

## The Relationship Between Talent Management And Work Engagement: Role Of Psychological Capital As Mediator

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### Abstract

*This study aims to examine the relationship between talent management (TM) and work engagement (WE) among faculty members working in universities in the public sector in Khyber Pakhtunkhwa, Pakistan. This study is also to examine how psychological capital (PC) acts as a mediator in the relationship between TM and WE. The study utilised a quantitative technique, namely path analysis, to investigate the relationship between several parameters. The sample encompassed teachers from public sector teaching institutions, comprising a collective of 443 respondents. The study included closed questionnaires that were evaluated using a Likert scale with five possibilities, spanning from 1 (strongly disagree) to 5 (strongly agree). The data were comprehensively collected over a period of approximately two months. The findings confirmed that TM had a positive influence on both WE and PC. Moreover, this study suggests that PC plays a role as a mediator in the relationship between TM and WE.*

**Keywords:** Talent Management; Work Engagement; Psychological Capital; Teachers; Pakistan

### Introduction

The TM has emerged as the predominant worldwide problem confronting the majority of organisations globally. The scarcity of skilled individuals motivates organisations or firms to engage in competition to acquire the same talent in order to successfully and efficiently fulfil the organization's goals. Prior researches conducted by Lubitsh and Smith (2007) and Ingram and Glod (2016) have affirmed that effective TM is a crucial determinant of organisational performance in achieving a sustained competitive advantage. TM is a set of human capital management techniques designed to effectively manage personnel within an organisation. TM refers to the systematic approach of attracting, developing, and retaining workers who possess the necessary skills to do crucial responsibilities inside an organisation (Al-Lozi, Almomani, & Al-Hawary, 2018). Therefore, TM has been widely understood as a multidimensional term that encompasses three dimensions: talent acquisition, development, and retention (Al-Lozi et al., 2018).

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Due to the ambiguous nature of the term "talent," the definition of TM allows for extensive academic and practical discourse (Kontoghiorghes & Frangou, 2009). Initially, TM focused on the direct correlation between recruiting skilled workers and gaining a competitive advantage for a firm (Michaels, Handfield-Jones, & Axelrod, 2001). TM refers to the use of comprehensive human resource strategies aimed at attracting, nurturing, retaining, and effectively using personnel possessing the necessary skills and capabilities to satisfy both present and future company requirements (Kontoghiorghes & Frangou, 2009). According to Kontoghiorghes and Frangou (2009), TM refers to the "Activities and processes that involve the systematic identification of key positions which differentially contribute to the organization's sustainable competitive advantage, the development of a talent pool of high potential and high performing incumbents to fill these roles, and the development of a differentiated human resource architecture to facilitate filling these positions with competent incumbents and to ensure their continued commitment to the organization".

Kahn (1990) was the pioneer in introducing the notion of employee engagement. It is logical to begin with his definition of employee engagement, which states that "the harnessing of organization members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances" (Kahn, 1990). Engagement is the "simultaneous employment and expression of a person's 'preferred self' in task behaviors that promote connections to work and to others, personal presence (physical, cognitive, and emotional), and active, full role performance" (Kahn, 1990). Personal disengagement refers to "the uncoupling of selves from work roles; in disengagement, people withdraw and defend themselves physically, cognitively, or emotionally during role performances" (Kahn, 1990). According to Maslach, Schaufeli, and Leiter (2001), employee engagement is described as a dynamic condition of active participation in personally rewarding tasks that increase one's feeling of professional effectiveness. This state of engagement is characterised by high levels of energy, involvement, and efficacy. Engaged employees demonstrate complete dedication (D) and motivation towards contributing to and attaining organisational objectives. Additionally, they experience personal fulfilment and a sense of value via a mutually beneficial connection with the organisation (Saks & Gruman, 2014). Employee WE has three dimensions: physical, emotional, and cognitive components. The physical component pertains to an employee's inclination and capacity to exert maximum effort in carrying out their job responsibilities. The second component refers to the employee's emotional connection, while the cognitive component represents the employee's level of engagement while carrying out their job (Attridge, 2009). Vigor (V) encompasses the state of possessing abundant energy and mental fortitude when engaged in labour, indicating a strong will and unwavering determination. D is characterised by a profound engagement in one's job and a sense of fulfilment derived from it. Absorption (A) refers to the state of being fully engaged and content in one's activity, resulting in a perception of time passing rapidly (Seco & Lopes, 2013). The second definition of employee engagement, proposed by Maslach and Leiter (2008), is rooted in the theory of job burnout (Maslach et al., 2001). It defines employee engagement as "an energetic state of involvement with personally fulfilling activities that enhance one's sense of professional efficacy" (Maslach & Leiter, 2008).

PC refers to an individual's positive condition of development, which is distinguished by four dimensions "efficacy (E), optimism (O), resilience (R), and hope (H)" (Youssef-Morgan & Luthans, 2013). Luthans and his colleagues defined PC as an individual's positive state of development characterised by four key components. Firstly, it involves having confidence (efficacy) to tackle challenging tasks and exert the necessary effort to succeed. Secondly, it

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entails making positive attributions (optimism) about current and future success. Thirdly, it involves persevering towards goals and, if needed, adjusting strategies (H) in order to achieve success. Lastly, it encompasses the ability to sustain and bounce back from problems and adversity (R) and even surpass previous levels of achievement (Youssef-Morgan & Luthans, 2013). PC is the fundamental process that elucidates the exceptional performance of human capital inside companies. Several previous researches have reached similar results about the efficacy of PC as a personal resource in predicting work-related outcomes and individual behaviour.

In their study, Sopiiah, Kurniawan, Nora, and Narmaditya (2020) investigated the correlation between TM and WE, and its influence on the performance of nurses in Indonesia. Their study also aimed to comprehend the function of WE in moderating TM and employee performance. Their study employed a quantitative approach, namely route analysis, to examine the relationship between factors and the central significance of WE. The survey included nurses from both private and governmental hospitals in Indonesia, with a total of 376 respondents. The questions were completely gathered over a period of about five months utilising Google form. The survey findings validate that the performance of nurses, both in government and private hospitals, is classified as commendable, while the levels of WE and TM are also classified as elevated. The results substantiated that TM has a positive impact on WE and staff productivity. Furthermore, this study indicates that WE serves as a crucial factor in regulating the relationship between variables, thereby confirming the significant impact of TM and WE on nurses' performance.

Abazeed (2018) aimed to ascertain the influence of TM on organisational commitment. In addition, the author sought to investigate how employee WE aspects mediate the relationship between TM and organisational commitment. The data were collected by a questionnaire that was created using information from existing literature. The questionnaire was then validated using exploratory and confirmatory factor analyses. Afterward, it was given to a representative sample of 375 managers who work in telecommunication firms in Jordan. The statistical software programmes SPSS and AMOS were utilised to analyse a total of 302 surveys that were deemed legitimate. The findings demonstrated that TM exerts a significant influence on organisational commitment. TM notably influences all aspects of organisational commitment, including affective, continuation, and normative commitment. Moreover, the findings demonstrated that all employee WE dimensions, except dedication engagement, had a major role in mediating the influence of TM on organisational commitment. An important addition of his study was the provision of data about the impact of employee WE characteristics in mediating that situation.

Ishiyama (2022) employed a quantitative study to examine the relationship between the TM system and WE, taking into account the potential moderating influence of individuals' self-perceived talent status on WE. The author conducted this study using responses from 471 participants in six Japanese companies. The study aimed to propose and evaluate hypotheses related to the TM (TM) mechanism, WE, and the moderating effect of self-perceived talent status on the relationship between the TM mechanism and WE. The findings indicated that the TM mechanism and the self-perceived talent status had distinct and beneficial impacts on WE, without overlapping effects. This discovery supports the earlier research that used both exclusive and inclusive methods. Nevertheless, the study did not discover any definitive evidence that substantiates the moderating influence of the self-perceived talent status.

Barkhuizen, Mogwere, and Schutte (2014) examined the relationship between TM, WE, and Service Quality Orientation among support personnel in a South African Higher Education Institution. The administration of a Human Capital Index, Utrecht WE Scale, and Servqual took place. The findings demonstrated a statistically significant and favourable correlation between some elements of personnel management and WE. The findings indicated a notable and favourable correlation between all the aspects of WE and some variables of servqual. The

findings indicated that there was no statistically significant correlation between TM and Service Quality Orientation. Their research emphasised the significance of implementing TM strategies effectively for support workers in higher education institutions and the resulting impact on favourable work-related behaviours, such as WE and service quality.

Tan, Lew, and Sim (2021) examined the impact and predictive ability of WE on personal and job resources, namely PC and meaningful work, within the context of non-profit companies. Information was gathered from a sample of 303 social workers employed in non-profit organisations in New Zealand. The hypotheses were examined through the utilisation of partial least squares structural equation modelling. The study findings indicated a favourable relationship between WE and both PC and meaningful work. The study demonstrated that WE played a crucial role in strengthening an individual's PC (PC) while also improving their perspective of work. The model has strong predictive efficacy.

De Waal and Pienaar (2013) examined the cause-and-effect connection and chronological sequence in the association between PC and engagement using longitudinal data. A research employing a longitudinal design and a cross-lagged panel design was done. The data was collected using a survey specifically designed for this study. The survey included the Utrecht WE Scale (UWES) and a measurement of PC. A total of 1003 employees at a chemical industry were solicited for data, and 163 people chose to participate. The findings indicated that there was no significant predictive relationship between PC at Time 1 and engagement at Time 2. There is evidence indicating that the early levels of employee engagement can predict eventual levels of PC.

In their study, Niswaty, Wirawan, Akib, Saggaf, and Daraba (2021) examined the beneficial impact of Authentic Leadership on WE, as well as the intermediary function of PC (PC). Their study utilised the Jobs Demands Resource (JD-R) model hypothesis to elucidate the impact of Authentic Leadership and PC on WE. Additionally, the study investigated the immediate impact of Authentic Leadership on employees' PC (PC). This study employed a random sampling technique to choose participants from a pool of 1,120 employees working at one of the largest public service offices in Indonesia. A total of 192 employees actively participated in a three-phase data gathering process. Through the application of Structural Equation Modelling (SEM), this work has shown that the suggested theoretical model exhibits a superior level of conformity compared to the alternative model. The findings also validated that Authentic Leadership and PC had a direct impact on WE. Moreover, employees' PC had a beneficial mediating role in the relationship between Authentic Leadership and WE.

In their study, Pandey, Gupta, and Hassan (2021) investigated the intermediary function of PC in the correlation between intrapreneurship and WE. Data was gathered using an internet-based questionnaire. The hypothesized correlations were analyzed using structural equation modelling. The findings indicate that there are favourable correlations between intrapreneurship, PC (PC), and WE. Additionally, it was shown that PC serves as a partial mediator in the connection between intrapreneurship and WE. Keeping in view the above discussion, we develop the following hypotheses:

H1: TM is positively related to WE in teachers of public sector universities, Pakistan (TPSUP).

H2: TM is positively related to PC in TPSUP.

H3: PC is positively related to WE in TPSUP.

H4: The relationship between TM and WE is mediated by PC.

## **Research Methodology**

### **Data collection**

Data was gathered from the academic members of public sector universities in Khyber Pakhtunkhwa, Pakistan. A total of 550 questionnaires were distributed to faculty members. Every questionnaire was accompanied by a covering letter that provided an explanation of the research's goal. A total of 442 questionnaires were received throughout a period of two months. A total of 443 questionnaires were utilised in this study to examine the mediating role of PC in the relationship between TM and WE. A total of 403 male instructors and 40 female teachers took part in this study.

## Measurement

### Measurement of Talent Management

The evaluation of TM was performed via a TM scale produced from the Human Capital Institute (2008). This scale consists of four dimensions: talent attraction (TA), talent development (TD), talent motivation (TM), and talent retention (TR). The data collection process utilised a 5-point Likert scale, with responses ranging from "strongly disagree" to "strongly agree". Examples of TM include "My University can attract top talent" and "Internal employee referral programs are widely used to bring in new employees" (TA), "My university has competitive compensation system in comparison to other organizations in the same industry which is a motivating factor to our employees" and "In our university, compensation is decided on the basis of competence of the employee" (TM), "My university conducts extensive training and development programs for Employees" and "My university actively creates developmental opportunities for subordinates (TD) and "Our organization can retain our best performers" and "Turnover is tracked across divisions, locations, talent levels and managers" (TR). Reliability of TM is given in table 1 below:

**Table 1: Reliability of TM**

Scale	TA	TM	TD	TR
Items	6	6	5	6
Cronbach's Alfa	.90	.89	.93	.86

### Measurement Psychological Capital

The measurement of PC was conducted using the PC scale, which was derived from the work of Luthans, Avey, Avolio, Norman, and Combs (2006). This scale has the dimensions of "H, Resiliency, Optimism, and Efficacy". Each component of PC has six elements. Examples of PC include "Right now I see myself as being pretty successful at work" and "If I should find myself in a jam at work, I could think of many ways to get out of it" (H), "When I have a setback at work, I have trouble recovering from it, moving on" and "I usually take stressful things at work in stride" (Resiliency), "I feel confident in representing my work area in meetings with management" and "I feel confident helping to set targets/goals in my work area" (Efficacy), and "I always look on the bright side of things regarding my job" and "If something can go wrong for me work-wise, it will" (Optimism). The assessment of PC was conducted using a five-point scale. The Likert Scale ranges from 1 (strongly disagree) to 5 (indicating strongly agree). Reliability of PC is given in table 2.

**Table 2: Reliability of PC**

Scale	O	H	R	E
Items	6	6	6	6
Cronbach's Alfa	.88	.92	.87	.85

### Measurement of Work Engagement

The measurement of WE was conducted using the 9-item abbreviated version of the Utrecht WE Survey, as developed by (Bakker, Demerouti, and Verbeke (2004)). This scale has three dimensions: devotion, V, and A. Examples of WE include “At my work, I feel bursting with energy” and “At my job, I feel strong and vigorous” (V), “I am proud on the work that I do” and “When I get up in the morning, I feel like going to work” (D), and “I am immersed in my work” and “I am immersed in my work” (A). WE was assessed using a 5-point scale. The Likert Scale ranges from 1, indicating strongly disagree, to 5, indicating strongly agree. Reliability of WE is given in table 3.

**Table 3: Reliability of WE**

Scale	V	D	A
Items	3	3	3
Cronbach’s Alfa	.94	.90	.92

### Results

**Table 4: Correlations between WE, TM and PC**

	TM	PC	WE
TM	1	.198**	.501**
PC	.198**	1	.312**
WE	.501**	.312**	1

“\*\*”. Correlation is significant at the 0.01 level (2-tailed)”.

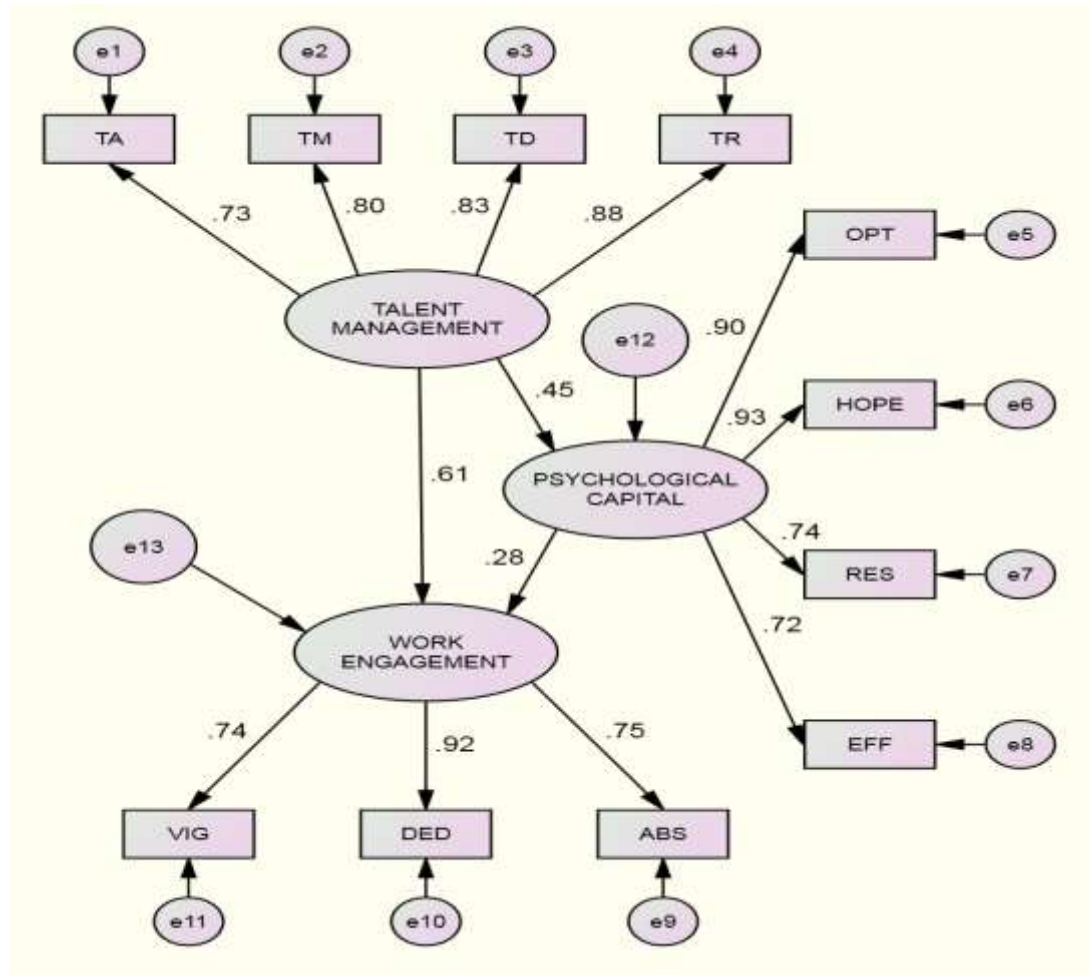
Table 4 displays the relationships among PC, TM and WE. The findings indicate that TM has a notable positive correlation with PC ( $r=.198$ ) and WE ( $r=.501$ ). Furthermore, it was discovered that there is a notable and positive correlation between PC and WE, with a correlation coefficient of .312. The correlation analysis confirmed the validity of the following hypotheses:

H1: TM is positively related to WE in teachers of public sector universities, Pakistan (TPSUP).

H2: TM is positively related to PC in TPSUP.

H3: PC is positively related to WE in TPSUP.

### Graph: Indirect Path from TM to WE via PC



The graph above illustrates the outcomes of the indirect influence of TM on WE via PC. The regression weight of 0.61 indicates that TM has a statistically significant and favourable influence on WE, mediated by PC. The regression coefficient between TM and WE decreased from .73 to .61 with the addition of PC. The structural equation modelling validated the indirect influence of TM on WE via PC. The three-factor model (TM, PC, and WE) fit the data very well. The chi-square value is 106.447, and it has 41 degrees of freedom. All indices, including GFI (.958), CMIN/DF (2.596), CFI (.978), RMR (.062), and RMSEA (.061), fall within the permissible range of values. The indices' values are also displayed in table 4. The standardised regression weights for all values fall within an acceptable range, as shown in table 5. The data have validated hypothesis H4: The relationship between TM and WE is mediated by PC.

**Table 5: values of GFI, RMSEA, CFI etc.**

CMIN	106.447
DF	41
P	.000
CMIN/DF	2.596
RMR	.062
GFI	.958
AGFI	.932
CFI	.978
RMSEA	.061

### Conclusion

This study aims to examine the relationship between TM and WE among faculty members working in universities in the public sector in Khyber Pakhtunkhwa, Pakistan. This study is also to examine how PC acts as a mediator in the relationship between TM and WE. The study utilised a quantitative technique, namely path analysis, to investigate the relationship between several parameters. The sample encompassed teachers from public sector teaching institutions, comprising a collective of 443 respondents. The study included closed questionnaires that were evaluated using a Likert scale with five possibilities, spanning from 1 (strongly disagree) to 5 (strongly agree). The data were comprehensively collected over a period of approximately two months. The findings confirmed that TM had a positive influence on both WE and PC. Moreover, this study suggests that PC plays a role as a mediator in the relationship between TM and WE.

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