Talent Management Practices and Organizational Commitment Mediating Role of Job Satisfaction

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Abstract

This study discovers the direct relationship among talent management practices and organizational commitment. In addition, the mediating role of job satisfaction was also studied. This research followed a cross sectional, quantitative research design and survey research methodology, conducted in the private banking sector Khyber Pakhtunkhwa Pakistan. Taro Yamane formula was used to select sample size of 341 employees who were designated as managers, Sr. officers and officers. Previously validated constructs were used for the measurement items. For reliability, the Cronbach's alpha coefficient value for the talent management practices (.958), job satisfaction (.948), and organizational commitment (.858) indicated high reliability of questionnaires. The results showed significant positive relationships among talent management practices and organizational commitment, while job satisfaction was partially significantly mediated in the relationships between TM practices and organizational commitment. Thus, if talent management practices are efficiently managed and successfully organized, it could certainly affect in the enhancement of organizational commitment & job satisfaction amongst various levels of employees.

Keywords: talent, talent management practices, talent management, organizational commitment, job satisfaction

Introduction

Practitioner and academic interest in talent management started from Mckinsey & Company in 1998 from a famous book "The War for Talent" (Collings & Mellahi, 2009; Michaels, Handfield-Jones, & Axelrod, 2001) and specially in recent years it has been given great attention from academics and practitioners (Gallardo-Gallardo, Dries, & González-Cruz, 2013; Meyers, van Woerkom, Paauwe, & Dries, 2020). Human resource management has now developed to the new stage known as talent management after the development of personal management, HRM & strategic HRM. It is mainly due the talent competition and fierce of knowledge. If organizations adopted effective talent management program, it will enhanced organization commitment as well as to improve their employees (Gümüş, Apak, Gümüş, & Kurban, 2013).

Furthermore, nowadays a key challenge for organizations is strengthening of organizational commitment due to high levels of job insecurity within organizations (Ng & Feldman, 2008). Organizational commitment is assumed to effect any behavior which is valuable to the organization and therefore, it has been given great attention from the

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organizational behaviorists (Fu, Bolander, & Jones, 2009).Similarly, Job satisfaction is also one of the most frequently studied job attitudes in the field human resource management and organizational behavior (Judge & Church, 2000).Thus, talent management can not only hire, organize and analyze the talent but can also contribute to employee's loyalty, personal growth and job satisfaction.

There are various gaps and scarcities within the talent management literature that are required further practical and theoretical development (Iqbal, Qureshi, Khan, & Hijazi, 2013).So, future research is required to examine talent management with specific organizational-level outcomes (Gallardo-Gallardo *et al*., 2013). The current study addressed these gaps and examines the association among TM practices & organizational commitment in the Khyber Pakhtunkhwa banking sector, Pakistan. Further, this concept, still remains unclear in Pakistan. Therefore, this study is also trying to fill this gap as well.

Talent and Talent Management

For talent management understanding firstly it is important an exploration of the definition of talent. Different peoples or groups have defined talent in different ways. According to Michaels *et al*. (2001) who first conceived the phrase "the war for talent". They define talent, as the sum of a person's ability include their skills, knowledge and abilities, and prospective for further growth. While, Jericó (2001) stated talent means executed capability of a devoted expert or group of employees that achieved higher results in their organization.

Collings and Mellahi (2009), distinct talent management, as systematic processes to recognized key positions which support organization's differently in sustainable competitive advantage. This explanation corresponds with (Garrow & Hirsh, 2008), who argued that talent management is mainly focused on highly performer people and therefore investing for their potential development. In addition, D'Annunzio-Green (2008) argued that TM focused at all potential employees of the organization rather than an exclusive focus on key employees.

Talent Management Practices

Talent management Practices contains different collection of activities that different organizations adopted to ensure it gets and retains a highly skilled and knowledgeable employees. Bhattacharyya (2015), argued that talent management practices like employee engagement, competitive benefits & compensation, to maintain high brand value of the organization, career development opportunities, and talent retention strategies help organizations for sustainable growth &

competitive advantages. This study focused on key areas highlighted by different studies and consider TM practices like talent strategy, employees planning & talent acquisition, retention policies, total reward compensation, capability development and performance management, learning & development and career management.

Organizational Commitment

In the past few decades, organizational commitment got significant attention from researchers & consider organizational commitment as one of the extensively reflected phenomena in the organizational behavior literature. Different peoples or organizations have defined organizational commitment differently. Traditionally organizational commitment it is defined by (Mowday, Steers, & Porter, 1979) as: (1) a strong belief an recognition of goals and values of the organization's (2) readiness to apply significant struggle on behalf of the organization and (3) an affirmative wish to continue organizational affiliation. While, Meyer, Becker, and Van Dick (2006) stated that the psychological connection among the employee and the organization is actually organizational commitment. Furthermore, Meyer and Allen (1991), examined the various conceptualizations of organization commitment as a psychological state and considered three general themes of organizational commitment. The first one affective commitment, exposes an aspiration to preserve membership in their organization. Further, affective commitment develops mainly due to the work experiences that produce feelings of security and personal competency. While, the second, continues commitment, reveals to remain in their organizations due to the results from relocate of the costs. Similarly, the third, normative commitment reveals sense of obligation to stay.

Job Satisfaction

Job satisfaction is the most commonly studied job attitude. Therefore, it is frequently studied in the field of organizational behavior and HRM (T. Judge & A. Church, 2000). According to Locke (1976), Job Satisfaction is defined as a worker's common approach towards his or her work. Job satisfaction is considered to the pleasure work experience of employee when his/her wants are satisfied in their organization. Job satisfaction is therefore seen as positive effect of workers on their particular jobs or working conditions., Similarly, Spector (1985) specified that Job satisfaction is considered overall feeling of an individual's to their own job and the overall attitudes of several aspects related to their job such as contingent rewards, nature of work, fringe benefits, supervision, operating procedures, promotion, Pay, coworkers, and communication.

Theoretical Framework of the Study

 Theoretical framework of this study is suggested in Figure-1. This framework is derivative from earlier three theories such as human capital theory by (Becker, Huselid, & Beatty, 2009), social exchange theory by (Blau, 1964), Hertzberg's two factor theory (Herzberg, 1966) & organizational commitment model by (Meyer, Allen, & Allen, 1997).

Figure.1
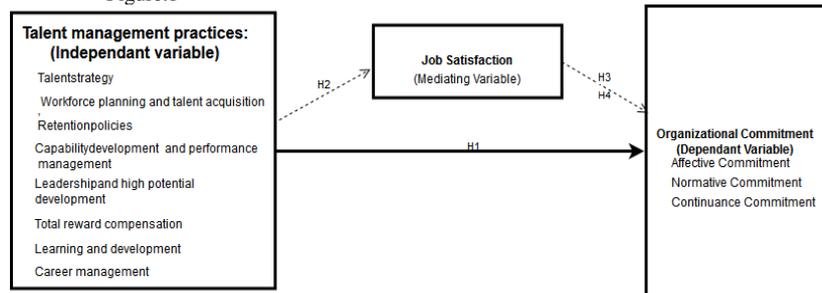
Methodology

Measurement

 Previously validated constructs have used for measurement items. Smart PLS version 3.0 was used for data analysis to measure the measurement and structural model.

Reliability and Validity

 The Cronbach's alpha coefficient value for the TM practices (.958), job satisfaction (.948), & organizational commitment (.858) indicated high reliability of questionnaires. Similarly, **Table 1** shows that the CR (Composite reliability) for all the constructs is above 0.7 threshold as suggested by (Hair, Ringle, & Sarstedt, 2011) which confirmed internal consistency reliability.

Convergent validity

 Table 1. Shows the AVE (Average variance extracted) values of all reflective constructs are above 0.5 value, which shows the measure of all reflective constructs having high level of convergent validity as recommended by(Fornell & Larcker, 1981; Hair *et al*., 2011) and therefore establish convergent validity.

Table-1 Reliability scores

Construct	AVE	Cronbach's Alpha	Composite Reliability
Job satisfaction	.509	.948	.954

Organizational Commitment	.508	.858	.890
Talent Management practices	.501	.958	.961

Discriminant validity

      Table-2 exhibits that AVE square root is more significant than inter –construct correlations for all latent variables , thus affirming discriminant legitimacy and Fornell and Larkers (Fornell & Larcker, 1981) rule of thumb is fulfilled.

Table-2: Fornell-Larcker Criterion

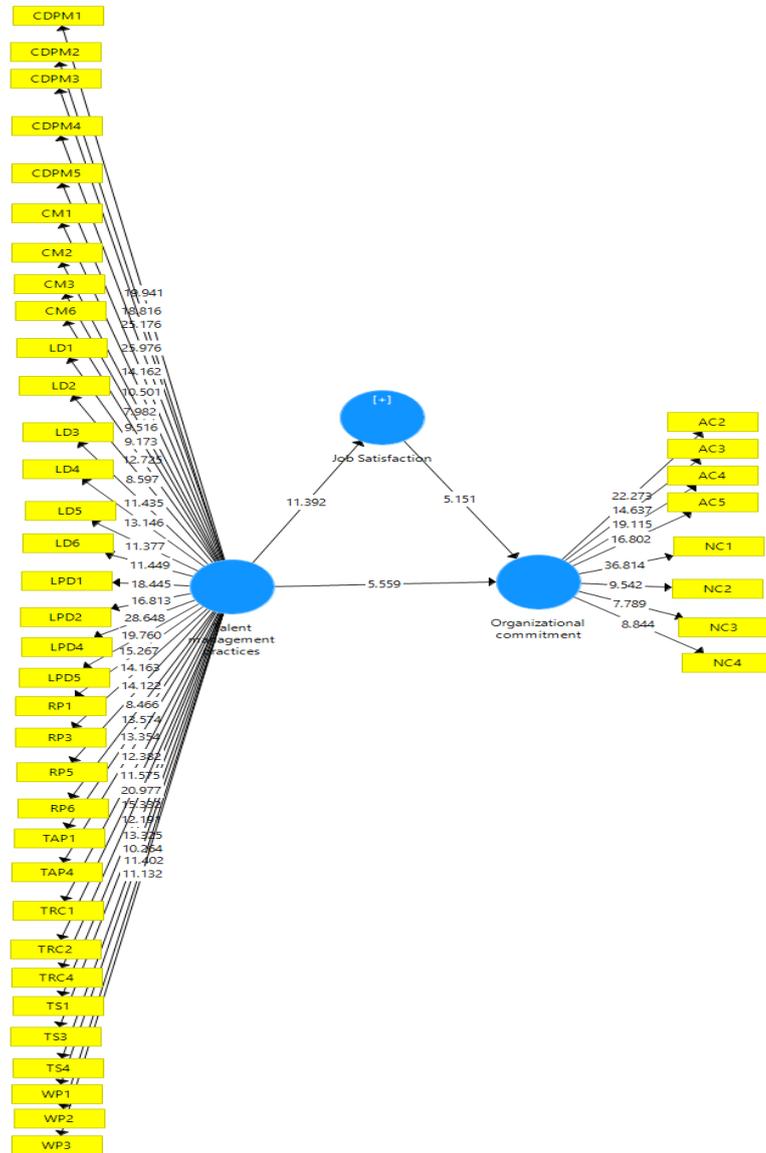|	Job satisfaction	Organizational commitment	Talent management practices
Job satisfaction	.714		
Organizational Commitment	0.615	0.713	
Talent Management practices	0.556	0.641	0.649

Structural Model

      The results of structural model are presented in Table-3 and Figure-2, below. Table-3 shows that beta=0.433, t-value=5.559 and p-value<0.000, suggesting that there is a positive and significant relationship between TM and OC. Furthermore, table 3 shows that relationship between TM and JS is positive and significant at beta=0.556, t-value=11.392 and p-value<0.000. Furthermore, relationship between JS and OC is positive and significant at beta=0.374, t-value=5.151 and p-value<0.000. Furthermore, the R2 value for the dependent variable are 0.508 (Organizational Commitment) means the total combine effect of all independent variables can cause 50% variance in OC. While, R2 value for the job satisfaction was 0.309 means job satisfaction are able to explain 30% variance.

Table-3: The result of Structural Model

	Original Sample	Standard Deviation	T Statistics	P Values	Decision
JS > OC	0.374	0.073	5.151	0.000	Supported
TM practices > JS	0.556	0.049	11.392	0.000	Supported
TM practices > OC	0.433	0.078	5.559	0.000	Supported

Fig-2

Mediation

Table 4 shows job satisfaction significantly mediate relationship between TM practices and organizational commitment. The t value is

greater than 1.99 (t= 4.056, p < 0.000) explain job satisfaction as significant mediator.

Table-4

	Original Sample	Standard Deviation	T Statistics	P Values	Decision
TM practices >JS > OC	0.208	0.051	4.056	0.000	Supported

Discussion

Hypotheses 1: There is a significant positive relationship among TM practices and organizational commitment.

The results demonstrated significant positive association among TM practices and organizational commitment. These results supported study of (Collings & Mellahi, 2009; Friday & Sunday, 2019; Gümüş *et al*., 2013).Therefore, if organizations want to increase organizational commitment level amongst their employee, they should provide effective talent management practices.

Hypothesis 2: There is a significant positive relationship among TM practices and job satisfaction.

The outcomes demonstrated significant positive association between TM practices and job satisfaction. These results support study of (Dixit & Dean, 2018; Yadav & Aspal, 2014).Thus, effective TM practices can be assumed to show an vital role in enhancement of employee job satisfaction.

Hypothesis 3: There is a significant positive relationship among job satisfaction & organizational commitment

The outcomes demonstrated significant positive relationship among job satisfaction and organizational commitment which support the study of (Chordiya, Sabharwal, & Goodman, 2017; Kim, Geun, Choi, & Lee, 2017).Therefore, it can be assumed that those employees who are satisfied with their jobs will be more committed to their job as well as organization.

Hypothesis 4: Job satisfaction mediate the relationship between TM practices and organizational commitment

Outcomes demonstrated that job satisfaction found mediating variable in the association among TM practices & organizational commitment. However, a scarcity empirical research studies exists on investigating intervening role of Job satisfaction between TM practices and organizational commitment. Therefore, this is significant contribution to current talent management literature.

Conclusion

The primary motivation behind the present study was to research the immediate connection between TM practices and organizational commitment. Further, interceding role of job satisfaction between TM practices and organizational commitment was likewise explored. The study pursued a cross sectional, quantitative research design and survey research methodology, conducted in the private banking sector Khyber Pakhtunkhwa Pakistan. The outcome demonstrated significant positive connection between TM practices and organizational commitment. Furthermore, this investigation affirmed an interceding role of job satisfaction on the connections among TM practices and organizational commitment.

Theoretical implication

This study adds to the literature of TM practices, organizational commitment and job satisfaction by providing proof in the context of banking sector in Pakistan. This study has made certain theoretical contributions and provide significant contribution to the existing theories (such as human capital theory, social exchange theory, and Herzberg two factor theory) and suggested that these theories can be used to link talent management with other variables.

Practical implications of the Study

The outcomes of this study have practical implications and valuable suggestions for individuals and managers to understand the status and the association of TM practices, organizational commitment and job satisfaction. Thus, administrations can improve organizational commitment and job satisfaction if talent management practices are effectively managed and successfully deployed in organizations.

Recommendations for future research

Future study should be conducted on longitudinal basis that to cover the variations over time in the variables. This study should also be conducted in national and cross-national level to see the dynamics of these variables at national and global level. Other variables also should be tested as mediating variables. Furthermore, the researcher recommends mixed method research design for future researchers to explain and examine the meaningful results.

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