted from just improving productivity to strategically optimizing their exclusive assets, most importantly their workers (Aina & Atan, 2020).

As engines of economic and social development, in particular the banking sector, perform as a key engine of economic growth and social progress, playing pivotal roles in allocating economic resources and shaping the life cycle of the economy and society (Al-Abedallat, 2016). The bank's performance is essential for the economic development of the country. Indeed, banks serve as the cornerstone of national economies. If the performance of banks declines, it can result in a loss of jobs, a decline in the market, a decrease in entrepreneurial activity, and even a recession in the economy. Therefore, banks must maintain consistent performance to ensure the stability and well-being of society (Ahmed et al., 2021).

The banking sector in Palestine faces numerous challenges in an unfavorable political, security, and economic environment. The primary emphasis of the service industry is on individuals, with all activities reliant on human interaction; hence, human resource management is a vital component. This involves maintaining the viability and competitiveness of the banking industry by keeping the right people, well-equipped to tackle these issues, in the market.

An organization's performance is essential topic of focus for human resource management (HRM) procedures focused on improve the business performance. It encompasses of actual accomplishments or impacts made toward the aims and objectives of the organization (Kenny, 2019). The success of an organization and performance maintenance are significantly influenced by the competencies of its employees (Aina & Atan, 2020). In reaction to these challenges, the cultivation and promotion of skilled people have emerged as crucial features in the modern corporate climate (Garg & Rani, 2014). The global talent shortage poses a significant challenge for human resources (HR) managers because recruiting and retaining qualified employees has become difficult (Manisha, 2018). To address this issue, the strategic contribution of talent management has become increasingly important, enabling organizations to tackle the talent deficit as a structured challenge (Hongal & Kinange, 2020).

HR professionals have recognized talent management for the past 20 years or so, through 'War for Talent' strategy. This concept was surfaced in the late 1990s and emphasized the need for companies to be attentive to talent management and to develop the employee value proposition systematically. With a focus on a global-local perspective, strategic choices and standard HR work endeavored to acquire a competitive edge through proper management of people (Rozario et al., 2019). Over time, talent management has been developed into a comprehensive concept that enables organizations to use human capital for an edge over competitors in a sustainable manner that benefits everyone (Claus, 2019).

Talent management entails a planned approach to identify the vital positions that helps an organization to sustain its viable advantage. This process also involves identifying,

cultivating, and overseeing talent reservoirs of top performers who are capable of assuming these key positions in the current scenario and in the days to come (Pringgabayu et al., 2023). Additionally, it involves evaluating employees' potential to drive the firm's future excellence and sustain competitive edge. Furthermore, it entails assessing employees' ability to enhance the company's value and its future competitiveness (King & Vaiman, 2019).

With the growth of the knowledge economy, organizations increasingly prioritize acquiring and retaining talented workforces. The effectiveness of talent management systems for building winning organizations depends on strategic utilization of strategies at different levels. Investing in a skilled workforce can establish a sustained competitive advantage. Organizations must meticulously evaluate the strategic significance of talent management prior to deployment (Hongal & Kinange, 2020).

To retain proficient personnel and attain financial objectives, firms must emphasize employee engagement. Recognizing and appreciating proficient individuals is essential for developing a positive workplace and improving performance (Labolo, 2021). Employee engagement is a critical component in fostering healthy organizational culture and the improvement of overall performance by ensuring that individuals feel appreciated and acknowledged for their contributions. Innovative companies recognize that attracting high-potential individuals is insufficient; they require a comprehensive talent management strategy. Organizations can guarantee that talent remains motivated and in alignment with organizational objectives and goals by establishing an environment that is conducive to their success (Onday, 2016).

The purpose of this study is to examine how talent management practices affect organizational performance, considering employee engagement as a mediating variable in this relationship.

## **1.2 Problem statement**

Palestinian companies, mostly banks, are struggling with continuing pressure to remain competitive and viable in the long term. Organizational performance is an important factor that encompasses both the effects manifested in monetary terms and operational cost efficiency for growth stimulation (Aina & Atan, 2020). There is serious divergence in understanding complex dynamics existing with this sector, as it has a huge bearing on both the economic ground and the wellness of the workforce (Al-Abedallat, 2016; Ahmed et al., 2021).

To enhance organizational performance, the management of talent has become a crucial area of concern for businesses (Gallardo-Gallardo et al. 2020). Talent management techniques aim to attract, nurture, and retain talented personnel, who are considered essential to any company's success. Talent management strategies should align with the overarching business goals to obtain a competitive advantage and boost market value. The role of HR is becoming more vital in handling people while businesses change, mainly in keeping workers interested and driven.

Low employee involvement can hurt an organization's success by making workers less productive and affecting performance as a whole. To solve this problem, it's important to look at the unique talent management practices used in Palestinian banks that affect how engaged

their employees are with their work (Onday, 2016). Despite ongoing efforts, there is still a lack of studies that adequately address this situation.

While the significance of talent management in enhancing organizational performance has gained growing attention, there is not much empirical research in the Palestinian banking sector. Of specific interest is the mediating role of employee engagement between talent management practices and organizational performance. This study aims to bridge this gap by exploring the impact of talent management practices on organizational performance in Palestinian banks with a focus on the mediating role of employees' engagement. Through this, it aims to provide practical suggestions for enhancing Palestine's banks' talent management strategy and overall performance.

### **1.3 Research Objectives**

The primary objective of this research is to examine the impact of talent management practices on organizational performance in the banking sector in Palestine.

Sub objectives:

1. To identify the key talent management practices employed by banks in Palestine to attract, retain, and develop their workforce.
2. To investigate the level of the bank's performance in the banking sector in Palestine.
3. To investigate the level of employee engagement in the banking sector in Palestine.
4. To analyze the impact of talent management practices on organizational performance across the four dimensions of the Balanced Scorecard, including financial

performance, customer satisfaction, internal business processes, and learning and growth in the banking sector in Palestine.

#### **1.4 Research Questions**

The primary research question:

what is the impact of talent management practices on organizational performance in the banking sector in Palestine?

Sub questions:

1. What are the key talent management practices employed by banks in Palestine to attract, retain, and develop their workforce?
2. What is the level of the bank's performance in the banking sector in Palestine?
3. What is the level of employee engagement in the banking sector in Palestine?
4. How do talent management practices influence organizational performance across balanced scorecard dimensions such as financial performance, customer satisfaction, internal business processes, and organizational learning and growth in the banking sector in Palestine?

#### **1.5 Hypotheses**

The study seeks to examine the following hypotheses:

*H<sub>a1</sub>: Talent management has a significant impact on organizational performance.*

Sub-hypothesis:

*Ha1.1: Talent planning has a significant impact on organizational performance.*

*Ha1.2: Talent acquisition has a significant impact on organizational performance.*

*Ha1.3: Training and development a significant impact on organizational performance.*

*Ha1.4: Performance management has a significant impact on organizational performance.*

*Ha1.5: Talent retention has a significant impact on organizational performance.*

*Ha2: Employee engagement mediates the impact of talent management on organizational performance.*

## **1.6 Study structure**

The rest of the thesis contains the following:

- Chapter 2: Literature Review

This chapter examines previous studies on the subject, emphasizing important theories and pointing out any gaps that will be filled by current investigation.

- Chapter 3: Methodology

This chapter outlines the research methodology, including the data collection and analysis techniques used to address the research questions.

- Chapter 4: Data Analysis and Findings

In this chapter the findings and detailed analysis of the data will be presented.

- Chapter 5: Discussion, Conclusion and Recommendations



The implications of the results are in this chapter, relating them to the original research questions and the previously reviewed literature. Moreover, the study is concluded in this chapter, which also discusses the significance of the key findings and makes recommendations for future research directions.

## **Chapter Two**

### **Theoretical Framework and Literature Review**

#### **2.1 Introduction**

The purpose of this chapter is to provide a critical review of the literature concerning the three most common research variables namely: employee engagement, organizational performance, and talent management. First, the literature review deals with research on talent management and related practices, followed by consideration of organizational performance and how that is related to talent management and the dynamics interlinking them. The subsequent chapter is on employee engagement and how it bears its influence on talent management and organizational performance. It also puts in perspective the distinctive context facing the banking industry in Palestine.

#### **2.2 Talent management**

##### **2.2.1 Introduction to Talent Management**

Businesses today suffer in many ways in this dynamic and ever-changing business climate. Globalization, rapid development of technology, and changing socioeconomic, geopolitical, and demographic circumstances have all increased the dependence of companies on identifying, attracting, training, and retaining highly qualified employees. These staff members are the core enabling a company to easily handle the complexity of the current environment (Gallardo-Gallardo et al., 2020). Nowadays, talent management is much sought after and used in all sectors. Achieving strategic corporate objectives depends on companies

realizing that properly involving staff members with the required knowledge, skills, abilities, and networks (Momand, 2023). From a resource-based perspective, the special, precious, and irreplaceable human capital that companies have given them a competitive edge and helps them to be long-term sustainable (Amelia & Rofaida, 2023). Thus, talent reflects the fundamental ability of the company and its management is essential to guarantee organizational competitiveness (Daniel, 2020).

The notion of talent management first appeared in the early 1990s, developing with advances in corporate human resources and training. Symptomatic of a shift in human resources management responsibilities from routine administrative tasks toward more complex configurations and data-driven planning functions (Kaleem, 2019). During this period, serious competition among large companies encouraged some to look for highly qualified labor, while others tried to retain and develop their skilled workforce. Over time, this concept has grown to become a key factor in contemporary management systems and techniques of organizational development and change (Ernita et al., 2020). Starting as a mere responsibility of the human resources department, talent management has today grown into a matter of serious and integral priority organizationally (Fatima, 2021). The conception of talent management has emerged an important idea in the literature of learning and has emphasized the ever-increasing recognition of human capital in the attainment and maintenance of a distinctive edge in a turbulent world marketplace (Elzek et al., 2024).

Studies on talent management have become more and more important since they underline the need of companies differentiating their staff depending on performance. Organizational success depends on well managing human capital, such as people's skills, knowledge,

experience, motivation, and capacities (Dalahmeh, 2020). Organizational productivity could be enhanced by investing in these aspects (Soud et al., 2020). Effective people management techniques, as successful companies have long known, directly relate to corporate culture and strategy (Saadat & Eskandari, 2016). Even while companies of today highly value skilled workers, many facets of talent management remain unknown and need more research (Van Zyl et al., 2017).

### **2.2.2 Definition of Talent**

Under this term, talent is also protractedly variant in terms of individual organizations and often within a particular section of the workforce that has the special ideas, knowledge, and skills, thus truly being the potential value creators for the organization (Tiwari & Devanshi, 2013). A multifaceted combination of employees' skills, knowledge, cognitive abilities, and potential in consideration of their values and work preferences. Furthermore, talent is described as those who occupy important responsibilities, act in leadership, or significantly contribute to the development of the company (Truong & Dang, 2021). Talent is described as a person's natural capacity to perform specific jobs in unique ways. It combines acquired skills, knowledge, experience, intelligence, judgment, attitude, character, and motivation with innate abilities. It also shows the possibility for learning and personal growth (Yuniati et al., 2021). Talent is viewed as an exceptional level of mastery in a particular area of human activity, achieved through systematically developed abilities and knowledge. Within the same field, it ranks a person in the top 10% of their colleagues (Aina & Atan, 2020). Talent is the ability of people to greatly improve organizational performance by their contributions,

so facilitating good results and organizational development inside the company (Lekiqi et al., 2022).

### **2.2.3 Definition of Talent Management**

Talent management is a complicated subject that, depending on who defines it, can have different meanings: academic or professional. Some link it to corporate culture or even separate views attached to their own research methodologies. Others include talent management as a guiding concept for efficient people management (Savarimuthu & Jothi, 2020). It can also be conceived as an HR policy and program that is tailored to the unique needs of each organization. In that sense, it seeks to draw together the best people, develop them, and keep them while delivering the capacity to the workforce and the organization (Das, 2022). Talent management is an integral part of the human resources practices such as planning, training, development, and retention, aligned closely to the domain of human resources (Dalahmeh, 2020).

Talent management is as old as the formal discipline, predating McKinsey's "War for Talent", which brought it to the forefront (Stuss, 2020). Still, talent management research remains relatively undeveloped. For the past decade, formulating the talent strategy has rapidly become an integral part of business strategies and one of the fastest-growing businesses in management (Graham, 2022).

In line with this, Orlova et al. (2015) refer to talent management as a portfolio of human resource strategies meant to recruit, retain, and maximize the contribution of individuals who, most of the time, are indispensable to the development of a business. Besides, Pringgabayu

et al. have defined talent management as an organized method of planning, acquisition, development, and performance management systems, along with engagement and retention of talented individuals in an organization. Furthermore, Gallardo-Gallardo et al. (2020) considered talent management to be systematically attracting, identifying, developing, engaging, and retaining specific valuable individuals for the organization with a purpose of strategic sustainable success.

Talent management is defined from a holistic perspective as an integrated process involving the identification, development, and retention of talent, which originally has its roots in the fundamentals of human resource management (Dalalmeh, 2020). Kaleem (2019) further defines talent management as a strategic process of human capital planning intended to increase business value by retaining, recruiting, rewarding, and organizing talented people for future leadership. Each perspective adds to the understanding of talent management in emphasizing its key role in organizational success and sustainability.

Talent management involves organized identification of the roles within the organization that are necessary for the organization to sustain its competitive advantage. It is about the development and management of pools of high-achieving people who can fill these positions when required, whether today or sometime in the future (Ansar, 2018). It is a process of implementing integrated strategies aimed at improving productivity through better approaches in acquiring, developing, retaining, and mobilizing people who possess relevant skills and competencies to match current and future business needs (Haziazi, 2021).

#### **2.2.4 Creating and Managing Talent Pools**

It is imperative for an organization to recognize its talent pool ahead of time to ensure smooth and efficient talent management procedures (Aziz, 2022). This definition is strategically plugged into the talent pipeline to ensure an endless stream of qualified people across levels within the organization, which provides talent continuity throughout (Jooss et al., 2021). This approach also helps in managing the career development of employees for leadership positions and meets the requirements for project staffing (Muda & Ismail, 2022). The success and performance of an organization depend on the ability of the organization to manage and retain robust talent (Sareen & Mishra, 2016).

A talent pool consists of high-potential, high-performing employees identified as strong candidates for advancement into leadership or critical roles within the organization (Tetik, 2017). These are the latent talents that can excel in their capabilities and belly talents for major roles as per their presentation (Haziazi, 2021).

The talent pool refers to candidates who have significant experience or relevant qualifications and who have demonstrated a solid track record of excellent performance and promotion potential into senior or critical roles in a specified period of time (Van Zyl et al., 2017). Accordingly, the talent pool consists of individuals with very special attributes through which they build succession lines for internal future executives (Ndubuisi & Emereole, 2024).

The organization can therefore create a very stable supply of skilled resources for all demand opportunity segments, as all the existing processes should be aligned with the talent supply management process of the organization (Ansar, 2018). From an organization with

employees who are well-skilled, engaged, and dedicated (Dahshan et al., 2018). Besides that, organizations should create a comprehensive competency model at all levels within the organization and thus maintain a complete inventory of talent capabilities and expertise (Jepchumba, 2021)

Identification of a talent pool might be structured according to the job levels, such as director, manager, or supervisor, or in line with a functional career ladder. Each talent pool may therefore have competency directories created on standard criteria. Effective planning ensures that the right person is in the right position at the right time (Wahyuningtyas, 2015). The well-managed talent pool encourages internal employee rotation and attracts and retains the best talent while reducing the costs incurred in recruiting externally (Masa'deh et al., 2018).

There are two methods of creating a talent pool, internal or external recruitment. Internal recruitment is one of the most successful methods because the selected internal candidates are already familiar with organizational procedures and will adapt to new positions rapidly. According to Lyria (2014), they function to enhance the morale and loyalty of the employees in an organization. A source of recruitment from outside the organization becomes important in cases where its own workforce is intending to change the culture currently standing or have an innovative paradigm with fresh skills and perspectives (Rabbi & Ali, 2015).

### **2.2.5 Integrated Talent Management and Strategic Alignment**

Talent management is a holistic strategy well-embedded into the long-term laydown of corporate affairs and tied very closely to the overall business goals of the organization



(Almaaitah et al., 2020). Such an integrated set of recruitment, retention, and development initiatives of skilled people takes care of the continued success of an organization (Karumuri, 2021). Isolation in talent management processes brings about many problems. Employees feel they are transferred from hand to hand as if passing a baton in the relay event; every step is entirely treated as a distinguishable new one (Makworo, 2014).

Integrated talent management is a term that can be described in various terms. Basically, it is possible to satisfactorily define the concept as involving three or more interrelated organizational processes, intended to attract, manage, nurture, motivate, and retain top talents in the system. These processes are provided with agility and can be especially useful in today's business landscape when are expected to demonstrate that they are truly (Ruchira et al., 2020;Ansar, 2018). This model takes the shape of a strong competency model, which, together with those competencies, forms the foundational basis upon which both strategic direction and everyday operationalizing talent initiatives can occur (Savarimuthu & Jothi, 2020). Talent management has also changed from being sporadically installed into the manager's job to a constant part of everyday operations in a more strategic approach to the development and staying of personnel as well (Rinaldhy, 2021).

### **2.2.6 Approaches to Talent Management**

Research into management theory has highlighted evolving approaches within talent management. Traditionally, talent management includes typical HR practices like selection, recruitment, career development, and succession planning. However, modern talent management demands that these activities be carried out more quickly and across the entire

organization, rather than being limited to certain departments (Kravariti et al., 2023). This is a new endeavor that is changing much activity from administrative tasks and goal setting to employee retention aimed at those high-value employee contributions to long-term organizational success (Daniel, 2020).

Talent management approaches are basically of two varieties, inclusive and exclusive. The argument of the inclusive model states that everyone has to engage in talent management because everyone must have a personal strength that can benefit the organization. The exclusive model, however, states that these are for only a handful of employees whose very specific roles bring in disproportionate value to the company (Gallardo-Gallardo et al., 2020).

Organizations do not adopt the same talent management strategy. Some of them have a completely integrated system; others specialize in one or two aspects. Contrarily, some organizations do not even bother with talent management (Savarimuthu & Jothi, 2020). Despite the variations that exist, talent management is mostly carried out in a series of activities intended to engage and support talented employees and not treated as a unique activity (Panday & Kaur, 2021).

### **2.2.7 Talent Management and Human Resource Management**

Talent management is regarded as the cornerstone of human resource management. Still, it focuses on investing human resources into individuals in anticipation of their future growth (Gomathy, 2022). It integrates all HR processes with strategic objectives to attract, develop, and retain individuals with the right skills and capabilities to meet the requirements of an organization for today and the future. Actually, in contrast to traditional, pointless HRM

procedures, this type of personnel management is highly regarded and seen as more tactically oriented nowadays (Das, 2022).

Moreover, the purpose of the integrated strategy for talent management is to provide a blueprint for achieving ongoing world-class corporate performance (Balu, 2022). Talent management systems and programs indeed designed to match larger HR systems and, in fact, create successful tethering of objectives to talent management programs, would achieve specific program objectives (Savarimuthu & Jothi, 2020). The whole is really in line with the propelling of normal HR operations, stretching the footprint of a company outside of departments (Kravariti et al., 2023). These initiatives attempt to improve how an organization can gain, bring in, hold on to, build up, and utilize people qualified at the right level of skill to meet business requirements in the present and the future (Aina & Atan, 2020).

Talent management is neither limited merely to human resources nor to the higher levels of an organization's preeminence in talent managing all divisions, such as a head of division or directors. An organization can use its talent strategy to complement its business strategy, which is good for success. However, striking this balance poses a challenge to some organizations (Bayyoud & Sayyad, 2015). Effective talent management requires systematic processes, active involvement, and collaboration of many processes and roles (Daniel, 2020).

Talent management initiatives should be developed by companies to mirror the competencies of staff members and future organizational needs. Effective talent management depends on cooperative work cultures and tools and processes to pinpoint and evaluate talent needs (Ali et al., 2019). Talent management practices guarantee a competitive advantage and

help businesses to satisfy their investment in people resources and vision. It results in ongoing performance improvement for companies, so raising the general effectiveness and efficiency of these entities (Joof & Olanipekun, 2022). One of the very positive impacts of talent management on principal and indispensable financial returns like, Return on Equity (ROE) and Return on Investment (ROI) is leading to change, better performance, and a competitive dimension (Ngiu et al., 2021).

Some of the reasons contributing to the failure of talent management implementation in an organization include lack of planning and poor management policies (Daniel, 2020).

Talented employees are very valuable in any organization because they possess rich knowledge and experience that can add direct value to productivity in any organization (Dalahmeh, 2020). Talent management defines the approaches taken by organizations to utilize technology and resource allocation, as well as success realization without making talented employees disengage, make them fill meaningful roles, and make it possible for them to participate in the organization directly (Das, 2022). Aligning talent management strategy with organizational strategy is powerful in achieving goals and objectives in business. Organizations are establishing environments that help develop skills to respond to diverse challenges in a new world where preparation for future roles becomes a growing priority (Baqutayan, 2014).

From personnel planning to supporting professional development and controlling internal dynamics, this all-encompassing strategy meets several needs (Daniel, 2020). Good talent management techniques also emotionally involve staff members, therefore affecting their

behavior (Gomathy, 2022). Through emphasizing fit, smooth transitions, and compelling jobs, talent management helps keep staff members and builds loyalty to the company (Dhanabhakya & Kokilambal, 2014).

### **2.2.8 Talent Management in the Banking Sector**

The dynamic nature of the banking business causes talent management to differ greatly from procedures in manufacturing and other service sectors. As highly regulated institutions globally, banks have to follow many laws and rules, which calls for constant changes in people management strategies; these legal demands and the evolution of the industry shape human resources practices including personnel sourcing and development (Almomani et al., 2021; Truong & Dang, 2021).

Human resources practices in banking, including employee sourcing and development, are shaped by these regulatory demands and the sector's evolution. Deloitte underscores how regulatory and market pressures compel banks of all sizes to maintain profitability, compliance, and pursue growth opportunities, thereby complicating and transforming talent recruitment within the sector (Truong & Dang, 2021). Consequently, talent management has taken center stage in banks, driving the acceptance of several ideas and approaches to properly handle qualified staff members. This covers a methodical process to attract, evaluate, and choose appropriate talent as well as engage, develop, deploy, lead, and keep high-potential and highly performing employees (Ndubuisi & Emereole, 2024).

The competition for talent has become a global challenge, as banks now contend with technology companies for skilled professionals. Recognizing the need for financial

institutions to prioritize talent management practices to maximize their market influence, a Deloitte survey identified talent management as a critical benchmark for HR within the banking sector (Racolța-Paina & Bucur, 2019).

### **2.3 Dimensions (Practices) of Talent Management**

In terms of methods aimed at achieving organizational performance, talent management shares some similarities with HRM (Dalahmeh, 2020). Key characteristics of talent management can be talent attraction, acquisition, selection, retention, and development (Al-Haraisa et al., 2021). According to Dessler (2011), talent management involves coordinating various human resource functions, specifically focusing on acquiring, assessing, developing, and retaining talent.

Moreover, talent management practices form an interacting system where one practice influences and depends on the other (Racolța-Paina & Bucur, 2019; Sharma & Rathore, 2020). These practices very closely relate to HRM activities like planning, training, development, and retention (Dalahmeh, 2020).

Various scholars have divided talent management into different categories:

- Sareen and Mishra (2016) discuss the strategies of attracting, recruiting, compensating, rewarding, succession planning, training, developing, and retaining talent.
- Oladapo (2014) found categories including retention, performance management, training and development, succession planning, and recruitment.

- The seven dimensions Rofaida (2016) recommended were talent discovery, acquisition, performance management, development, retention, and management commitment.
- Osmon et al. (2022) have emphasized once more that talent management itself is a goal-oriented, structured process involving planning, acquiring, recruiting, developing, and rewarding employees. In order to effectively serve the purpose, it is crucial to fully integrate all aspects of talent management with the overall strategy regarding talent and human resource planning, as these elements serve as the primary drivers of all activities (Venkatesh, 2017).

Based on the literature review and the most widely accepted dimensions, the current study has selected the following dimensions of talent management: planning, acquisition & recruiting, developing, performance management, and talent retention; including compensating and rewarding. Together, these dimensions form the comprehensive framework that assesses the impact of talent management on organizational performance.

### **2.3.1 Talent planning**

With the development and coordination of diverse human resource activities, effective talent management involves those in workforce planning, acquisition, assessment, development, and retention (Frimpong et al., 2016). The first crucial step in effective talent management is talent planning (Musakuro, 2022), which uses human capital so as to increase business value and help organizations achieve their objectives strategically (Kaleem, 2019). This process includes manpower planning, which aligns human resource strategy with business strategy

(Osman et al., 2022). Initiating the process requires determining key requirements, creating job descriptions for all positions needed, and workforce planning to guide recruitment efforts (Aziz, 2022).

Effective talent management planning involves conducting market surveys to identify the appropriate qualifications for individuals, which presents significant challenges for an organization (Kannappan, 2021). Currently, no organization can overlook the importance of talent management for their survival or success in the global business environment, as it is essential for proper planning (Pringgabayu et al., 2023). Aligning the strategy of the organization with the required competencies would improve performance and achieve a competitive advantage (Ndubuisi & Emereole, 2024).

The systematic process of workforce planning happens when the human resource and line management develop, assess and forecast future staff requirements to organize the goals (Musakuro, 2022). It measures the status quo of organizations, identifies talent gaps, and institutes measures to fill these gaps with deficient manpower (Al-Majroob et al., 2020).

Effective talent planning integrates the organization's mission, vision, and strategic objectives, enabling employees to align their skills and competencies with the company's goals. Organizations must also consider whether their talent planning should prioritize technical or generic competencies (Ndubuisi & Emereole, 2024). It also anticipates the prospective demands that may arise from further evolving businesses and environments, thus preparing human resource requirements in line with the progressing states (Dalahmeh, 2020).



Directive talent planning is to put specific employees at the right times into designated positions, giving them the right capabilities to carry out exactly those positions. Thus, talent management becomes a vehicle through which organizations enact their strategic workforce plans (Dries, 2013). Hence, efficient workforce planning is a strategic asset for the firm against which the right employees are placed for the implementation of the action plan of the company, which ultimately supports the growth and sustainability of the organization (Rahaman & Bari, 2024).

### **2.3.2 Talent Acquisition**

Human capital is more and more important in knowledge-based sectors and modern corporate settings. Gaining a competitive advantage with efficient long-term human resource development presents a major difficulty for companies. Attracting distinctive talent is absolutely vital to keep this edge (Tetik, 2017). The significant need for gifted people in important roles emphasizes their indispensable contribution in guiding companies toward success. Consequently, companies engage in fierce competition to attract the best talent (Rabbi & Ali, 2015). Economic and political changes, globalization, and heightened competition compel organizations to actively seek and attract qualified employees to boost performance (Al-Haraisa et al., 2021). Therefore, prioritizing talent acquisition can lead to an organization's success and growth (Kanimozhi & Prasad, 2022).

Talent acquisition involves matching people with the organization's short- and long-term goals strategically beyond just recruiting for open positions. This method consists of sourcing and hiring people whose capabilities and proficiencies would contribute to improved

performance at the company as a whole (Monisha, 2024). It refers to acquiring, assessing and finding the best potential candidates to facilitate the achievement of desired organizational goals and support project requirements (Kaleem, 2019). In contrast to recruitment, which usually is reactive, talent acquisition is proactive and strategic, constantly identifying and contacting top talents while ensuring that it meets the future workforce needs (Robert, 2024).

A well-planned process is required for engaging an individual in recruiting a qualified workforce. It also involves the diagnosis of labor market trends, assesses the quality of the available personnel, and places every one of them in their area of operation (Makworo, 2014). Effective talent acquisition does see these employees as strategic assets and aligns their skills with long-term goals of the organization as well (Daniel, 2020). Aligning talent acquisition with organizational goals is becoming one of the key features of talent management strategies (Hongal & Kinange, 2020).

The first steps in developing a recruitment plan include deciding on pertinent actions. Before deciding on the necessary competencies and skills that will help them reach their general aims for the next five to ten years, businesses first have to describe their main goals. Then, they assess the current workforce state and whether or not these competencies are met so they can be trained (Nafei, 2015). The recruitment process serves as a tool for acquiring talent, while also keeping the company's vision in mind. These sources could either be internal or external. A crucial aspect of this is the role of the talent source (Savarimuthu & Jothi, 2020).

Attraction, which means sourcing from the internal and external talent pools, is a fundamental aspect of talent acquisition. It also entails employer branding, hiring, selection, and developing a strong employee value proposition (Aina & Atan, 2020). The company's employer brand and reputation will help attract top personnel. As Dalahmeh (2020) further points out, an organization that has strong brand perceptions and a fulfilled promise of giving meaningful work, potential career advancement, and main differentials in terms of pay would readily attract a probable employee.

Despite creating competitive benefits, most organizations also employ innovative strategies to bridge the gap between their needs and those of capable employees (Monisha, 2024). Research indicates that an organization attracts excellent opportunities for professional growth, fosters an atmosphere of trust and openness, and attracts both appealing and brilliant talents (Dalahmeh, 2020). Learn what motivates employees, develop talent within, and attract and retain high-caliber talent (Schlechter et al., 2014).

Talent pooling is yet another aspect of talent management assemblage. Organizations intend to prepare a diverse group of talented individuals within their ranks who can advance to fill leadership positions, from their own resources as well as external ones (Rawashdeh, 2018). In fact, many organizations struggle to maintain robust talent pipelines amidst the thousands of competing organizations around the world (Tetik, 2017).

In the banking sector, talent acquisition focuses on meeting performance and growth standards in entry qualifications, while also enhancing recruitment processes to make hiring more efficient and cost-effective (Bist & Srivastava, 2013). In industries where work quality

directly impacts business results, talent acquisition plays a crucial role in enhancing organizational performance through improved recruitment practices and fostering a culture of professional excellence (Alfalah & Alfalah, 2023).

According to Yuniati et al. (2021) and Cheraiasi & Busolo (2020), integrating technology and human elements into talent acquisition processing will undoubtedly improve organizational performance. Effective methods of selection lead to hiring suitable candidates who will, in turn, increase productivity and business successes.

### **2.3.3 Training and Development**

Following the attraction and identification of valuable talent, firms must confront the crucial task of fostering these persons' growth to improve their performance and skills (Othman, 2021). Continuous learning achieves and maintains performance, making learning and development the cornerstone of organizational success (Rabbi et al., 2015). Talent development consistently aims to enhance employees' knowledge, competencies, and abilities, thereby increasing their performance. This process comprises enhancing present expertise as well as acquiring creative knowledge, skills, and attitudes to meet both business and personal development goals (Joof & Olanipekun, 2022).

Effective talent development transforms organizations by leveraging both planned and unplanned learning initiatives to maintain a competitive advantage and meet evolving business needs (Dahshan et al., 2018). Coordination between the overarching company plan and an effective people development strategy is crucial. The training and development

professional is in charge of converting this corporate strategy into targeted talent development goals (Savarimuthu & Jothi, 2020).

Talent management is the human capital dimension, which has a workforce comprising individuals with diverse kinds of knowledge and abilities (Ali et al., 2019). Talent development means planned efforts to enable employees to gain such business-oriented behaviors, know-how, and skills that are crucial for the organization's success and of its staff members (Almomani et al., 2021; Truong & Dang, 2021). Enhancing talent benefits an organization in the same way as any other activity that aids in the development of internal resources, as it not only carries the risk of competition but also adapts to the dynamic nature of business environments. Development encompasses broader topics like judgment, responsibility, communication, and decision-making, while training typically focuses on specific tasks like responding to client requests, data entry, or machine operation (Ngiu et al., 2021).

As per Pandita and Ray (2018), the term "talent development" refers to efforts made to improve the knowledge and skills of employees with a view to meeting business needs both in the present and future. The company would therefore ensure internal talent growth, alignment of operations, and succession planning for important positions when applying this strategy. In addition to enhancing the workforce, this strategy has long-term implications for the organization as a developing entity. Employment records have shown that organizations with high adoption rates of training operations have demonstrated improved financial returns and overall organizational performance (Dhanabhakym & Kokilambal, 2014).

Continuous training and development practices are essential for developing talented employees, educating them about technological advancements, fostering personal growth, and ensuring their competitiveness. Lack of opportunity to access such advances would put limitations on carrier paths and might motivate them to look for possible ways of improving their careers elsewhere (Makworo, 2014). Furthermore, those who continuously excel across tasks or narrow fields show a strong proclivity toward succeeding in other areas never before tested (Ansar, 2018).

Talent development should not only address current job requirements, but also focus on developing skills that align with the organization's future needs. An effective development model would be one that builds capabilities toward long-term strategic objectives. Among others, activities involved in such initiatives include on-the-job experiences, formal training, career management, succession planning, coaching and mentoring, and leadership development (Othman, 2021).

Therefore, an actual output-to-intended goal ratio, which assesses organizational performance, closely correlates with a mature talent management system. This particular measurement focuses almost entirely on three critical outcomes: those concerning shareholder value performance, which indicates the returns given to investors; market performance, which would show the organization's level of competitiveness and market share; and financial performance, which would include profitability and revenue growth (Aishvarya & Saranya, 2021).

The absence of training decreases the effectiveness of the employees, which in turn results in the overall diminished performance of organizations. Execution of human resource practices becomes challenging without sufficiently skilled and continually developed employees, thus resulting in an incapacity to obtain objectives (Ngiu et al., 2021).

#### **2.3.4 Performance Management**

All organizations require this performance management process, which links performance and results to organizational objectives. Besides this, the process integrates clear goal definition, strategies to match employee task completion with company success, as well as regular assessments on performance (Karthik, 2023; Balu, 2022). This is not an annual activity; instead, it is a continuous cycle complementary to changing objectives with regular feedback and coaching (Balu, 2022).

Thus, effective performance management forms an integral part of talent management through its different activities and processes, bringing them into the organization's total strategy for enhancing and gaining competitive advantage over time (Singh et al., 2022; Musakuro, 2022). Moreover, it matches individuals with organizational objectives in a structured way, including establishing performance standards, realistic and timely goal setting, and evaluation of performance against these (Nafei, 2015).

Effective performance management systems, which align employee engagement with organizational objectives and motivate employees to achieve these goals, also encompass a performance-based reward system (Kaleem, 2019). In addition, it is a system that aids

organization in identifying and rewarding high performers, thus enhancing organizational performance and retaining high performers (Venkatesh, 2017).

The organization should include performance management systems that cascade strategic goals from the top downwards and have a different indicator of performance and evaluation for each worker. For motivation and alignment purposes, it should integrate with a reward system (Egerová et al., 2013). In addition, having a well-structured performance appraisal system is critical in identifying and nurturing talented employees for enhancing the effectiveness of talent management within the organization, which leads to the overall success of the organization (Osman et al., 2022; Rinaldhy, 2021).

Systems of performance appraisal that use both objective and subjective performance metrics are part of performance management (Cappelli & Keller, 2014).

### **2.3.5 Talent Retention**

The last stage in the area of talent management involves the aspect of retention, which further ensures increased employee engagement and loyalty (Pandita & Ray, 2018). In the competition for talent these days, retention is critical, for there can be a major impact on performance due to the departure of key individuals. Organizations will need to formulate efficient retention systems to deal with the growing mobility of talent (Ali et al., 2019).

Talent management portrays an organization's devotion to the retention of skilled employees who are capable of achieving strategic goals, stressing coordinated activities that spell development and retention (Labolo, 2021; Das, 2022). Retention nurtures and provides a



conducive work environment that acknowledges employee contributions alongside competitive pay and benefit packages. This is a continuous process with a significant deal of influence on how employees perceive their jobs and organization (Savarimuthu & Jothi, 2020). Therefore, motivating employees, offering competitive salaries, providing continuous skill development, and leaving avenues for career paths open are the most critical factors that increase their engagement and commitment (Devi, 2017; Pringgabayu et al., 2023).

Among the beneficial practices are performance management, succession planning, and promotion opportunities (Othman, 2021). A comprehensive retention package is also critical and includes life insurance and free medical services (Bayyoud & Sayyad, 2015; Hongal & Kinange, 2020). While a salary increase helps, there has been a look into work-life balance and career prospects in retention (Alfalah & Alfalah, 2023). Dahshan et al. (2018) emphasize the importance of performance-related pay and training, while Daniel (2020) suggests that addressing common causes of turnover, such as reward dissatisfaction or leadership, could improve power relations.

Research shows that companies that prioritize attracting and retaining top talent are gaining a competitive advantage and enhancing their reputation (Othman, 2021). Inclusive and constructive initiatives such as employee surveys and exit interviews provide organizations with a comprehensive understanding of their workforce challenges and a strategic approach to retention (Balu, 2022). Talents depart from organizations and join new ones, which can impact productivity due to the costs associated with hiring replacements and the potential loss of morale among remaining employees (Bayyoud & Sayyad, 2015). Therefore, retention strategies should be part of the overall business strategy and specific to that business focus

because it is inextricably linked to the very strategic-oriented component of organizational strategy (Fatima, 2021).

The retention rate, a critical index that indicates the range of employees who remain over time, is a powerful indicator of an organization's effectiveness in attracting top talent (Robert, 2024). It effectively reduces turnover and negative relationships by motivating employees and providing feedback to help them realize their values (Kaleem, 2019). Therefore, strong compensation, an enabled work environment, education, a heavy management-employee bond, and managerial support should focus all retention initiatives toward talent retention (Musakuro, 2022).

#### **2.4 Challenges in Talent Management**

Talented individuals represent unique strategic resources that are essential for maintaining a competitive advantage. But constantly identifying and maintaining the appropriate personnel is a challenge, which fuels a growing desire to solve practical talent management problems practitioners must deal with (Gallardo-Gallardo et al., 2020; Hongal & Kinange, 2020). To tackle this, organizations are developing comprehensive talent management strategies, integrating them with future hiring plans, and fostering a supportive regulatory environment for talent growth (Ernita et al., 2020). According to Almohtaseb et al. (2020), organizations are adjusting to the dynamics and demands of the local labor market.

One of the most significant challenges for organizations globally is consistently identifying and retaining talented individuals in today's volatile and dynamic business environment (Das, 2022). Effective talent management requires balancing both quantitative and

qualitative skills, including matching employees to suitable positions and optimizing their abilities for maximal organizational success (Hongal & Kinange, 2020). Moreover, a misguided approach to talent management, such as viewing it as separate from broader human resource development, can create significant obstacles in achieving organizational goals (Saadat & Eskandari, 2016).

The increasing significance of organizations in maintaining their skilled workforce has sparked a surge in research on talent management, which highlights the potential challenges an organization may face in attracting and retaining its top talent (Aina & Atan, 2020). By scouting and nurturing talent internally, organizations not only identify potential talents but also build leadership capacity and excellent teams, preparing them for future shocks (Haziazi, 2021).

## **2.5 Organizational Performance**

### **2.5.1 Definition and importance of Organizational Performance**

Most entrepreneurs and organizations of all sizes set organizational performance as a goal because it offers benefits like efficiency, increased market power, adaptability to changes, higher survival rates, increased profitability, and greater prestige (Agbaeze et al., 2017). High-performance work systems contribute to competitive advantage by enhancing employee skills, knowledge, and individual value while improving overall performance (Mattalatta & Andriani, 2023). It is recognized as a measurable outcome that reflects how effectively an organization achieves its aims or targets (Ngiu et al., 2021). This multidimensional concept includes financial performance, customer satisfaction, employee

engagement, operational effectiveness, innovation, and social responsibility, giving a holistic perspective on the effectiveness of a company (Nyongesa & Van, 2024).

Performance evaluation assesses a corporation's capacity to meet stakeholder expectations on the grounds of efficiency and effectiveness (Agarwal et al., 2024). It reflects the organization's capacity for achieving its objectives through the efficient allocation and employment of resources (Cheraisi & Busolo, 2020). Scholars have defined performance within an organization from a variety of perspectives. El-Borsaly and Hassan (2020) conceptualize performance in terms of strategic implementation, while Berberoglu (2018) emphasizes the overall impact of employees' performances within an organization. Meanwhile, Pinto (2019) views performance as a fundamental management problem, evaluated through various measures, including financial, market, internal processes, and growth.

There are two types of performance: overall performance, which considers collective achievement, and partial performance, which considers individual subsystems and their contributions (Almaaitah et al., 2020). Besides this, financial and non-financial measures are also required for measurement. Financial measures include return on investment, revenue growth, and market share, while non-financial measures include employee and customer satisfaction, supplier relations, and leadership trust. Successful businesses often rely on competent employees to help them reach their objectives (Sareen & Mishra, 2016).

Organizational performance ultimately reflects the outcomes of all activities within the organization, showcasing the effective utilization of resources to achieve objectives

(Karumuri, 2021; Almaaitah et al., 2020). It refers to attitudes that have been evaluated or measured in terms of their impact on achieving organizational objectives (Kenny, 2019).

### **2.5.2 Assessing Organizational Performance: Financial and Non-Financial Perspectives**

Measuring organizational performance is crucial for comprehending the overall functioning of the financial and operational fields within an institution. It helps to ease communication, uncover performance problems, and develop strategy changes (Almaaitah et al., 2020). The major evaluation criteria include financial performance, market/customer centric measurements, employees' development, efficiency of process, and future outlook (Aina & Atan, 2020).

The Balanced Scorecard (BSC) is a strategic performance management system that examines organizations from four perspectives other than financial in order to provide a comprehensive view of corporate performance. The BSC, as Kaplan and Norton (1992) maintain, retains financial measures as the ultimate measure of firm success but supplements them with measures from three additional perspectives: customer, internal processes, and learning and growth. They are proposed as the drivers to generate long-term shareholder value (Kaplan, 2009; Abawa & Obse, 2024).

The financial perspective focuses on traditional metrics such as profitability, revenue growth, return on investment (ROI), and market share, which reflect the economic health of an organization (Ngiu et al., 2021). These measures, including sales revenue and profit, are complemented by operational performance indicators like product quality, manufacturing costs, on-time delivery, and new product introduction speed (Arif & Uddin, 2016). Financial

analysis, often described as an "alchemy of ratios," reveals an organization's strengths and weaknesses by examining its external performance (Ernita et al., 2020). Overall, financial evaluation encompasses market results, employee development, process performance, and growth prospects (Othman, 2021).

The customer perspective emphasizes the value an organization creates for its customers. Satisfied customers are more likely to remain loyal, make repeat purchases, and recommend the company to others, directly impacting revenue and organizational performance (Lavanya, 2021). Key metrics in this perspective include customer satisfaction, measured through surveys and feedback, which reflects how well the organization meets customer expectations. Customer retention indicates the ability to retain existing customers, while customer profitability measures the financial contribution from specific customer groups (Lipe & Salterio, 2000; Kaplan & Norton, 2001). Recent studies highlight the importance of these metrics: Morgan, Clark, and Vorhies (2023) found a strong correlation between customer satisfaction and profitability, while Lemon and Verhoef (2023) demonstrated that improved customer experience boosts retention and loyalty. Venkatesan and Kumar (2023) further showed that analyzing customer profitability helps optimize resource allocation for greater revenue growth.

The internal processes point of view considers the organization as a system that is intended to be operated efficiently and effectively. It identifies the essential processes that ensure customer satisfaction and financial outcomes at their best, such as product development, production, delivery, and after-sales service (Ngiu et al., 2021). Principal fields of focus include product development, where innovations are created to satisfy customer needs and

make the business stand out (Morgan, Clark, & Vorhies, 2023). Operation efficiency is aimed at reducing expenses and maximizing quality through simplifying processes, whereas supply chain management ensures timely delivery and reduces dependency on suppliers (Lemon & Verhoef, 2023). In addition, after-sales services, such as maintenance and support, are also vital in enabling customer satisfaction and long-term loyalty (Venkatesan & Kumar, 2023). All these combined assists in improving internal processes, which in turn increase customer satisfaction and organizational performance.

Learning and development perspective emphasizes the need for organization improvement and innovation. It aims at building skills of employees, learning culture, and technology in order to advance performance (Morgan, Clark, & Vorhies, 2023). The two key areas are employee training and development, which equip employees with the skills and knowledge required to perform their roles effectively. Organizational culture is also instrumental in ensuring innovation, cooperation, and continuous learning, whereas information systems support decision-making and operational efficiency (Lemon & Verhoef, 2023).

Incorporation of talent management in business operations has been shown to have a significant effect on organizational performance. Empirical productivity gains, reduced employee turnover, and improved financial performance indicators reflect the significant contribution of talent management in human resource alignment with strategic goals (Abdullahi et al., 2022).

### **2.5.3 Organizational Performance and Talent Management**

Talent management practices are essential for driving organizational performance by aligning human resources with operational systems, as shown by key indicators like employee productivity, turnover rates, and financial performance (Abdullahi et al., 2022). Both financial and non-financial indicators can be used to evaluate employee abilities, skills, knowledge, and experience, which are essential for increasing productivity and maximizing performance (Setyawan, 2021; Hongal & Kinange, 2020).

Talent management creates and promotes distinctive competencies that yield a competitive advantage and are difficult to imitate. Such talent management strategies should align with the business goals of the firm, as they aim to identify, attract, retain, and develop people. In effect, 73% of U.S.A. executives recognize a positive link between talent management and organizational performance (Mohammed, 2015). Organizations that establish effective talent management practices consistently outperform their rivals (Jahanmiri et al., 2021).

It is the talented employee who makes growth possible; thus, retaining and rewarding them is the competitive edge a company must develop. The human resources manager would ensure alignment of talent management initiatives with the business objectives for performance improvement (Soud et al., 2020). Removing those upon which competitions have gone furthest requires an organization to make incursion into systematic operations, thus making its performance a key index of effectiveness (Lavanya, 2021). This is what makes excellent employees the linchpin of performance in productivity and innovation outcomes (Sareen & Mishra, 2016).



According to talent management research, there are two ways to improve organizational performance: indirectly through improved human resource practices and directly through effects on outcomes (Aina & Atan, 2020). In both scenarios, having skilled employees attracted to the organization and retained becomes critical for ensuring improved organizational performance (Ngiu et al., 2021). Research has established that training and development significantly enhance organizational performance, with effective training and development directly influencing employees' job effectiveness, thereby improving overall organizational performance (Said et al., 2022).

Modern organizations recognize how important talent management has been in getting the right people to achieve strategic goals. Integrating talent management into the overall business strategy can lead to enhanced organizational performance, engagement, and talent retention (Mohammed, 2015; Kanchan, 2023).

#### **2.5.4 Organizational Performance in the Banking Sector**

Banks are important in economic stability through facilitating the movement of funds via deposits and credit and stimulating growth. However, they are faced with challenges like credit risk, regulations, and policy inefficiencies. Banks can improve performance by investing in employee training, enhancing regulatory compliance, adopting data-driven policies, and adopting technologies like AI and machine learning. These actions offer financial stability and sustainable growth (Al-Abedallat, 2016). Today's banking systems form a key anchor of economic stability, and they must constantly evolve and provide differentiated products to keep up with emerging customer demands (Alrazehia et al., 2021).

The banking industry has, over the last two decades, been greatly impacted by improvements in information and communication technology. These transformations have remodeled operations, delivery of services, and interactions with customers. Innovation is presently key to competitiveness and fulfilling changing expectations, especially in the attainment of organizational performance objectives through efficient utilization of resources (Alrazeahia et al., 2021). As a cornerstone of economic growth, the banking sector drives growth by being innovative and responsive, acting to market demand and ensuring greater economic stability (Naseer et al., 2021).

## **2.6 Employee Engagement**

### **2.6.1 Definition of Employee Engagement**

In 1990, management theory began to incorporate the three elements of employee engagement: behavioral, cognitive, and emotional (Akter et al., 2022). It characterizes a person's commitment, ability, and willingness to contribute using their own free will (Azmy, 2019). This definition refers to the "harnessing of an organization's members' selves to their work roles" (Shaaban, 2018). It is a positive and fulfilling work-related state, characterized by vigor, dedication, and absorption, which distinguishes it from passive states such as job satisfaction (Onday, 2016).

Employee engagement is basically defined as the tendency of an individual to participate in particular work activities and has the following three core dimensions: knowledge, interest, and performance. These components structure how competently employees serve in their position and thus contribute to the organization as a whole (Budriene & Diskiene, 2020).

Engaged people do achieve and accomplish. They usually remain associated with the organization for a longer period and act as positive representatives of the company (Chandani et al., 2016).

Employee engagement is not the same as job satisfaction; rather, it expresses the emotional, cognitive, and behavioral involvement of workers in and toward their work and in driving the organization toward its goals (Febrian & Solihin, 2024). It serves as some positive motivating force, which indeed can have a very significant impact on performance outcomes (Umair et al., 2024). Furthermore, it serves as a gauge of an individual's connection and commitment to the organization (Chopra et al., 2024). Employee engagement may include a person's opinion on the significance of his work, his relationships with coworkers, and his support from supervisors (Salsabila & Sary, 2024).

### **2.6.2 Importance of Employee Engagement**

Employee engagement with the profit bottom line, particularly during change initiatives, enhances organizational efficiency and agility. It brings different aspects of engagement to the individual and organizational selves and thus makes them among the most effective in navigating change (Bano et al., 2024). An effective employee engagement program not only creates avenues for best practices in the business but also encourages innovation at every level in the organization (Rajashekar & Jain, 2024).

More engagement among employees leads to less absenteeism, reduces turnover rates, and, at the same time, increases effort and productivity (Cornelio & Mahusay, 2024; Sjahrudin et al., 2024). Thus, companies with higher employee engagement demonstrate improvements

in net income, greater increases in staff productivity, and enhanced ability to attract top talent, all while maintaining their ability to adapt to change (Kumar, 2020).

Engagement is positively related to behaviors of organizational citizenship, individual performance, psychological health, and efforts to enhance skills and abilities (Mustaqim et al., 2024). One of the most critical factors regarding employee engagement within an organization is positive work culture, as employees who develop some kind of commitment and loyalty to their workplace often display tremendous enthusiasm and commitment above and beyond what is defined in their particular roles (Dey, 2023).

### **2.6.3 Talent Management and Employee Engagement**

One major area of organizational development, employee engagement, identifies contributions as part of an employee's resource retention strategy. Therefore, talent management relies heavily on employee engagement, as retention hinges on the employees' sense of value for their contributions (Onday, 2016). It is one of the most important resources of an organization, that is, the workforce (Alsakarneh et al., 2024). Talented individuals significantly increase their effort towards achieving the company's aims and objectives when they perceive such value. The motivation of such employees increases, they align more with the visions of the organization, and the job takes a whole new meaning for them due to this recognition (Mohammed, 2015).

In order to promote employee engagement in a firm, talent management is crucial. Every company needs to understand that engagement and talent management are essential to success and long-term viability (Shaaban, 2018). Organizations that effectively engage their

employees through strong talent management practices will clearly gain a competitive advantage (Alias et al., 2016). In contrast, workers today are becoming less concerned about their roles and responsibilities, while the pace of changes in their working environment is accelerating (Alsakarneh et al., 2024).

Talent management contributes to employee engagement and reduced employee turnover via proper policies and procedures that demonstrate commitment to human resources (Ramli et al., 2018). Major processes affecting the employee level of engagement are hiring, selection, training, development initiatives, pay, and performance reviews (Saad et al., 2021). It ensures talent recruitment and retention while also motivating employees to maximize their abilities, thus leading to success in the organization (Shaaban, 2018).

Recruitment and selection processes identify candidates whose characteristics align better with the company culture and job requirements, thereby increasing the likelihood of a higher engagement level and, importantly, the overall success of an organization (Albrecht et al., 2015). Organizations that view passion as an important contributor to workplace engagement expect passionate talent candidates to become more engaged (Budiana et al., 2019).

The imperative developmental exercise that has propelled workers' engagement forward is training. Indeed, the intense focus on training and development broadens an individual's skills and potential, ultimately fostering increased engagement and a sense of fulfillment in the workplace (Akter et al., 2022). Since disengagement affects four out of five employees, rewards have a significant potential to enhance both employee engagement and corporate performance (Madhani, 2020). Competitive pay packages that offer bonuses, benefits, and

wages are essentially attractive to workers, which improves engagement, loyalty, and employee satisfaction (Urme, 2023). Reward management creates a work environment that employees enjoy and helps them feel satisfied, which then increases employee engagement (Savarimuthu. A & Jothi, 2019).

It should encompass all aspects of performance appraisal, utilizing clearly defined, role-specific metrics and benchmark comparisons. Since participation in the performance evaluation has been known to draw emotional commitment from employees, independently assessing performance has also positively correlated with high levels of employee engagement (Dhanalakshmi, 2014).

These actions, aligned with the organizational objective, ensure that employees perform effectively to achieve overall goals (Saad et al., 2021). Effective talent management is also an enhancer for retention and minimizes turnover while being indicative of organizational citizenship behavior (Alias et al., 2014). Engaged workers demonstrate higher levels of dedication to work, which benefits both individuals and the organization (Ali et al., 2019; Yuniati et al., 2021). Talent management, which includes work rotation among other things, develops employee skills that enhance performance (Ekhsan et al., 2023).

Talent management strategies, like work-life balance programs, foster engagement within organizations by promoting applications, reward systems, and recognition programs (Onday, 2016). These build commitment and loyalty and, through the construction of relationships between employees and the company as well as the customers, promote organizational success (Mohammed, 2015).

In conclusion, strong talent management practices like retention programs, career planning, and transparent performance appraisals drive employee engagement, aligning individual roles with broader organizational objectives and fostering both personal growth and enhanced organizational performance (Abdullahi et al., 2022; Alsakarneh et al., 2024). Employee engagement closely links with talent management.

#### **2.6.4 Organizational Performance and Employee Engagement**

Organizations have recently realized the strategic importance of employee engagement. People with high levels of work engagement manifest greater commitment and innovative thinking with higher performance for the good of the organization. There is evidence that this relationship can be stretched to fundamental performance indicators through empirical studies (Deepalakshmi et al., 2024). Also, teams with very high involvement clearly saw increases in productivity, profit, and customer satisfaction (Harter et al., 2002). Christian et al. (2011) conducted an additional study that validated the connection between customer loyalty, financial performance, engagement, and reduced turnover. Organizations must adopt strategies to promote employee satisfaction and increase engagement among their employers (Alafeshat & Aboud, 2019).

Human resource management practices go a long way in contributing to employee engagement. Examples of such effective practices are performance management, training, development, and reward (Saks, 2006). Organizations that spell out roles and expectations also have higher employee engagement as well as performance (Macey & Schneider, 2008).

Employee engagement is responsible for the successful performance of teams, employee retention, and a reduction in burnout in institutions. To keep the employees engaged, organizations should devote their focus to career growth, effective leadership, and communication (Mansor & Huzaimi, 2023). According to Dalahmeh et al. (2018), enthusiastic employees go beyond their call of duty in order to build a connection with their employer, which in turn impacts customer loyalty and satisfaction. Employee satisfaction leads to true organizational success, and the productivity that increased engagement offers is frequently crucial in reducing attrition (Kurniawati & Raharja, 2023;Etim et al., 2023).

Employees demand meaningful engagement over and above salary; they strive to make their time and effort count toward the success of the organization (Dalahmeh et al., 2018). The customer satisfaction and loyalty would be better when the employee is highly engaged since he provides better services in each and every interaction while establishing relationships with customers (Gede & Huluka, 2024). Thus, it stands that strategies on employee engagement are fundamental in realizing the goals and financial gains of the organization (Alafeshat & Aboud, 2019). Ultimately, employee engagement is a central element for organizational success in terms of productivity, customer outcome, retention of staff, culture, and reputation (Ahmed et al., 2020).



## **Chapter Three**

### **Methodology**

#### **3.1 Introduction**

The research processes and methodologies with which the researcher employed in the collection of data are extremely highly stated in this chapter, from the design of questionnaires, validity tests, reliability tests, statistics employed in the analyses, in addition to the research model used to carry out this study for collection and sampling data.

#### **3.2 Thesis Design**

This study employs a correlational research design to examine the relationship between talent management practices, employee engagement, and organizational performance. The research explores how talent management techniques, specifically talent planning, acquisition, development, performance management, and retention, impact organizational performance, with employee engagement acting as a mediating variable. Organizational performance is measured across balanced scorecard four dimensions: financial performance, customer satisfaction, internal business processes, and learning and growth. A correlational design was chosen because it allows for the examination of relationships between variables without manipulating them. This design is appropriate for understanding how talent management practices and employee engagement influence organizational performance in a real-world setting.

### **3.3 Target Population**

The target population for this study consists of managers and supervisors employed by Palestinian banks. According to the Association of Banks in Palestine's (2023) report, there are approximately 1358 work at these banks. This population was selected because of their direct involvement in implementing talent management practices and their ability to provide insights into organizational performance outcomes.

### **3.4 Unit of Analysis**

The unit of analysis is the individual, focusing on the perceptions and experiences of managers and supervisors regarding talent management practices and their impact on organizational performance.

### **3.5 Sampling**

To investigate the research problem, information was gathered for this study from primary and secondary sources. Primary data was collected using a questionnaire, representing the quantitative method. Meanwhile, secondary data was drawn from articles, and scholarly journals related to the thesis topic, as listed in the references section.

First, the population of interest, supervisors and managers employed by Palestinian banks, was defined in order to establish the study sample, because the study used Palestinian banks as a case study to investigate how employee engagement mediates the relationship between talent management and organizational performance. A convenience sampling method was

used to ensure representation across different managerial levels. To determine the appropriate sample size, the Robert Mason equation (Robert, 1989) was applied, resulting in a required sample of 300 participants. The study was primarily concerned with targeting supervisors and managers directly engaged in banking sectors so that the specimen would be completely representative of the population under study.

According to the Robert Mason equation (Robert, 1989), it was determined that the appropriate sample size would be that of 300 respondents. Thus, the sample has been ensured to be a true representative of the population being studied.

$$n = \frac{N}{[(S^2 \times (N - 1)) \div pq] + 1}$$

### **3.6 Questionnaire design**

The questionnaire is the most instrument important for gathering quantitative data in the research. It is designed particularly to take care of research objectives and answer research questions. The full electronic version of questionnaire, then, was distributed to employees working at banks in Palestine. The distribution process takes about one week to collect and return; during the period, a total of 295 completed questionnaires are analyzed.

The questionnaire thus has two sections. The first section has five questions to obtain demographic data about respondents such as their position within the banks, years of experience, gender, educational background, and geographic dispersion. So, the questionnaire has two sections. The first section has five questions to obtain demographic

data about the respondents: position within the banks, years of experience, gender, educational background, and geographic dispersion.

The second section consists of 46 items. Of these, 27 items assess the current state of talent management, categorized as follows: talent planning with 5 items (Yener et al., 2017; Alkalha et al., 2012; Raheem & Khan, 2019), talent acquisition with 6 items (Gautam, 2023; Yener et al., 2017; Bahuguna et al., 2023; Raheem & Khan, 2019), training and development with 6 items (Gautam, 2023), performance management with 6 items (Singh & Bhardwaj; Bahuguna et al., 2023). And talent retention with 4 items (Gautam, 2023; Singh & Bhardwaj, 2024). Furthermore, 12 measures assess the actual performance of the company (Keat, 2017; Rajendran & Doraisamy, 2022), whereas 7 items evaluate worker involvement (Carmona-Halty et al., 2019).

A five-point Likert scale, with 5 representing "strongly agree" and 1 representing "strongly disagree," was used to ask respondents how much they agreed with the statement.

The scale presented is used to evaluate the realities of employee engagement, organizational performance, and talent management in Palestinian banks. It is computed using the formula  $\text{interval length} = \text{range}/\text{number of intervals}$ . The interval length that was computed is  $(5-1)/3 = 1.33$ . This scale classifies the results into the following categories: Low is defined as 1 to less than 2.33, moderate as 2.33 to less than 3.66, and high as 3.66 to 5.

### **3.7 Data collection**

A study's primary involvement with litigants delves into the supervisors and managers of banks located in Palestine. An online survey, intended to collect supposed information on employee engagement and talent management approaches and how this affects organizational performance, was distributed by the researcher through a convenient sampling technique. The questionnaires were strategically designed to answer the main topics under the study. Within a week, a total of (295) responses were completed.

The translations of the questionnaire to Arabic for participants in Palestine were to ensure that questions were clear and relevant culturally. To ascertain that the meaning of questions remains valuable, this translation was reviewed courtesy of assistant, associate, and full professors employed at Palestinian universities. Making sure questions could be answered in a way that really reflected the way a participant felt or had experience was the target.

This primary data, along with the secondary data obtained from scholarly journals and papers relating to the thesis topic, has formed the theoretical foundation for the study. Not only did those secondary sources really provide illuminating information about employee engagement, talent management approach, and their association with organizational performance, but they also helped the researcher get a more comprehensive understanding of the research problem.

### **3.8 Ethical Approval**

Ethical approval was first obtained from the Arab American University. Subsequently, approval letters were requested from banks in Palestine to secure their consent for data collection. An electronic version of the questionnaires was used and given to the participants because hard versions were difficult to distribute. The filled-out surveys were gathered, examined, categorized, and handled utilizing SPSS v. 26, and AMOS v.23 for statistical analysis.

### **3.9 Structured Equation Modeling (SEM)**

#### **3.9.1 Measurement model: Validity and Reliability**

##### **3.9.1.1 Face Validity**

Oluwatayo (2012) defines validity as "the precision of an examination," which means that the instruments should measure what they are supposed to measure. Before being distributed to the final respondents, the questionnaire was examined by a number of outside assessors to make sure it was appropriate. These experts assessed the questionnaire for clarity, relevant, and ease understanding. They provided valuable feedback on whether the questions aligned with the intended purpose.

Before this process, the questionnaire contained (60) items. The final version included 46 elements after the content was refined and expert input was taken into account. The appendix contains a table with the names of the experts who assessed the questionnaire.

### 3.9.1.2 Convergent Validity

The convergent validity of the questionnaire was evaluated in this study using Confirmatory Factor Analysis (CFA). A popular method for evaluating the viability of theoretical models is CFA (Byrne, 2010). Analyzing the factor loadings, which show how strongly each signal is related to the latent variable it represents, is a crucial part of CFA. According to Hair et al. (2010), a factor loading greater than 0.7 is generally regarded as high, indicating that the indicator is a good measure of the related latent construct.

The Structural Equation Model (SEM) was used to further analyze the connections between latent variables. SEM allows for the analysis of multiple relationships simultaneously, offering a comprehensive view of how these variables interact with each other and how well the overall model fits the data (Raykov & Marcoulides, 2006).

Figure (3.1) presents the Structural Equation Model (SEM), showing the latent variables and their corresponding relationships.

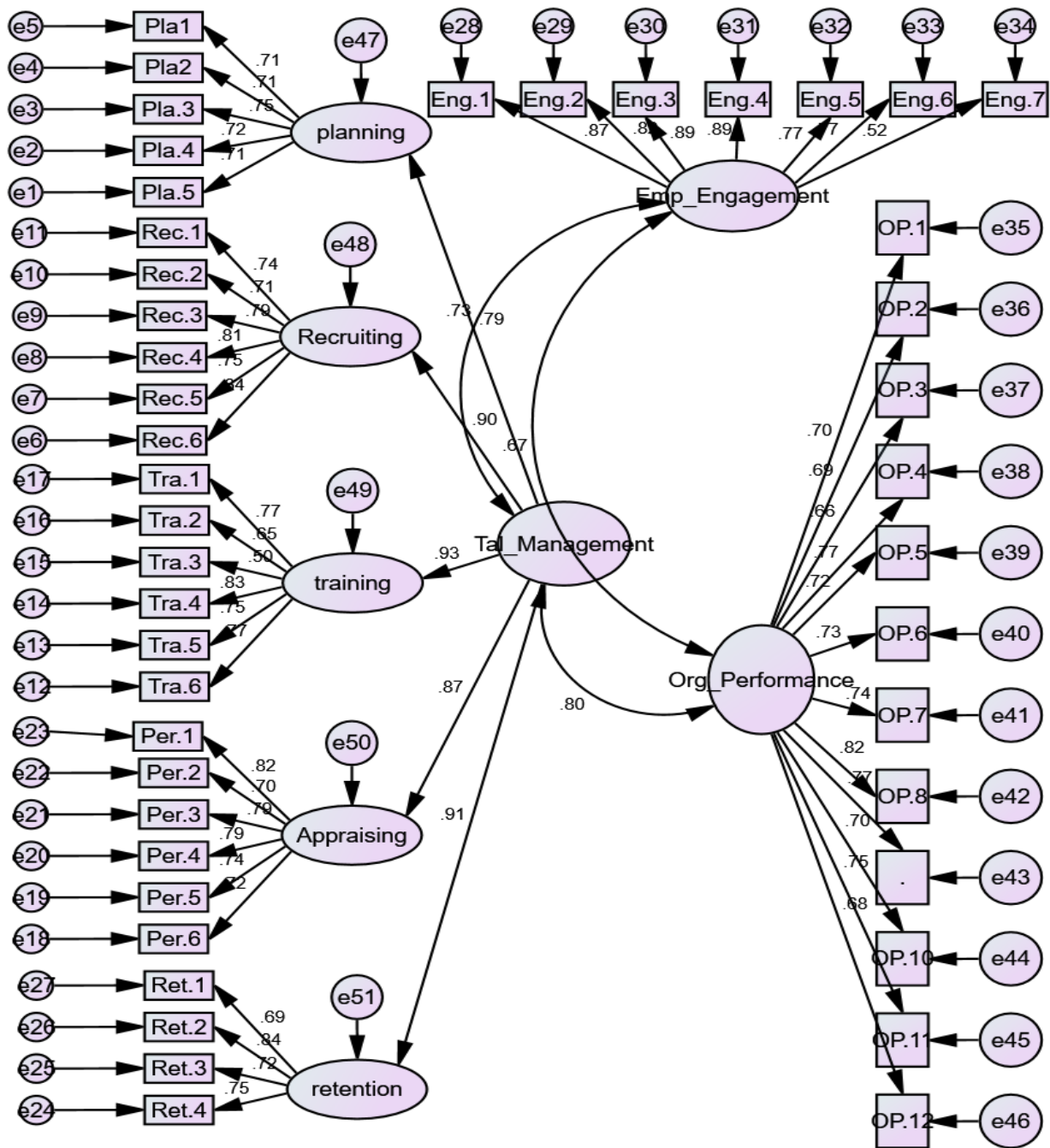


Figure (3.1): Structural Equation Model (SEM)

The factor loadings for each indicator are shown in Table (3.1) for the several aspects of talent management, such as employee engagement, organizational performance, training and



development, talent acquisition, talent planning, and performance management and retention. A significant link between the observed variable (indicator) and its corresponding latent variable (factor) is shown by factor loadings more than 0.7, which is regarded as strong in structural equation modeling (SEM). This criterion is satisfied by every indicator in this investigation, indicating that they are suitable measurements of the corresponding latent constructs.

Moreover, to ensure convergent validity in this study, the student focused on how well different indicators measure the same construct. As explained by Pallant (2005), convergent validity helps confirm that the items within a construct are indeed related and are measuring the intended concept. Thus, as Pallant (2005) elucidates, the objective of convergent validity is to confirm that the items within a construct are indeed related, measuring precisely that which the construct purports to represent. In this regard, the factor loadings of the analysis became our consideration, bearing in mind the fact that an item must correlate highly with its respective factor. An item can be considered to measure that construct appropriately when its factor loadings exceed a minimum threshold of 0.7.

Another important measure of construct validity in SEM is as Average Variance Extracted (AVE). AVE is the amount of variance a latent variable account for the indicators of the latent variable and takes 0.50 as a generally accepted threshold, which means that the latent variable must explain at least 50% of the variance in the indicators (Fornell & Larcker, 1981).

In this investigation, table (3.1) illustrates the AVE values for every construct calculated. All values were above 0.5 thus showing that each latent variable adequately explains its indicators. It speaks to the reality and clarity of constructs.

Composite Reliability (CR) is a measure of internal consistency through which it determines whether a group of indicators reflects a latent variable reliably; CR values greater than 0.7 are regarded as appropriate (Hair et al., 2010). In this analysis, the CR values of all the constructs ranged in such an equal direction above the threshold of 0.7, thus showing that the constructs have a very high internal consistency and good reliability in reflecting their latent variables. The CR values further provide more evidence for the reliability and validity of measurements from the model applied in this study.

Table 3.1: Factor Loadings Scale, Average Variance Extracted (AVE), Composite Reliability (CR) for Variables

Variable	Dimension		Factor loading	AVE	CR	Cronbach's Alpha	# of Items
Talent management dimensions	Talent Planning	Pla1	0.712	0.5213	0.8448	0.841	5
	Talent Planning	Pla2	0.714				
	Talent Planning	Pla3	0.755				
	Talent Planning	Pla4	0.722				
	Talent Planning	Pla5	0.706				
	Talent acquisition (recruiting)	Rec1	0.742	0.5525	0.8805	0.880	6
	Talent acquisition (recruiting)	Rec2	0.714				
	Talent acquisition (recruiting)	Rec3	0.791				
	Talent acquisition (recruiting)	Rec4	0.807				
	Talent acquisition (recruiting)	Rec5	0.752				
	Talent acquisition (recruiting)	Rec6	0.642				
	Training and development	Tra1	0.765	0.5161	0.8620	0.854	6
	Training and development	Tra2	0.646				

	Training and development	Tra3	0.495				
	Training and development	Tra4	0.833				
	Training and development	Tra5	0.752				
	Training and development	Tra6	0.768				
	Performance management	Per1	0.815	0.5757	0.8903	0.887	6
	Performance management	Per2	0.696				
	Performance management	Per3	0.789				
	Performance management	Per4	0.79				
	Performance management	Per5	0.738				
	Performance management	Per6	0.717				
	Retention	Ret1	0.691	0.5686	0.8398	0.829	4
	Retention	Ret2	0.842				
	Retention	Ret3	0.725				
	Retention	Ret4	0.75				
		OP1	0.704	0.5332	0.8903	0.932	12
Organizational performance		OP2	0.687				
		OP3	0.664				
		OP4	0.767				
		OP5	0.725				
		OP6	0.734				
		OP7	0.74				
		OP8	0.82				
		OP9	0.774				
		OP10	0.701				
		OP11	0.753				
		OP12	0.678				
Employee engagement		Eng1	0.872	0.6371	0.9232	0.923	7
		Eng2	0.816				
		Eng3	0.886				
		Eng4	0.887				
		Eng5	0.772				
		Eng6	0.77				
		Eng7	0.522				

### 3.10 Reliability analysis

Reliability is the correctness and consistency of an evaluation that makes it error proof (Fraenkel & Wallen, 2003). It shows that all items within the instrument measure the same construct. The tool Cronbach's Alpha measuring statistical evaluation of instrument

reliability was developed by Lee Cronbach in 1951 for this specific purpose. Cronbach's Alpha assigns a number ranging between 0 and 1 where a figure higher than 0.7 demonstrates reliability on the survey, whereas anything lower than that would mean that the questionnaire may need some change so as to boost reliability.

The purpose of this test is to ensure that the respondents have a clear understanding of the questions. After data analysis, the researcher found that each dimension had a good value for Cronbach's Alpha.

As presented by Table (3.1), all the respective Cronbach's alpha scores exceed the threshold of 0.70, which means that both the study variables and instrument in the study were reliable. These findings reveal that there exist several high internal consistencies for the independent variables connected to talent management: talent planning, acquisition, training and development, performance management, retention, and the dependent variable, organizational performance. Resultantly, the mediating variable employee engagement also shows a reasonably reliable score.

### **3.11 Statistical tests**

The current research has performed a few statistical tests to analyze data and validate the model proposed. The important variables have been evaluated in terms of their variability and the data summarized using descriptive statistics, namely mean and standard deviation, which have been calculated on SPSS v.26. Internal reliability was calculated through Cronbach's Alpha by using SPSS v.26 to examine the internal consistency of the items on the questionnaires. To validate the measurement model construct structure, Confirmatory Factor

Analysis (CFA) was utilized from AMOS v.23. The relationships among organizational performance, employee engagement, and talent management strategies were investigated using SEM on AMOS v.23. Linear multiple regression analyses were performed in SPSS v.26, besides testing the research hypotheses to determine the mediating effect of employee engagement.

### **3.12 Research Variables**

The independent variable is talent management with its dimensions; planning, recruiting, developing, performance management, compensating and rewarding employees, depending on (Osman et al., 2022). The dependent variable, organizational performance, is measured by its dimensions of financial, internal business process, customer, and learning and growth (Aina & Atan, 2020). Employee engagement serves as the mediator variable.

### **3.13 Conceptual Model**

The conceptual model conceptualizes how talent management strategies influence organizational performance with the mediation role of employee engagement. Talent management informed by aspects like talent planning, acquisition, training and development, performance management, and talent retention were used in assessing their impact on overall performance. The performance of the organization was assessed in several important areas, including learning and development, internal business procedures, customer satisfaction, and financial performance. In order to investigate its mediation function in this relationship, employee engagement was also examined. See figure 3.2 for an overview of the conceptual framework.

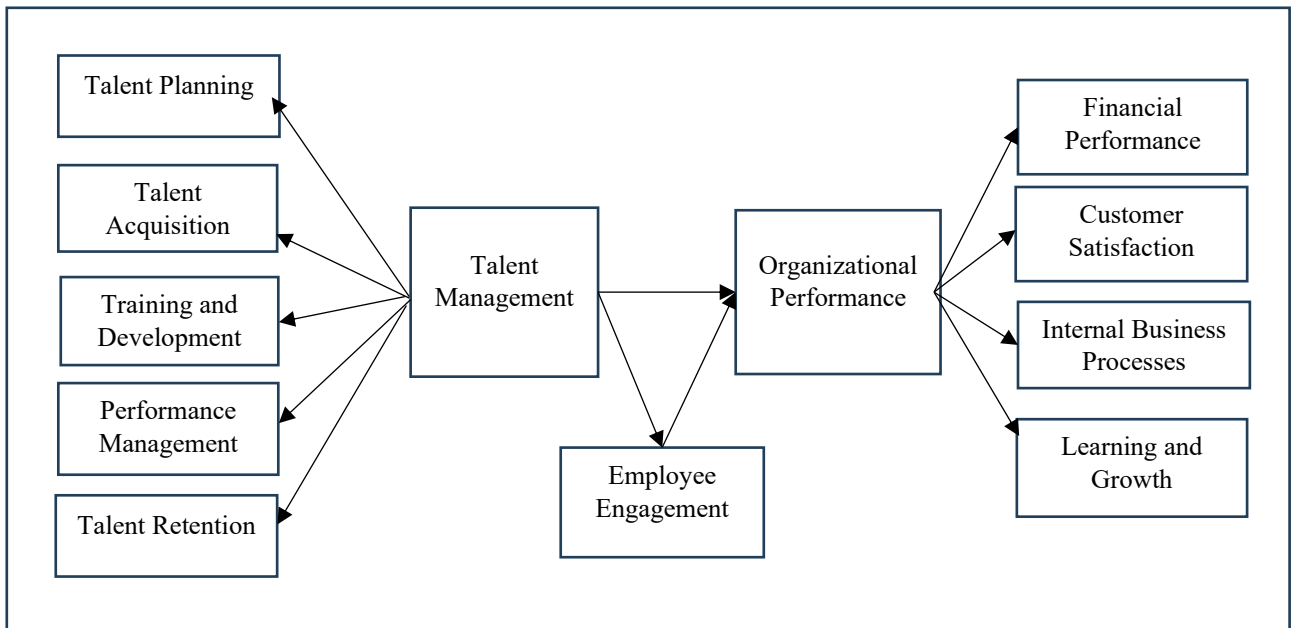


Figure (3.2): Model of the Study (Source: By the researcher)

## Chapter Four

### Data Analysis and Discussion

#### 4.1 Introduction

This chapter outlines the significant findings based on the analysis of data using SPSS v.26 and AMOS v.23 to tackle research questions and test the hypotheses. The chapter has been structured into three sections; the first gives a demographic analysis, the second offers a descriptive analysis, and the third section examine the hypothesis.

#### 4.2 Demographic Analysis

Table 4.1: Demographic Characteristics of Respondents (n=294)

Variable	Reality	Frequency	Percent (%)
Job level	Supervisor	145	49.2%
	Branch or Division Manager	148	50.2%
	General Manager	2	0.7%
Qualification	High School Certificate	1	0.3%
	Diploma	6	2.0%
	Bachelor's Degree	212	71.9%
	Master's Degree or higher	76	25.8%
Experience	Less than 5 years	5	2%
	From 5 years to less than 10 years	44	14.9%
	From 10 years to less than 20 years	137	46.4%
	From 20 years to less than 30 years	106	35.9%
	More than 30 years	3	1.0%
Gender	Male	229	77.6%
	Female	66	22.4%
Distribution	Middle Area	186	63.1%
	North Area	61	20.7%
	South Area	48	16.3%

Source: SPSS outcome.

The demographic features of the respondents are as follows, per Table (4.1): General managers made up just 0.7% of the workforce, while Branch or Division Managers made up the largest percentage (50.2%), followed by Supervisors (49.2%). The majority of respondents (71.9%) had a bachelor's degree, followed by those with a master's degree or above (25.8%). Only 2.0% and 0.3%, respectively, had diplomas or a high school certificate. Less respondents had 5 to less than 10 years (14.9%), less than 5 years (2%), or more than 30 years (1.0%) of experience, while the largest group had 10 to less than 20 years (46.4%) and 20 to less than 30 years (35.9%). Gender-wise, men made up the majority (77.6%), whilst females made up 22.4%. In terms of geography, the Middle Area accounted for the majority of responders (63.1%), followed by the North Area (20.7%) and the South Area (16.3%).

### **4.3 Descriptive statistics**

Numerical data is provided in the descriptive analysis section to improve comprehension of the findings. Additionally, it indicates the items with the highest and lowest means within each dimension by highlighting each item's mean and standard deviation. The evaluation criteria for assessing item levels on a Likert scale. A mean score of 1.00 to 2.33 denotes a low level, 2.34 to 3.66 a moderate level, and 3.67 to 5.00 a high level, according to the researcher's classification of the item levels.

**Question No.1: What are the key talent management practices employed by banks in Palestine to attract, retain, and develop their workforce?**



To answer the first question the means and standard deviations were calculated and analyzed to assess the level of talent management dimensions (talent planning, talent acquisition, talent development, and talent retention) among employees in the banks in Palestine.

Table 4.2: Talent Management Dimensions in Banks in Palestine

Dimension	Mean	Std. Deviation	Degree	Rank
Talent planning	3.93	0.581	High	1
Talent acquisition	3.78	0.647	High	3
Training and development	3.86	0.631	High	2
Performance management	3.86	0.674	High	2
Talent retention	3.66	0.757	Moderate	4
<b>Total average of Talent management</b>	<b>3.82</b>	<b>0.567</b>	<b>High</b>	

As shown in Table (4.2), the level of implementation of talent management practices among the sample is generally high, with an average score of ( $M = 3.82$ ,  $SD = 0.567$ ). Talent planning received the highest mean score ( $M = 3.93$ ,  $SD = 0.581$ ), highlighting its strong alignment with the bank's strategic objectives. Training and development and performance management implementation also show high level of implementation ( $M = 3.86$ ,  $SD = 0.631$ ) and ( $M = 3.86$ ,  $SD = 0.674$ ), reflecting their effectiveness in fostering employee growth and evaluating performance. Talent acquisition scored ( $M = 3.78$ ,  $SD = 0.647$ ), maintaining a high level of implementation. In contrast, talent retention received a moderate rating ( $M = 3.66$ ,  $SD = 0.757$ ), suggesting room for improvement in practices aimed at retaining talent.

In conclusion, the analysis reveals that banks have successfully implemented key talent management practices, particularly in planning, training, and performance evaluation.

However, enhancing retention strategies could further strengthen their overall talent management framework and contribute to long-term organizational success.

Table 4.3: Minium, Maximum, Mean and Standard Deviation for Talent Planning

<b>Item</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>Degree</b>	<b>Rank</b>
The bank anticipates and identifies future vacancies that may arise as it grows and expands.	4.10	0.68	High	1
I feel that the bank considers the external environment when assessing its human resource needs	3.98	0.68	High	3
I think that the bank pays attention to identifying its future human resource needs	4.02	0.74	High	2
The bank ensures the availability of a pool of talent ready to assume positions at various levels when needed.	3.85	0.82	High	4
I believe the bank identifies gaps in the competencies of current employees and potential candidates.	3.71	0.79	High	5
Total average of talent planning	3.93	0.58	High	

As shown in Table (4.3), the descriptive statistics for talent planning among the sample reveal a high level of implementation across all items, with an overall average score of ( $M = 3.93$ ,  $SD = 0.58$ ). The item "The bank anticipates and identifies future vacancies that may arise as it grows and expands" received the highest score of ( $M = 4.10$ ,  $SD = 0.68$ ), highlighting a strong alignment with proactive talent management practices. Similarly, the item "I think that the bank pays attention to identifying its future human resource needs" and the item "I feel that the bank considers the external environment when assessing its human resource needs"

also scored highly, with means of ( $M = 4.02$ ,  $SD = 0.74$ ) and ( $M = 3.98$ ,  $SD = 0.68$ ), respectively, indicating a strategic approach to workforce planning.

On the other hand, the item "I believe the bank identifies gaps in the competencies of current employees and potential candidates" received the lowest score ( $M = 3.71$ ,  $SD = 0.79$ ) still reflecting a high level of implementation, though it suggests room for improvement in addressing competency gaps.

In conclusion, the analysis indicates that the implementation of talent planning in the banks is robust, with particularly strong practices around anticipating future vacancies and aligning workforce needs with organizational growth. However, attention to addressing competency gaps could further enhance the effectiveness of talent planning strategies.

Table 4.4: Minium, Maximum, Mean and Standard Deviation for Talent Acquisition

<b>Item</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>Degree</b>	<b>Rank</b>
I believe the bank has effective practices for attracting talented employees.	3.66	0.88	Moderate	5
The bank ensures a positive organizational climate to attract the right talent.	3.75	0.81	High	4
Employees feel that the bank has a transparent selection process to identify talents that support the achievement of its goals.	3.63	0.87	Moderate	6
It seems that the bank's selection process focuses on candidates with potential for future development.	3.81	0.86	High	3
The bank appears to use multiple selection methods to assess the suitability of job candidates	3.82	0.78	High	2
The bank appears to ensure that prospective employees are aware of the job requirements and the expected outcomes	4.01	0.69	High	1
<b>Total average of talent acquisition</b>	<b>3.78</b>	<b>0.65</b>	<b>High</b>	

As shown in Table (4.4), the descriptive statistics for talent acquisition among the sample indicate a generally high level of implementation, with an overall average score of ( $M = 3.78$ ,  $SD = 0.65$ ). The item "The bank appears to ensure that prospective employees are aware of the job requirements and the expected outcomes" achieved the highest score of ( $M = 4.01$ ,  $SD = 0.69$ ), highlighting the importance of ensuring clarity in job expectations for prospective hires. Other items, such as "The bank appears to use multiple selection methods to assess the suitability of job candidates" and "It seems that the bank's selection process focuses on candidates with potential for future development" also received high scores of ( $M = 3.82$ ,  $SD = 0.78$ ) and ( $M = 3.81$ ,  $SD = 0.86$ ), respectively, demonstrating a comprehensive approach to talent acquisition.

However, the item "Employees feel that the bank has a transparent selection process to identify talents that support the achievement of its goals" received the lowest mean of ( $M = 3.63$ ,  $SD = 0.87$ ), reflecting a moderate level of implementation, suggesting that transparency in the selection process could be an area for improvement.

In conclusion, while the implementation of talent acquisition practices in the banks is generally strong, with a clear emphasis on attracting the right talent and using effective selection methods, there is room for enhancing transparency in the selection process to further improve employee perceptions and strengthen recruitment practices.

Table 4.5: Minimum, Maximum, Mean and Standard Deviation for Training and Development

<b>Item</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>Degree</b>	<b>Rank</b>
It seems that the bank has effective programs for talent development aligned with its goals.	4.01	0.77	High	2
The bank appears to develop succession planning and identify alternative candidates for leadership positions.	3.82	0.89	High	4
Internal job rotation seems to be available to enhance employees' experiences across departments	3.56	0.94	Moderate	6
The bank supports high-potential employees to become future leaders.	3.81	0.89	High	5
The bank provides training and mentoring programs for employees in line with its objectives.	4.09	0.71	High	1
The bank links job performance with training programs to meet employees' needs and enhance their performance.	3.87	0.75	High	3
<b>Total average of training and development</b>	<b>3.86</b>	<b>0.63</b>	<b>High</b>	

As shown in Table (4.5), the descriptive statistics for training and development programs among the sample indicate a high level of implementation, with an overall average score of (M = 3.86, SD = 0.63). The item "The bank provides training and mentoring programs for employees in line with its objectives." received the highest score (M = 4.09, SD = 0.71), reflecting a strong alignment between talent development initiatives and the bank's objectives. Other items, such as "It seems that the bank has effective programs for talent development aligned with its goals" and "The bank links job performance with training programs to meet employees' needs and enhance their performance," also received high scores of (M = 4.01, SD = .77) and (M = 3.87, SD = 0.75), respectively, suggesting a well-supported and structured training approach.

However, the item "Internal job rotation seems to be available to enhance employees' experiences across departments" received the lowest score of ( $M = 3.56$ ,  $SD = 0.94$ ), indicating a moderate level of implementation. This suggests that while training and development programs are generally strong, the availability of internal job rotation as a tool for enhancing cross-departmental experiences may need further attention.

In conclusion, the implementation of training and development programs in the banks are well-structured and closely aligned with organizational goals, though internal job rotation could be an area for improvement to further enrich employee development opportunities.

Table 4.6: Minium, Maximum, Mean and Standard Deviation for Performance Management

Item	Mean	Std. Deviation	Degree	Rank
The bank has a clear performance evaluation system.	3.93	0.88	High	1
The bank links performance with employees' training needs.	3.78	0.80	High	5
The bank sets clear performance goals and expectations.	3.92	0.73	High	2
The bank links performance to rewards and recognition	3.78	0.99	High	5
The performance management system differentiates between high and low performance.	3.88	0.80	High	4
I believe the evaluation process is based on the employee's ability to achieve the bank's objectives.	3.89	0.83	High	3
<b>Total average of performance management</b>	<b>3.86</b>	<b>0.67</b>	<b>High</b>	

As shown in Table (4.6), the descriptive statistics for performance management among the sample indicate a high level of implementation, with an overall average score of ( $M = 3.86$ ,

SD = 0.67). The item "The bank has a clear performance evaluation system" received the highest score of (M=3.93, SD = 0.88), demonstrated broad implementation with the system's clarity. The bank's performance management system appears to be well-defined and effective in aligning individual performance with organizational goals, as evidenced by the items "The bank sets clear performance goals and expectations" with high mean scores of (M = 3.92, SD = 0.73), and " I believe the evaluation process is based on the employee's ability to achieve the bank's objectives" of score (M = 3.89, SD = 0.83), respectively.

The items "The bank links performance to rewards and recognition" and "The bank links performance with employees' training needs" had the lowest mean score, (M = 3.78, SD = 0.99) and (M = 3.78, SD = 0.80), respectively. Although these scores still indicate a high level of implementation, they suggest that there may be room for improvement in the integration of performance evaluation with employee training and recognition practices.

In conclusion, the implementation of performance management practices within the banks are well-established, with clear performance evaluation systems, goal setting, and differentiation of performance levels. However, enhancing the alignment of performance evaluations with training and recognition programs could further strengthen the overall effectiveness of performance management.

Table 4.7: Minium, Maximum, Mean and Standard Deviation for Talent Retention

<b>Item</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>Degree</b>	<b>Rank</b>
The bank encourages innovation and supports creative ideas from employees.	3.87	0.86	High	1

Employees receive recognition for their efforts in driving change.	3.74	0.85	High	2
The bank offers competitive compensation packages, including salaries, bonuses, and benefits.	3.58	0.95	Moderate	3
The bank makes sufficient efforts to retain employees capable of achieving its objectives.	3.45	1.04	Moderate	4
<b>Total average of talent retention</b>	<b>3.66</b>	<b>0.76</b>	<b>Moderate</b>	

As shown in Table (4.7), the descriptive statistics for talent retention among the sample indicate a moderate level of implementation, with an overall average score of ( $M = 3.66$ ,  $SD = 0.76$ ). With the highest mean score of ( $M = 3.87$ ,  $SD = 0.86$ ), the item "The bank encourages innovation and supports creative ideas from employees" demonstrated a high degree of implementation with the bank's support for employee creativity and innovation. With a score of ( $M = 3.74$ ,  $SD = 0.85$ ) "Employees receive recognition for their efforts in driving change" likewise demonstrated a high degree of implementation, suggesting that workers feel appreciated for their contributions to change.

The items "The bank makes sufficient efforts to retain employees capable of achieving its objectives" and "The bank offers competitive compensation packages, including salaries, bonuses, and benefits" received lower mean scores of ( $M = 3.45$ ,  $SD = 1.04$ ) and ( $M = 3.58$ ,  $SD = 0.95$ ), respectively, indicating a moderate level of implementation. These ratings imply that the bank's attempts to retain top performers and its reward packages might both use some work.

The bank's overall implementation of talent retention practices, especially with regard to compensation and retention efforts, are moderate and may need further improvement to better



align with its goals, despite the fact that it shows a strong commitment to encouraging innovation and recognizing employee efforts.

**Question No.2: What is the level of the bank's performance in the banking sector in Palestine?**

To address the question means and standard deviations were analyzed. These statistics help determine the effectiveness of talent management practices in enhancing the organizational outcomes, specifically within banks in Palestine.

In order to answer the above question, means and standard deviations were extracted to determine the motivation levels in banks in Palestine.

Table 4.8: Minimum, Maximum, Mean and Standard Deviation for Organizational Performance

<b>Item</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>Degree</b>	<b>Rank</b>
It appears that the bank has achieved better income growth compared to competitors.	4.11	0.82	High	4
The bank seems to maintain a good level of profitability.	4.23	0.74	High	2
The bank appears to have achieved significant cost efficiency.	4.03	0.79	High	5
The bank seems to provide better quality services compared to its competitors.	4.11	0.83	High	4
Customer satisfaction with the bank appears to be higher than that of its competitors.	3.94	0.83	High	9
The bank has a good reputation.	4.37	0.67	High	1
It seems that the bank offers higher-quality training programs compared to its competitors.	3.95	0.88	High	8
The bank encourages innovation and creative thinking in developing new products, services, and programs.	3.94	0.87	High	9
The bank motivates employees to acquire new skills that enhance organizational performance.	3.94	0.76	High	9

The bank appears to be capable of solving new problems swiftly.	3.96	0.78	High	7
The bank responds rapidly to changes to meet its business needs.	4.00	0.79	High	6
The bank is committed to automating operational processes to enhance efficiency and reduce reliance on manual labor.	4.15	0.79	High	3
<b>Total average of organizational performance</b>	<b>4.06</b>	<b>0.60</b>	<b>High</b>	

With an overall average score of ( $M = 4.06$ ,  $SD = 0.60$ ), the banks' organizational performance demonstrates a high degree of implementation among the sample, as indicated in Table (4.8). With the highest mean score of ( $M = 4.37$ ,  $SD = 0.67$ ), the item "The bank has a good reputation" showed that banks are thought to have a solid reputation in the sector. Furthermore, with high scores of ( $M = 4.23$ ,  $SD = 0.74$ ) and ( $M = 4.11$ ,  $SD = 0.83$ ), respectively, "The bank seems to maintain a good level of profitability" and "It appears that the bank has achieved better income growth compared to competitors" both showed a favorable opinion of the bank's financial performance.

The banks also scored highly in operational and service-related aspects. For example, "The bank is committed to automating operational processes to enhance efficiency and reduce reliance on manual labor" ( $M = 4.15$ ,  $SD = 0.79$ ) and "The bank seems to provide better quality services compared to its competitors" ( $M = 4.11$ ,  $SD = 0.83$ ) indicate effective internal processes and service quality.

The item "The bank encourages innovation and creative thinking in developing new products, services, and programs" and "The bank responds rapidly to changes to meet its business needs" also received high scores, with means of ( $M = 3.94$ ,  $SD = 0.87$ ) and ( $M = 4.00$ ,  $SD = .079$ ), respectively, for items pertaining to innovation, problem-solving, and responsiveness.

However, customer satisfaction and skills development, while still rated high, present opportunities for further enhancement. For instance, "Customer satisfaction with the bank appears to be higher than that of its competitors" (M = 3.94, SD = 0.83) and "The bank motivates employees to acquire new skills that enhance organizational performance" (M = 3.94, SD = 0.76) could benefit from additional focus to elevate these areas further.

In conclusion, the banks demonstrate strong organizational performance across multiple dimensions, including financial growth, internal business process, customer satisfaction, and learning and growth. The high average score suggests that the banks are effectively meeting their performance goals and sustaining a competitive advantage.

**Question No.3: What is the level of employee engagement in the banking sector in Palestine?**

To address this question means and standard deviations were analyzed. These descriptive statistics help assess the extent to which talent management practices impact employees' engagement within banks in Palestine.

Table 4.9: Minimum, Maximum, Mean and Standard Deviation for employee engagement in Banks in Palestine

<b>Item</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>Degree</b>	<b>Rank</b>
I feel energized at work.	3.83	0.99	High	6
I feel strong and vigorous in my job	3.85	0.97	High	5
When I wake up in the morning, I feel eager to go to work.	3.72	1.06	High	7

I feel enthusiastic about my job.	3.94	0.94	High	4
I am proud on the work that I do	4.25	0.91	High	2
I feel fully engaged in my work.	4.14	0.80	High	3
I get carried away when I'm working	4.41	0.68	High	1
<b>Total average of employee engagement</b>	<b>4.02</b>	<b>0.76</b>	<b>High</b>	

Table (4.9) illustrates the descriptive statistics of employee engagement among the sample with high score ( $M = 4.02$ ,  $SD = 0.76$ ). The highest mean of ( $M = 4.41$ ,  $SD = 0.68$ ), was recorded for the item “I get carried away when I’m working,” indicating a strong level of engagement. The lowest score of ( $M = 3.72$ ,  $1.06$ ), was noted for the item “When I wake up in the morning, I feel eager to go to work,” which still reflects a high level of agreement.

In conclusion, the high average score suggests that employees are highly engaged in their work. This level of engagement indicates strong emotional and psychological investment, contributing positively to the organization’s overall performance.

#### 4.4 Hypothesis Testing

The researcher has adopted the simple linear regression, and multiple regression tests to go through the first hypothesis and its sub-ones. The following rule of decision was adopted in order to accept or reject each hypothesis:

- Fail to accept the null hypothesis  $H_0$ : If the value of the significance level is less than (0.05).
- Accept the null hypothesis  $H_0$ : If the value of the significance level is equal to or greater than (0.05).

#### 4.4.1 First hypothesis linear regression test results:

*H<sub>a1</sub>: Talent management has a significant influence on organizational performance.*

Table 4.10: Linear regression results of the first hypothesis.

Model Summary			
R	R Square	Adjusted R Square	Std. Error of the Estimate
.731 <sup>a</sup>	0.535	0.533	0.411

Table 4.11: Linear regression results of the first hypothesis.

ANOVA					
Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	56.988	1	56.988	337.068	.000 <sup>b</sup>

Table 4.12: Linear regression results of the first hypothesis.

Coefficients					
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	1.095	0.163		6.707	0.000
Talent Management	0.777	0.042	0.731	18.359	0.000

Table (4.10) shows the model summary of the simple linear regression of the first hypothesis. The results show that (R=0.731) indicates a strong positive impact of talent management practices on organizational performance. The results also show that (R<sup>2</sup>=0.533, sig=0.000), which means that talent management explains 53.3% of the variance in organizational performance. Therefore, we fail to accept the null hypothesis (H<sub>01</sub>) and accept the alternative

hypothesis (Ha1). Concluding that “There is a statistically significant positive impact of talent management on organizational performance in banks in Palestine”.

Table 4.13: Model Summary Results of sub-Hypothesis Testing

Model Summary			
R	R Square	Adjusted R Square	Std. Error of the Estimate
.746 <sup>a</sup>	0.557	0.549	0.404

Table 4.14: ANOVA Results of sub-Hypothesis Testing

ANOVA					
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	59.322	5	11.864	72.64	.000 <sup>b</sup>

Table 4.15: Summary Results of Direct Effect Sub-Hypothesis Testing

Hypothesis	B	Beta	Sig.	Result
Ha1.1: Talent planning → Organizational performance	0.185	0.179	0.002	Accept
Ha1.2: Talent acquisition → Organizational performance	-0.013	-0.014	0.835	Reject
Ha1.3: Training and development → Organizational performance	0.309	0.324	0.000	Accept
Ha1.4: Performance management → Organizational performance	0.049	0.055	0.401	Reject
Ha1.5: Talent retention → Organizational performance	0.244	0.307	0.000	Accept

The results of the tested sub-hypothesis are as follows:

*Ha1.1: Talent planning has a significant impact on organizational performance.*

Table (4.15) highlights the results of simple linear regression of the first sub-hypothesis ( $H_{a1.1}$ ). The results show that ( $Beta = 0.179$ ) indicate a statistically significant impact of talent planning on organizational performance with a significance level of ( $sig = 0.002$ ). Since the p-value is below 0.05, therefore, we fail to accept the null hypothesis ( $H_{o1.1}$ ) and accept the alternative hypothesis ( $H_{a1.1}$ ). Concluding that “There is a statistically significant positive impact of talent planning on organizational performance in banks in Palestine”.

*H<sub>a1.2</sub>: Talent acquisition has a significant impact on organizational performance.*

Table (4.15) presents the results of simple linear regression of the second sub-hypothesis ( $H_{a1.2}$ ). The results show that ( $Beta = -0.014$ ), with a significance level of ( $sig = 0.835$ ), indicating no statistically significant effect of talent acquisition on organizational performance. Since the p-value is greater than 0.05, the null hypothesis ( $H_{o1.2}$ ) is accepted and the alternative hypothesis ( $H_{a1.2}$ ) is rejected. Therefore, it can be concluded that “There is no statistically significant positive impact of talent acquisition on organizational performance in banks in Palestine”.

These findings suggest in this study, talent acquisition practices do not really have direct positive impact organizations performance. This could indicate that there is a need for further investigation into how talent acquisition affects organizational performance.

*H<sub>a1.3</sub>: Training and development have a significant impact on organizational performance.*

Table (4.15) presents the results of simple linear regression of the third sub-hypothesis ( $H_{a1.3}$ ). The results show that ( $Beta = 0.324$ ), with a significance level of ( $sig = 0.000$ ), indicate a statistically significant of training and development on organizational

performance. Since the p-value is below 0.05, therefore, we fail to accept the null hypothesis ( $H_01.3$ ) and accept the alternative hypothesis ( $H_a1.3$ ). Concluding that “There is a statistically significant positive impact of training and development on organizational performance in banks in Palestine”.

*H<sub>a1.4</sub>: Performance management has a significant impact on organizational performance.*

Table (4.15) presents the results of simple linear regression of the fourth sub-hypothesis ( $H_a1.4$ ). The results show that (Beta = 0.055), with a significance level of (sig = 0.401). Since the p-value is greater than 0.05, we fail to reject the null hypothesis ( $H_01.4$ ) and do not accept the alternative hypothesis ( $H_a1.4$ ). Therefore, it could be concluded that “There is no statistically significant positive impact of performance management on organizational performance in banks in Palestine”.

These findings suggest that, while performance management remains an essential aspect of talent management, its influence on organizational performance may require further refinement or investigation.

*H<sub>a1.5</sub>: Talent retention has a significant impact on organizational performance.*

Table (4.15) presents the results of simple linear regression of the fifth sub-hypothesis ( $H_a1.5$ ). The results show that (Beta = 0.307), with a significance level of (sig = 0.000), indicate a statistically significant impact of talent retention on organizational performance. Since the p-value is below 0.05, therefore, we fail to accept the null hypothesis ( $H_01.5$ ) and accept the alternative hypothesis ( $H_a1.5$ ). Concluding that “There is a statistically significant positive impact of talent retention on organizational performance in banks in Palestine”.



#### **4.4.2 Test results of the second hypothesis:**

*Ha2: Employee engagement mediates the impact of talent management on organizational performance.*

##### **4.4.2.1 Structural equation model**

Using the structural equation model (SEM), the findings of the research hypotheses in the literature review are presented in this part. The bootstrapping methodology (also known as bootstrap learning samples) is selected, and the maximum likelihood estimation method for 500 consecutive steps or samples with a 95% significance threshold. When dealing with tiny samples, the maximum likelihood is better than weighted or generalized least squares (West et al., 1995).

The values found in the literature align with the values of the suggested model. According to Wheaton et al., a ratio of roughly five or less is considered fair. According to Browne and Cudeck (1993), a fair error of approximation would be indicated by an RMSEA value of 0.08 or below. Bollen (1989) and Muñoz (2008) states that GFI and AGFI  $> 0.80$ , while CFI and NFI  $> 0.90$  (refer to Table 4.16).

Table 4.16: Goodness-of-fit indicators in the structural model.

Fit indices	Recommended value	Value in the model
<b>CMIN/DF</b>	2 < CMIN/DF < 5	2.273
<b>GFI</b>	> 0.90	.812
<b>RFI</b>	> 0.90	.784
<b>NFI</b>	> 0.90	.797
<b>CFI</b>	> 0.90	.874
<b>TLI</b>	> 0.90	.866
<b>IFI</b>	> 0.90	.875
<b>RMR</b>	< 0.08	.041
<b>RMSEA</b>	< 0.08	.067

\*Notes: CMIN/DF- normal chi-square/ degrees of freedom; GFI - goodness-of-fit index; RFI - relative fix index; NFI - normed fit index; CFI - comparative goodness of fit; TLI - Tucker-Lewis Index; IFI - incremental fit index; RMSEA - root mean square error of approximation.

#### 4.4.2.2 Testing mediation

To evaluate the structural model, the student analyzed the statistical significance of the structural loads of the different proposed relationships.

Table 4.17: Results of Mediation hypotheses.

Hypothesis	Effect		Coefficients	S.E.	Sig.	Support
<b>Ho1</b>	TM	→ Org_per	0.712	.158	0.000	YES
<b>Ho2a</b>	TM	→ EMP_ENG	.723	.203	0.000	YES
<b>Ho2b</b>	EMP_ENG	→ Org_per	.170	.041	.006	YES

\* Significant at  $p \leq 0.001$ , ORG\_PER: Organizational Performance, TM: Talent Management Practices, EMP\_ENG: Employee Engagement

The results of the SEM analysis, as well as, the hypotheses results are listed in table (4.17) and figure 4.1. Below is a discussion of the SEM results.

- Ho1, which proposed a positive relationship between talent management practices and organizational performance, was confirmed ( $\beta = .712$ ,  $p$ -value= 0.000). This indicates that talent management practices stimulate strong to moderate organizational performance in banks in Palestine.

- Ho2a, which proposed a positive relationship between talent management practices and employee engagement, was confirmed ( $\beta = .723$ , p-value= 0.000). This indicates that talent management practices stimulate strong to moderate employee engagement in banks in Palestine.
- Ho2b, which proposed a positive relationship between employee engagement and organizational performance, was confirmed ( $\beta = .170$ , p-value= .006). This indicates that employee engagement stimulates weak to moderate organizational performance in banks in Palestine.

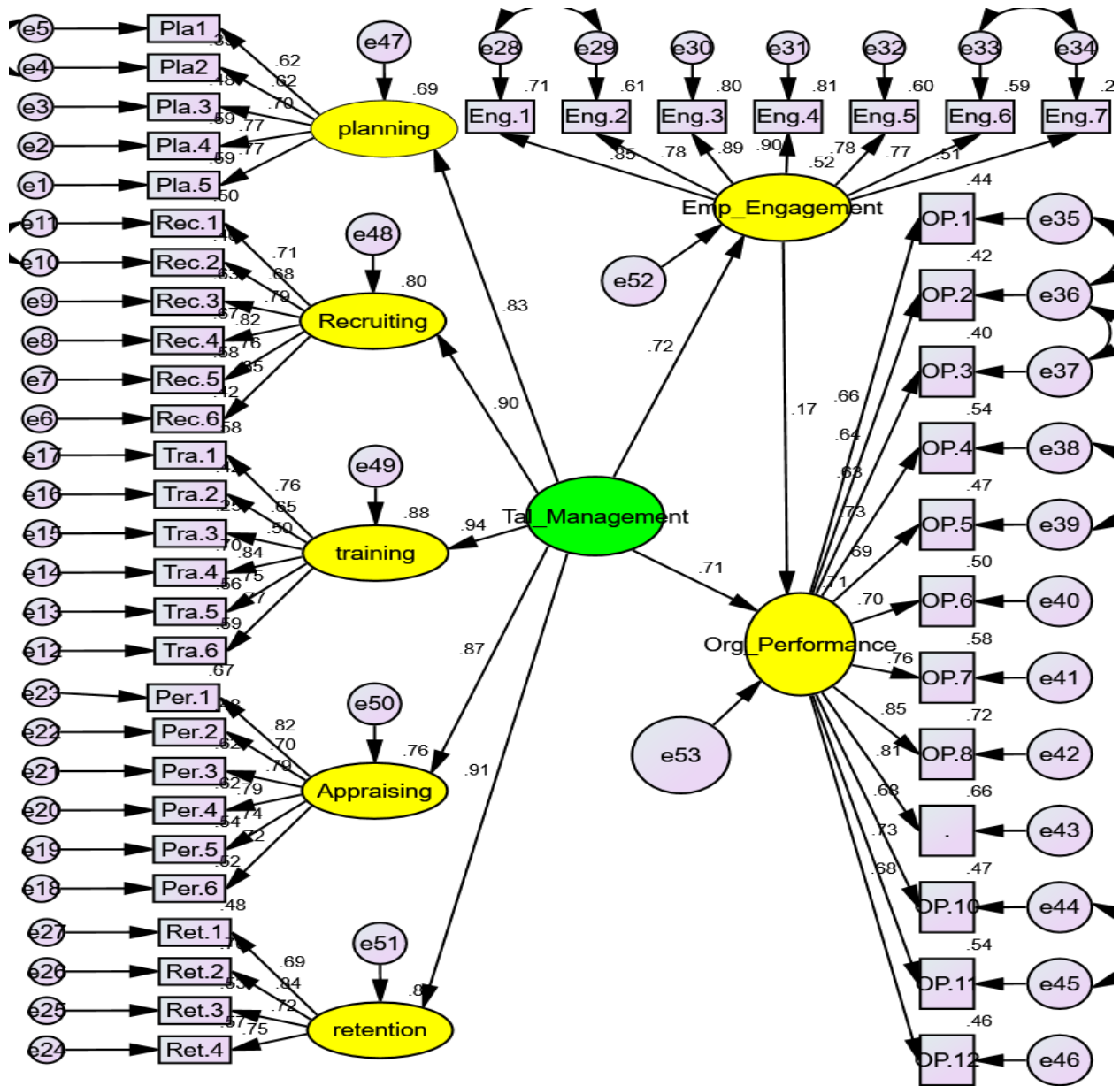


Figure (4.1): SEM results

#### 4.4.2.3 Direct, indirect, and total effect

Talent management practices have a direct and indirect effect on organizational performance through employee engagement. According to the results the total effect (direct effect +

indirect effect= $0.712 + 0.123$ ) = 0.835 with confidence interval [0.934, 1.824] which indicates a significant total effect. This means that when talent management practices go up by 1 standard deviation, organizational performance goes up by 0.835 standard deviation. Direct effect =0.712 with confidence interval [0.556, 0.865] this indicates the direct effect is significant. Talent management practices and organizational performance have one mediator (Employee engagement). “a” represents the path from talent management practices to employee engagement, and ‘b’ represents the path from employee engagement to organizational performance. The indirect effect will be ( $a \times b = 0.723 \times 0.170 = 0.123$ ), with confidence interval [0.005, 0.247]. As the confidence interval does not belong to the upper and lower limit interval, it could be concluded that the indirect effect of talent management practices on organizational performance is insignificant. Moreover, employee engagement partially mediates talent management practices and organizational performance.

#### 4.4.2.4 Key Findings

- Talent management significantly enhances employee engagement (**Path a**).
- Employee engagement significantly predicts organizational performance (**Path b**).
- Talent management has both direct (**c'**) and indirect (**a × b**) effects on organizational performance.
- Employee engagement partially mediates the impact of talent management on organizational performance.

This study investigates whether the relationship between organizational performance and talent management is mediated by employee engagement. The conceptual and statistical models supporting this notion are depicted in Figures 4.2 and 4.3 below.

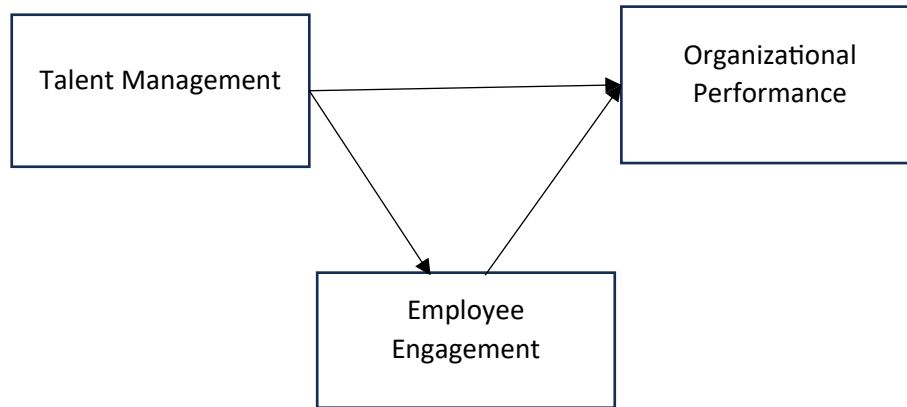


Figure (4.2): Conceptual model summary

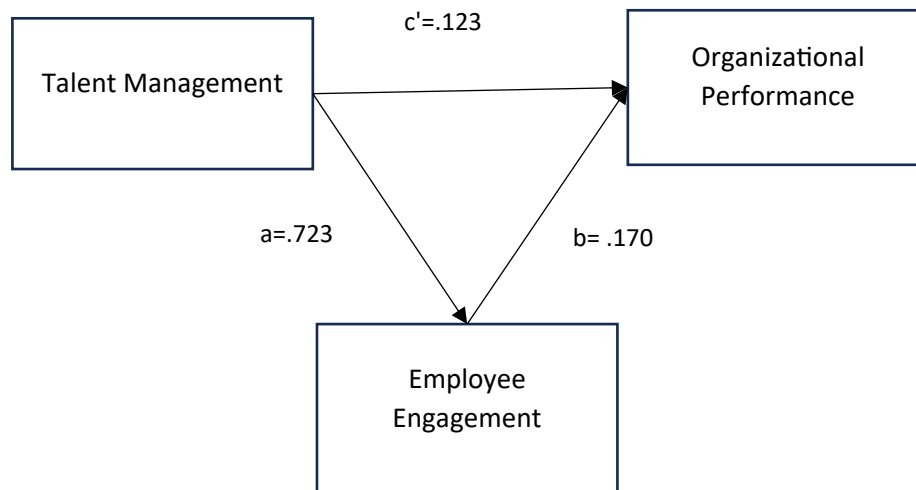


Figure (4.3): Statistical model

## **Chapter Five**

### **Discussion & Recommendations**

#### **5.1 Introduction**

The findings of this thesis, which investigated at how talent management affected organizational performance in banks in Palestine with an emphasis on the mediating function of employee engagement, are summarized in this chapter. The study questions, goals, and findings serve as the foundation for the conclusions. This chapter also addresses the consequences of these results and offers suggestions based on the goals and conclusions of the study.

#### **5.2 Discussion**

Several important conclusions may be drawn from the results of the preceding chapter, which looked at the relationship between organizational performance and talent management practices in the banks working in Palestine, using employee engagement as a mediator.

According to the research, the findings demonstrate that banks implement talent management practices, showing effectiveness in talent planning, training and development and performance management in line with strategic objectives. This supports the literature, which emphasizes that integrating talent management into overall business strategy enhances organizational performance, employee engagement, and talent retention (Mohammed, 2015; Kanchan, 2023). The study found a statistically significant positive impact of talent management on organizational performance.

Talent planning showed the strongest alignment with strategic goals. The banks effectively anticipate future staffing needs and align workforce development with organizational growth. These findings align with Ndubuisi & Emereole (2024), who emphasizes that aligning strategic workforce planning enhances competitive. However, addressing competency gaps could further improve the effectiveness of talent planning. The results also confirm a statistically significant positive impact of talent planning on organizational performance, supporting the hypothesis that talent planning is a key driver of success for banks in Palestine.

Talent acquisition practices are well-implemented, highlighting the importance of ensuring clarity in job expectations for prospective hires and demonstrating a comprehensive approach to attracting and selecting talent. These findings align with Monisha (2024) and Hongal & Kinange (2020), who emphasize that matching talent with organizational needs improves recruitment outcomes. However, the study found no direct positive impact of recruitment on organizational performance, indicating potential inefficiencies in the selection process. Enhancing transparency and leveraging technology, as suggested by Yuniati et al. (2021), could address these gaps.

Training and development initiatives show a high level of alignment with organizational objectives, significantly enhancing performance. This aligns with Dahshan et al. (2018) and Savarimuthu & Jothi (2020), who stress the importance of strategic training for maintaining a competitive advantage. While these programs are robust, incorporating job rotation could enhance employee adaptability and broader competencies (Othman, 2021).



Performance management systems are well-defined and align individual performance with organizational goals. However, consistent with Kaleem (2019), the study found no statistically significant direct impact on performance, suggesting room for improvement in integrating performance evaluations with training and reward systems.

Retention practices, particularly compensation, moderately impact organizational performance. While banks support innovation and recognize employee contributions, integrating strategies like career development and work-life balance could enhance retention efforts. These findings align with Ali et al. (2019) and Fatima (2021), who advocate for comprehensive retention strategies to boost engagement and reduce turnover.

In conclusion, the results confirm that talent management practices significantly impact organizational performance, directly and indirectly, through employee engagement. While engagement serves as a partial mediator, its indirect effect is minimal, suggesting that direct talent management efforts play a more substantial role in driving organizational success.

### **5.3 Results**

#### **1- Overall Impact of Talent Management**

- Talent management practices have a high total effect on organizational performance ( $\beta = 0.835$ ,  $p\text{-value} = 0.000$ ).
- Talent management practices have a high direct effect on organizational performance (0.712,  $p\text{-value} = 0.000$ ).

- Talent management practices moderately indirectly affect organizational performance ( $\beta=0.123$ ,  $p\text{-value}=0.006$ ).
- Talent management practices stimulate strong to moderate employee engagement ( $\beta = .723$ ,  $p\text{-value} = 0.000$ ).
- The level of implementation of talent management practices in the banks in Palestine is generally high, ( $M = 3.82$ ,  $SD = 0.567$ ).

## **2- Mediating Role of Employee Engagement**

- Employee engagement mediates the impact of talent management on organizational performance: indirect ( $a \times b = 0.723 \times 0.170 = 0.123$ ).
- Employee engagement significantly predicts organizational performance (Path  $b = 0.170$ ,  $p\text{-value} = 0.006$ ).
- The level of engagement reflects a strong emotional and psychological commitment in the banks in Palestine ( $M = 4.02$ ,  $SD = 0.76$ ).

## **3- Talent Management Dimensions and Their Impact**

### Talent Planning:

- Significant impact on organizational performance ( $\text{Beta} = 0.179$ ,  $\text{sig} = 0.002$ ).
- The level of implementation of talent planning is High in the banks in Palestine ( $M = 3.93$ ,  $SD = 0.58$ ).

### Talent Acquisition:

- No significant positive impact on organizational performance (Beta = -0.014, sig = 0.835).
- The level of implementation of talent Acquisition is High in the banks in Palestine (M = 3.78, SD = 0.65).

#### Training and Development:

- Positive impact on organizational performance (Beta = 0.324, sig = 0.000).
- The level of implementation of training and development is High in the banks in Palestine (M = 3.86, SD = 0.65).

#### Performance Management:

- No significant positive impact on organizational performance (Beta = 0.055, sig = 0.401).
- The level of implementation of performance management is High in the banks in Palestine (M = 3.86, SD = 0.67).

#### Talent retention:

- Positive impact on organizational performance (Beta = 0.307, sig = 0.000).
- The level of implementation of talent retention is Moderate in the banks in Palestine (M = 3.66, SD = 0.76).

#### 4- Organizational Performance

- High degree of organizational performance implementation in the banks in Palestine (M = 4.06, SD = 0.60).

#### 5.4 Recommendations

- The banks should introduce and implement talent management practices, such as talent planning, training and development, and talent retention strategies, due to their proven positive impact on organizational performance and employee engagement.
- The banks should invest in enhancing and boosting employee engagement by exploring practices and tools related to employee engagement, as it significantly influences organizational performance
- Talent planning demonstrated a strong alignment with strategic goals and a significant positive impact on organizational performance. Therefore, it is recommended that companies invest in talent planning initiatives, by developing a strategic workforce plan to identify future talent needs and align them with the bank's long-term goals.
- The banks should invest in training and development initiatives, as these have been shown to significantly enhance organizational performance, by Offer continuous learning opportunities, such as workshops, certifications, and e-learning programs, to enhance employees' skills and competencies.

- The banks should strengthen their retention practices, as these have significant impact on organizational performance.
- Programs for internal job rotation should be improved to give staff more diverse departmental experiences. Their abilities will be enhanced, flexibility will be encouraged, and general satisfaction among staff will go up as a result, each of this will improve organizational performance.
- The banks should make greater investments in competitive compensation packages, as indicated by the mediocre talent retention rating. Banks can increase retention rates, especially for high achievers, by providing more attractive pay, incentives, and benefits.
- The banks should invest more to keep employees who are key to accomplish their goals. Maintaining a highly qualified staff that drives success requires comprehensive retention tactics, which include offering possibilities for professional advancement and involvement.

### **5.5 Limitations of the Study**

Some limitations must be taken into consideration in this study. Findings based on the study would not be applicable to all other industries or even other geographical areas since the study focused on banks in Palestine only. In addition, this study only focused on employee engagement as mediators; it is ignorant of other variables like organizational culture, leadership, or job satisfaction that can affect the mediation between talent management practices and organizational performance. Moreover, the lack of prior research in the

Palestinian context related to talent management, employee engagement, and organizational performance constrained the ability to compare findings with local benchmarks and validate the results within the unique socio-economic and political environment of Palestine.

Another significant limitation is that data wasn't collected everywhere in Palestine due to political issues. This restrained the geographical location of the research and may also have limited heterogeneity of experience and opinion captured in the data. The outcome therefore can't capture well variation between talent management practice and organizational performance among different regions in Palestine.

The study also does not include factors external to the organization that would affect the extent to which talent management strategies influence organizational performance: such as economic recession, political instability, etc. Questionnaires may help in this respect, but they cannot capture the nuances of organizational performance and employee engagement or the complexity of talent management. Finally, there may be differences in the perspectives of managers and employees on talent management and engagement. Because of this, data quality and potential bias may be affected in this regard.

## **5.6 Future Studies**

To obtain more in-depth understanding, a possible future study might investigate the same subject utilizing a qualitative approach. In addition, future inquiries should consider expanding the scope of financial institutions involved, including insurance companies, investment companies, etc., to make the results easily generalizable. Another important area of investigation will be the influence of other mediators such as organizational culture or

leadership on the relationship between talent management and organizational performance. Finally, future research could evaluate the influence of external factors, such as political or economic instability, on talent management practices and how these factors affect organizational performance.

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## Appendices

### Appendix (1) Questionnaire in Arabic

الجامعة العربية الأمريكية  
ARAB AMERICAN UNIVERSITY



الجامعة العربية الأمريكية

ادارة الموارد البشرية

.....

.....

السادة/ مسؤولو البنوك العاملة في فلسطين الكرام؛؛؛

تحية واحتراما،

تقوم الباحثة بدراسة بعنوان "تأثير ادارة المواهب على الاداء التنظيمي في القطاع المصرفي في

فلسطين: الدور الوسيط لإندماج الموظفين" وذلك استكمالاً لمتطلبات الحصول على درجة الماجستير

في ادارة الموارد البشرية من الجامعة العربية الأمريكية.

ويسرُّ الباحثة أن تضع بين أيديكم الإستبانة المرفقة، راجيةً منكم التكرم بالإجابة عن جميع

فقراتها بدقة وعناية، ثم وضع إشارة (√) في خانة البديل الذي يُعبر عن وجهة نظركم.

علماً بأن إجاباتكم سوف تُعامل بسريّة تامّة، ولن تُستخدم هذه المعلومات إلا لأغراض البحث العلمي

فقط.

مع جزييل شكري وامتناني لكم على حُسن تعاونكم.

الباحث/فادية عثمان

أداة البحث - الاستبيان

الجزء الأول: المعلومات الديموغرافية:

1 - المستوى الوظيفي

- رئيس قسم
- مدير فرع او دائرة
- مدير عام

2 - المؤهل العلمي:

- توجيهي
- دبلوم
- بكالوريوس
- ماجستير فاعلى

3 - سنوات الخبرات:

- أقل من 5 سنوات
- من 5 سنوات واطل من 10 سنوات
- من 10 سنوات واطل من 20 سنة
- من 20 سنة واطل من 30 سنة
- أكثر من 30 سنة

4 - الجنس:

- نكر
- أنثى

## - 5 التوزيع الجغرافي:

- شمال الضفة
- وسط الضفة
- جنوب الضفة

## القسم الثاني: مجالات الإستبانة:

المحور الاول: إدارة المواهب					
البند الاول: التخطيط للموارد البشرية					
العنصر	لا وافق بشده	لا وافق	محايد	وافق	وافق بشدة
1. يتوقع البنك ويحدد الوظائف الشاغرة المستقبلية التي قد تنشأ مع نموه وتوسعه.					
2. أعتقد أن البنك يأخذ في اعتباره البيئة الخارجية عند تقييم احتياجاته من الموارد البشرية.					
3. أعتقد أن البنك يولي اهتماماً بتحديد احتياجاته المستقبلية من الموارد البشرية.					
4. يضمن البنك وجود مجموعة من المواهب الجاهزة لتولي المناصب على مختلف المستويات عند الحاجة.					
5. أعتقد أن البنك يحدد الفجوات في كفاءات الموظفين الحاليين والمرشحين المحتملين.					

## البند الثاني: استقطاب المواهب

العنصر	لا وافق بشده	لا وافق	محايد	وافق	وافق بشدة
1. أعتقد أن البنك لديه ممارسات فعالة لجذب الموظفين الموهوبين.					
2. يضمن البنك وجود مناخ تنظيمي إيجابي لجذب المواهب المناسبة.					
3. يشعر الموظفون بأن لدى البنك عملية اختيار شفافة لتحديد المواهب التي تخدم تحقيق اهداف البنك.					
4. يبدو أن عملية الاختيار في البنك تركز على المرشحين ذوي الإمكانيات للتطور المستقبلي.					
5. يبدو أن البنك يستخدم أساليب اختيار متعددة لتقييم مدى ملاءمة المرشحين للوظيفة.					
6. يبدو ان البنك يعمل على معرفة الموظفين بمتطلبات الوظيفة والنتائج المرجوة منهم.					

<b>البند الثالث: التدريب والتطوير</b>					
اوافق بشدة	اوافق	محايد	لا اوافق	لا اوافق بشده	العنصر
					1. يبدو أن البنك لديه برامج فعالة لتطوير المواهب بما يخدم اهداف.
					2. يبدو أن البنك يطور خطط التعاقب الوظيفي ويحدد مرشحين بديلين للمناصب القيادية.
					3. يبدو ان الدوران الوظيفي الداخلي متاح لتعزيز خبرات الموظفين في مختلف الأقسام.
					4. يدعم البنك الموظفين ذوي الإمكانيات العالية ليصبحوا قادة .
					5. يقدم البنك برامج تدريب وتوجيه للموظفين بما يخدم اهداف البنك.
					6. يربط البنك الأداء الوظيفي ببرامج التدريب لتلبية احتياجات الموظفين وتعزيز أدائهم.
<b>البند الرابع: إدارة الأداء</b>					
اوافق بشدة	اوافق	محايد	لا اوافق	لا اوافق بشده	العنصر
					1. لدى البنك نظام تقييم أداء واضح.
					2. يربط البنك بين الأداء واحتياجات الموظف من الدورات التدريبية.
					3. يضع البنك أهداف وتوقعات أداء واضحة.
					4. يربط البنك الأداء بالمكافآت والتقدير .
					5. تميز إدارة الأداء بين الأداء العالي والمنخفض.
					6. أعتقد اعتقد ان عملية التقييم تُبنى على قدرة الموظف لتحقيق اهداف البنك.
<b>البند الخامس: الاحتفاظ بالمواهب</b>					



العنصر	لا وافق بشده	لا وافق	محايد	وافق	وافق بشدة
1. يشجع البنك التفكير الإبتكاري ويدعم الأفكار الإبداعية من الموظفين.					
2. يحصل الموظفون على تقدير لجهودهم في إحداث التغيير.					
3. يوفر البنك حزم تعويضات تنافسية تتضمن الأجور والمكافآت وخيارات الأسهم والمزايا.					
4. يبذل البنك جهود كافية للاحتفاظ بالموظفين القادرين على تحقيق اهدافه.					
<b>المحور الثاني: الاداء التنظيمي</b>					
العنصر	لا وافق بشده	لا وافق	محايد	وافق	وافق بشدة
<b>الأداء المالي:</b>					
1. يبدو أن البنك حقق نموًا أفضل في الدخل مقارنةً بمنافسيه.					
2. يبدو أن البنك يتميز بمستوى ربحية جيدة.					
3. يبدو أن البنك حقق كفاءة كبيرة في التكاليف.					
<b>رضا العملاء</b>					
4. يبدو أن البنك يوفر خدمة ذات جودة أفضل مقارنةً بمنافسيه.					
5. يبدو أن رضا العملاء عن البنك أفضل مقارنةً بمنافسيه.					
6. يتمتع البنك بسمعة جيدة.					
<b>التدريب والتطوير</b>					
7. يبدو أن البنك يقدم دورات تعليمية عالية الجودة مقارنةً بمنافسيه.					
8. يشجع البنك على الابتكار والتفكير الإبداعي في تطوير المنتجات والخدمات والبرامج الجديدة.					
9. يشجع البنك الموظفين على اكتساب مهارات جديدة تعزز الأداء التنظيمي.					

					العمليات الداخلية
					10. يبدو أن البنك قادر على حل المشكلات الجديدة بسرعة.
					11. يبدو أن البنك يستجيب بسرعة للتغيرات لتلبية احتياجات أعماله
					12. يحرص البنك على أتمتة العمليات التشغيلية لتعزيز الكفاءة وتقليل الاعتماد على العمل اليدوي.
المحور الثالث: إندماج الموظفين					
أوافق بشدة	أوافق	محايد	لا أوافق	لا أوافق بشده	العنصر
					1. أشعر بأنني مفعم بالطاقة في عملي.
					2. أشعر بالقوة والحيوية في عملي.
					3. عندما أستيقظ في الصباح، أشعر بالرغبة في الذهاب إلى العمل.
					4. أشعر بالحماس تجاه عملي.
					5. أشعر بالفخر بالعمل الذي أقوم به.
					6. أشعر بالاندماج كلياً في عملي.
					7. أنغمس في العمل عندما أعمل.

## Appendix (2) Questionnaire in English

الجامعة العربية الأمريكية  
ARAB AMERICAN UNIVERSITY



Arab American University

Human Resources Management

.....

Dear respected supervisors and managers,

The researcher is conducting a survey titled "The Impact of Talent Management on Organizational Performance in the Banking Sector in Palestine: The Mediating Role of Employee Engagement" as set under the guidelines for completion of the degree of master's in Human Resource Management at the Arab American University.

attached is a questionnaire, and your truthful responses to each item are greatly appreciated. Kindly place a mark (√) in the appropriate box that reflects your perspective.

All answers will be kept confidential and to be used only for academic research purposes.

Deepest gratitude to you and appreciation for your support.

Fadia Othman

## Research tool- The Questionnaire

### Part one: Demographic Characteristics:

#### 1- Job level

- Supervisor
- Branch or Division Manager
- General Manager

#### 2- Qualification

- High School Certificate
- Diploma
- Bachelor's Degree
- Master's Degree or higher

#### 3- Experience

- Less than 5 years
- From 5 years to less than 10 years
- From 10 years to less than 20 years
- From 20 years to less than 30 years
- More than 30 years

#### 4- Gender

- Male
- Female

#### 5- Distribution

- Middle Area
- North Area
- South Area

## Second section: Questionnaire Domains

First domain: Talent management					
<b>First dimension: Talent Planning</b>					
Item	Strongly Disagree	Disagree	Neutral	Agree	strongly Agree
1- The bank anticipates and identifies future vacancies that may arise as it grows and expands.					
2- I feel that the bank considers the external environment when assessing its human resource needs					
3- I think that the bank pays attention to identifying its future human resource needs					
4- The bank ensures the availability of a pool of talent ready to assume positions at various levels when needed.					
5- I believe the bank identifies gaps in the competencies of current employees and potential candidates.					
<b>Second dimension: Talent Acquisition</b>					
Item	Strongly Disagree	Disagree	Neutral	Agree	strongly Agree
1- I believe the bank has effective practices for attracting talented employees.					
2- The bank ensures a positive organizational climate to attract the right talent.					
3- Employees feel that the bank has a transparent selection process to identify talents that support the achievement of its goals.					
4- It seems that the bank's selection process focuses on candidates with potential for future development.					

5- The bank appears to use multiple selection methods to assess the suitability of job candidates					
6- The bank appears to ensure that prospective employees are aware of the job requirements and the expected outcomes					
<b>Third dimension: Training and Development</b>					
Item	Strongly Disagree	Disagree	Neutral	Agree	strongly Agree
1- It seems that the bank has effective programs for talent development aligned with its goals.					
2- The bank appears to develop succession planning and identify alternative candidates for leadership positions.					
3- Internal job rotation seems to be available to enhance employees' experiences across departments					
4- The bank supports high-potential employees to become future leaders.					
5- The bank provides training and mentoring programs for employees in line with its objectives.					
6- The bank links job performance with training programs to meet employees' needs and enhance their performance					
<b>Fourth dimension: Performance Management</b>					
Item	Strongly Disagree	Disagree	Neutral	Agree	strongly Agree
1- The bank has a clear performance evaluation system.					
2- The bank links performance with employees' training needs.					
3- The bank sets clear performance goals and expectations.					

4- The bank links performance to rewards and recognition					
5- The performance management system differentiates between high and low performance.					
6- I believe the evaluation process is based on the employee's ability to achieve the bank's objectives.					
<b>Fifth dimension: Talent Retention</b>					
<b>Item</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>strongly Agree</b>
1- The bank encourages innovation and supports creative ideas from employees.					
2- Employees receive recognition for their efforts in driving change.					
3- The bank offers competitive compensation packages, including salaries, bonuses, and benefits.					
4- The bank makes sufficient efforts to retain employees capable of achieving its objectives.					
<b>Second Domain: Organizational Performance</b>					
<b>Item</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>strongly Agree</b>
1- It appears that the bank has achieved better income growth compared to competitors.					
2- The bank seems to maintain a good level of profitability.					
3- The bank appears to have achieved significant cost efficiency.					
4- The bank seems to provide better quality services compared to its competitors.					
5- Customer satisfaction with the bank appears to be higher than that of its competitors.					
6- The bank has a good reputation.					

7- It seems that the bank offers higher-quality training programs compared to its competitors.					
8- The bank encourages innovation and creative thinking in developing new products, services, and programs.					
9- The bank motivates employees to acquire new skills that enhance organizational performance.					
10- The bank appears to be capable of solving new problems swiftly.					
11- The bank responds rapidly to changes to meet its business needs.					
12- The bank is committed to automating operational processes to enhance efficiency and reduce reliance on manual labor.					
13- The bank responds rapidly to changes to meet its business needs.					
<b>Third domain: Employee engagement</b>					
<b>Item</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>strongly Agree</b>
1- I feel energized at work.					
2- I feel strong and vigorous in my job					
3- When I wake up in the morning, I feel eager to go to work.					
4- I feel enthusiastic about my job.					
5- I am proud on the work that I do					
6- I feel fully engaged in my work.					
7- I get carried away when I'm working					



### Appendix (3) Questionnaire Revision

#### List of Academic and Professional Referees

#	Name of Arbitrator	Position	Field	University
1	Dr. Shaher Obieh	Professor	Public Administration	AL Quds Open University
2	Dr. Akram Hamdan	Professor	Human Resource Management	Arab American University
3	Dr. Rabeh Morrar	Associate Professor	Economics and Administrative Sciences	An-Najah National University
4	Dr. Zahi Yaseen	Associate Professor	Human Resource Management	An-Najah National University

## الملخص

هدفت هذه الدراسة إلى فحص كيفية تأثير إدارة المواهب (التخطيط للمواهب، اكتساب المواهب، التدريب والتطوير، إدارة الأداء، والاحتفاظ بالمواهب) على الأداء التنظيمي والذي تم قياسه من خلال أبعاد بطاقة الأداء المتوازن (الأداء المالي، رضا العملاء، العمليات الداخلية، والتعلم والنمو). كما تناولت الدراسة مشاركة الموظفين كمتغير وسيط في هذه العلاقة. تم تبني نهج ترابطي، واستخدام استبانة مهيكلية لجمع البيانات الأساسية، استهدفت المشرفين والمديرين العاملين في البنوك في فلسطين. من خلال طريقة العينة المتيسرة، تكونت العينة النهائية للدراسة من (295) موظفًا من إجمالي مجتمع الدراسة البالغ (1358) موظفًا في نهاية عام 2023. تم تحليل البيانات المجمعة باستخدام برنامجي SPSS v.26 و AMOS v.23. أظهرت النتائج تأثيرًا كبيرًا لممارسات إدارة المواهب على الأداء التنظيمي ( $R^2 = 0.533$ , sig = 0.000). علاوة على ذلك، تبين أن مشاركة الموظفين تتوسط جزئيًا هذه العلاقة ( $a \times b = 0.723 \times 0.170 = 0.123$ ). وأظهرت النتائج أن التخطيط للمواهب هو العامل الأكثر تأثيرًا في بُعد إدارة المواهب ( $M = 3.93$ ,  $SD = 0.581$ ). قدمت الدراسة عدة توصيات، من أبرزها: تشجيع البنوك على تبني وتنفيذ ممارسات إدارة المواهب، حيث ثبت تأثيرها الإيجابي على الأداء التنظيمي ومشاركة الموظفين. كما أوصت الدراسة بالتركيز على تعزيز مشاركة الموظفين من خلال ممارسات مبتكرة، والاستثمار في مبادرات التخطيط وبرامج التدريب للموظفين، إلى جانب تطوير استراتيجيات الاحتفاظ بالمواهب لضمان النجاح على المدى الطويل. وتشمل التوصيات الأخرى تقديم تعويضات تنافسية، وتوفير فرص التنقل الوظيفي الداخلي، وتعزيز تطوير المسار الوظيفي. كما يُعتبر تحسين استراتيجيات الاحتفاظ أمرًا حيويًا للحفاظ على قوة عاملة ذات أداء عالٍ وتحقيق الأهداف التنظيمية.

الكلمات المفتاحية: إدارة المواهب، الأداء التنظيمي، مشاركة الموظفين، الاحتفاظ بالمواهب، التدريب والتطوير.