

# The Mediating Role of Organisational Performance in the Relationship Between Talent Management and Retention A Study in the Public Sector in Beijing, China

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People, rules, and systems all have a role in how well a human resource management system works with the workforce. Money, materials, labour, and machinery are the building blocks of every organisation. To be competitive on a worldwide scale, a company needs talented employees that can hone their intelligence to build the market and implement top-notch organisational learning strategies. Organisational performance and productivity are inversely related to the amount and quality of human resources. Managers face a formidable obstacle in the shape of creating and maintaining a productive staff. The purpose of this research is to examine the connection between talent management and employee retention in Beijing, China's public sector, with a focus on the mediating function of organisational performance. The data from 1895 participants were analysed using SPSS 25. This study's findings may help public administrators develop comprehensive plans that effectively combine organisational performance with people management to achieve long-term success. The effectiveness of a company's workforce is greatly affected by talent management. As a mediating variable, talent management aids employee retention by its indirect influence on organisational performance, which in turn has a substantial influence on talent management's influence on staff retention. Because this research relies only on replies from upper and middle management, its variables have some limitations. According to the results, future studies should take a broader look at HR-related topics, with a particular emphasis on how talent management affects retention rates, both directly and via organisational performance as a mediating variable that has multiple dimensions and components.

**Keywords:** Organisational performance, Talent management, Employee retention, Public sector in Beijing, China.

## 1. Introduction

Managing human resources effectively is critical for modern businesses because it fosters a healthy work environment and ensures that workers get the services, they need to reach their objectives. Human resource management and risk assessment are two of the biggest obstacles that the healthcare industry must overcome if it is to continue operating successfully. By identifying, recruiting, developing, and maintaining relationships with top people, talent management methods aid in the execution of an organization's strategic goals. Ability,

experience, knowledge, intellect, personal credentials, and the capacity to learn and grow are all components of talent, which is an important success element for enhancing and sustaining organisational performance. With exceptional performance, talented workers may help their company reach its objectives, which in turn boosts production and profits. Research into the theoretical and practical advancements of talent management within the context of human resource management is intriguing, as organisations throughout the globe see workers' knowledge, skills, and talents as sources of competitive advantage (Cheraisi & Busolo, 2020). The effectiveness and legitimacy of any given organization's operations are directly related to the level of efficiency with which its employees carry out their duties. Organisations strive to hold on to personnel who are skilled and contribute significantly to meeting financial objectives. An essential component of employee contribution is employee recognition, which pays tribute to an individual or group of workers for their efforts, successes, and dedication. When done well, talent management is a key component in retaining top talent and boosting business results. As a result, the company is serious about its goal of attracting and retaining top personnel. Talent management has recently undergone a paradigm change in its function in acquiring a competitive edge; now, it is seen as the foundational human capital that is crucial to an organization's prosperity. Companies can't hope to succeed in today's economy without effective personnel management (Doka et al., 2023). When workers believe their pay is commensurate with their contributions, they are more likely to see their compensation as fair. Factors like duties, expertise, and how much other people in the same industry make all play a role in shaping this view. What this means is that employees' salaries should reflect their level of effort, responsibility, and competence, rather than that all workers should get the same compensation. Employees are more likely to stay with a company that treats them fairly. Employees' long-term actions are greatly influenced by the cognitive concept known as retention. Some of the things that help keep employees around include programs that help them advance in their careers, as well as compensation, benefits, work schedule flexibility, company culture, and open lines of communication (Martinez et al., 2020).

## **2. BACKGROUND OF THE STUDY**

Along with it comes a flood of digitalisation in every facet, including change, uncertainty, and competition. Management of human resources with an eye on the long-term success of an organisation or program is known as strategic human resource management. Three pillars upon which this notion rests: human resource management, the plan's implementers, and a methodical strategy that determines the organization's goals and how to reach them. Organisations place a premium on human resources since their most valuable asset is their employees. Its responsibilities include overseeing employees and facilitating their growth via initiatives including mentorship, training, and overall talent management. Their work lives and long-term professional goals are both affected by these endeavours, which in turn affect the decisions and choices they make in other areas of their lives. Mining businesses in industrialised nations will have serious human resource shortages in the next years, according to studies (Tunio et al., 2024). Among these difficulties is the need to keep workers motivated as they approach retirement age, find and keep talented people with specific skills, increase the size of the workforce via better training and development programs, and so on. When it comes to national economic development, the mining sector is crucial since it supplies critical

commodities and helps to maintain growth. Connecting the people, policies, and systems that impact the workforce is essential for a successful human resource management system. The four Ms: people, capital, materials, and machinery make up an organisation. The organization's aims and objectives may be achieved by the efficient use of other resources, which can be realised through all labour efforts. It doesn't matter how advanced a company's technology is or how many assets it has; what matters is that it has the proper people working for it. Attracting and maintaining a staff that effectively contributes to organisational success is a formidable issue for managers. To compete on a global scale, businesses need employees with the right mix of skills and intelligence to build their markets and implement effective organisational learning strategies. Consequently, there is a great deal of interest among academics and professionals in the idea of talent management. The greatest talent management approach should be put into place since a company's performance and success are reliant on its ability to manage and maintain its talent pool. To stay ahead of the competition and secure a dominant position in the market, the organisation may use this. The whole employee life cycle is covered by talent management. Recruiting, selecting, and enhancing knowledge can only be achieved by training, performance evaluation, and succession preparation (Darby, 2023).

### **3. PURPOSE OF THE RESEARCH**

This study aims to investigate the mediating effect of organisational performance on the link between talent management practices and employee retention in the public sector of Beijing, China. This research intends to elucidate the relationship between successful talent management methods and enhanced organisational performance, which subsequently affects employee retention, therefore offering insights into the factors that support workforce stability in public organisations. Comprehending these linkages is essential for policymakers and public sector executives, as it may guide the formulation of focused initiatives that recruit and cultivate talent while promoting a work climate conducive to long-term employee commitment and happiness. The study results aim to augment the efficacy of talent management strategies, thereby enhancing organisational performance and staff retention in the public sector.

### **4. LITERATURE REVIEW**

In the modern day, talent is an essential component for organisations and businesses to achieve their long-term goals. The term "talent" refers to a person's innate capacity to carry out a certain activity in a predetermined manner, which encompasses their innate abilities, intellect, knowledge, experience, judgement, character, and motivation. Skills in learning and personal development are also part of it. Part of human resource management strategies is talent management, which involves implementing integrated plans to boost organisational performance through better processes for acquiring, developing, retaining, and capitalising on individuals with the right mix of skills and experience to meet current and future business needs (Bahuguna et al., 2023). Performance in an organisation may be maintained via talent management as it supplies crucial information and methods for development and transformation. In the event of a leadership opening, it aids companies in identifying their most

skilled personnel. The growth of talent management is closely tied to the organization's goal and vision, which helps to ensure sustainability and gives the business a competitive edge. It is well acknowledged by scholars that talent management greatly influences the long-term viability of an organization's performance. Employee engagement is the degree to which productive workers devote themselves to the work of the company, and talent management has a favourable impact on this. Building a strong foundation for employee engagement begins with talent management. By prioritising employee welfare and talent management, they can inspire contentment and loyalty from their staff. Organisational performance may be achieved by talent management, which is seen as the most efficient and effective variable. It can collect, adopt, develop, and use employees depending on their engagement (Aljbour et al., 2021). Talent management is connected to employee engagement because it helps the organisation with the skills it requires, assesses prospective competence, builds team capabilities, creates innovation, encourages creativity, communicates actively, and develops capabilities. By investing in workers' professional growth and including them in all aspects of the business, effective personnel management may boost engagement. It is challenging to retain bright personnel in today's competitive market because of the increased employee mobilisation from one organisation to another. A corporation may lessen the impact of this by actively engaging its workers in all aspects of the business and supporting their professional growth (Aydogan & Arslan, 2021).

## **5. RESEARCH QUESTION**

Does career development have a significant relationship with employee retention in the information technology industry in Beijing, China?

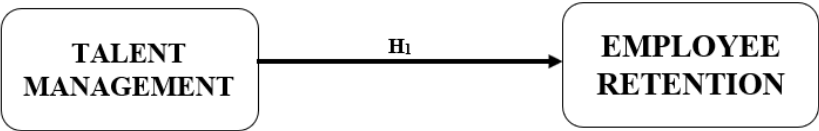
## **6. METHODOLOGY**

- **Research design:** Quantitative data analysis was conducted using SPSS version 25. The combination of the odds ratio and the 95% confidence interval provided information about the nature and trajectory of this statistical association. The p-value was set at less than 0.05 as the statistical significance level. The data was analysed descriptively to provide a comprehensive understanding of its core characteristics. Quantitative approaches are characterised by their dependence on computing tools for data processing and their use of mathematical, arithmetic, or statistical analyses to objectively assess replies to surveys, polls, or questionnaires.
- **Sampling:** A random sampling technique was applied for the study. The research relied on questionnaires to gather its data. The Rao-soft program determined a sample size of 1825. A total of 1950 questionnaires were distributed; 1913 were returned, and 18 were excluded due to incompleteness. In the end, 1895 questionnaires were used for the research comprising 997 females and 898 men.
- **Data and Measurement:** A questionnaire survey served as the main data collector for the study. There were two sections to the survey: (A) General demographic information and

(B) Online & non-online channel factor replies on a 5-point Likert scale. Secondary data was gathered from a variety of sources, with an emphasis on online databases.

- Statistical Tools: Descriptive analysis was used to grasp the fundamental character of the data. The researcher applied ANOVA for the analysis of the data.

6.1 Conceptual Framework



7. RESULTS

7.1 Factor Analysis

Factor analysis (FA) is used to validate the foundation of a measurement battery, aiming to identify latent characteristics and measurement inaccuracies. The Kaiser-Meyer-Olkin (KMO) Test is used to determine data suitability for factor analysis, ensuring sufficient data for all model variables and the whole model. KMO values range from 0 to 1, with an adequate sample size between 0.8 and 1.0. Large-scale correlations pose a significant challenge for component analysis. Kaiser's minimum and maximum requirements range from 0.050 to 0.059.

Table 1: KMO and Bartlett’s Test

KMO and Bartlett's Test <sup>a</sup>		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.927
Bartlett's Test of Sphericity	Approx. Chi-Square	6850.175
	df	190
	Sig.	.000
a. Based on correlations		

The study used the KMO test for sample adequacy, resulting in a KMO value of .927, and a significance level of 0.00, indicating the data is suitable for exploratory factor analysis.

7.2 Test for Hypothesis

a. Dependent Variable: Employee Retention

Employee retention is the process by which a company keeps its key personnel on board and limits employee turnover. It encompasses all the activities that a company takes to ensure that its workers are content, motivated, and committed to working for the company and contributing to its success. To retain quality personnel, businesses must provide opportunities for career advancement, foster a positive work environment, offer competitive pay and benefits, foster a friendly workplace culture, and address any issues that may lead to an

employee's voluntary or involuntary departure (Dayeh & Farmanesh, 2021).

#### b. Independent Variable: Talent Management

Talent management is the process of actively seeking out, developing, and retaining qualified employees to boost performance, innovation, and growth within an organisation. It encompasses processes like recruiting, onboarding, performance reviews, training, succession planning, and employee engagement to make the most of the company's human resources and achieve strategic objectives. Finding and hiring top talent by advertising open positions, communicating with candidates, examining their resumes, and conducting interviews. By establishing comprehensive onboarding processes that equip new hires with all the information, resources, and support they need, they can ease their transition into the company and get them up and running quickly (Khan et al., 2021).

- Relationship between Talent Management and Employee Retention

Effective talent management is essential for holding onto valuable personnel. It involves creating job positions that provide challenges, responsibilities, and autonomy, which in turn helps employees feel connected to their work and their role within it. It is the manager's responsibility to motivate the personnel under their supervision. Companies must prioritise workplace and role flexibility to accommodate the evolving workforce and the sedentary character of some jobs. Training quality, employment quality, and work-life balance affect employee retention, organisational commitment, and job satisfaction. An essential tactic for growing the company and inspiring workers is talent Management. Research shows that when companies use Talent Management systems, workers are less likely to want to quit. Important factors in decision-making include managers' contacts with workers and the amount of time and resources invested in recruiting and development to retain outstanding individuals. Organisational executives should conduct staff retention interviews to learn more about workers' motivations for remaining with the company. Drawing on this information, they may develop themes for attracting new residents and directing our efforts to improve organisational efficiency. Employee engagement, career and skill development opportunities, participation evaluation, organisational belonging, and increased retention are all practices that organisations can implement to attract and keep talented workers in today's competitive job market (Samanta & Eleni, 2021).

Based on the above discussion, the researcher formulated the following hypothesis, which was to analyse the relationship between Talent Management and Employee Retention.

Table 2: H<sub>1</sub> ANOVA Test

ANOVA					
Sum					
	Sum of Squares	df	Mean Square	F	Sig.
<b>Between Groups</b>	78496.930	1025	6248.267	2342.678	.000
<b>Within Groups</b>	629.810	869	5.725		
<b>Total</b>	82236.390	1894			

In this study, the result is significant. The value of F is 2342.678, which reaches significance

with a p-value of .000 (which is less than the alpha level). This means the “H<sub>1</sub>: There is a significant relationship between Talent Management and Employee Retention” is accepted and the null hypothesis is rejected.

## 8. DISCUSSION

This study's results highlight the essential mediating function of organisational performance in the connection between talent management and employee retention within Beijing's public sector in China. Efficient personnel management strategies, including training and development, performance evaluation, and career progression chances, substantially improve organisational performance by cultivating a culture of engagement and productivity. This enhanced performance subsequently fosters a conducive work environment that motivates people to stay with the organisation. The interaction among these variables indicates that public sector organisations should prioritise strategic talent management measures to enhance overall performance, resulting in increased retention rates. This research emphasises the need to integrate talent management techniques with organisational objectives to ensure that workers feel appreciated and motivated. By investing in their personnel and fostering a culture of continuous improvement, public sector organisations can retain exceptional talent while also improving service delivery and operational efficiency. Ultimately, these insights may assist public administrators in formulating complete strategies that merge personnel management with organisational performance to get lasting results.

## 9. CONCLUSION

This research underscores the crucial mediating function of organisational success in the association between talent management and employee retention within Beijing's public sector. Evidence indicates that good personnel management methods boost the performance of public organisations and are crucial in promoting employee loyalty and commitment. By emphasising personnel development and matching management practices with organisational objectives, public sector executives may cultivate a flourishing work environment that promotes retention and enhances service performance. These results highlight the need for a strategic approach to talent management, asserting that investments in employee development are crucial for attaining both individual and organisational success. As public sector organisations handle personnel difficulties, understanding these interrelations was essential for improving operational efficiency and guaranteeing long-term viability.

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