

# The Impact of Talent Management on Organizational Performance: Evidence from the Industrial Companies in Egypt

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## **Abstract**

**Purpose:** *The purpose of this study is to investigate how Talent Management (TM) affect Organizational Performance (OP) in the industrial companies in Egypt.*

**Research Design/Methodology:** *Using Heinen & O'Neill (2004) of TM, the study develops a number of hypotheses and tests them on a sample of 370 employees at the industrial companies in Egypt. Statistically usable questionnaires amounted to 300 as multiple follow-ups are produced. Multiple Regression Analysis (MRA) was used to confirm the research hypotheses.*

**Findings:** *The main finding from this research is that there is an association between TM (planning, recruitment, compensation and rewards, performance management, employee empowerment, employee engagement, and organizational culture) and OP.*

**Practical implications:** *The study suggests that the industrial companies in Egypt can improve OP by influencing its TM dimensions. The study provided that it is necessity to pay more attention to the dimensions of TM which is of a prime significance for OP.*

**Originality/value:** *The study observes that there is a shortage of empirical research regarding TM. Therefore, this study is to examine the relationship between TM and OP at the industrial companies in Egypt.*

**Keywords:** *talent management, organizational performance*

## **1. Introduction**

Although a review of the literature shows that TM is a growing field, the effectiveness of TM and its added value have still not been accurately stated. Moreover, on the one hand, research dealing with TM strategies and OP is quite lacking, and the question of the right strategy for the right impact on OP has not yet been answered (Lawler, 2008).

On the other hand, the research is mostly raising the question concerning the extent to which TM influences OP in other labour market structures or cultures (Tarique & Schuler, 2010).

In addition to the fact that there exist various definitions of the terms talent and TM (Collings & Mellahi, 2009; Lewis & Heckman, 2006), the challenge is to draw causal inferences isolated from other organizational parameters.

There are some trends in TM, which can be of help when defining the concept. The three themes in research are (1) TM is conceptualized in terms of typical human resource department practices, functions and activities, (2) TM is defined in terms of HR planning and projecting employee needs and (3) TM is treated as a generic entity and either focuses on high performing and high potential talent or on talent in general (Lewis & Heckman, 2006).

Tarique & Schuler (2010) have found the third stream to be the most encompassing when they attempt to build an integrative theoretical framework for TM. Talent is focused toward high potential and high performing individuals of an organization.

Collings et al (2009) argue that it is a few key individuals positioned in central roles that can make the difference in OP. The future of TM draws on bottom-up theories focusing on core business functionality which is based on unified TM. TM has three main traits: (1) talent is bulwark of any organization, (2) the trait of your staff is your major distinct factor of completion, and (3) performance is boosted by talent (Shukla, 2009).

## **2. Literature Review**

### **2.1. Talent Management**

There are five different perspectives of talent for individuals: talent as certain behaviors, a combination of high performance versus high potentials, talent as high potentials, talent as high performance, and talent as

individual strengths - where individual strengths can be almost everything that a person is good at (Tansley, 2011).

Talent is the ability and capability to do something well. Ability refers to the current performance and capability to the potential performance (Stuart-Kotze & Dunn, 2008). Talent is the employees, who are valuable to an organization either in view of their high potential for the future or because they are fulfilling business/operation-critical roles (Iles, 2008).

Talent refers to a selected group of employees, namely those that rank at the top when it comes to performance and capabilities (Stahl et al., 2007).

TM is interested in recognizing ideals and talents needed in the current and future workforce (Mendez & Stander, 2011).

TM implies lowering of costs, improving of wages, reinforcing teams, and satisfying of clients (Elegbe 2010).

TM is about attracting, identifying, recruiting, developing, motivating, promoting and retaining people that have a strong potential to succeed within an organization. An organization should encourage understanding of TM. Human capital management and the organizational strategic plan are important for adding value (Van Dijk, 2008). TM requires boosting the organization's HR (Garrow & Hirsh, 2008). TM is the systematic attraction, identification, development, engagement/ retention and deployment of those individuals who are of particular value to an organization, either in view of their 'high potential' for the future or because they are fulfilling business/operation-critical roles (Iles, 2008).

TM is essential to achieving organizational excellence and is a driving force for business success (Tanton, 2007).

TM is the implementation of integrated strategies or systems designed to increase workplace productivity by developing improved processes for attracting, developing, retaining and utilizing people with the required skills and aptitude to meet current and future business needs (Lockwood 2006).

TM is the integration of different initiatives, or constructs, into a coherent framework of activity. TM is the holistic and strategic approach to HR, and business planning, or as a new way to increase organizational effectiveness. Its goal is to improve the potential of employees who are seen as able to make a valuable difference for the organization, now or in the future. TM should improve the OP (Ashton & Morton, 2005).

TM represents the people-side of the business design and covers an interrelated set of activities that fit into the area of workforce-management. TM can be seen as how the organization attracts, develops, motivates, manages and rewards its talents (Heinen & O'Neill, 2004).

TM is a vital task of HR department. The organizations should seek HR strategy (Fitz-Enz & Davidson (2002).

## **2.2. TM Dimensions**

According to Heinen & O'Neill (2004), TM process includes the following dimensions:

### **2.2.1. TM Planning**

Talent planning means optimal capitalization of an organization's aptitudes. Thorough management must be used to attain TM strategy, attracting, motivating and retaining talented staff (Gakovic & Yardley, 2007). A talent audit system is a database helping the organization to retrieve data on workers and skills gaps (Stevens, 2008).

### **2.2.2. Compensation and Rewards**

To keep valued employees, TM compensation and rewards are highly recommended because employees value incentives and bonus schemes. Less working hours, access to conferences and short courses are more incentive (Richman et al 2008). The rewards and recognition system helps in creating and keeping talent. The beginning of performance appraisal system is determination of performance goals that agree with organizational strategic goals (Berger & Berger, 2003).

### **2.2.3. Recruitment**

Recruitment means having a host of qualified candidates for a job by selecting top university graduates (Gomez-Mejia, et al., 2004). The processes of finding the recruitment strategy are (1) stating the key business objectives for the next five to ten years, (2) determining the skills and talent necessary to accomplish the strategic goals, and (3) deciding whether the current workforce has the skills necessary, and whether to develop them. These steps are crucial to go through in order to understand the available resources within the organization before deciding whether to recruit or not (Vaiman & Vance, 2008).

#### **2.2.4. Performance Management**

PM is a system for integrating the management of organizational and employee performance. It is critical that the performance at the individual level meets the organizational level. Managers and employees have dissimilar views on the goals they are to achieve. Either the companies are lacking in monitoring and adjusting their PM processes, or the employees do not understand the PM activities (Vaiman & Vance, 2008). PM is interested in the recognition of employee performance. It also measures, delivers and rewards employee performance (Mathias & Jackson, 2006)

#### **2.2.5. Employee Empowerment**

Empowerment means delegation of authority and responsibility from managers to staff. Taking part in management and decision making may be a sort of empowerment (DuBrin, 2010). Empowerment needs commitment of managers to train staff and provide all the resources needed to carry out the job (Gomez-Mejia et al, 2004).

#### **2.2.6. Employee Engagement**

Employee engagement and sense of belonging highly boosts organizational performance. They decide their role in the organization (Kennedy & Daim 2010). Employee engagement is a psychological state within which an employee connects and identifies at a personal level with their job and organization, resulting in retention and improved performance (Kock & McNamara, 2009).

Employee engagement is the heightened emotional and intellectual connection that an employee has for his/her job, organization, manager, or co-workers that, in turn, influence him/her to apply additional discretionary effort to his/her work (Richman, et al 2008).

The engaged workers exert maximum performance, realize more retention, less absenteeism and more customer satisfaction (Wagner 2006).

The main aspects of employee engagement include: the job itself, opportunities, quality of life, procedures and HR policies, the quality of the supervision, freedom of expression by employees, talent and skill utilization, and satisfied employees know what is expected (Schaufeli & Bakker, 2002).

#### **2.2.7. Organizational Culture**

OC of an organization implies its tenets and mores (Coetsee, 2004). A positive culture helps employees stay with the organization. Understanding corporate culture and using it as a retention strategy has become the subject of much research (Phillips & Connell, 2003). Managers are the living, breathing embodiment of the culture of the organization. It is important that the messages they are sending are aligned with the overall corporate culture (Ahlrichs, 2003).

#### **2.2. Organizational Performance**

In English, the term "performance" is derived from "to perform" which means "doing work, achieving a mission or realizing a given activity. It is a reflection of the organization's ability and aptitude to realize its goals (Eccles, 1991).

OP is the ability of the organization to achieve its long-term goals (Robins & Wiersema, 1995). It is that which exceeds the normal average performance, besides being a part of a series of excellent performance (Privett, 1983).

The performance of an organization is a determinant of its very existence. Systematic or abrupt decline in performance level may lead to organizational death or mortality (Baum & Singh, 1994), a situation that

occurs when “an organization fails, closes down its operations, and disbands its constituent elements (Carroll & Delacroix, 1982).

Despite the large corpus of research and studies on performance, no agreement on the concept of performance is found. In spite of this difference, most researchers express their performance through the success achieved by the organization in achieving its objectives. Performance is a reflection of the organization's ability to achieve its goals, or in other words, the organization's ability to achieve long-term goals (Miller & Broamiley, 1990).

Performance is a combination of resources, capabilities of the organization that are being used efficiently and effectively in order to achieve its objectives (Collis & Montgomrey, 1995). It is the level of the outputs of the organization after conducting operations on its inputs. Performance is the output of the activities that occur within the organization (Wit & Meyer, 1998).

Hence, after a thorough review of the different concepts of performance, it can be argued that performance in its simplest form is the desired results which the organization seeks to achieve efficiently and effectively.

Darroch (2003) maintains that the dimensions of OP are in two basic dimensions of performance. They can be explained as follows:

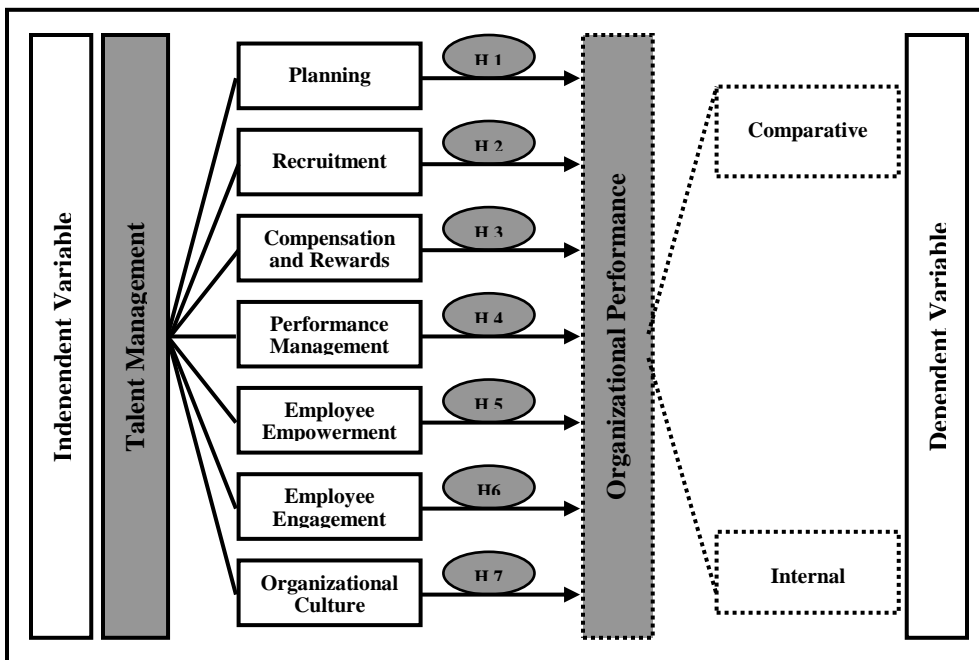
1. **Comparative Performance** refers to the understanding of the different categories of employees to the level of profitability of the organization where they work, the market share, and the level and speed of growth of the organization compared to organizations working in the same area.
2. **Internal Performance** refers to the understanding of the different categories of employees to the level of the OP to which they belong in the short term and long-term, and also the possibility of achieving the performance targets set for the organization, both in the short term and long term.

### 3. Research Model

The diagram below shows that there is one independent variable for TM. There is one dependent variable for the OP. The research framework suggests that TM in an organization has an impact on OP.

Figure (1)

Proposed Comprehensive Conceptual Model



TM as measured in this research consists of planning, recruitment, compensation and rewards, PM, employee empowerment, employee engagement, and OC (Heinen & O'Neill (2004).

OP is measured in terms of comparative performance and internal performance (Darroch, 2003; Pathirage, et al., 2007; Chen & Mohamed, 2007; and Lurdvall & Nielsen, 2007).

**4. Research Questions and Hypotheses**

The attempt of this study was to answer the following questions:

- Q1: What is the nature and the extent of the relationship between TM (planning) and OP at the industrial companies in Egypt?
- Q2: What is the relationship between TM (recruitment) and OPQ at the industrial companies in Egypt?.
- Q3: What is the relationship between TM (compensation and rewards) and OP at the industrial companies in Egypt?.
- Q4: What is the nature of the relationship between TM (performance management) and OP at the industrial companies in Egypt.
- Q5: What is the extent of the relationship between TM (employee empowerment) and OP at the industrial companies in Egypt.
- Q6: What is the nature of the relationship between TM (employee engagement) and OP at the industrial companies in Egypt.
- Q7: What is the employees’ perception towards TM (organizational culture) and OP at the industrial companies in Egypt.

The following hypotheses were developed to the test if there is a significant correlation between TM and OP.

- H1: Employees’ perception of TM (planning) has no significant effect on OP at the industrial companies in Egypt.
- H2: There is no statistically significant relationship between TM (recruitment) and OP at the industrial companies in Egypt.
- H3: TM (compensation and rewards) does not have an impact on OP at the industrial companies in Egypt.
- H4: Employees’ perception of TM (performance management) has no significant effect on OP at the industrial companies in Egypt.
- H5: TM (employee empowerment) is not positively correlated with OP at the industrial companies in Egypt.
- H6: TM (employee engagement) has no significant effect on OP at the industrial companies in Egypt.
- H7: There is no statistically significant relationship between TM (organizational culture) and OP at the industrial companies in Egypt.

**5.1. Population and Sample**

The population of the study included all employees at the industrial companies in Sadat city in Egypt. The total population is 11550 employees. Determination of respondent sample size was calculated using the formula (Daniel, 1999) :

$$n = \frac{N \times (Z)^2 \times P(1-P)}{d^2 (N-1) + (Z)^2 \times P(1-P)}$$

The number of samples obtained by 372 employees at the industrial companies in Sadat city in Egypt is presented in Table (1). **Table (1) Distribution of the Sample Size**

Industrial Companies	Employees	Percentage	Sample Size
Ezz Company for Reinforcement Steel	2100	18.2%	372X 18.2% = 68
Arab Company for Steel (Arco Steel)	750	6.5%	372X 6.50% = 24
Horizon for Investment (Geraneto)	1200	10.4%	372X 10.4% = 39
Egyptian-American Steel Company (Bishan)	3300	28.6%	372X 28.6% = 106
Al Gawhara for Ceramics	2700	23.4%	372X 23.4% = 87
Egyptian Group for Investments (Prima)	1500	12.9%	372X 12.9% = 48
<b>Total</b>	11550	100%	372X 100% = 372

Source: Personnel Department at Industrial Companies, Sadat City, Egypt, 2013

**Table (2) Characteristics of the Sample**

Variables		Frequency	Percentage
1- Sex	Male	230	76.7%
	Female	70	23.3%
	<b>Total</b>	<b>300</b>	<b>100%</b>
2- Marital Status	Single	110	36.7%
	Married	190	63.3%
	<b>Total</b>	<b>300</b>	<b>100%</b>
3- Age	Under 30	105	35.0%
	From 30 to 45	160	53.3%
	Above 45	35	11.7%
	<b>Total</b>	<b>300</b>	<b>100%</b>
4- Educational Level	Secondary school	90	30.0%
	University	180	60.0%
	Post Graduate	30	10.0%
	<b>Total</b>	<b>300</b>	<b>100%</b>
5- Period of Experience	Less than 5 years	55	18.3%
	From 5 to 10	220	73.3%
	More than 10	25	8.3%
	<b>Total</b>	<b>300</b>	<b>100%</b>

## 5.2. Procedure

The goal of this study was to identify the significant role of TM in improving OP. It was necessary to explore the seven building blocks of TM (planning, recruitment, compensation and rewards, PM, employee empowerment, employee engagement and OC) and OP at the industrial companies in Sadat City.

A survey research method was used to collect data. The questionnaire included three questions, relating to TM, OP, and biographical information of employees. Data collection took approximately two months. Survey responses were 81%.

## 5.3. Research Variables and Methods of Measuring

This research studied the relationship between TM and OP. The 55-item scale TM section is based on Heinen & O'Neill (2004). There were six items measuring talent planning, eight items measuring recruitment, eleven items measuring compensation and rewards, seven items measuring PM, five items measuring employee empowerment, eleven items measuring employee engagement, and seven items measuring OC.

The seven-item scale OP is based on Darroch, 2003; Pathirage, et al., 2007; Chen & Mohamed, 2007; and Lurdvall & Nielsen, 2007. There were three items measuring comparative performance, and four items measuring internal performance.

Responses to all items scales were anchored on a five (5) point Likert scale for each statement which ranges from (5) “full agreement,” (4) for “agree,” (3) for “neutral,” (2) for “disagree,” and (1) for “full disagreement.”

## 5.4. Methods of Data Analysis and Testing Hypotheses

The researcher has employed the following methods: (1) The Alpha Correlation Coefficient (ACC), (2) Multiple Regression Analysis (MRA), and (3) the statistical testing of hypotheses which includes F- test and T- test. They are found in SPSS.

## 6. Hypotheses Testing

Before testing the hypotheses and research questions, descriptive statistics were performed to find out means and standard deviations of TM and OP.

**Table (3) shows the mean and standard deviations of TM and OP**

Variables	The Dimension	Mean	Standard Deviation
TM	Talent Planning	4.0533	1.28946
	Recruitment	4.1354	0.64984
	Compensation and Rewards	4.0415	0.72982
	Performance Management	4.1410	0.53090
	Employee Empowerment	3.5480	0.96422
	Employee Engagement	4.1018	0.64902
	Organizational Culture	4.0633	0.70588
	<b>Total Measurement</b>	<b>4.0201</b>	<b>0.65723</b>
OP	Comparative Performance	3.7511	0.95548
	Internal Performance	3.8608	0.96533
	<b>Total Measurement</b>	<b>3.8138</b>	<b>0.95804</b>

Table (3) lists the mean and standard deviation among variables. The mean of each variable is more than 3, and this result indicates that the study subjects have a higher level of TM and OP. The different facets of TM are examined. Most respondents identified the presence of PM (M=4.14, SD=0.530). This was followed by recruitment (M=4.13, SD=0.649), employee engagement (M=4.10, SD=0.649), organizational cultural (M=4.06, SD=0.705), planning (M=4.05, SD=1.28), compensation and rewards (M=4.04, SD=0.729) and employee empowerment (M=3.54, SD=0.964).

The different facets of OP are examined. Most respondents identified the presence of internal performance (M=3.86, SD=0.965). This was followed by comparative performance (M=3.75, SD=0.955).

### 6.1. Evaluating Reliability

ACC was used to evaluate the degree of internal consistency among the contents of the scale under testing. It was decided to exclude variables that had a correlation coefficient of less than 0.30 when the acceptable limits of ACC range from 0.60 to 0.80, in accordance with levels of reliability analysis in social sciences (Nunnally & Bernstein, 1994).

To assess the reliability of the data, Cronbach's alpha test was conducted. Table (4) shows the reliability results for TM and OP. All items had alphas above 0.60 and were therefore excellent, according to Langdrige's (2004) criteria.

**Table (4) Reliability of TM and OP**

Variables	The Dimension	Number of Statement	ACC
TM	Talent Planning	6	0.8081
	Recruitment	8	0.7744
	Compensation and Rewards	11	0.8534
	Performance Management	7	0.6084
	Employee Empowerment	5	0.7372
	Employee Engagement	11	0.8217
	Organizational Culture	7	0.7695
	<b>Total Measurement</b>	<b>55</b>	<b>0.9638</b>
OP	Comparative Performance	3	0.6454
	Internal Performance	4	0.8004
	<b>Total Measurement</b>	<b>7</b>	<b>0.8907</b>

The 55 items of OC are reliable because the ACC is 0.9638. The 6 items of talent planning are reliable due to the fact that the ACC is 0.8081. The recruitment, which consists of 8 items, is reliable since the ACC is 0.7744. The 11 items related to compensation and rewards are reliable as ACC is 0.8534. Furthermore, the performance management, which consists of 7 items, is reliable due to the fact that the ACC is 0.6084. The 5 items of employee empowerment are reliable due to the fact that the ACC is 0.7372. The employee engagement, which consists of 11 items, is reliable since the ACC is 0.8217. The 7 items related to OC are reliable as ACC is 0.7695.

The 7 items of OP are reliable due to the fact that the ACC is 0.8907. The comparative performance, which consists of 3 items, is reliable since the ACC is 0.6454 while the 4 items related to internal performance is reliable as the ACC is 0.8004.

**6.2. The Relationship between TM (Planning) and OP**

**Table (5) MRA Results for TM (Planning) and OP**

The Variables of TM (Planning)	Beta	R	R <sup>2</sup>
1. TM is vital in the strategic plan of industrial companies in Egypt.	0.366**	0.251**	0.063
2. Industrial companies in Egypt regularly analyses talent needs.	0.357**	0.047	0.001
3. Industrial companies in Egypt has a clear TM strategy.	0.150	0.346**	0.119
4. All management positions are included in a scheme of replacing jobs outlined by industrial companies in Egypt.	0.207**	0.306**	0.093
5. Candidates have access to internet-based data outlined by the industrial companies in Egypt.	0.589**	0.384**	0.147
6. Industrial companies in Egypt TM strategy primarily sources talent from outside the organization.	0.389**	0.091**	0.001
<ul style="list-style-type: none"> <li>▪ Multiple Correlation Coefficients (MCC)</li> <li>▪ Determination of Coefficient (DF)</li> <li>▪ The Value of Calculated F</li> <li>▪ Degree of Freedom</li> <li>▪ The Value of Indexed F</li> <li>▪ Level of Significance</li> </ul>		0.618	0.382
		30.135	6, 293
		2.80	0.01

\*\* P < .01

According to Table (5), the regression-coefficient between TM (Planning) and OP is R= 0.618 and R<sup>2</sup>= 0.382. This means that the OP can be explained by the dimensions of TM (Planning).

Because of the calculated F (154.459) more than indexed F (2.80) at the statistical significance level of 0.01, the null hypotheses is rejected.

**6.3. The Relationship between TM (Recruitment) and OP**

According to Table (6), the regression-coefficient between TM (Recruitment) and OP is R= 0.611 and R<sup>2</sup>= 0.374. This means that the OP can be explained by the dimensions of TM (Recruitment).

Thus, the null hypothesis is rejected because TM (Recruitment) and OP have a statistical relationship at the significance level of 0.01.

**Table (6) The Relationship between TM (Recruitment) and OP**

The Variables of TM (Recruitment)	Beta	R	R <sup>2</sup>
1. Industrial companies in Egypt advertises an interesting host of benefits for employees`	0.588**	0.355**	0.112
2. Gabs may be revised by a meticulous audit	0.101*	0.044	0.001
3. Talents are widely selected through recruitment	0.272**	0.315**	0.099
4. Internal talents are preferred for new jobs	0.010**	0.164**	0.026
5. New employees make use of induction programs	0.248**	0.422**	0.178
6. Industrial enjoy many talented managers for new jobs`	0.761**	0.365**	0.133
7. Industrial companies in Egypt has a bundle of talented managers	0.359**	0.251**	0.063
8. a bundle of talented managers	0.400**	0.047	0.001
<ul style="list-style-type: none"> <li>▪ Multiple Correlation Coefficients (MCC)</li> <li>▪ Determination of Coefficient (DF)</li> <li>▪ The Value of Calculated F</li> <li>▪ Degree of Freedom</li> <li>▪ The Value of Indexed F</li> <li>▪ Level of Significance</li> </ul>		0.611	0.374
		21.721	8, 291
		2.51	0.01

\* P < .05      \*\* P < .01



#### 6.4. The Relationship between TM (Compensation) and OP

**Table (7) The Relationship between TM (Compensation) and OP**

The Variables of TM (Compensation)	Beta	R	R <sup>2</sup>
1. My salary suits my level	0.329*	0.422**	0.178
2. My salary fits market requirements	0.265	0.335**	0.112
3. The remuneration package is attractive	0.241**	0.251**	0.063
4. My wage encourages me not to leave at the industrial companies in Egypt	0.035	0.044	0.001
5. My wage suits my work	0.326**	0.047	0.001
6. Rewards urge me to do my utmost	0.477**	0.365**	0.133
7. In industrial companies in Egypt, peter performance is the criterion for promotion	0.367**	0.098	0.001
8. There are incentives for good performance	0.175*	0.207**	0.042
9. There are different types of rewards offered.	0.239**	0.236**	0.055
10. I perceive the reward system to be equitable	0.305**	0.323**	0.104
11. Rewards given for good performance are valuable	0.046	0.418**	0.174
▪ Multiple Correlation Coefficients (MCC)		0.740	
▪ Determination of Coefficient (DF)		0.547	
▪ The Value of Calculated F		31.677	
▪ Degree of Freedom		11, 288	
▪ The Value of Indexed F		2.18	
▪ Level of Significance		0.01	
* P < .05      ** P < .01			

According to Table (7), the regression-coefficient between TM (Compensation) and OP is R= 0.740 and R<sup>2</sup>= 0.547. This means that the OP can be explained by the dimensions of TM (Compensation). Therefore, there is enough empirical evidence to reject the null hypothesis.

#### 6.5. The Relationship between TM (Performance) and OP

**Table (8) The Relationship between TM (Performance) and OP**

The Variables of TM (Performance)	Beta	R	R <sup>2</sup>
1. Staff members know their goals and dates	0.059**	0.157	0.024
2. My abilities are revised according to my performance	0.047*	0.200**	0.040
3. I have access to my estimation	0.111**	0.237**	0.054
4. My supervisor is interested in my estimation	0.073**	0.291**	0.084
5. Weak estimation entails training	0.334**	0.834**	0.695
6. My organization conducts performance reviews regularly	0.460**	0.646**	0.417
7. My own goals agree with business goals	0.413**	0.853**	0.727
▪ Multiple Correlation Coefficients (MCC)		0.978	
▪ Determination of Coefficient (DF)		0.957	
▪ The Value of Calculated F		930.588	
▪ Degree of Freedom		7, 292	
▪ The Value of Indexed F		2.63	
▪ Level of Significance		0.01	
* P < .05      ** P < .01			

According to Table (8), the regression-coefficient between TM (Performance) and OP is R= 0.978 and R<sup>2</sup>= 0.957. This means that the OP can be explained by the dimensions of TM (Performance).

Thus, the null hypothesis is rejected because TM (Performance) and OP have a statistical relationship at the significance level of 0.01.

#### 6.6. The Relationship between TM (Empowerment) and OP

**Table (9) MRA Results for TM (Empowerment) and OP**

The Variables of TM (Empowerment)	Beta	R	R <sup>2</sup>
1. I take part in my performance objectives	0.427**	0.830**	0.688
2. My manager takes part in specifying tasks	0.495**	0.652**	0.425
3. My manager gives me authority of decision making in my job	0.327**	0.836**	0.698
4. My manager gives my authority to devise new ideas	0.026	0.380**	0.144
5. My tasks need the spirit of responsibility	0.022	0.359**	0.128
▪ Multiple Correlation Coefficients (MCC)		0.974	
▪ Determination of Coefficient (DF)		0.948	
▪ The Value of Calculated F		1074.429	
▪ Degree of Freedom		5, 294	
▪ The Value of Indexed F		3.01	
▪ Level of Significance		0.01	
** P < .01			

According to Table (9), the regression-coefficient between TM (Empowerment) and OP is R= 0.974 and R<sup>2</sup>= 0.948. This means that the OP can be explained by the dimensions of TM (Empowerment).

Because of the calculated F (38.038) more than indexed F (3.01) at the statistical significance level of 0.01, the null hypotheses is rejected

### 6.7. The Relationship between TM (Engagement) and OP

**Table (10) The Relationship between TM (Engagement) and OP**

The Variables of TM (Engagement)	Beta	R	R <sup>2</sup>
1. I enjoy my job	0.696**	0.830**	0.688
2. My job schedule is flexible enough to attain other career-related tasks	0.136**	0.236**	0.055
3. I enjoy a friendly job climate	0.083	0.323**	0.104
4. I relate very well with my manager	0.060	0.334**	0.111
5. My manager values my contribution	0.317**	0.224	0.050
6. My skills are beneficial for many tasks in my company	0.028	0.251**	0.063
7. Industrial companies in Egypt has clear goals to which I am committed	0.405**	0.240**	0.057
8. My job gives me satisfaction	0.201**	0.447**	0.199
9. My job is secure at the industrial companies in Egypt	0.034	0.098	0.001
10. My planned career progression is achievable at the industrial companies in Egypt	0.031	0.274**	0.075
11. There is equal opportunity for promotion at the industrial companies in Egypt	0.002	0.047	0.001
▪ Multiple Correlation Coefficients (MCC)		0.890	
▪ Determination of Coefficient (DF)		0.792	
▪ The Value of Calculated F		99.833	
▪ Degree of Freedom		11, 288	
▪ The Value of Indexed F		2.18	
▪ Level of Significance		0.01	
** P < .01			

According to Table (10), the regression-coefficient between TM (Engagement) and OP is R= 0.883 and R<sup>2</sup>= 0.780. This means that the OP can be explained by the dimensions of TM (Engagement). Thus, the null hypothesis is rejected because TM (Engagement) and OP have a statistical relationship at the significance level of 0.01.

### 6.8. The Relationship between TM (Cultural) and OP

**Table (11) The Relationship between TM (Cultural) and OP**

The Variables of TM (Cultural)	Beta	R	R <sup>2</sup>
1. I fully understand the OC of industrial companies in Egypt and apply that as a guide in my job	0.070	0.251**	0.063
2. Management communicates and lives the OC at industrial companies in Egypt	0.359**	0.335**	0.112
3. Industrial companies in Egypt helps creativeness thanks to its culture	0.137**	0.422**	0.178
4. We do our utmost to avoid errors	0.089	0.237**	0.056
5. Customers are satisfied thanks to industrial companies in Egypt interactive culture	0.494**	0.365**	0.133
6. Industrial companies in Egypt employees are social interactive thanks to its culture	0.114**	0.301**	0.090
7. Services are better thanks to industrial companies in Egypt culture	0.738**	0.830**	0.688
▪ Multiple Correlation Coefficients (MCC)		0.873	
▪ Determination of Coefficient (DF)		0.672	
▪ The Value of Calculated F		133.345	
▪ Degree of Freedom		7, 292	
▪ The Value of Indexed F		2.63	
▪ Level of Significance		0.01	
** P < .01			

According to Table (11), the regression-coefficient between TM (Culture) and OP is  $R = 0.451$  and  $R^2 = 0.204$ . This means that the OP can be explained by the dimensions of TM (Culture). Therefore, there is enough empirical evidence to reject the null hypothesis.

## 7. Research Findings

Our findings support the view that the dimensions of TM (planning, recruitment, compensation and rewards, performance management, employee empowerment, employee engagement, and OC) were positively related with OP.

The results support the view that TM significantly and positively influences OP. Overall findings from this study suggested that TM does affect OP. Hence management should encourage an innovative supportive culture and conduct self evaluation exercises for each business unit so that shortcomings in customer service are addressed and mistakes are rectified.

Our findings support the view that more TM are more effective in achieving OP. High TM will be more likely to achieve high profit.

## 8. Recommendations

In light of the results obtained, the researcher believes that the officials should pay attention to exploring and developing talents of employees through:

1. Training superiors on discovering talented people, working with them, in order to invest in them rather than suppressing or eliminating their talents.
2. Providing the talented with the training and education needed to carry out their roles in every field of work.
3. Trying to dispatch the talented in missions and training in order to learn the latest industrial developments in their respective areas of specialization.
4. Setting clear standards and fair assessment of the performance of employees to help them distinguish people with brilliant performance rather than depending on their assessment of the personal and formal factors only.
5. Keen encouragement of the talented financially and morally to inculcate in them a feeling that there in front of them a promising future in their profession, in general, and the companies they work for, in particular.
6. Officials in the industrial companies must pay attention to talented employees, trying to attract them from competitors, through providing the best ways to celebrate their performance and encourage their talents.

7. It is necessary to create an organizational culture about the importance of managing human talent and its role in creating a competitive advantage through the involvement of members of senior and middle management in workshops and international conferences, in order to understand talent management systems and how to apply its components.
8. Providing a specialized unit for affairs of the talented, taking into account the allocation of budgets for creative ideas and projects.
9. Motivating talented people and encouraging them continuously through raising their salaries and compensating them materially and indirectly, besides not equalizing them with ordinary workers.

#### **10. Limitations and Further Research**

The present research has certain limitations. First, the primary limitation of this study is the scope and size of its sample. Second, the results from industrial companies might have been obtained if the study had included other companies.

Future research should focus on why organizations should identify different groups that are valuable for that particular organization and how they should do this. Moreover, research should look into what consequences and effects the identification of talents and the offering of extra training, development, and career opportunities of these employees might have on both individual and OP.

Furthermore, in order to draw valid conclusions on the effect of the establishment of multiple talent pipelines on OP, an empirical research (perhaps with a longitudinal design) is necessary. Future research could provide scientific proofs and arguments about whether or not organizations benefit from multiple pipelines.

Future research should focus on (1) the impact of talent management on the effective performance, (2) the role of talent management in creating a competitive advantage, (3) the impact of talent management system on job satisfaction for the talented, and (4) the impact of talent management on the quality of educational services.

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