

A Thesis
On
The Impact of Talent Management on Employee Retention and
Organizational Performance: The Mediating Role of Employee
Engagement

This paper is submitted to the Department of Management, Faculty of Business Studies, Hajee Mohammad Danesh Science and Technology University, Dinajpur for the partial fulfillment of the degree of Master of Business Administration (MBA) in Human Resource Management



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Acknowledgment

First and foremost I would like to express my sincere gratitude to my supervisor Professor Rafia Akhtar and Co-Supervisor Sourav Paul Chowdhury for their knowledgeable guidance, support, and insight throughout the writing of this thesis. I would also like to thank Arman Shanto, Shekh Ismat Jahan Tisa, Shamima Bristy, and Mahbub Sajeel for their insightful feedback and thoughtful discussion.

Thank you from the bottom of my heart, for being part of this incredible journey.

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I declare that this thesis paper entitled “The Impact of Talent Management on Employee Retention and Organizational Performance: The Mediating Role of Employee Engagement” is a study of the banking sector in Bangladesh, and is an original work done by Mst. Mitu Akter, ID: 1703029, MBA in Human Resource Management, S-III, J-J, Exam-2022, Faculty of Business Studies, Hajee Mohammad Danesh Science and Technology University, Dinajpur. She has completed the thesis under my supervision and submitted this paper for the partial fulfillment of the requirement of the degree of MBA in Human Resource Management.

I wish her every success in life

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Student declaration

I hereby declare that the entitled thesis “The Impact of Talent Management on Employee Retention and Organizational Performance: The Mediating Role of Employee Engagement: A Case of Banking Sector, embodies the result of my research works and efforts, prepared under the supervision of Rafia Akhtar, Professor, Department of Management and Co-Supervisor Sourav Paul Chowdhury, Associate Professor Department of Management, Faculty of Business Studies, HSTU, Dinajpur

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Abstract

This study investigates the influence of talent management (TM) on organizational performance and talent retention. It aims to formulate hypotheses regarding the effects of talent management on organizational success and retention of talent. Employee engagement is proposed to be a mediating factor in this relationship additionally, data were gathered from 300 employees in the banking sector of Bangladesh through questionnaires and subsequently analyzed using Smart PLS. The findings illustrate the beneficial effect of talent management (TM) on organizational performance and talent retention. The research indicates that talent recognition, organization culture, learning and development and employee engagement significantly influenced organizational performance and talent retention, whereas talent attraction, had no impact. All indicators have a mediating effect on organizational performance and talent retention except learning and development.

Keywords: talent management, talent retention, organizational performance, employee engagement

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Chapter 1

Introduction

1. Introduction

Talent management, a term introduced by David Watkins of Soft Cape in a 1998 article, holds strategic importance for organizations worldwide. They are facing considerable difficulties in attracting and retaining the crucial talent necessary to maintain their global operations (Scullion, 2008). Often referred to as the "war for talent," this challenge has become increasingly strategic as organizations aim to recruit and retain effective employees. Due to modernization, talent competition has intensified globally. Since the late 1990s, talent management has gained acknowledgment not only in the public and private sectors but also in the realm of business administration. Talent management, a term introduced by David Watkins of Soft Cape in a 1998 article, is of strategic importance for organizations worldwide. They are confronting significant challenges in attracting and retaining the essential talent required to sustain their global operations (Scullion, 2008). The "war for talent," as it is sometimes called, has become increasingly strategic as organizations strive to recruit and retain high-performing employees. Due to modernization, talent competition has intensified globally. Since the late 1990s, talent management has gained recognition not only in the public and private sectors but also in the field of business administration. In today's business landscape, talent emerges as the most vital resource for boosting firm performance. As highlighted by Kehinde (2012), among resources like capital, workforce, and machinery, human talent is of utmost importance. Consequently, effective talent management is essential for achieving organizational success in a competitive market.

This arises because talent governance entails the execution of comprehensive approaches, methodologies, or frameworks aimed at augmenting workplace efficiency by cultivating enhanced procedures for enticing, cultivating, enlisting, and retaining individuals possessing the requisite capabilities and competencies to fulfill the organization's present and future requisites (Lockwood, 2006). Businesses have embraced talent administration to tackle obstacles linked to staff retention. The predicament confronting many enterprises today is that they allocate significant resources to attracting fresh recruits but allocate minimal resources to retaining and nurturing existing staff. Organizations expend substantial efforts in pursuit of

competitive edges, yet the disparity between envisioned and actual accomplishments remains substantial.

1.1 Talent Management in the Banking Sector

Amidst the ongoing technological revolution, banks are not only competing with traditional industry rivals but also facing new competition from start-ups and tech giants for skilled employees. As the workforce changes and new skills become more valuable, bank executives must reevaluate how talent fits into their overall strategy. In the past, banks primarily focused on hiring recent graduates in business and accounting to manage their operations. However, the trend has shifted towards hiring graduates with expertise in engineering and technology (Shukla & Nayak, 2016).

A notable requirement exists for skilled individuals adept at harnessing contemporary technology to create inventive banking offerings. The surge of digital banking has amplified the necessity for specialized expertise in domains like digital banking per se, as well as other pivotal positions within the institution necessitating distinct proficiencies. These experts exhibit rapid responsiveness to technological progressions and encompass a diverse range of specialized proficiencies, encompassing organizational flexibility, adaptability, and agility. Financial institutions strive to allure and retain proficient risk management personnel with elevated integrity levels to expand and contend in volatile business landscapes.

Key performance indicators (KPIs) typically evaluate the performance and achievements of banks in tangible, quantitative, and qualitative ways for their stakeholders and leadership. Employee effectiveness within organizations, particularly banking institutions (Mensah, 2015), is intricately tied to talent governance (Luna-Arocas, R., & Morley, M. J., 2015). Proficient talent administration is crucial for employee effectiveness in commercial banks and seems strongly correlated with employee dedication (Nzewi et al., 2015).

This could partially elucidate the growing number of talent management investigations in that sector carried out across various nations, such as the exploration conducted in Bangladesh by (Hosen et al., 2018), Lebanon by Fawal and Mawlawi (2018), and Vietnam by (Dang et al., 2020).

The results of the investigation persist in acknowledging the essential function that talent governance (TM) methodologies serve in enhancing bank effectiveness and have furnished essential suggestions for proficient TM implementation in the banking industry. Talent administration represents a pivotal managerial choice for enterprises across all tiers to address various commercial hurdles such as globalization, expansion, broadening of scope, evolving demographics, and inadequate advancement. Workforce strategizing, enlistment, initiation, mentorship, advancement of top-tier performance, compensation and acknowledgment, succession strategizing, documentation maintenance, reporting, and assessment are just a selection of the myriad elements encompassed within talent administration approaches, alongside considerations of ethos and principles.

The banking industry frequently applies the principles delineated in the passage to attain prosperity. This indicates that within today's competitive commercial landscape, the ability to acquire knowledge and adjust swiftly is imperative for survival, particularly in banks where staff act as frontline advocates. As posited by Ashton & Morton (2005), management encompasses a comprehensive spectrum of methods for identifying and supervising an organization's effective business approach. Talent governance encompasses procedures aimed at enticing, retaining, and nurturing personnel (D'Annunzio-Green, 2008). Furthermore, it carries considerable significance for enterprises by facilitating the efficient attraction and retention of adept employees. Moreover, identifying and cultivating talent assists organizations in identifying employees who possess the potential to emerge as future leaders. This facet of talent management underscores the creation of talent reservoirs imbued with a substantial leadership aptitude.

1.2 Research Gap

Talent management has emerged as a worldwide approach to inspire employees and improve their effectiveness. Companies endeavor to secure a talented and proficient workforce, understanding that talent management is pivotal in organizational triumph by enlisting skilled employees and refining their abilities. Inadequate employee engagement and less-than-ideal working environments are key factors behind unsatisfactory organizational performance. To tackle this concern, a research endeavor has been undertaken to evaluate the influence of talent management on organizational performance.

1.3 Objective of the study

1. To investigate talent management and its relationship with employee engagement
2. To investigate the effect of talent management on organizational performance improvement
3. To investigate the effect of talent management on employee retention

Chapter 2

Literature Review and hypothesis development

2. Talent management

Talent management involves the systematic attraction, acknowledgment, nurturing, involvement, preservation, and deployment of individuals who possess specific value for an organization. With the widespread recognition of the present talent era, oversight of such talent is expected to receive heightened attention. Talent placement involves presenting suitable talent in the correct position and time and possessing the necessary competencies and determination across all organizational tiers and locations (Jackson & Schuler, n.d.). Talent emerges as a crucial element for organizational success. Business owners and leaders have concluded that talent constraints, rather than financial limitations, constitute the primary obstacle for organizations (Kehinde, 2012). Corporations have realized that talent is indispensable for addressing organizational obstacles and strategies at any given juncture (Gebelein & Eppler, 2006). Talent governance acts as a vital tool for managerial education and advancement, encompassing the organization's protocols for technology administration, resource distribution, and implementation of performance evaluation systems. Moreover, Kehinde underscored that ineffective procedures, initiatives, and inadequate foresight have contributed to the downfall of the talent administration system in most organizations.

As per Powell & Lubitsch (2007), diverse talent administration approaches were commonly observed to varying extents within the same organization. They delineated five perspectives: procedural, cultural, developmental, and human resource planning. From a procedural perspective, proficient governance should enact all necessary procedures to optimize personnel within the organization. When viewed through a cultural prism, talent management embodies more of a mindset than a sequence of actions. When scrutinized from a competitive standpoint, talent management involves recognizing adept individuals, understanding their aspirations, and meeting them—otherwise, competitors will. From a developmental standpoint, talent management accentuates accelerated advancement pathways for the most promising employees. Talent is indispensable because, as asserted by (Cunningham et al., 2007), it falls upon an efficient human resource function to oversee all individuals for superior performance. Establishing connections between individuals and roles, and roles and individuals,

constitutes the two main strategic options available when contemplating talent administration, according to (Cunningham et al., 2007). Although this strategic domain pertains to the concept of "aligning roles with individuals," it is based on the premise of regarding individuals as both static and adaptable constituents within the organizational structure.

2.1. Talent Attraction and employee engagement

Talent attraction refers to the process of identifying, attracting, and recruiting individuals with the skills, experience, and cultural fit necessary to excel within the organization. A strategic talent attraction strategy not only fills immediate vacancies but also focuses on attracting top talent who align with the company's values, culture, and long-term objectives. When organizations effectively attract the right talent, they lay the foundation for a high-performing workforce.

The link between talent attraction and employee engagement lies in the initial stages of the employee lifecycle. When organizations attract talented individuals who are a good fit for the company culture and values, they are more likely to experience higher levels of employee engagement. Employees who feel a strong alignment with the organization are more likely to be engaged, as they find meaning and fulfillment in their work and are motivated to contribute positively to the organization's success.

The key aim of the organization's talent recruitment strategies should focus on establishing a positive work environment and positioning itself as an employer of preference. Only then can the subsequent talent procurement strategy effectively entice employees who will contribute to the organization's progress and enhance its value (Swales, 2016)? A favorable corporate image and transparent interactions with clients aid in both attracting and retaining talent. This includes recognition of accomplishments, alignment with principles, provision of high-caliber products and services, ethical behavior, and provision of essential workplace facilities for employees (Edwards, 2009). When organizations articulate their principles in this way, they draw in employees (Berthon et al., 2005). Ensuring various factors such as competent senior leadership, employee welfare, opportunities for professional development and learning, fair remuneration, job stability, etc., represents the initial phase in talent attraction. This, subsequently, boosts employee involvement.

2.2. Learning and development and employee engagement

Approaches for educating and nurturing talent ensure that employee skills remain current, adapting them as needed, equipping them with essential competencies, and preparing them for advancement, all while ensuring their complete engagement (Brown et al., 2005). Fostering a culture of learning inevitably enhances employees' capabilities and skills, improving their workplace efficiency and enhancing job contentment. To improve organizational performance, decision-makers, and HR specialists have prioritized the learning and development of talented personnel. Talent enhancement encompasses the enrichment of employees' capacities and mindsets. According to Williamson (2011), continuous education is vital for success; without ongoing learning, sustaining performance becomes unattainable. As businesses consistently evolve and adapt to new technologies, business strategies, and paradigms, organizations must enrich and refine their employees' knowledge. When devising strategies for employee development, practitioners must consider the alignment and strategic coherence between existing talent and employees' proficiencies (Mendez & Stander, 2011). Talent cultivation, as perceived by the researcher, involves empowering adept employees to cultivate the competencies and insights necessary for success and performance improvement.

2.3. Recognition and employee engagement

Paré and Tremblay (2007) define acknowledgment as a non-monetary expression whereby an organization visibly shows its appreciation for exemplary work and achievements. Similarly, Long and Shields (2010) describe acknowledgment as "a non-monetary demonstration whereby an organization tangibly expresses its gratitude for outstanding work and achievements." According to Kahn (2010), individual engagement varies depending on their perceptions of the rewards they receive from a role.

Employee recognition entails acknowledging and valuing employees' contributions, accomplishments, and endeavors within the organization. It can manifest in various ways, such as verbal commendation, written praise, accolades, incentives, promotions, or other concrete acknowledgments. Recognition serves as affirmative reinforcement, reinforcing desired behaviors, and motivating employees to sustain high performance levels.

The association between employee recognition and engagement is reciprocal and mutually reinforcing. When employees are recognized for their efforts, they feel valued, appreciated, and esteemed by the organization. This cultivates a positive workplace atmosphere where employees are incentivized to exceed their job duties. Consequently, engaged employees are more likely to excel, leading to further recognition and reinforcement of favorable behaviors.

2.4. Organizational Culture and Employee Engagement

Organizational culture has been shown to boost employee involvement (Lockwood, 2007; McBain, 2007). The correlation between organizational culture and employee engagement is reciprocal and mutually reinforcing. A favorable organizational culture that encourages transparency, trust, open communication, collaboration, and empowerment tends to cultivate heightened levels of employee engagement. When staff members perceive that their organization values their contributions, fosters their development, and prioritizes their welfare, they are more inclined to feel emotionally committed to their tasks and driven to excel. Organizational culture and employee engagement are closely interlinked concepts that profoundly influence each other. A robust and positive organizational culture stimulates heightened levels of employee engagement, while engaged employees contribute to and fortify a constructive workplace environment. By nurturing a culture that respects and backs its employees, companies can boost employee engagement, stimulate productivity and innovation, and attain enduring success in the long term. The Social Exchange Theory, as expounded by Cropanzano and Mitchell (2005), suggests that a lasting and mutually beneficial relationship will engender loyalty, trust, and dedication over time. Research indicates that employee engagement is correlated with perceived organizational support (POS) (Ram and Prabhakar, 2011; Shuck, 2010).

2.5. Relationship Between Employee Engagement with Employee Retention and Organizational Performance

According to Mathis and Jackson (2008), retention involves encouraging employees to remain with an organization. An organization's long-term success depends on retaining skilled and productive employees while dismissing underperformers. Employee engagement is essential for talent retention, a concept introduced by practitioners (Glen, 2006). Employee retention has become a key discussion point since organizations began

viewing employees as valuable assets. Employee engagement is linked to an individual's attitudes, intentions, and behaviors (Ram P, Prabhakar GV, 2011). Employee engagement significantly influences productivity, recruitment and retention ease, and organizational outcomes (Bhatnagar, J., 2007). The contribution of employees in terms of task proficiency, initiative, mental resilience, and dedication is vital for the sustainability and growth of any organization. Employees' active commitment and involvement are particularly important for innovation, organizational performance, and competitive advantage (Bakker & Schaufeli, 2008). Two factors allow the study to connect employee engagement with organizational effectiveness.

Employee engagement has emerged as a pivotal element for organizational triumph (Slatten & Mehmetoglu, 2011), as it cultivates a pleasant experience for staff members (Sonnentag et al., 2012), stimulating initiative and creativity in the workplace while augmenting their capacity to adapt to exigencies. Engaged employees often exhibit resilience when confronted with obstacles and thus bolster organizational adaptability, affirming organizational efficacy through their deeds (Saks, 2008). Moreover, they demonstrate a willingness to surpass expectations, investing additional effort (Lockwood, 2007; Chalofsky & Krishna, 2009). Furthermore, they manifest notable enthusiasm for their tasks, generating superior-quality outcomes and sensing that their endeavors propel the organization forward (Kennedy & Daim, 2010).

2.6. Mediating effect of employee engagement

According to Baron and Kenny (1986) and Preacher and Hayes, three conditions must be satisfied to establish mediation: Condition 1, in which the independent variable (talent management) is directly associated with the dependent variable (employee retention and organizational performance); Condition 2, where the independent variable (talent management practices) is directly connected to the mediating variable (employee engagement); and Condition 3, where the mediating variable (employee engagement) is directly associated with the dependent variable (employee retention and organizational performance). When considering the mediator, employee engagement, the significant correlation between the independent variable (talent management practices) and the dependent variable (employee retention and organizational performance) may either diminish or become non-significant (Baron and Kenny, 1986).

Previous studies have demonstrated significant relationships between the precursors of employee engagement and employee engagement itself (Saks, 2006; Clifford MK, 2010), as well as a significant connection between employee engagement and its outcomes (Schaufeli & Bakker, 1978). Additionally, employee engagement has been identified as a mediating variable in prior research (Saks, 2006; Ra Prabhakar, 2011). Considering the lack of empirical studies on employee engagement as a mediator in the relationship between talent management strategies and employee retention, it is essential to expand the research in this domain (Part, 2010; Bidayatul Akmal Mustafa Kamil et al., 2011). Therefore, this study aims to determine whether employee engagement mediates the relationship between organizational success, employee retention, and talent management strategies.

2.7 Hypotheses Development

H1: Talent attraction positively related to employee

H2: Learning and development positively related to employee engagement.

H3: Employee recognition is positively related to employee engagement.

H4: Organizational culture positively related to employee engagement

H5: Employee engagement positively related to talent retention and organizational performance

H6: Talent attraction is positively related to organizational performance and employee retention.

H7: Learning and development positively related to organizational performance and employee retention.

H8: Employee recognition is positively related to organizational performance and employee retention.

H9: Organizational culture positively related to organizational performance and employee retention.

Chapter 3

Methodology of the study

3. Contextual of the study

The purpose of this research is to identify the impact of talent management on employee retention and organizational performance. To capture the perception of banking sector employees on how they conceptualize talent and talent management, the research applied a quantitative research method. Concerning the data, the study included employees in Bangladesh's banking sector.

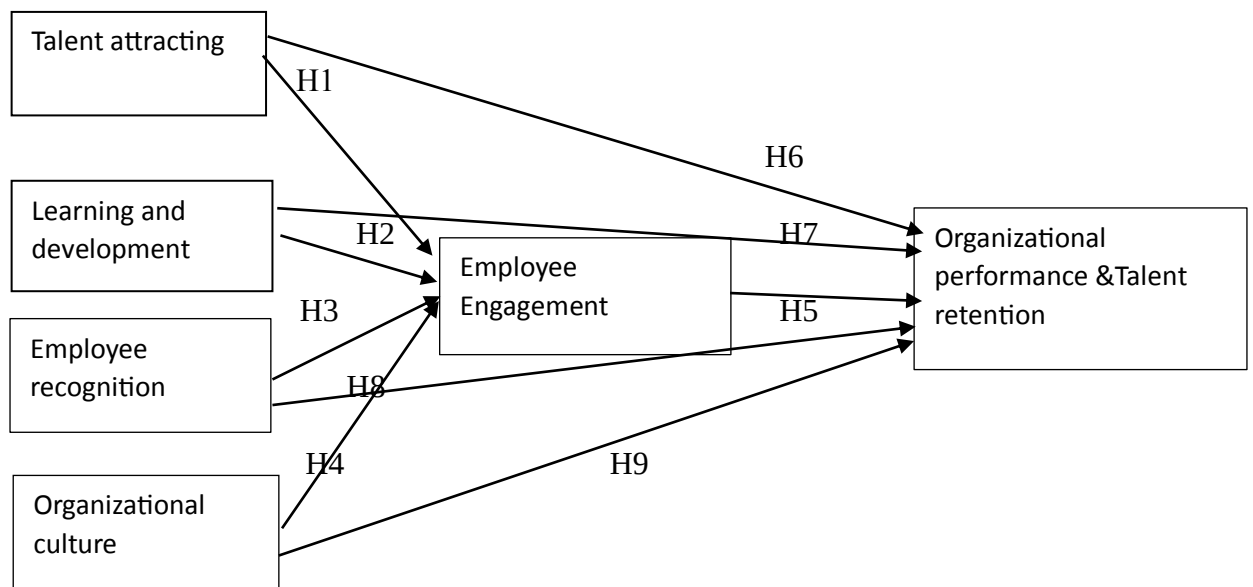


Figure 3.1: Conceptual model of talent management

3.1. Participation, procedure and sample

A survey questionnaire comprising 30 questions was employed to collect primary data for the talent management study. Several measurement items were selected from the following sources: Al Aina, R., & Atan, Schaufeli, W. B., & Bakker, A. B. (2004), and Sitati, N., Were, S., Waititu, G. A., & Miringu, A. (2019). However, four measurement items were excluded due to poor factor loading. Participants' perceptions were evaluated using a seven-point Likert-type scale, where 1 indicates “strongly disagree” and 7 signifies “strongly agree.” For analysis, partial least squares structural equation modeling

(PLS-SEM) was utilized, a robust technique for assessing complex interrelationships among latent variables (Sadallah et al., 2023).

3.2. Demographic measurement

The measurement model is a prerequisite for SEM, which relates

Table 3.1

Variables	categories	Frequency	Percentage
Gender	Male	215	71.6%
	Female	85	28.3%
Age	21-25	40	13.3%
	26-30	90	30%
	31-35	67	22.3%
	36-40	56	18.66%
	41-50	32	10.66%
	More than 50	15	5%
Managerial level	Senior	232	77.33%
	Junior	68	22.66%
Educational Background	Postgraduate	185	61.66%
	Graduate	115	38.33%
Job experience	Up to 1 year	65	21.66%
	2 to 4 year	110	36.66%
	4 to 8 year	73	24.33%
	More than 8 year	52	17.33%

Chapter 4

Analysis and Interpretation

The PLS-SEM process involves two steps: assessing the measurement model and evaluating the structural model. Reliability and validity (both convergent and discriminant) tests were utilized to evaluate the measurement model. The results in Table 4.1 indicate the factor loadings, which represent the strength of the relationship between an indicator and the underlying latent construct. We removed four measurement items (OP1, LD4, TR2, TR5) due to poor factor loadings. Fornell and Larcker (1981) recommended that values above 0.7 for composite reliability (CR) and Cronbach's alpha (CA) are ideal, and the Average Variance Extracted (AVE) for all constructs exceeded 0.5 (Hair et al., 2020; Acquah et al., 2020). The model meets the reliability and convergent validity requirements, as shown in Table 4.2. The results in Table 4.2 indicate that the square root of the AVE for each construct was greater than the correlations with other constructs (Boachie-Mensah and Acquah, 2015). Table 4.3 suggested that the Fornell-Larcker criterion (Fornell & Larcker, 1981) was used to assess the model's discriminant validity. Discriminant validity can be analyzed by ensuring that the correlation between each construct pair is not greater than the square root of the AVE. For discriminant validity, the Fornell-Larcker criterion scale confirmed that the model met the correlation threshold value of 0.7. According to these criteria, the model satisfies the conditions for discriminant validity. The results in Table 4.1 indicate the factor loadings, which represent the strength of the relationship between an indicator and the underlying latent construct. We removed four measurement items (OP1, LD4, TR2, TR5) due to poor factor loadings.

Table 4.1

Factor Loadings

	Outer loadings
EE1 <- EE	0.865
EE2 <- EE	0.876
EE3 <- EE	0.866
EE4 <- EE	0.859
EE5 <- EE	0.926
ER1 <- ER	0.780
ER2 <- ER	0.882
ER3 <- ER	0.868
ER4 <- ER	0.819
LD1 <- LD	0.830
LD2 <- LD	0.863
LD3 <- LD	0.827
OC1 <- OC	0.880
OC2 <- OC	0.887
OC3 <- OC	0.888
OP2 <- OP & TR	0.750
OP3 <- OP & TR	0.800
OP4 <- OP & TR	0.776
OP5 <- OP & TR	0.790
TA1 <- TA	0.725
TA2 <- TA	0.830
TA3 <- TA	0.811
TA4 <- TA	0.850
TR1 <- OP & TR	0.714
TR3 <- OP & TR	0.817
TR4 <- OP & TR	0.750

Table 4.2. Reliability and Credibility

	CA	CR (rho_a)	CR (rho_c)	(AVE)
Employee engagement	0.926	0.927	0.944	0.772
Employee recognition	0.858	0.861	0.904	0.703
Learning and development	0.791	0.793	0.878	0.706
Organizational culture	0.861	0.861	0.915	0.783
Organizational performance and Talent retention	0.887	0.890	0.911	0.596
Talent attraction	0.820	0.836	0.880	0.649

Table 4.3

Fornell -larker criterion

	EE	ER	LD	OC	OP&TR	TA
Employee engagement	0.879					
Employee recognition	0.847	0.838				
Learning and development	0.770	0.791	0.840			
Organizational culture	0.860	0.864	0.787	0.885		
Organizational performance and Talent retention	0.820	0.830	0.775	0.821	0.772	
Talent attraction	0.761	0.772	0.781	0.773	0.750	0.805

Structural model

The structural model results are summarized in the table, which includes the coefficient of determination (R^2), variance inflation factor (VIF), P-value, model fit, and predictive relevance (Q^2). The standardized root mean square residual (SRMR) for the proposed model is 0.057, as shown in Table 4.4. This value is below the threshold of 0.085 recommended by Henseler et al. (2015), indicating that the model is a good fit. Having explained the measurement model in the previous paragraph, we now proceed with the structural model to analyze the direct and indirect relationships among the variables. A summary of the hypothesis testing is presented in Table 4.5. ER was found to have a

positive effect on EE ($\beta = 0.317, t = 4.332, p = 0.000$). OC also positively affected EE ($\beta = 0.416, t = 6.298, p = 0.000$). Similarly, LD had a positive effect on EE ($\beta = 0.102, t = 1.752, p = 0.040$), and TA exhibited a positive impact on EE ($\beta = 0.116, t = 2.086, p = 0.019$). EE had a positive effect on OP&TR ($\beta = 0.238, t = 3.110, p = 0.001$). ER positively related to OP&TR ($\beta = 0.271, t = 3.695, p = 0.000$). LD was found to have a positive effect on OP&TR ($\beta = 0.161, t = 2.756, p = 0.003$). OC exhibited a positive effect on OP&TR ($\beta = 0.185, t = 2.521, p = 0.006$). TA was found to have a negative result on OP&TR ($\beta = 0.92, t = 1.566, p = 0.059$).

Table 4.6 revealed a set of significant indirect or mediation effects of talent management on organizational performance and talent retention.

These include (TA > EE > OP & TR: $\beta=0.028, t = 1.664, p = 0.048$; OC > EE > OP & TR: $\beta=0.099, t = 2.704, p = 0.003$; LD > EE > OP & TR: $\beta=0.024, t = 1.570, p = 0.058$; ER > EE > OP & TR: $\beta=0.076, t = 2.428, p = 0.008$), and all indicators were found to be significant mediation except LD > EE > OP & TR. The VIF value for each predictor was calculated and found to be below the threshold of 5. As shown in Table 4.5, none of the values exceed 5, indicating that collinearity among the predictor constructs is not a critical issue in the model. After reporting the path coefficients and their significance, the analysis proceeded to assess the model's predictive ability by evaluating in-sample prediction (R^2, f^2) and out-of-sample prediction (PLS predict).

Tables(4.7, 4.8, and 4.9) indicate that, as shown in (Table 4.7), the R^2 value is above 0.5, confirming that the model has a high level of predictive accuracy. The f^2 values, as shown in Table 4.8, suggest that the effect size of EE on OP & TR and talent retention is large, while the effect sizes of ER, OC, and TA are small. Table 4.9 further indicates that the Q^2 value for all variables is above 0, affirming the model's predictive relevance. The results from R^2, f^2 , and Q^2 suggest that the model possesses adequate in-sample predictive power (Hair et al., 2020). Finally, PLS predict analysis was conducted to determine the model's out-of-sample predictive power. The results in (Table 4.9) suggest that the Q^2 predict statistics outperformed those of the linear model (Shmueli et al., 2019). Consequently, the prediction errors of both models (PLS and LM) were evaluated.

Table 4.4

Model fit

	Saturated model	Estimated model
SRMR	0.057	0.057
D ULS	1.155	1.155
d_G	0.592	0.592
Chi-square	1026.539	1026.539
NFI	0.838	0.838

Table 4.5

Hypothesis test (path co-efficient)

	sample	mean	SD	T	P	Decision	VIF	F ²	Effect
EE-> OP&TR	0.239	0.238	0.077	3.110	0.001	Supported	4.835	0.050	Large
ER -> EE	0.320	0.317	0.074	4.332	0.000	Supported	4.704	0.106	small
ER -> OP& TR	0.273	0.271	0.074	3.695	0.000	Supported	5.200	0.061	small
LD -> EE	0.101	0.102	0.057	1.752	0.040	Supported	3.486	0.014	No effect
LD -> OP& TR	0.159	0.161	0.058	2.756	0.003	Supported	3.535	0.030	Small
OC-> EE	0.417	0.416	0.066	6.298	0.000	Supported	4.659	0.180	small
OC -> OP & TR	0.186	0.185	0.074	2.521	0.006	Supported	5.498	0.027	small
TA -> EE	0.113	0.116	0.054	2.086	0.019	Supported	3.217	0.019	No effect
TA -> OP & TR	0.090	0.092	0.057	1.566	0.059	Not supported	3.278	0.010	No effect

Table 4.6

Construct	sample (O)	mean (M)	(STDEV)	T statistics	P values	Remark
ER -> EE -> OP&TR	0.076	0.076	0.032	2.426	0.008	Mediation
LD-> EE-> OP&TR	0.024	0.024	0.015	1.570	0.058	No mediation
OC-> EE -> OP&TR	0.099	0.099	0.037	2.704	0.003	mediation
TA-> EE -> OP&TR	0.027	0.028	0.016	1.664	0.048	Partial mediation

Table 4.7

	R- square	R-square adjusted
Employee engagement	0.793	0.790
Organizational performance and Talent retention	0.765	0.761
Organizational performance and Talent retention	0.743	0.383

Table 4.8

	Q ² predict	RMSE	MAE
Employee engagement	0.785	0.469	0.362
Organizational performance and Talent retention	0.743	0.514	0.383

Table 4.9

PLS predict analysis

	Q ² predict	PLS-SEM_RMSE	PLS-SEM_MAE	LM_RMSE	LM_MAE
EE1	0.583	0.927	0.738	0.924	0.720
EE2	0.558	1.054	0.822	1.056	0.821
EE3	0.629	0.834	0.658	0.845	0.662
EE4	0.548	0.884	0.684	0.907	0.709
EE5	0.697	0.944	0.715	0.927	0.725
OP2	0.367	1.102	0.821	1.127	0.853
OP3	0.432	1.211	0.920	1.241	0.950
OP4	0.464	1.141	0.866	1.165	0.882
OP5	0.485	1.142	0.858	1.105	0.857
TR1	0.287	1.310	0.968	1.330	1.010
TR3	0.559	1.046	0.836	1.088	0.867
TR4	0.468	1.102	0.853	1.112	0.844

Chapter 5

Findings and suggestion

5. Findings

The findings of our statistical analyses indicate a positive influence of talent management practices on talent retention and organizational performance. Workplace productivity is gauged not only by employee satisfaction but also by employee engagement, which is attained through effective people management strategies. The analysis revealed that factors such as talent recognition, organizational culture, and employee engagement significantly impacted organizational performance and talent retention, whereas talent attraction had a negative effect on organizational performance and talent retention. As per as analysis employee engagement had a mediation effect on organizational performance and talent retention except for LD > EE > OP & TR.

We researched the circumstances of employee engagement, which organizations bring about through an enhanced focus on individuals their growth, and continual learning. This outcome in desirable behavior and attitudes from employees, such as an enthusiasm to learn, understanding of the purpose of their work, enhanced organizational commitment, and performance. These behaviors and attitudes among employees establish a relationship with the organization and ensure that an employee continues to work for the organization while producing outstanding performance, thereby ensuring talent retention.

5.1. Suggestion

The purpose of this study was to provide an overview of the literature written about this subject and get conclusive advice to help any organization facing problems with its manpower, high turnover, low engagement of employees, and low productivity.

To create an effective talent management system, some points should be taken into consideration as follows:-

1. HR should be at the center of the implementation process.
2. Organisations should look for promising employees and invest in them, as talent and intellectual capital are among the most valuable assets of organizations.
- 3.. To regularly evaluate employees to find existing abilities, and determine talent gaps, and future talent requirements.

4. Organisations also need to adopt several strategies to retain employees.
5. Top management support and attention is needed.
6. Senior and line managers must share the role of recognizing high potentials and guiding and developing them.
7. The talent management process is not restricted to specific areas of HR; it should address every detail when connecting with employees.
8. Talent management is more than just counting an employee's training courses; it contains everything contributing to employee satisfaction, engagement, and career advancement. Employees should always feel protected and supported by the organizations they work for.
9. To enhance performance, management should continue to implement learning and development strategies such as coaching, evaluating learning needs, and personal growth initiatives.
10. In general, it is recommended to focus on talent management methods because doing so results in improved organizational performance.

Chapter 6

Conclusion, Policy implication, and Future work

6. Conclusion

Talent management stands as a strategic endeavor for organizations to allure, cultivate, and retain skilled employees, thereby gaining a competitive edge. It is acknowledged as a paramount HR challenge in addressing forthcoming customer demands and is pivotal for the survival and enduring advancement of any business entity. Disregarding talent management poses a significant risk to an organization's viability, particularly in today's fiercely competitive corporate landscape.

The equity of outcomes, approaches, and interactions within the talent management framework, coupled with the alignment of perceptions with talent status, emerge as pivotal determinants of talent management's effectiveness as a retention tactic. This paper delineates a comprehensive model elucidating the nexus between talent management, employee retention, and organizational performance, underscoring the significance of congruent talent perceptions and organizational coherence.

6.1 Policy implication

The research results have certain implications for management that can assist managers in achieving their organizational goals. The present research enhances the case for talent management strategies within an organization and exposes their advantages involving enhanced productivity, satisfaction, and retention of employees.

The results allow management to focus on the significant variables that employees take into account when considering whether or not to stay with the organization.

They support the concept of focusing on the important roles and can be used to determine the impact that diverse talent management strategies have on keeping significant employees on the team. From there, they may be customized based on the needs of the organization. The results demonstrate how employee engagement influences workers' desires to remain together and perform better.

According to the present research, employees who have a strong support system and the ability to freely communicate with executives and fellow team members are happier and more likely to wish to remain with the organization. It is the responsibility of

management to establish and enhance team culture. The report guides how to build talent management strategies that are collectively implemented for employee retention.

6.2 Limitation and Future Work

This study has identified the role of talent management in employee retention and organizational performance, focusing on limited aspects such as recognition, learning and development, organizational culture, and talent attraction. However, numerous other factors, including teamwork, performance appraisal, and rewards, can also influence employee retention intentions and contribute to organizational performance improvement. Future research on employer branding can be used as a strategic tool to retain talent and improve organizational performance and Organizational commitment and performance management systems can be used as a mediating factor in determining the impact of organizational performance on talent retention. Furthermore, employee retention intentions are affected not just by organizational factors but also by personal and demographic characteristics, which weren't explored in this study. Future studies should take into consideration the other elements that contribute to employee retention and organizational performance in total.

The study's limited sample size and focus on the banking industry suggest that similar studies applying the same construct might yield more applicable results in other sectors. Future research that integrates these features, as well as large sample sizes, will produce more accurate results for evaluating talent management policies for employee retention and organizational performance.

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Appendices

Our study is about the Impact of Workplace Environment on Employee Performance: A Case Study on the Manufacturing Sector in Bangladesh. It is trying to comprehend how the workplace environment can affect the overall performance of the firm including the above-mentioned mediators. This questionnaire will be used for academic research purposes only and your responses will be kept secret. Your participation will help us to complete this research, and this survey has several sections.

Please indicate the extent to which you agree with it by clicking an appropriate number on the 7-point scale provided, where

1. Strongly disagree
2. Disagree
3. Somewhat disagree
4. Neither agree nor disagree
5. Somewhat agree
4. Agree
5. Strongly agree

We hope you will understand our purposes and context, thus please respond spontaneously. For any query, you may contact us using this email marjiamitu307@gmail.com

Demographic characteristics of the respondents

Gender: a)Male b).Female

Manegerial level : a)Senior b)Junior

Age:

:	a)21-25	b) 26-30	c)31-35
	d)36-40	e) 41-50	f) more than 50

Job experience : a) up to 1 year b) 2 to 4 year
c) 4 to 8 years d) more than 8 year

Education : a) Graduate b) Postgraduate

Indicators	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
Talent attracting							
1 organization's good. working conditions and fair wages have enabled it to attract the right talent							
2 Work-life balance, as well as social networking facilities, in this organization are motivating factors for our employees							
3. organization ensure a good climate, to attract the right talent							
4. Talent management involves creating a fair recruitment and selection process based on merit							

Talent retention							
5. organization spends more time & money on retention programs than on recruitment							
6. Employee's stress level is given appropriate attention in this organization							
7. organization has a competitive compensation system, in comparison to other organizations in the same industry, which is a motivating factor for employees							
8. this organization has flexible working hours as a motivating factor for our employees							
9.organization regularly measures the effects of a retention strategy							

Learning and development							
10. Coaching by the line managers is carried out in this organization							
11. Place a high priority on workforce training and development							
12. Organization has policies that encourage career growth and developmental opportunities							
13. Talent management involves developing the skills and abilities of employees to make them more adaptable and open to change within the organization."							

Employee Recognition							
14. An organization rewards an employee for their exceptional work							
15. This organization makes me feel important							
16. I get credit for what I do							
17. Organization provides opportunities to get high positions							
Organizational culture							
18. Talent management involves creating a workplace culture that values the work of employees							
19. Creating a culture where employees' ideas are listened to and valued							
20. The work environment is conducive to good interaction among employees							

Organizational performance							
21. this organizations productivity level has increased over the past 3 years							
22. Rewarding high-performing employees is an effective way to enhance organizational performance							
23. organization conduct formal performance appraisals regularly							
24. Organization provide moral support for employees to perform better							
25. Talent management in the organization leads to increased employee productivity							

Employee engagement							
26. At my job, I feel strong and vigorous							
27. At my job, I am very resilient, mentally							
28. My job inspires me							
29. I feel happy when I am working intensely							
30. My skills are beneficial for many tasks in my organization							