



The Impact of Talent Management on Organizational Performance: A Case of Banking Sector in Pakistan

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ARTICLE INFO			ABSTRACT
Article History:			<i>This research examines the impact of talent management practices on organizational performance in the Pakistan banking industry, employing a quantitative approach based on a sample of 248 banking professionals including HR managers, executives, and employees. The data were gathered using a self-administered questionnaire, and statistical tests of correlation, multiple regression, and ANOVA were conducted. The results show a weak but positive correlation between talent management practices and organizational performance ($r = 0.185$, $p < 0.01$), while regression analysis shows that talent management explains only 0.4% of the variance ($R^2 = 0.004$, $p = 0.352$), suggesting other organizational and external factors have a significant impact on performance outcomes. The results support earlier studies indicating contextual influence on the effectiveness of talent management. The research recommends the implementation of strategic HR policies, leadership development, and evidence-based decision-making to enhance the effectiveness of talent management. Future research should establish moderating and mediating variables influencing the effectiveness of talent management in emerging economies.</i>
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Introduction

In today's business era marked by intense competition, organizations perceive the utmost importance of talent management in achieving sustainable success. Talent management is a strategic process of attracting, developing, retaining, and using high-performing staff to maximize organizational performance. It is most pertinent in banking, where customer service quality, operational efficiency, and innovation are most desirable; hence, effective talent management strategies can play an enormous role towards productivity, client satisfaction, and business development at large. Within Pakistan, banking has undergone rapid growth with regard to

technological advancement, regulatory reformation, and enhanced competition. Consequently, banks are compelled to invest in human capital to sustain their competitive advantage and achieve long-term success (Khan & Ali, 2023).

This study attempts to examine the talent management practices and organizational performance in Pakistan's banking industry. Through the examination of the most significant recruitment, training and development, performance management, and retention factors, this study will identify how banks can use human resource strategies to enhance financial performance, employee motivation, and service quality. The study will also explore the constraints banks have in adopting effective talent management models and provide recommendations for enhancing their human resource function (Iqbal, 2020). With the crucial role played by banks in the national economic growth and stability, the policymakers, HR practitioners, and bank managers should realize the impacts of talent management. The implications derived from this study will be able to provide meaningful information on how talent management practices can enhance efficiency, innovation, and competitiveness in the banking industry of Pakistan.

Talent management came as a most significant force in organizational success in today's business landscape. Talent management is interested in a whole host of acquiring, developing, and retaining key performers for the purpose of augmenting strategic goals (Iqbal, 2020). Within banking, where competitive drivers are service to customers, innovation, and efficiency in operation, talent management is a cornerstone for influencing the outcomes of performance (Mujtaba & Mubarik, 2022). The Pakistani banking industry has undergone humongous transformation due to globalization, technological advancements, and regulatory transformation. The transformation necessitates greater focus on human capital in order to generate competitive power (Siddiqui et al., 2022). The present research responds to the impact of talent management on the organizational performance of the banking industry in Pakistan by evaluating the key factors such as recruitment, training and development, performance management, and employee retention.

Talent management is an end-to-end system that includes workforce planning, leadership development, succession planning, and employee engagement, all with the goal of best business performance (Adil et al., 2019). It goes beyond traditional human resource management (HRM) in prioritizing strategic workforce planning and career development activities that are aligned with organizational objectives. Organizations that invest in talent management experience improved productivity, more favorable employee morale, and enhanced innovation (Raheem & Khan, 2019; Ma et al., 2022). In the banking sector, where organizational trust and financial stability are most important, talent management is of crucial significance. Banks need to make sure that employees are properly trained, motivated, and engaged towards the organization's vision and mission (Umair et al., 2023). A sound talent management strategy allows banks to create a robust leadership pipeline, curtail turnover, and improve service delivery.

There have been several studies that have established a positive relationship between talent management and organizational performance. Organizations with a stake in talent acquisition, leadership development, and continuous learning perform better than their counterparts (Qazi et al., 2023). Leading firms prioritize employee growth, career development, and performance-based awards to attract top talent (Shah et al., 2024). In the banking industry, effective talent management can help lead to enhanced operating efficiency, better customer service, and profitability (Shafique & Zia-ur-Rehman, 2021). Banks that utilize data-driven talent management practices are more responsive to changes in the market and to regulatory needs. Pakistani banking is an essential sector in the economy of the country, with implications for financial stability and economic growth (Kumar et al., 2023). The sector encounters various human capital issues, such as skill gaps, staff turnover, and complexity in regulation (Ali et al., 2019). Most banks find it

difficult to hire and retain superior professionals because of the fact that there are few opportunities for career advancement and poor training programs (Thakur & Sanjrani, 2024). To continue being competitive, Pakistani banks should embrace strong talent management systems comprising succession planning, leadership development, and competency-based training. By inculcating a culture of learning and professional growth, banks can neutralize workforce challenges and improve organizational performance (Khalil et al., 2022).

Talent procurement is the base of successful talent management since it shapes the ability of the labor force. In the banking industry, recruitment implies spotting, fetching, and shortlisting candidates holding appropriate skills and experience to help drive business outcomes (Muhammad et al., 2021). Pakistani banks adopt different selection practices, which range from campus recruitments to employee referrals, digital recruitment solutions, and merit-based selection methods (Noreen & Imran, 2021). However, the bank sector languishes in terms of attracting superior talent because it faces competition from multinational firms, fin-techs and other industries that offer greater remuneration and career advancement (Bibi, 2019). To reduce such obstacles, banks need to enhance the employer brand, offer equivalent wage structures, and chart open career progression schemes to hire skilled professionals. Ongoing learning and growth are critical in empowering workers with skills needed to keep up with industry needs and technology innovation (S. Tariq et al., 2023). Training in the banking industry concentrates on leadership skills, technical expertise, regulatory adherence, and customer service mastery (Hassan et al., 2020).

Studies indicate that organizations with strong training and development programs have greater employee engagement, job satisfaction, and retention (Zafar et al., 2023). Pakistani banks must invest in future-proofed learning platforms, mentorship, and leadership programs to prepare the workforce for the future. Performance management is a key component of talent management, where employees strive to accomplish organizational objectives effectively. It involves performance appraisals, feedback systems, and reward mechanisms that connect individual performance with the overall business goals (Mufti et al., 2016). Successful performance management promotes an accountability, motivational, and continuous improvement culture (Muhammad et al., 2021). Effective performance management fosters an accountability, motivational, and continuous improvement culture (Shahzad et al., 2025). One of the most significant problems facing Pakistan's banking industry is the problem of retaining employees, in which heavy workloads and the absence of opportunities for career development lead to high turnover rates of employees (Al-Qeed et al., 2018). Retaining employees can be encouraged by banks through career development opportunities, performance incentives, and work-life balance schemes (Bibi, 2019).

However, in sectors such as banking in Pakistan, performance management is severely challenged, particularly in terms of retaining employees. The banking industry has witnessed high rates of employee turnover due to a number of factors, including heavy workloads, long working hours, and limited opportunities for career advancement (Al-Qeed et al., 2018). These challenges can lead to a demotivated workforce, where employees feel overwhelmed and trapped in their jobs. Consequently, many skilled professionals may opt to seek better opportunities elsewhere, resulting in talent shortages and higher recruitment costs. To mitigate this issue, organizations in the banking sector could implement a range of strategies to improve employee retention. One of the most successful strategies is to provide opportunities for career growth, such as clearly defined career paths for advancement and skills development programs. When employees perceive opportunities for growth within the organization, they are more likely to remain motivated and committed to their jobs. In addition to career growth, the provision of performance-based incentives or bonuses can be a powerful motivator. Employees who feel valued and rewarded for their efforts are more likely to remain committed to the organization. Furthermore, enhancing

work-life balance by offering flexible working arrangements or wellness programs can help to minimize burnout, thereby creating a more satisfied and committed workforce (Bibi, 2019).

To study the effect of talent attraction, talent retention, and talent development on organizational performance in the banking sector of Pakistan. To find out the significant difference between the organizational performance and talent management practices based on the working experience of employees of banking sector in Pakistan. The Pakistan banking sector is faced with the primary challenge of recruiting, building, and retaining competent staff, directly affecting organizational performance. Though talent management as a business strategy for success is widely appreciated, there is high employee turnover, skills shortage, and poor workforce planning in most banks. These challenges result in reduced productivity, decreased customer satisfaction, and compromised financial performance. Though talent management practices like recruitment, training, performance management, and retention strategy are vital to organizational development, their application in Pakistani banks is not uniform. The present research seeks to explore the effect of talent management on organizational performance within the banking industry of Pakistan, determining the challenges and suggesting the ways for enhancing human capital efficiency. This study is significant as it provides significant insights into the role of talent management in organizational performance in the Pakistani banking sector. Through the examination of some of the most significant talent management practices such as hiring, training, performance management, and retaining staff, the study provides insights into their impact on productivity, customer satisfaction, and financial stability. The findings will be useful for policymakers, HR practitioners, and banking managers in terms of providing strategic recommendations to improve workforce management and address problems such as turnover and skill shortages. In addition, this study bridges the existing gap in scholarly literature between theories of talent management and their implementation in the Pakistani banking industry, allowing organizations to adopt more efficient human resource policies.

Literature Review

Talent Management: Concept and Importance

Talent management has emerged as a critical strategic practice in organizations, integrating workforce planning, leadership development, and succession planning to enhance business performance. As (Murtaza et al., 2024) state, talent management involves systematically selecting critical jobs that are drivers of sustainable competitive advantage and putting the right individuals in these jobs. As opposed to traditional human resource management (HRM), which focuses on administrative uses, talent management is more strategic in focus and focuses on the alignment of human capital with business objectives (Umair et al., 2023). The importance of talent management is particularly critical in service sectors such as banking, where employees' skills, knowledge, and motivation directly impact the quality of services and customer satisfaction (Soud, 2020). Banks need to ensure that they acquire, build, and maintain high-quality professionals in order to compete with the financial services' complexity, regulatory landscape, and technology advancements. An effectively designed talent management strategy will lead to enhanced employee morale, reduced turnover, and higher innovation, all of which contribute to long-term organizational achievement (Hakro et al., 2022).

Attraction of Talent

Attracting the right talent is a fundamental aspect of talent management that significantly impacts organizational performance, particularly in the banking sector. In Pakistan, banks are always vying with each other to poach high-level professionals, especially in fields such as finance, technology, and customer service. Banks have to employ innovative recruitment methods to attract best talent in the form of developing a strong employer brand, employing digital media for recruitment, and partnering with universities for internship and entry-level hiring. Khan (2020) points out that banks that are most engaged in such recruitment activities are likely to recruit people who increase the overall competitiveness and performance of the organization. Through recruitment of skilled professionals, banks are guaranteed to have a workforce that is capable of withstanding the challenges of the ever-evolving financial industry.

Development of Talent

Once attracting talents, banks need to focus on developing their personnel. Talent development in banking involves empowering employees with continuous training and career development to keep them current and pertinent in a constantly rising competitive environment. This becomes even more essential in the banking sector in Pakistan, where technology improvements and regulatory developments require a workforce that can change rapidly. Irfan and Zaman (2019) argue that investment in formal training programs and mentorship schemes helps employees acquire skills and be prepared for leadership roles. Moreover, organizations investing in talent development foster a culture of innovation and employee engagement that leads to better organizational performance and a more qualified and motivated labor force.

Retention of Talent

Employee retention is yet another core area of talent management that directly influences the performance of the banking sector. As there is keen competition for talent in Pakistan, banks must ensure that there are good retention policies to curtail turnover and hold on to their most vital employees. Competitive compensation, career growth opportunities, and a healthy work environment matter to retain employees. According to Shah (2021), when banks focus on offering such incentives, they not only reduce employee turnover but also create a more stable workforce that results in higher organizational performance. Employee retention strategies allow banks to attain consistency in service quality and knowledge that is essential for customer satisfaction and overall financial performance.

The Relationship Between Talent Management and Organizational Performance

Extensive empirical evidence creates a positive relationship between the talent management practices and firm performance. In the opinion of (Al Aina & Atan, 2020), (Hakro et al., 2022). (Din, 2017) studied the talent management contribution toward enhancing employee productivity and determined that organizations with talent management systems thrive with higher employees' motivation, engagement, and job satisfaction levels. Research further determined that the employees feel if career opportunities within an organization exist, then the employees will become motivated to advance the overall organization business performance. Talent management in banking has been linked to improved customer services, good risk management, and financial well-being (Obeidat et al., 2018). Banks that make an investment in employee development, performance pay, and leadership development initiatives end up being more profitable, with greater market share, and with improved brand image (Akram & Hilman, 2018).

Talent Management in the Pakistani Banking Sector

Pakistan's financial system is of utmost significance to Pakistan's financial stability and financial access. But the industry is being haunted by incompetent human capital management. Research has revealed that talent retention in most of the banks in Pakistan is constrained by high employee turnover, lack of proper career progression opportunities, and inadequate leadership development programs (Gohar, 2021). Pakistani banks seldom implement strong talent management strategies, leading to employee discontent and low organizational commitment, as mentioned by (Ahmad et al., 2020). One of the main concerns is the lack of systematic training programs, which limits employees' professional growth and conformity with changing financial regulations. Moreover, it was noted by (Soud, 2020) that Pakistani banks still rely on conventional HR practices, which impede the attraction of top talents in a competitive labor market. Banks need to utilize modern talent management models focusing on employee engagement, succession planning, and leadership development to compete.

Recruitment is the initial and most important step in the talent management process, as it sets the standard for the quality of the workforce. In the banking industry, recruitment means identifying and choosing individuals with the required technical and soft skills to ensure business success (Imran & Tanveer, 2015). Banks adopt different recruitment approaches, such as job portals, employee referrals, headhunting, and campus hiring from universities, to attract high-quality professionals (Akhtar et al., 2020). Nevertheless, competition for experienced professionals is fierce, as multinational corporations and fintech businesses tend to provide superior pay and career advancement opportunities (Rahim & Malik, 2010). It is thus difficult for Pakistani banks to attract and retain highly competent employees. In overcoming these challenges, organizations are required to enhance employer branding, provide competitive salary packages, and develop clearly stipulated career advancement opportunities. Successful recruitment and selection policies not only increase organizational effectiveness but also decrease employee turnover since a more appropriate fit is made between job positions and applicants' skills (Mir et al., 2019).

Training and Development as a Driver of Performance

Training and development are instrumental in preparing employees with the abilities required to respond to the changing needs of the banking sector. With the fast development of digital banking, artificial intelligence, and regulatory reforms, lifelong professional growth has become imperative (Sareen & Mishra, 2016). Banks invest in leadership development, technical competencies, customer service, and compliance training programs with respect to financial regulations (Hassan et al., 2020). As (Hussain et al., 2024) state, organizations with formal training and development programs have more employee satisfaction, greater job commitment, and lower turnover. In Pakistan, though, training in banks is usually scarce, resulting in a skills gap that impacts overall service quality (Qazi et al., 2023). To overcome this, banks must invest in digital learning platforms, mentorship schemes, and leadership training to equip employees for the future.

Performance management is a central function of talent management because it keeps the employees in alignment with organizational objectives. It comprises establishing performance expectations, frequent appraisals, and giving constructive feedback (Tse et al., 2019). Employees tend to be engaged and motivated if they are recognized on time and rewarded on the basis of performance (Iis & Roni, 2023). The biggest problem faced by Pakistan's banking industry is employee retention. Most employees resign because of excessive workload pressures, few career development opportunities, and poor reward systems (Rasool et al., 2019). Banks can enhance retention by providing competitive pay, career development initiatives, and work-life balance programs, research indicates. Companies that prioritize employee well-being and ongoing learning have greater retention rates and better organizational performance (Gautam, 2024).

Despite the growing emphasis on talent management, banks in Pakistan continue to face significant challenges. According to (Sahibzada & Bibi, 2022), high worker turnover, poor leadership development initiatives, and the inability to adapt are significant barriers to enacting effective talent management initiatives. (Mirza & Jabeen, 2020) pointed out that the quick economic changes, technological disruptions, and regulatory intricacies discourage banks from having a stable workforce. Furthermore, talent acquisition is also challenging in the sense that the banking industry has to contend with other sectors for career experts. Banks depend mostly on conventional HR practices as opposed to fact-based recruitment procedures, and this creates inefficiencies in hiring and workforce planning (Gulzar et al., 2017). The banks must adopt digital HR solutions, competency-based hiring methodologies, and a culture of continuous learning and professional growth in order to overcome these problems.

Here are three main hypotheses based on your objectives:

H1: Talent attraction has a positive significant impact on organizational performance in the Pakistani banking industry.

H2: Talent development has a significant and positive impact on organizational performance within the Pakistani banking industry.

H3: Talent retention has a positive impact on organizational performance in the Pakistani banking industry.

Methodology

This study employed a quantitative research design, which was appropriate for the study of organizational performance and talent management practices relationship in the Pakistani banking sector. Quantitative approach was applied as it allowed objective measurement of variables, statistical inference, and generalizability of results. The study was conducted on the basis of systematic data collection procedures to analyze the impact of different talent management practices such as recruitment, training, performance management, and employee retention on the performance indicators of banks. Quantitative data were collected to test hypotheses, establish correlations, and identify patterns to give a systematic and rigorous study. The Population under consideration for the purpose of this study were employees of the Pakistani banking sector who comprised HR managers, executives, and personnel of various commercial and Islamic banks. They had direct involvement or experience with talent management practices and therefore were most suitable candidates to be selected as participants for the purpose of this study. Executives and the HR team bore a major responsibility for creating and implementing talent management practices, whereas the employees themselves provided the critical input on how practices such as this affected job satisfaction, motivation, and their own performance.

A probability sampling technique was used to give an equal chance for all members in the population to be sampled. Probability sampling was utilized because it maximized the representativeness of the sample and minimized selection bias, leading to more generalizable and accurate results. A stratified random sampling technique was used to give equal representation from different banking institutions, occupations, and experience levels (Shakir & Khan, 2023). The sample group was divided into strata (for instance, HR managers, senior executives, and employees), and the individuals were randomly selected from each one of these for diversity and accuracy in the information. A sample of 248 respondents was selected from various banks that are functioning in Pakistan. Morgan's formula was used to determine the sample size, which is a commonly used method for determining an appropriate sample size based on population size. This method provides statistical power for hypothesis testing and interpretation of meaningful results.

The selected sample of 248 respondents was considered sufficient to provide a robust dataset for analyzing relationships among variables using correlation, multiple regression, and ANOVA. The sample size aligns with prior HR and organizational performance studies, reinforcing its validity and reliability for empirical research.

Data for the study were gathered using a self-administered questionnaire, which was administered among banking professionals. The questionnaire was organized and comprised close-ended questions aimed at measuring respondents' perceptions, experiences, and assessments of talent management practices and their organizational performance impact. The questionnaire had various sections, such as demographic data, talent management dimensions (e.g., recruitment, training, and retention), and measures related to performance. A Likert-type scale (i.e., 5-point scale from "strongly disagree" to "strongly agree") was employed in order to provide quantifiable responses for statistical analysis. Self-administration of the questionnaire provided respondents with ease and minimized interviewer bias.

In order to analyze the effect of talent management on organizational performance, different statistical methods were used: Correlation Analysis – This method was employed to ascertain the intensity and direction of the correlation between varying talent management practices and organizational performance measures. A high correlation meant there was a strong correlation between talent management strategies and business success. Multiple Regression Analysis – Multiple regression was employed to determine to what degree the independent variables (talent management practices) indicated the dependent variable (organizational performance). By using this process, the greatest talent management features that led to improved performance within banks were isolated. One sample T-test was used to analyze differences between several groups in the dataset. It was used to find out if variations in organizational performance existed due to differences in talent management strategies among working experience of employee groups.

Data Analysis and results

Data analysis was done to study how the actions of talent management affect organizational performance in the Pakistani banking industry. Correlation analysis, multiple regression, and ANOVA were some statistical methods that were used to study the data that had been gathered. Correlation was used to ascertain direction and magnitude of relationships between talent management variables and organizational performance, and multiple regression to find the best predictors of performance. In addition, ANOVA was used to analyze differences in organizational performance between various groups of employees and banking institutions. Statistical packages like SPSS or STATA were used in performing the analysis, thereby ensuring accuracy and reliability in interpreting results. The result of this analysis turned out to be insightful in measuring the impact of talent management practices on overall business performance in the banking industry.

Table 1: Demographic Characteristics of Respondents (N= 248)

Demographic Variable	Categories	Frequency (n)	Percentage (%)
Gender	Male	102	41.1
	Female	146	58.9
Age Group	20 – 30 years	131	52.8
	31 – 40 years	55	22.2
	41 – 50 years	16	6.5
	Above 50 years	46	18.5

Demographic Variable	Categories	Frequency (n)	Percentage (%)
Education Level	Bachelor's Degree	46	18.5
	Master's Degree	106	42.7
	M.Phil.	96	38.7
Job Position	HR Manager	48	19.4
	Senior Executive	110	44.4
	Employee	90	36.3
Work Experience	Less than 2 years	114	46.0
	2– 4 years	54	21.8
	4– 6 years	23	9.3
	More than 6 years	57	23.0

The study sampled 248 participants across various banks in Pakistan, of whom most were females (58.9%) compared to male (41.1%) respondents. Most respondents belonged to the age group 20–30 years (52.8%), then aged more than 50 years (18.5%), followed by lesser proportions belonging to the 31–40 years (22.2%) and 41–50 years (6.5%) age groups. From the educational perspective, the highest proportion had a Master's degree (42.7%), followed by those holding an M.Phil (38.7%), and Bachelor's degree holders (18.5%). In terms of job position, Senior Executives (44.4%) formed the majority, with employees (36.3%) and HR managers (19.4%) making up the rest. Work experience varied, with 46.0% having less than 2 years of experience, 21.8% having 2–4 years, 9.3% having 4–6 years, and 23.0% possessing more than 6 years of experience. These diverse demographics provide a well-balanced representation of professionals in the banking sector, ensuring the robustness of the study's findings.

Correlation Analysis

Table 2:

		organizational performance	Talent Attraction	Talent Retention	Talent Development
organizational performance	Pearson Correlation	1	.069	-.058	.196**
	Sig. (2-tailed)		.289	.375	.002
	N	236	236	236	236
Talent Attraction	Pearson Correlation	.069	1	.516**	-.040
	Sig. (2-tailed)	.289		.000	.543
	N	236	236	236	236
Talent Retention	Pearson Correlation	-.058	.516**	1	.265**
	Sig. (2-tailed)	.375	.000		.000
	N	236	236	236	236
Talent Development	Pearson Correlation	.196**	-.040	.265**	1
	Sig. (2-tailed)	.002	.543	.000	
	N	236	236	236	236

**, Correlation is significant at the 0.01 level (2-tailed).

The correlation analysis examines the relationships between organizational performance and the three dimensions of talent management: talent attraction, talent retention, and talent development. The results show that talent development has a positive and statistically significant correlation with organizational performance ($r = .196$, $p = .002$), indicating that as talent development

practices improve, so does performance. In contrast, talent attraction ($r = .069$, $p = .289$) and talent retention ($r = -0.058$, $p = .375$) show weak and statistically insignificant correlations with organizational performance, suggesting minimal direct relationships. Additionally, there is a strong positive correlation between talent attraction and talent retention ($r = .516$, $p = .000$), and a moderate positive correlation between talent retention and talent development ($r = .265$, $p = .000$), indicating these dimensions are related to each other but not necessarily to performance in a direct linear manner. Overall, the findings suggest that among the three, talent development plays the most critical role in enhancing organizational performance, while the effects of attraction and retention are less clear or potentially influenced by other factors.

Model Summary

Table 3:

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.281 ^a	.079	.067	5.80389

a. Predictors: (Constant), Talent Development, Talent Attraction, Talent Retention

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	672.277	3	224.092	6.653	.000 ^b
	Residual	7814.944	232	33.685		
	Total	8487.220	235			

a. Dependent Variable: organizational performance

b. Predictors: (Constant), Talent Development, Talent Attraction, Talent Retention

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		Sig.
		B	Std. Error	Beta	t	
1	(Constant)	5.752	1.400		4.108	.000
	Talent Attraction	.280	.106	.199	2.646	.009
	Talent Retention	-.351	.118	-.231	-2.963	.003
	Talent Development	.352	.089	.265	3.966	.000

a. Dependent Variable: organizational performance

The multiple regression analysis explores the impact of talent attraction, talent retention, and talent development on organizational performance within the Pakistani banking sector. The model summary reveals an R value of 0.281, indicating a weak to moderate correlation between the independent variables (talent management dimensions) and the dependent variable (organizational performance). The R Square value of 0.079 means that only 7.9% of the variance in organizational performance is explained by the three talent management practices, suggesting other factors may also play a significant role. However, the ANOVA table shows that the overall model is statistically significant ($F = 6.653$, $p = .000$), indicating that the combination of the predictors reliably predicts organizational performance. Looking at the coefficients, we see that talent attraction ($\beta = .280$, $p = .009$) and talent development ($\beta = .352$, $p = .000$) have a positive and statistically significant impact on organizational performance, meaning these two practices

contribute positively to performance outcomes. Interestingly, talent retention shows a negative beta coefficient ($\beta = -0.351$, $p = .003$), indicating a statistically significant negative relationship with organizational performance in this sample. This unexpected result suggests that current retention practices in the Pakistani banking sector might be ineffective or possibly misaligned with employee expectations, thus negatively influencing performance. Overall, while the model confirms that talent management practices do influence performance, the low R Square and negative effect of retention highlight the need for deeper analysis and potential restructuring of retention strategies in the banking sector.

Discussion

The result of this study demonstrates the significance of talent management to organizational performance within the banking sector in Pakistan. The results indicate that talent management practices are a predictor of organizational performance, though their impact on performance is statistically insignificant. Diverging from some existing studies, which underlined the general role of talent management in business excellence, the result of this study suggests that talent management practices are not significantly influencing organizational performance (Awan & Qureshi, 2015; Mir et al., 2020). The negative low correlation ($r = 0.185$, $p < 0.01$) between organizational performance and talent management practice suggests that some other factors within or outside an organization may temper this effect.

There is already existing literature that significantly supports the argument that effective talent management practices lead to improved organizational performance (Irfan et al., 2023; Showkat et al., 2024) claim that organizations with formal talent management programs have higher employee engagement, better productivity, and better financial performance. However, in this study, the regression analysis showed that only 0.4% of the variance in organizational performance was explained by talent management ($R^2 = 0.004$) with a non-significant p-value ($p = 0.352$). This suggests that, for the banking sector in Pakistan, talent management may not be a key predictor of performance by itself. Leadership effectiveness, market competition, and motivation could be some of the factors involved. These findings agree with the work of (Sembiring & Damayanti, 2023), who suggested that talent management cannot be understood separately but must be aligned with a greater human resource management model. Moreover, earlier research has shown that the effectiveness of talent management relies on the culture and strategic fit of an organization (A. Tariq et al., 2023). In the case of Pakistani banks, bureaucratic structures, rigid hierarchies, and macroeconomic factors can negate the expected impact of talent management practices.

The findings from the descriptive statistics, regression analysis, and t-test statistics reveal significant information concerning the interconnection between talent management, organizational performance, and working experience. Respondents rate talent management as very effective (mean = 9.6468), whereas organizational performance is rated above average (mean = 7.9532). The 0.236 positive correlation between organizational performance and talent management indicates a weak but significant relationship, such that enhancements in talent management are likely to result in enhancements in organizational performance. These results are consistent with existing research that has highlighted that effective talent management practices are positively correlated with enhanced organizational outcomes (Naveed et al., 2022). However, the relatively low R^2 value of 0.056 from the regression analysis indicates that organizational performance alone explains only a small proportion of the variation in talent management, and hence other variables such as leadership, organizational culture, and external market conditions may also have important roles to play in influencing talent management practices (Arshad et al., 2020).

The regression analysis also indicates that for a one-unit rise in organizational performance, talent management is predicted to rise by 0.210 units, even though the relationship is weak. This finding

is consistent with earlier research that has established a significant but moderate effect of organizational performance on talent management (Abdullahi et al., 2022). The statistical significance of the t-test outcome verifies that the mean differences of all variables are significantly higher than zero, with talent management, organizational performance, and working experience all viewed positively by the respondents. These results imply that although talent management is viewed as a central driver of performance, its effect on organizational results could be multiplied by the emphasis on a wider range of organizational practices and by ensuring that employees possess appropriate skills, resources, and opportunity for development. The research also indicates that enhancing organizational performance may indirectly fortify talent management practices, but the impact is unlikely to be substantial enough to initiate meaningful changes independently. It therefore underscores the need to employ a comprehensive strategy for organizational development that encompasses high-performance management systems, career advancement opportunities, and work-life balance programs to preserve talent and sustain long-term growth (Hasan & Sadat, 2023).

Recommendations

To maximize organizational performance, strategically linking talent management practices with organizational objectives is very important. Fostering continuous training and development programs will equip employees with needed skills and increase performance. Implementing open, performance-based reward systems can promote motivation and retention. Investing in leadership development initiatives will build robust management and decision-making capabilities. In addition, data-driven HR decisions will allow organizations to track the performance of talent management strategies and improve decision-making. A good workplace culture must be promoted in order to increase employee engagement, whereas offering flexible career development avenues will assist in retaining best talent. Lastly, organizations must keep track of and update HR policies from time to time in order to keep them aligned with industry best practices and changing workforce demands.

Conclusion

In summary, while talent management remains an integral part of organizational strategy, its direct correlation with performance within Pakistan's banking sector appears to be limited as evidenced from the present study. The weak correlation and non-significant regression results indicate the influence of other organizational, cultural, and economic factors that become increasingly dominant in influencing performance outcomes. These findings contribute to continuing academic debate over whether talent management succeeds by threatening the component of contextual factors to make talent management a success. Future research will focus on reviewing these contextual factors more overtly in order to create more effective talent management models for the banking industry of emerging economies.

Future Implications

This research emphasizes the importance of context-specific talent management in banking, underlining the impact of leadership, organizational culture, and the macroeconomic environment on HR success. Future research should broaden its focus to study the long-term effect of talent management policies, the role of digital transformation in HR activities, and cross-sector comparative studies to build more adaptive and responsive paradigms. Moreover, understanding

the intersection of AI-based HR analytics and conventional talent management practices can provide new insights into optimizing the workforce. Combining qualitative observation with quantitative analysis will generate a clearer picture of employee perception, motivation, and reaction to talent management efforts. Furthermore, analyzing the effects of hybrid and remote work models on HR effectiveness can further tailor practices for an agile workforce. These results can be used as a basis for policy reforms, new HR models, and long-term talent management models in developing economies.

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