



**THE RELATIONSHIP OF TALENT MANAGEMENT AND JOB
PERFORMANCE OF LOCAL EMPLOYEES MEDIATED BY
ENGAGEMENT AND SATISFACTION**



DOCTOR OF PHILOSOPHY

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**The Relationship of Talent Management and Job Performance of Local
Employees Mediated by Engagement and Satisfaction**



Doctor of Philosophy

2022

**The Relationship of Talent Management and Job Performance of Local Employees
Mediated by Engagement and Satisfaction**

IBRAHEEM HASAN THANI HASAN AL HAMMADI

**A thesis submitted
in fulfillment of the requirements for the degree of Doctor of Philosophy**



UNIVERSITI TEKNIKAL MALAYSIA MELAKA

2022

DECLARATION

I declare that this thesis entitled “The Relationship of Talent Management and Job Performance of Local Employees Mediated by Engagement and Satisfaction” is the result of my own research except as cited in the references. The thesis has not been accepted for any degree and is not concurrently submitted in candidature of any other degree.

Signature

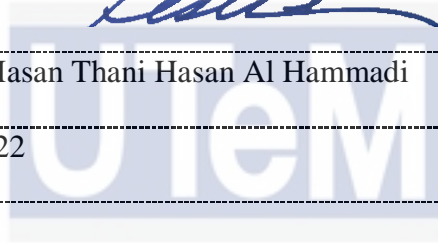


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APPROVAL

I hereby declare that I have read this thesis and in my opinion, this thesis is sufficient in terms of scope and quality for the award of Doctor of Philosophy.


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Date :

25 July 2022
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DEDICATION

I dedicate this thesis to my family.



ABSTRACT

Organizations worldwide are facing the challenge of managing talent effectively. It has been a continual struggle for organizations to retain talents to attain their competitive advantage. Specifically, the UAE government's emphasis on localization (Emiratization) requires companies to effectively manage the talent of local employees. Managing the local talent for high performance is crucial for companies' productivity and competitive advantage. As the major supplier of the oil and gas sector, the oil and gas companies in the UAE are also facing the challenge to ensure their local talents achieve their job performance. Further, even though there have been extensive studies that investigate the direct relationship of satisfaction and engagement on job performance, there have been very limited studies that consider their mediating roles in facilitating talent management and job performance. This research aims to conceptualize the talent management as a multi-faceted concept, consisting of two main concepts: talent mindset and talent strategies. It also investigated the relationship of the talent management and job performance, mediated by engagement and satisfaction among the local employees. For this purpose, 12 hypotheses that tested eight direct and four indirect relationships among the variables frame the research. Survey questionnaires were employed and data from 321 respondents were analyzed. A two-stage structural equation modelling approach was adopted in the analysis. The research found that the management of both talent mindset and talent strategies has significant positive relationship with job performance. Further, employee engagement and satisfaction were found to have partial mediating roles with talent management and job performance. This research suggests that the oil and gas companies should implement and invest in the TM practices that will trigger satisfaction and engagement to achieve high performance among local employees. In this case, the attention should be given to implementing multi-faceted talent management, consisting of talent mindset and talent strategies. Talent management is not exclusive for the specific employees, but inclusive to all employees based on the requirements critical to their job performance.

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HUBUNGAN PENGURUSAN BAKAT DENGAN PRESTASI KERJA PEKERJA TEMPATAN DIMEDIASI OLEH PENGLIBATAN DAN KEPUASAN PEKERJA

ABSTRAK

Organisasi di seluruh dunia sedang menghadapi cabaran menguruskan bakat dengan berkesan. Ia merupakan perjuangan yang berterusan bagi organisasi mengekalkan kualiti dan kuantiti bakat pekerja untuk mencapai kelebihan daya saing masing-masing. Penekanan kerajaan di UAE terhadap tenaga pekerja tempatan (Emiratisasi) memerlukan organisasi menguruskan bakat pekerja tempatan dengan berkesan. Ini adalah kerana pengurusan bakat tempatan untuk prestasi tinggi adalah penting bagi produktiviti dan kelebihan daya saing organisasi. Sebagai pembekal utama sektor minyak dan gas, syarikat minyak dan gas di UAE juga menghadapi cabaran bagi memastikan bakat pekerja tempatan mencapai prestasi kerja mereka. Tambahan lagi, walaupun terdapat kajian meluas yang mengkaji hubungan langsung kepuasan dan penglibatan terhadap prestasi kerja, kajian terhadap peranan mediasi kepuasan dan penglibatan pekerja terhadap hubungan di antara pengurusan bakat dan prestasi kerja masih lagi terhad. Kajian ini bertujuan untuk mencadangkan konsep pengurusan bakat sebagai konsep pelbagai aspek yang terdiri daripada dua konsep utama: minda bakat and strategi bakat. Ia juga mengkaji hubungan pengurusan bakat dengan prestasi kerja dalam kalangan pekerja tempatan yang dimediasi oleh penglibatan dan kepuasan. Untuk tujuan ini, 12 hipotesis yang menguji lapan hubungan langsung dan empat hubungan tidak langsung di antara pemboleh ubah dijadikan sebagai kerangka kajian. Soal selidik tinjauan telah digunakan dan data daripada 321 responden telah dianalisis. Pendekatan pemodelan persamaan struktur dua peringkat telah digunakan dalam analisa. Kajian mendapati bahawa pengurusan kedua-dua minda bakat dan strategi bakat mempunyai hubungan positif yang signifikan dengan prestasi kerja. Selanjutnya, penglibatan dan kepuasan pekerja didapati mempunyai perantara separa dengan pengurusan bakat dan prestasi kerja. Kajian ini mencadangkan syarikat minyak dan gas harus melaksanakan dan melabur dalam amalan pengurusan bakat yang boleh mencetuskan kepuasan dan penglibatan untuk mencapai prestasi kerja yang tinggi dalam kalangan pekerja tempatan. Dalam kes ini, perhatian harus diberikan untuk pelaksanaan pengurusan bakat pelbagai aspek yang terdiri daripada minda bakat dan strategi bakat. Pengurusan bakat sebegini bukan hanya eksklusif untuk pekerja-pekerja tertentu, tetapi melibatkan semua pekerja berdasarkan keperluan yang penting untuk prestasi kerja mereka.

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LIST OF SYMBOLS

- R^2 - Coefficient of Determination
 f^2 - Effect Size



LIST OF ABBREVIATIONS

AVE	-	Average Variance Extracted
CA	-	Cronbach Alpha
CFA	-	Confirmatory Factor Analysis
DV	-	Dependent Variables
EE	-	Employee Engagement
EFA	-	Exploratory Factor Analysis
ES	-	Employee Satisfaction
IV	-	Independent Variables
MS	-	Talent Management Strategies
MT	-	Talent Management Mindset
P	-	Job Performance
SEM	-	Structured Equation Model
STE	-	Talent Engagement
STR	-	Talent Retention
STW	-	Talent Work-related competencies
TMA	-	Talent Management Attraction
TMD	-	Talent Management Development
TMI	-	Talent Management Identification
TMR	-	Talent Management Relation

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LIST OF PUBLICATIONS

The followings are the list of publications related to the work on this thesis:

1. Al Hammadi, I.H.T., Sidek, S., and Al-Shami, S.A., 2019. The role of strategic talent management to enhance job performance in Oil and Gas companies, *International Journal of Innovative Technology and Exploring Engineering*, 8(6), pp. 749-756. (Indexed by Scopus)
2. Al Hammadi, I.H.T., Sidek, S., and Al-Shami, S.A., 2022. The influence of talent management on performance of local employees in oil and gas companies in Abu Dhabi, *Mathematical Statistican and Engineering Application*, 71(3), pp. 321-334. (Indexed by Scopus)



CHAPTER 1

INTRODUCTION

This thesis is the result of a study investigating the relationship of talent management (TM) on the performance of local employees in Oil and Gas (O&G) companies. This study is motivated by the need to prioritise job localization and ensure the competitive advantage of the O&G companies in the United Arab Emirate (UAE). Recognizing that TM contributes to a competitive advantage (Beechler and Woodward, 2009; Farndale, Scullion and Sparrow, 2010; Meyers, van Woerkom, and Dries, 2013) and long-term organisational performance (Luna-Arocas and Morley, 2015; Younas and Bari, 2020; Bani-Hani, 2021), this study focused on investigating the relationship of TM with job performance, mediated by job engagement and job satisfaction.

This chapter is an introduction chapter of the thesis, and it is organized into eight sections. The first section presents the background of the research, followed by the problem statement of the research. The third and fourth sections present the research questions and research objectives, respectively. Subsequently, the fifth section is the significance of the research, while the sixth section describes the scope of the research. Finally, the key terms of the research are outlined in the seventh section, and this chapter ends with the thesis structure.

1.1 Background of the Study

This research views that employees/people are the important assets of an organization, and their talent needs to be managed for the sustainability of the organization and productivity of the country.

The increasing complexity and volatile environment of the current business context due to globalisation, advancement in technology and changes in workforce demographics have increased the need for organisations to identify, recruit and retain their talented employees (Gallardo-Gallardo, Thunnissen, and Scullion, 2020; Bani-Hani, 2021a). Organizations constantly struggle to preserve the quantity and quality of people necessary to carry out their strategic plans (Barkhuizen, Mogwera and Schutte, 2014; Vaiman, Collings and Scullion, 2017). Due to the problems of obtaining the necessary capabilities in the work market at the right time and training capable and productive employees to achieve a sustainable competitive advantage, they are also confronting talent shortages or incompatibilities (Cappelli and Keller, 2014).

Scholars have considered TM as a key management issue, essential for the success of organisations. According to Schreuder and Noorman (2018), TM ought to be a critical and well-targeted expenditure that benefits the whole organisation because it provides a unique strategy to managing human resources to optimise organisational performance (Joyce and Slocum, 2012), mitigate worker turnover (Ballinger et al., 2011), and acquire long-term competitive edge (Chatman, O' Reilly and Chang, 2005; Iles, Preece, and Chuai, 2010). It also contributes to the removal of wastes in organisations, supports employees' self-improvement (Karatop, Kubat and Uygun, 2015) and forecasts the need for suitable employees to meet business desires, planning and managing employees' needs as well as planning the employees' career development (Cascio and Boudreau, 2016). Furthermore, according to Bani-Hani (2021), TM possesses the right person to the right occupational classification. Even though the management of talented employees is challenging, it is associated with a multiplicity of outcomes (Divekar and Raman, 2020). The ultimate aim of TM is to make maximum use of talented employees and utilise them appropriately.

The extant literature shows that investment in TM practices can help achieve outcomes, such as employee satisfaction and engagement (Mihalca, 2017). It has been observed that TM leads to employee performance (Wickramaaratchi and Perera, 2020). At the same time, it helps organisations respond to challenges, enter new markets and move ahead of the competition (Mensah, 2015). Managing talented employees helps reduce expenses and labour costs, improve competitiveness and efficiency, solve organisational problems, and ultimately helps to maximise return on investment (Collings, Mellahi, and Cascio, 2019; Divekar and Raman, 2020), which leads to organisational performance.

Numerous studies have recognized the importance of TM in helping businesses attain a long-term competitive edge (Beechler and Woodward, 2009; Farndale, Scullion and Sparrow, 2010; Makela, Bjorkman, and Ehrnrooth, 2010; Mellahi and Collings, 2010; Chadee and Raman, 2012; Dries, 2013; Skuza, Scullion, and McDonnel, 2013; Al Ariss, Cascio, and Paauwe, 2014; Anlesinya, Dartey-Baah and Amponsah-Tawiah, 2019). In this case, researchers Lewis and Heckman (2006); Farndale et al. (2010) view that TM plays significant contributions to achieving an organization's strategic goals rather than just identifying and selecting suitable employees to fill the positions in the organization.

This research focuses on the TM of O&G industry in the UAE. The UAE has consistently been acknowledged as a major worldwide supplier to the global O&G sector. The country's oil reserves stood at 97.8 billion barrels, in which 96 percent of these reserves are located in Abu Dhabi, with two percent of total reserves located in Dubai. The other two percent of the total reserves are spread within Ajman and Fujairah, Ras Al Ras al-Khaimah, Sarjah and Umm Al-Quwain (U.S.-U.A.E. Business Council, 2019). Meanwhile, the natural gas reserves stood at 5.9 trillion cubic meters as of 2020, and 90 percent of the total reserves are in Abu Dhabi, followed by Dubai and Sharjah (Mondorintelligence, 2022).