

The effect of talent management on organizational performance: applied study in Jordanian banks

Najm A. Najm^{1*} and Alaa K. Manasrah²
^{1,2} Al-Zaytoonah University of Jordan

Abstract: Talent management (TM) is the most important topic in most organizations in the last two decades. It is a key strategic issue for local, national, and multinational organizations. It includes a wide range of dimensions and activities such as aligning TM to strategy, maintaining, developing, and retaining/renewing talents which consists of three categories according to the study: the strategic leaders, best professional, and other high performers. With respect to the two approaches to TM, the study concluded that it's important for effective organizations to avoid the disadvantages of both exclusive and inclusive approaches, and develop its own way of TM in order to achieve high performance and business results. Organizations should seek to increase the support and development programs for high potential and performers in all organizational levels without a narrow focus on senior managers and leaders in the higher levels only (Conger, and Fulmer,2003).

This study aims to determine the effect of TM dimensions on organizational performance criteria. Four dimensions of TM were identified, which are: aligning TM to strategy, maintaining, developing, and finally attracting and renewing talents. The effective use of these four dimensions is the essence of TM to create value proposition and achieve competitive advantage in modern organizations. The study found that there is a positive effect of TM dimensions on the three performance criteria in all six banks, which represent the study sample.

Key terms: talent, talent management, aligning TM to strategy, developing, attracting and renewing talents, organizational performance.

JEL codes: D2, H89.

1. Introduction

In a rapidly changing global business environment, intense competition and recurring financial crises, lifeboats available to the organization are very few. First and most important of these boats is talented people. "People are the most valuable assets in the organization", the argument always has been repeated for decades even in organizations where technology is a top priority. Consultants at McKinsey coined the concept of the "war for talent" (Chambers et al., 1998; McKinsey & Company, 2001, Beechler and Woodward, 2009). This concept represents the beginning of a new era of unprecedented interest in talented people who have become a strategic capability and a weapon in the organization (Kermally,2004, p66, Joyce and Slocum,2012). Although talent management (TM) relied on anecdote rather than reliable empirical evidence (McDonnell et al., 2010) and despite the need for reassessing the McKinsey perspective on the war for talent (Pfeffer and Sutton, 2006), TM has gained recognition in the theory and practice by scholars and practitioners.

In today's knowledge economy, knowledge is the new driver of economic growth and the base of wealth creation. In this new economy, (compared to industrial economy), talent is playing an increasingly important role to make a difference to organizational performance. This is particularly true in organizations that

* Correspondent author. Prof. Dr. Email address: najim_abood@yahoo.com.

compete primarily on the basis of information, experience, and ability to innovate. In fact, "the war for talent" shows that there is a great shortage of talent in developed countries that dominate the top rankings in the Global Talent Competitiveness Index: GTCI (McKinsey & Company, 2001; Lanvin and Evans, 2013, p27) and in developing countries, (Newbury, Gardberg, and Sanchez, 2014).

Nowadays, the need for talent is everywhere and at all organizational levels. The need for talented individuals is increasing in all industries and sectors outside the organization, This need for talent not be equivalent, but organization's need to succeed in the market. In this context, TM has raised many questions, such as: what does "talent in organization" means? What does TM means? What is the relationship between TM and the human resources management HRM? What are the basic approaches to TM in organizations? Finally, what is the effect of TM on organizational performance in organizations?.

2. Concept of talent

Giftedness is a rooted concept in the fields of psychology and education which is closely related to children and individuals with high IQ in their educational years and who scored at the 95th or 99th percentile on IQ tests (Kirr, 2009, p386; Silverman, 2012, pp33-34). While talent has been widely used in business, often to indicate high performance, i.e. produces large amounts of money at work (the original meaning of talent is quite old and describes a unit of mass, value, weights, or money) (Kerr, 2009, p863). Through the different stages of the economic development, the human ability did not have one form. Starting with the mass production, the focus has been on the physical ability of the worker. Later and with the growing interest in the market and customer needs, the great attention began to focus on the skill and skilled workers in the industry. The transition from industrial society to a post-industrial society and knowledge-based economy, led to the rise of knowledge workers who must be considered the new and the most important asset in the organization (Drucker, 1999, p157), and they are also human capital, which is a component of intellectual capital (Edvinsson and Malone, 1997; Stewart, 2001). Another step in this development was the emphasis on the role of professionals and professional intellect in the organization (Quinn, 1996; Mintzberg, 1999). Nowadays, talent represents a key area of competition and the most enduring source of competitive advantage.

Talent definitions in business literature vary greatly and there is no single widely adopted definition, and no clear definition of talent (Wellins Liu, and Qiuyong, 2006). Difference stems from different perspectives to talent and its role in the organization (Gallardo, 290). Some researchers proposed narrowed *definitions* (Gallardo-Gallardo, 2011, Silzer and Dowell, 2010), *and others provided* broad definitions (Hansen, 2007). Table 1 shows many definitions of talent.

Table 1: Definitions of Talents

Author	Definition
Schiemann, 2014	- The collective knowledge, skills, abilities, experiences, values, habits and behaviors of all labor that is brought to bear on the organization's mission.
Silzer and Dowell, 2010	-Talent can be seen as "a pool of employees who are exceptional in their skills and abilities either in a specific technical area, or a competency, or a more general area (such as general managers or high-potential talent).
Lawler III, 2008	-Highly qualified, knowledgeable, and motivated people who also demonstrate high-performance.
Cheese et al., 2008	- The various attributes, like knowledge, experience, skills, and behaviors that an individual has and brings to work in order to meet the business goals.
Tansley et al., 2007	-Those individuals who can make a difference to organizational performance, either through their immediate contribution or in the longer term by demonstrating the highest levels of potential.
Chartered Institute of Personnel and	-Talent consist of those individuals who can make a difference to organizational performance, either through their immediate contribution or in the longer term by

Development (CIPD), 2007	demonstrating the highest levels of potential.
Hansen, 2007	- The core employees and leaders that drive the business forward.
Blass, 2007	- People who are demonstrating some potential to progress in the organization at any given point in time.
Berger and Berger, 2004	-Top achievers who have core competences of the organization and represent small percentage of the employees.
Michaels et al., 2001	-The sum of a person’s abilities—his/her intrinsic gifts, skills, knowledge, experience, intelligence, judgment, attitude, character, and drive. It also includes his her ability to learn and grow.

Some important notes can be drawn from these definitions:

- Talent is associated with a set of features, skills, knowledge, and abilities that characterize individuals (professionals or non-professionals) in the organization.
- Talent is something special that can make a difference in organizational performance and exceptional achievements. In other words, the highly talented individuals are also the high achievers in both the short and long-term in the organization.
- Talented individuals usually represent a small percentage of the total employees in the organization. This idea can be found in McClelland’s theory of need for achievement (1961), who pointed out that individuals with high achievements do not represent more than (10%) of US population (cited in: Lussier, and Achua, 2013, p41).
- The growing need to attract, develop, and maintain talented individuals in organizations led to the development of talent management in these organizations. According to McKinsey’s war for talent, talent management became a strategic business challenge (Brown et al., 2004, p66).

In our opinion, talented people include those with high performance and above the average performance in the organization. They fall into the three groups, namely: strategic leaders and strategic human capital (Groysberg et al., 2006; Joyce and Slocum, 2012), highly qualified professionals (Quinn, 1996), and other high performers. The rest of employees (tumbler and losers according to Joyce and Slocum, 2012, p192) are needed for individual and organizational initiatives to develop their skills and capabilities into more successful ones.

3. TM and HRM

Researchers differ in their view of TM, some believe that TM is not a new topic, but is a new label for the employee development, and it may be akin to the “emperor’s new clothes” in the famous story of Hans Christian Andersen (1837) or “an old wine in new bottles” (McDonnell et al., 2010). While other researchers believe that there is a new thing in TM and its role. That thing is growing globally and must be achieved at the strategic level (Tarique and Schuler, 2010; Schuler et al., 2011). Researchers presented many definitions of talent management, however there is no single definition that achieves consensus among them. Moreover, there is a lack of clarity in the definitions of TM, which is due to the wide variations among researchers about the concept. We can identify four stages of HRM evolution since the industrial revolution until the present: (1) the need for employment: in this stage, the basic function was to provide a number of employees who are able to work. This stage spanned from the beginning of the industrial revolution (1776) (Adam Smith published his book “The wealth of nations”) to the third decade of the twentieth century. 2) The need for professionalization under personnel management. This stage covered the period from 1940s to 1970s. 3) The need for strategy under HRM from 1980s to present including the HRM alignment to strategy. 4) The extended applications of HRM. These applications are represented in human capital, which capitalize on the employee as an asset and human capital ROI (Fitz-enz, 2000), e-HRM where the Internet enhances HRM processes and provides lower cost solutions to them (Ensher et al., 2002; Swaroop, K. Reddi, 2012; Bondarouk and Rue, 2009), and talent management that focuses on talented individuals as the next generation of organizational leaders (McDonnell et al., 2010).

In the relationship between TM and HRM, there are three points of view that can be distinguished. According to Lewis & Heckman (2006), HRM and TM were often used interchangeably. In the relationship between them, there are three points of view can be determined in this context. First, the reductionist view: TM is just a new label for the activity of HRM regard to high performers. In the past, the focus of human resources management was to attract, develop, and maintain skilled workers, but today, it focuses on talented individuals. Second, the functional view: TM is the last stage in the evolution of HRM and the new application of its applications. In this view, HRM has several specialized functions such as manpower planning, training, compensation...etc. In the knowledge and digital economy, there are other functions carried out by the HRM such as acquiring, developing, aligning, assessing talent (Ratho, 2014) and it is about having the right people at the right time (Parry and Tyson, 2014). Third, the strategic view: where the MT is a new wave of HRM in which talented people are a strategic asset (Veladat and Navehebrahim,2011,p1054). In this view, talented people can make a difference at the strategic level, present strategic opportunities, create competitive advantage and influence the company's market value through human capital. These contributions are under the responsibility and priorities of top management (Mellahi, 2009; Collings and Mellahi, 2009; Beechler and Woodward, 2009; Joyce and Slocum, 2012; Schuler et al., 2011; Ashton and Morton, 2005; Shrimali and Gidwani, 2012). Actually, McKinsey study confirmed that executives are facing the problem of the war for talent and talented individuals, and there are 89% of CEOs put the 'people agenda' as one of their top priorities (PWC, 2008 cited in: Beechler and Woodward,2009,p173).

4. Two approaches to TM

In an organization, all employees are doing work, however, they are not equal in terms of skills, experiences, and capabilities. Thus, there are those who can be called high-performance leaders, and those who are low performance laggards (black holes of performance). This situation imposes challenges to the organization related to how to deal with these employees. Generally, there are two approaches to TM. First, the exclusive approach which is based on organizational elite, small category of high potential employees or favoured and few stars of high performers (Armstrong, 2006; Al Ariss, 2014; McDonnell et al., 2010, Ready et al.,2010). This approach can be explained by the Pareto rule (20/80). Regardless of the percentages (according to McClelland, individuals with a high need for achievement, represent 10%), this approach does not help the organization to develop the largest number of employees and achieve advantage of them. Moreover, the approach may lead to some disadvantages such as reduced engagement, increased turnover, focus on one group and overlook other groups and levels of performance. Second, the inclusive (egalitarian) approach is based on that every employee has something special and certain talent and the organization can benefit from it in the right place and right time. The approach can also prevent the organization from an exaggerated focus on high performers. However, there are several disadvantages associated with this approach, such as learning and development programs are widespread throughout the organization, increasing competition for progression, less engagement and investment in highly talented people (Tansley et al., 2007 cited in Pilbeam and Corbridge, 2010, p103, Moczydłowska, 2012, p436, Schiemann, 2014, p282).

It is imperative for organizations to develop their own ways of TM in order to achieve high performance and business results. If an employee has something special, then the organization must do its best to take advantage of this talent by providing opportunities of development and put each of them in the right place at the right time. Edison once said "innovation is 99% perspiration and 1% inspiration" (cited in Dodgson et al., 2008). In this case, the perspiration is a perspiration of the organization (creating great motivating place to work) and the employee (doing the best and continuously improving it).

5. TM and its dimensions

Many studies have provided definitions of TM (Collings, and Mellahi 2009; Stockley, 2007; Lockwood 2006; Iles et al. 2010, Heinen and O'Neill, 2004). These definitions emphasized that TM consists of a set of

dimensions, such as attracting, retaining, motivating, developing talent and succession planning. These dimensions are useful to determine the basic functions and activities of TM, but they do not help in determine the best way to do them.

TM is a broad concept which covers many activities and dimensions of the organization's relationship with talented people. Researchers generally differ in identifying these dimensions. Table 2 shows these dimensions. This study adopted four dimensions of talent management: aligning TM to strategy, developing talent, maintaining talent, and attracting and renewing talent (including the successor planning).

Table 2: Talent management dimensions

Author	Dimensions
Ratho, 2014	- Acquiring, developing, aligning, assessing talent
Kaur, 2013	- Attracting, selecting, training, developing, and promoting talent
Kagwirialyria, 2013	- Talent attraction, retention, learning and development, and career management.
Haghparsast et al., 2012	- Recruitment and selection, retention, succession planning, development approach.
Waheed et al., 2012	- Recruitment process, selecting people for building a 'talent pool', the placement of the selected talents at different positions within the organization, and succession planning.
IBM Institute for Business Value, 2008	- Developing strategy, attracting and retaining, motivating and developing, deploying and managing, connecting and enabling.
Ntonga, 2007	- Identify talent, develop talent, deploy talent and retain talent.
Chartered Institute of Personnel and Development, 2007	- Talent attraction, identification, development, engagement/retention and deployment.
Armstrong, 2006	- Attracting, retaining, motivating and developing the talented people.
Lockwood, 2006	- Attracting, selecting, engaging, developing, and retaining employees.
Ashton and Morton, 2005	- A strategic and holistic approach to both human resources and business planning.
Ali, 2011	- Focusing on talent, recruiting, discrimination, succession planning, training and development, retention of talent, and performance-related pay.

6. Talent management and organizational performance

In the process of organizational development, re-designing and restructuring the organization, high performance is the big goal. This is also found in TM. Our experience related to the effect of skill and education on productivity, goes back to the sixties of the twentieth century in what is called the economics of education (Schultz, 1961). There is no single reliable measure internal (linked to the outcomes) or external (related outputs) to represent the organization's real capabilities and measure accurately the organizational performance. Many studies have confirmed that there is a positive effect of talent management on competitive advantage, business success, and results of organizational performance (Schiemann, 2014; Collings, 2014; Kim and Wright, 2010; Lamoureux; Campbell, and Smith, 2009; Hatch and Dyer, 2004; Budhwar and Mellahi, 2007; Heinen & O'Neill, 2004; Ashton and Morton, 2005). In this study, we assume that there is an effect of the four dimensions of talent management (aligning TM to strategy, developing talent, maintaining talent, and attracting and renewing talent) on the three criteria of organizational performance: profitability, market expansion, and improving the reputation of the organization.

7. Methodology

Variables of the study consist of independent variables that were represented in four dimensions of TM (aligning TM to strategy, talent retention, talent development, and attracting and renewing talent) and dependent variables that were represented in the three performance criteria (profitability, market extension, and reputation), and two mediator variables consisted of size and age of bank. In Jordan, there are 26 commercial banks which consist of 16 Jordanian banks and 10 non-Jordanian banks (The Association of Banks in Jordan ABJ, 2013). These banks differ in terms of size and age. The sample of the study was a purposive sample and consisted of 6 banks. Banks have been classified by the size of the bank to large, medium and small banks (depending on number of employees). These banks were also classified by age of banks in three categories: short (less than five years), medium (from five to less than ten years), and long service years (more than ten years). These six banks are: Arab bank, Jordan Islamic Bank, Jordan Kuwait bank, BLOM bank, Jordan Dubai Islamic bank, and Citibank. Total respondents were 210 at a rate of 35 respondents per Bank.

The questionnaire was a tool to collect data from respondents. It consisted of three main sections: demographic and functional characteristics of the sample, statements that represented the four dimensions of talent management (independent variables), and the third section comprised of three performance criteria. Questionnaires were distributed randomly in each bank of the selected six banks and the recovered questionnaires from these banks, were (183) that represent (87 %).

7.1 Hypotheses of the study

Ho₁ There is no statistically significant effect of talent management dimensions on profitability in the Jordanian commercial banks. According to the four dimensions of talent management, according to talent management dimensions, this hypothesis consists of four sub-hypotheses.

Ho₂ There is no statistically significant effect of talent management dimensions on market extension in the Jordanian commercial banks.

Ho₃ There is no statistically significant effect of talent management dimensions on the bank reputation improvement in the Jordanian commercial banks.

Ho₄ There is no statistically significant effect of talent management dimension on performance criteria due to the age of the bank in Jordanian banks.

Ho₅ There is no statistically significant effect of talent management dimension on performance criteria due to the size of the bank in Jordanian banks.

7.2 Data analysis

Table 3 shows these characteristics (n=183).

Table 3: Sample characteristics

Charac.	Data	Freq.	%	Charac.	Data	Freq.	%
Gender	Male	132	72.1	Marital status	Single	90	49.2
	Female	51	27.9		Married	93	50.8
Total		183	100.0	Total		183	100.0
Age	< 20	7	14	Job position	Depart. manager	26	0.14
	21-30	110	60.1		Branch manager	12	0,07
	31-40	59	32.2		HRM	15	0.08
	41-50	7	3.8		Team Leader	18	0.1
	>50	4	2.2		Project manager	9	0.05
Total		183	100		Auditor/accountant/ teller	20	0.11
Education.	Sec.	4	2.2		Customer service	41	0.22
	Dip.	5	2.7		Sales/marketing	21	0.11

	Bach.	147	80.3		Others	21	0.11
	Mas.	5	2.7	Total		183	100.0
	Ph.D.	21	11.5				
Total		183	100.0				
Years of experience	< 5 years	92	50.3				
	5-9	60	32.8				
	10-14	18	9.8				
	> 14	13	7.1				
Total		183	100.0				

The questionnaire was initially developed to the purposes of this study, and reviewed by a panel of experts to ensure that the study variables are representative of the concepts and the statements of these variables measure what it is supposed to measure. The panel included two experts from Petra University and 4 experts from Al Zaytoonah University of Jordan. The questionnaire has been developed and adjusted upon their comments and recommendations. Face validity was conducted to ensure that the study variables are representative the their concepts and the questionnaire measures what it is supposed to measure.

To test construct validity, table 4 contained factor analysis of four dimensions of talent management (aligning talent management to strategy, maintaining talent, developing talent, and attracting and renewing talent) and six performance criteria. The results of the analysis showed the factors loadings of these dimensions and a performance criterion is larger than (50 %) according to variance explained criteria (as a criterion for determining the factors), then all independent and dependent variables are valid and appropriate for statistical analysis. Factor analysis of the talent management dimensions is displayed in the following.

Table 4. Factor loadings of study variables

Variables	Factor1	Extraction
- Aligning talent management to strategy	.879	.772
- Maintaining talent	.808	.653
- Developing talent	.914	.836
- attracting and renewing talent	.881	.777
- Performance criteria	.693	.480

The reliability analysis applied the level of Cronbach's α as the criterion of internal consistency in the questionnaire. This analysis is necessary to study scale features and internal consistency between the questionnaire items, and their correlation. The analysis was done by calculating Cronbach's alpha for the variables of TM and its component. Table 5 shows that Cronbach's alpha indicates that there are strong correlations between them except maintaining talent where it was poor (weak internal consistency) but not unacceptable (Morgan et al.,2011,p137).

Table 5: Cronbach's Alpha of study variables

Variables	No of items	Cronbach's Alpha
Aligning talent management to strategy	9	.893
Maintaining talent	7	.659*
Developing talent	8	.915
attracting and renewing talent	7	.888
Dependent variables	3	.869

* Note: Cronbach's Alpha for 7 items of maintaining talent was poor (0.659) but not unacceptable (Ntoumanis,2001,p149). To treat this inappropriate situation, researchers have calculated inter-item correlations of seven items (statements of maintaining talent dimension). The results showed that there is a weak correlation of one item (second statement) with the rest of the six items. The second item was eliminated. After that Cronbach's Alpha became 0.865.

Multicollinearity test was conducted. The relationship between the independent variables is an important step. Strong linear relationship between variables indicates that there is a problem in the use of these variables as independent variables from each other. Also a strong relationship between these variables leads to a weakening of the ability of the model and its predictor variables to explain its relationship with and effect on the dependent variables. Variance inflation factor (VIF) is usually used to measure the effect of collinearity. Value of VIF (=1/Tolerance) must be less than 10 (this means tolerance must be greater than 0.1), then there is no problem. Otherwise, when value of VIF of any variable exceeds 10 indicates that there is a collinearity problem. Table 6 shows that the values of VIF are less than 5, then there is no highly relationship between independent variables and there is no collinearity problem in study model.

Table 6: Values of variance inflation factor (VIF)

	Variables	Tolerance	VIF
	Talent management dimensions (Independent variables)		
1.	- Aligning talent management to strategy	.345	2.899
2.	- Maintaining talent	.498	2.007
3.	- Developing talents	.246	4.066
4.	- attracting and renewing talent	.317	3.133
	Performance criteria (Dependent variables)		
5.	- Performance criteria	.671	1.490

Another test was relationships between variables. Correlation matrix is important tool to verify that there are correlations between independent and dependent variables. If all or most of the correlations are above (30%) (As good indicator of the appropriateness data), then the study variables are appropriate for analysis. Table 7 shows the results of correlations between variables and all Inter-item correlations are larger than 0.3.

Table 7: Inter-item correlation matrix

	Talent management Dimension				Three performance criteria		
	ATM	MT	DT	ART	PE	ME	RE
ATM	1.000						
MT	.635	1.000					
DT	.783	.653	1.000				
ART	.699	.654	.805	1.000			
PE	.529	.436	.542	.490	1.000		
ME	.452	.397	.514	.483	.879	1.000	
RE	.476	.368	.446	.403	.903	.688	1.000

* Independent variables:
 ATM = Aligning talent management to strategy, MT = Maintaining talent
 DT =Developing talent, ART = Attracting and renewing talent
 * Dependent variables:
 PE = profitability , ME = Market expanding , RE=corporation Reputation

7.3 Hypotheses Testing

The study included five major hypotheses, Three of them were related to the effect of talent management dimensions on the performance criteria, and other two hypotheses related to mediator variables.

Ho₁: There is no statistically significant effect of talent management dimensions on profitability in the Jordanian commercial banks. According to the four dimensions of talent management, this hypothesis consists of four sub-hypotheses.

To test the effect of talent management dimensions on profitability, it is necessary to determine the correlation coefficient (R) and the coefficient of determination (R²) as a measure of the strength and direction of a linear relationship between variables. The results showed in table 8 that there is a positive relationship between four dimensions of talent management and profitability. Result of the multiregression test, indicate that coefficient of determination (R²) of the four dimension of talent management was (0.238), calculated-f value(14.345), and significance level below (0.05) as shown in table 8. To determine the effect of these dimensions on profitability, regression coefficient (a measure of the change in the dependent variable due to the change in the independent variable) was calculated. Table 8 shows that value of β (slope parameter in regression model) for aligning TM to strategy is (0.452), maintaining talent (0.397), developing talent (0.514), and attracting and renewing (0.483). These results indicate that the change in TM dimensions leads to a change in profitability according to these values of regression coefficient respectively. Table 8 also shows that a calculated-t of four dimensions is larger than the tabulated-t (1.66) at (P-value< 0.05, n = 183), then, the four null hypotheses are rejected and the four alternative hypotheses are accepted.

**Table 8. Effect of talent management dimensions on profitability
 (Ho_{1a,b,c,d})(n=183)**

Dimensions	Performance criterion	R	R ²	β	Calculated-t	Sig
Aligning talent management to strategy	Profitability	.452	.204	.645	6.815	0.000
Maintaining talent		.397	.158	.601	5.819	0.000
Developing talent		.514	.264	.601	8.063	0.000
attracting and renewing talent		.483	.233	.580	7.415	0.000
R ² = 0.238,		F = 14.345,		Sig = 0.000		

Ho₂: There is no statistically significant effect of talent management dimensions on market extension in the Jordanian commercial banks.

To test the second hypothesis (Ho₂), results of the multiregression, indicate that coefficient of determination (R²) of the four dimension of TM was (0.244), F-calculated (14.34 5), and significance level below (0.05) as shown in table 9. The correlation coefficient (R) and the coefficient of determination (R²) were calculated and demonstrated that there is a positive relationship between four dimensions of TM and market extension. The effect of each dimension of TM on market extension was tested by regression coefficient. Value of β for aligning TM to strategy was (0.476), maintaining talent (0.367), developing talent (0.446), and attracting and renewing (0.402). According to these results, all dimensions of talent management have effect on market extension. The results also shows that the calculated-t for the four dimension of talent management are larger than the tabulated-t (1.66) at (P-value< 0.05, n = 183), then, the four null hypotheses are rejected and the four alternative hypotheses are accepted.

Table 9. Effect of talent management on market extension, (Ho₂a,b,c,d)(n=183)

Dimensions	Performance criterion	R	R ²	β	Calculated-t	Sig
aligning talent management to strategy	Market extension	0.476	0.226	0.476	7.287	.000
Maintaining talent		0.367	0.135	0.367	5.319	.000
Developing talent		0.446	0.199	0.446	6.712	.000
attracting and renewing talent		0.402	0.162	0.402	5.920	.000
R ² = 0.244,		F = 14.34 5,		Sig = 0.000		

Ho₃: There is no statistically significant effect of talent management dimensions on bank reputation improvement in the Jordanian commercial banks.

To test the second hypothesis (Ho₃), results of the multiregression, indicate that coefficient of determination (R²) of the four dimension of talent management was (0.269), F-calculated (16.390), and significance level below (0.05) as shown in table 4.16. The correlation coefficient (R) and the coefficient of determination (R²) were calculated and demonstrated that there is a positive relationship between four dimensions of talent management and market extension. The effect of each dimension of talent management on reputation improvement was tested by regression coefficient. Values of β for four dimensions were (0.486), (0.399), (0.485), and (0.421) respectively. According to these results, all dimensions of talent management have an effect on reputation improvement. The results also shows that the calculated-t for the four dimension of talent management are larger than the tabulated-t (1.66) at (P-value < 0.05, n = 183), then, the four null hypotheses are rejected and the four alternative hypotheses are accepted.

Table 4-22: Multiregression analysis to test the Effect of talent management dimensions on reputation improvement, (Ho₃a,b,c,d)(n=183).

Table 10: Effect of talent management on reputation improvement, (Ho₃a,b,c,d)(n=183)

Dimensions	Performance criterion	R	R ²	β	Calculated-t	Sig
aligning talent management to strategy	Reputation improvement	0.486	0.236	0.486	7.485	.000
Maintaining talent		0.399	0.159	0.399	5.858	.000
Developing talent		0.485	0.235	0.485	7.473	.000
attracting and renewing talent		0.421	0.177	0.421	6.260	.000
R ² = 0.269,		F = 16.390,		Sig = 0.000		

Ho₄: There is no statistically significant effect of talent management dimension on performance criteria due to the age of the bank in Jordanian banks.

In the fourth and fifth hypotheses, the age and size of the bank consider as mediator variables.

To test the fourth hypothesis (Ho₄), there are three steps as follow (Judd and Kenny, 1981; Baron and Kenny; 1986; Preacher and Hayes, 2004, Dudley, Benuzillo and Carrico, 2004; Pardo and Román, 2013):

1. Determining the effect of independent variables (talent management dimensions) on dependent variables (performance criteria). This step is carried out in table 11, and the results indicated that there is positive effect of talent management dimensions on performance criteria.

Table 11: Effect TM dimensions on performance criteria

	Unstandardized Coefficients		t	Sig
	B	Std. Error		
Constant	1.886	0.238	7.907	0.000
Talent management dimensions	0.639	0.070	9.130	0.000
R ² = 0.315 Adjusted R ² = 0.312 F = 83.348 Sig = 0.000				
a. Dependent variable: performance criteria b. R ² = 0.315 and adjusted R ² = 0.312 indicate statistically significant and positive relationship between independent and dependent variables.				

2. Calculating the effect of independent variables (talent management dimensions) on mediator variable (age of the bank). Table 12 shows the result of step two.

Table 12. Regression coefficient to predict age of the bank (mediating variable) from TM dimensions (independent variables)

	Unstandardized Coefficients		t	Sig
	B	Std. Error		
Constant	2.226	0.312	7.138	0.000
Talent management dimensions	-0.068	0.092	-0.738	0.461
a. Dependent variable: age of the bank				

3. Calculating the effect of both independent variables (talent management dimensions) and mediator variable (age of the bank) on dependent variable (performance criteria) simultaneously. Table 13 shows the result of step three. Testing of the hypothesis depending on the results of the previous three steps. Sobel test was used to test the hypothesis. The method to test hypothesis related to mediator variable does not require large sample and some studies have involved fewer than (100) respondents (Dudley et al., 2004, p61; Ma and Zeng,2014,p76). This condition is achieved because the study sample was (183).

Table 13. Effect of mediator variable associated with TM dimensions on the performance criteria

Model	Unstandardized Coefficients		t	Sig
	B	Std. Error		
Constant	1.804	0.270	6.670	0.000
Talent management dimensions	0.642	0.070	9.137	0.000
Age of the bank	0.037	0.057	0.647	0.518
a. Dependent variable: performance criteria				

Appropriate values from the tables 11-13 were entered in the Sobel test. The test statistic for the Sobel test is (0.65) and p-value is (0.51) which is greater than alpha level ($\alpha < 0.05$). The results as shown in table 14, indicate that the mediator variable associated with the independent variable and the dependent variable, is insignificant, i.e. there is no significantly indirect effect due to mediating variable on the relationship between independent and dependent variables.

Table 14. Results of Sobel test

Ho ₄	Input	Sobel test	P-value
TM dimensions → age of the bank (moderator) → performance criteria	a. -0.068 b. 0.037 sa. 0.092 sb. 0.057	0.48773	0.62574
a= Unstandardized regression coefficient for the association between independent and mediator variables. b = Unstandardized regression coefficient for the association between the mediator and dependent variables. sa = Standard error of a sb = Standard error of b			

Alternatively, the same results can be obtained using the t- test statistics. When using t_a and t_b values that have been calculated in the previous steps, we can calculate Sobel test and the p-value. Table 15 shows the results of the test Sobel, which are very close to the results of the previous method (the difference in values due to rounding).

Table 15: Result of Sobel test using t-test statistics

	Input	Sobel test	p-value
t_a	-0.738	0.48651	0.62661
t_b	0.647		

Ho₅: There is no statistically significant effect of talent management dimension on performance criteria due to the size of the bank in Jordanian banks.

Size of the bank is the second moderator. The same three steps were conducted to test the hypothesis (Ho₅). The test statistic for Sobel test is (0.31) and p-value is (0.75) which is greater than alpha level ($\alpha < 0.05$). The results as shown in table 16, indicate that the mediator variable associated with the independent variable and the dependent variable, is insignificant, i.e. there is no significantly indirect effect due to mediating variable (size of bank) on the relationship between independent and dependent variables.

Table 16: Results of Sobel test

	Input	Sobel test	P-value
TM dimensions → size of the bank(moderator) → Performance criteria	a. -0.085 b. 0.012 sa. 0.195 sb. 0.027	0.31120	0.75565

The same results in table 17 were obtained using the t- test statistics, which are very close to the results of the previous method (the difference in values due to rounding).

Table 17: Result of Sobel test using t-test statistics

	Input	Sobel test	p-value
t_a	-0.547	0.31180	0.75520
t_b	0.445		

Figure 1. shows these results of fourth and fifth hypotheses testing as unstandardized path coefficients for talent management, mediating variables (age and size of the bank), and performance criteria.

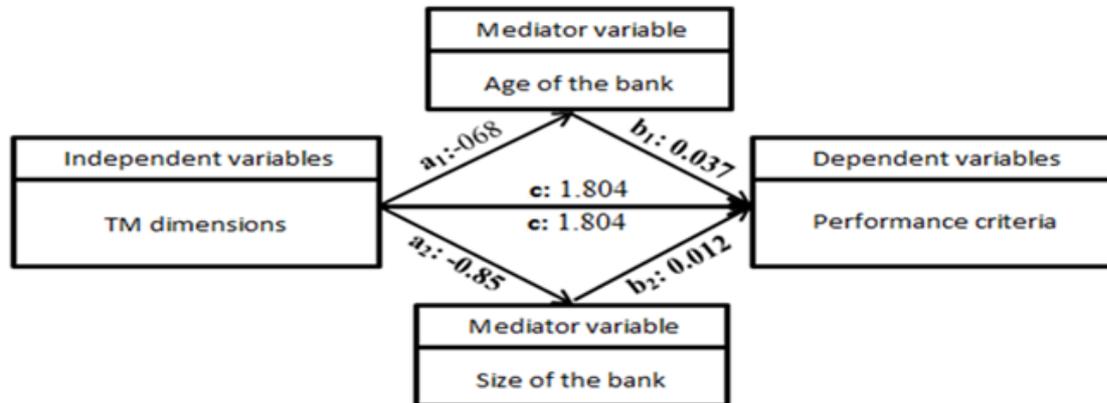


Figure 1: Effect of mediator variables on relationship between TM and performance criteria

8. Discussion and concluding remarks

TM is no longer a limited problem of human resources in organization at a local or national level. After the publication of the seminal work of McKinsey's consultants "War for talent", acquired a strategic importance at the global level. There are two important developments in this area, first a strategic view to TM in that the talented people have a strategic importance, and the organizations should deal with them as a durable asset and with top priority. The second development is the global dimension of management talent where talent is the great engine of the competition and the most important area in the business wars like the , brands, marketing, currency, and digital wars (Goldman and Papson,1996; Hartley, 2006; Rickards, 2012; Arthur, 2012). With respect to the two approaches to TM, It is necessary for effective organization to avoid the disadvantages of both exclusive and inclusive approaches, and develop its own way. Organizations should seek to increase the support and development programs for high potential and performers in all organizational levels without a narrow focus on senior managers and leaders in the higher levels only (Conger, and Fulmer,2003).

The concept of TM can refer to human resources management that focuses on talented people, high performer, and high IQ people. But this view represents a simplification of TM, because TM represents a complex concept that cannot be understood better without a larger context and boarder view that achieves aligning TM to strategy. It requires a strategic vision to identify, develop, maintain, and renew the talented people and the their outstanding capabilities in the organization in relation to the external environment characterized by tough challenges of the competition and the war for talent. Accordingly, the talent management is one of the fundamental responsibilities of top management, while the functional and professional tasks of TM while the functional and professional tasks are the responsibility of HRM. According to many studies, there are many dimensions of talent management (Ratho, 2014; Kaur, 2013; Kagwirialyria, 2013), this study identified four key dimensions: aligning talent management to strategy, maintaining talent, developing talent, and attracting and renewing talent. These four dimensions represent the core functions of management talent that can develop experiences, skills, best practices to do them efficiently. To achieve these dimensions efficiently, it is important for the organization to develop some indicators that help to assess talented people's progress at different stages of their careers. To determine talented people (stars of the organization), the study confirmed that they are represented in three categories:

strategic leaders, professionals and other high performers. Both exclusive and inclusive approaches, and develop its own way. Organizations should seek to increase the support and development programs for highpotential and performers in all organizational levels without a narrow focus on senior managers and leaders in the higher levels only (Conger, and Fulmer,2003).

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