

THE PUBLIC SECTOR IN BEIJING, CHINA: THE RELATION BETWEEN TALENT  
MANAGEMENT AND RETENTION, ALONGSIDE THE MEDIATING ROLE OF  
ORGANISATIONAL PERFORMANCE.

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**ABSTRACT**

Employees are connected to the policies and procedures that have an impact on them through an effective human resource management system. Every business is made up of certain core components, which include human resources, capital, raw materials, and machinery. Any business that is serious about competing on a global scale need clever employees that are able to expand their market share and implement innovative organisational learning strategies. There is a clear connection between the quantity and quality of a company's human resources and the performance and productivity of the business. Every manager faces a significant challenge when it comes to the construction and maintenance of a team that contributes to the enhancement of organisational productivity. The purpose of this study is to evaluate the effect that organisational performance has on the connection between talent management and employee retention in the public sector in Beijing, China. In this study, SPSS 25 was utilised to conduct an analysis on 1,895 respondents. The findings of this study can provide public administrators with assistance in the development of comprehensive strategies that improve organisational performance and human resource management in order to achieve sustainable results. There is a considerable relationship between talent management and employee performance. On the other hand, the success of the organisation helps to offset the strong influence that talent management has on employee retention. The talent management variable acts as a mediator, which means that it indirectly effects the performance of the business, which in turn helps to facilitate the retention of staff. Only responses from workers in upper and middle management were collected for this study, which is what defines the limitations of the study. More research has to be done in a number of different areas of human resource management, particularly with regard to the influence that talent management has on the success of organisations and, more specifically, how it affects employee retention.

**Keywords:** Chinese public sector, organisational performance, talent management, and employee retention.

**INTRODUCTION**

The objective of talent management in the contemporary competitive corporate landscape is to attract, cultivate, and advance outstanding persons from both internal and external sources of the organisation. Technological advancements have streamlined talent acquisition and management, enabling people to concentrate their time and energy more effectively. Attracting and retaining skilled people must be an organization's foremost concern to maintain competitiveness. The global economic crisis has heightened the need for employment, even as numerous industries and nations continue to experience a shortage of competent labour. This has resulted in a phenomenon referred to as "talent mismatch." There is an increasing demand for multitaskers; nevertheless, identifying the suitable candidates for accessible positions is becoming increasingly challenging. To adapt to the evolving business environment, human resource managers must strive to enhance employee engagement, a critical component of talent management (Ayanponle et al., 2024).

Employee retention poses a significant challenge for organisations globally, as the expense of recruiting a new employee range from 1.5 to 2.5 times their salary. Productivity declines, engagement diminishes, training expenses increase, and these expenditures erode profits, notwithstanding enhancements in employee reputation and goodwill. Shifting employment patterns due to technological improvements and global competition have compelled firms to vigorously compete for the attraction and retention of top talent. Committed employees tend to exhibit higher productivity due to their enhanced comprehension of the organization's culture (Nimran et al., 2024). Moreover, they inspire their colleagues and cultivate a profound sense of loyalty, engagement, and commitment to the organisation. Numerous firms are significantly investing in talent management strategies to enhance workplace morale and pride.

A talent management strategy will encompass components such as internal development, staff retention, and external recruitment. Staff retention, internal training, and external recruitment constitute an ongoing process. Recruitment, onboarding, development, career planning, and generational succession are all elements of talent management grounded on conventional human resource procedures. From their perspective, talent management is essentially a reiteration of traditional human resource management. A talent management plan, as opposed to a comprehensive company approach, focusses on a specific group of persons identified as possessing outstanding potential for talent acquisition, growth, and reward. Those that have the ability to significantly impact the organization's present and future achievements are regarded as very talented. Growth in sales and profits due to quantifiable enhancements in organisational performance substantiates this viewpoint (Susanto et al., 2023). This has implied that improvements of organisational performance would be beneficial for businesses to manage their talents and retain them as well.

## BACKGROUND OF THE STUDY

Strategic human resource management (HRM) and HRM in Chinese organisations are intricate issues with multiple components. These elements encompass economic, governmental, social, technical, and ecological dimensions. The political climate in Beijing complicates human resource management by influencing the demand for and supply of talent via the government's Five-Year plans and industrial strategies. Organisations must cultivate a work environment that fosters both creative and analytical thinking to meet the national agenda's demands for innovation and entrepreneurship (Rosli & Cacciolatti, 2022). Success in Beijing's rapid economy necessitates proficient human resource management and strategic workforce planning. Company HRM strategies must align with their objectives to adapt to the dynamic economy, emerging technologies, and volatile market situations. As China's capital transitions to a knowledge-driven economy, strategic human resource management is gaining significance. Human resource management in Beijing is intricate, as related challenges require these competencies for optimal organisational performance (Lacap & Sicat, 2022).

In the contemporary intricate and unpredictable global landscape, the significance of talent management has intensified as organisations endeavour to adapt. Notwithstanding the increasing acknowledgement of the value of management and leadership in public sector organisations, talent management remains in its nascent phase within this environment. Researchers who regard talent as essential persons concur with the researchers' viewpoint. The primary objectives of talent management in government are to recruit, develop, train, and retain essential personnel. The optimal approach to managing TM in the public sector remains a disputed one. Some believe that every employee have the capacity to excel, but others argue that only individuals with exceptional skills merit consideration. Investigations into public sector talent management have indicated that hybrid methodologies, combining inclusive and exclusive techniques, are increasingly favoured. This contradicts the assertion that a more inclusive TM strategy will more effectively bolster the public sector's focus on equity and justice. Evidence indicates that the public sector employs exclusionary methods while aggressively recruiting candidates for executive and professional roles (Waxin et al, 2023).

The significance of TM in governmental institutions is paramount for various reasons. It may facilitate more comprehensive management reforms, enhance employee support for NPM initiatives, and endorse these efforts. It improves the processes of talent acquisition, development, and retention, hence mitigating talent shortages. Research in the private sector has shown that talent management (TM) positively influences talent performance, a vital result of TM implementation. Research indicates that talents receiving affirmative signals from TM are likely to cultivate robust performance habits. Assessment of talent management influences individual

performance factors, including person-job fit, job happiness, and emotional commitment (Rahmawati & Priyono, 2022).

### **PURPOSE OF THE RESEARCH**

This study serves the purpose to examine the role of organisational performance as a moderator between talent management techniques and employee retention rates in the public sector in Beijing, China. This study aims to elucidate the relationship between robust talent management practices, enhanced organisational performance, and employee retention to comprehend the elements that influence workforce stability in public sector enterprises. To develop targeted efforts that attract and nurture talent while fostering a work environment conducive to sustained employee engagement and satisfaction, it is essential for public sector executives and legislators to comprehend these dynamics. Additionally, this research will assist public sector organisations in improving their performance and retention rates through the enhancement of talent management practices.

### **LITERATURE REVIEW**

In order for an organisation to be successful, it is essential to have excellent employee retention rates because these rates encourage individuals to remain for extended periods of time. The current highly competitive labour market presents organisations with an expanded number of hurdles when it comes to retaining their members of staff. The contemporary period of commerce and industrialisation is one in which firms strive to improve their overall performance by increasing the effectiveness and efficiency of their workforce. Many different tactics are utilised by organisations in order to keep their most valuable workers, despite the fact that employee turnover rates are typically quite high. There is a considerable relationship between employee retention (ER) and performance. This is due to the fact that the expertise and abilities of employees are critically important for the organization's continued existence (Yanan, 2021).

In order to attract and keep the best personnel, organisations use competitive recruitment tactics throughout the organisation. There is a multitude of explanations that support the necessity of expressing gratitude and acknowledgement to employees. Motivation, social capital, organisational health, reward, involvement, and identification are some of the factors that fall under this category. However, this list is not exhaustive. It is not necessary to provide monetary incentives in order to execute the best employee appreciation initiatives. Instead, they concentrate their efforts on strengthening the contentment of their employees, which ultimately leads to improvements in health, performance, and productivity.

Recognising employees on a daily basis or in a formal setting is a fantastic way to express gratitude for the efforts they have put forth and the extraordinary achievements they have achieved. Employees are more likely to continue with an organisation that implements a recognition program since it exhibits that their contributions are acknowledged, which in turn encourages them to remain with the business. Increasing employee satisfaction, loyalty, and retention are all positive outcomes. The objective of ERO is to highlight and applaud activities that contribute to the enhancement of an organization's efficiency and effectiveness (Zafar et al., 2021).

Commendation, a natural consequence of diligence and merit, enhances morale and productivity, therefore increasing employee retention rates (ERR) and further augmenting employee motivation and job performance. The distribution, engagement, retention, recognition, and recruitment of persons who are capable of positively influencing the success of an organisation are all components that must be included in a talent recruitment and management strategy. The recruitment and retention of exceptional talent over extended periods of time falls under the purview of the human resources department. For the purpose of achieving their goals and objectives, organisations are required to implement methodical approaches that are in line with their strategy. This category may include strategies such as succession planning and staff motivation, which are both examples of methods that can be classed. There is a significant relationship between the strategy for managing the company's personnel and the productivity of the employees. In order for businesses to keep their best employees, they need to develop measures that go beyond simply paying attractive salaries. In addition to improving financial and operational performance, the successful execution of a talent management plan has the potential to increase the percentage of employees who remain with the company (Zhizan, 2021).

When employees believe that their employer treats them fairly in terms of perks, salary, and wages, they are more likely to say that their compensation is equitable. If workers believe they are being treated unfairly in their place of employment, they may develop feelings of dissatisfaction and look for other employment opportunities for themselves. For achieving success, the researcher need to take into consideration the concept of equitable compensation in order to attract, retain, and leverage outstanding personnel. For example, employees are more likely to remain loyal to an organisation that provides them with adequate compensation, while they are more likely to quit from an organisation that does not provide adequate compensation. When employees are asked about their impressions of the distribution of organisational benefits and compensation, the phrase "compensation fairness" is used to describe their thoughts. The perceptions of equality held by employees are greatly influenced by the contrast between their own salary and that of their colleagues (Cullen & Perez Truglia, 2022).

## **RESEARCH QUESTION**

What is the impact of organisational performance on talent retention?

## **METHODOLOGY**

### **RESEARCH DESIGN**

The researcher employed SPSS version 25 for the quantitative data analysis. The odds ratio and the 95% confidence interval, when utilised in conjunction, may provide further insights into the attributes and progression of this statistical association. The p-value was established at a statistically significant threshold of less than 0.05. A comprehensive understanding of its fundamental characteristics was attained by descriptive data analysis. A quantitative method employs mathematical, arithmetic, or statistical analysis to objectively assess replies to surveys, polls, or questionnaires, and it also depends on computational skills for data processing.

### **SAMPLING**

This study employed a random sampling methodology. Data for the study were collected via questionnaires. A sample of 1,825 individuals was determined using the Rao-soft algorithm. A total of 1950 surveys were distributed; 1913 were returned, with 18 excluded due to incomplete responses. The conclusive count for the investigation comprised 1895 questionnaires, including 997 female and 898 male participants.

### **DATA AND MEASUREMENT**

A questionnaire survey functioned as the primary data collection instrument for the investigation. The survey comprised two sections: (A) General demographic information and (B) Responses on online and offline channel factors measured on a 5-point Likert scale. Secondary data was collected from several sources, primarily focussing on online databases.

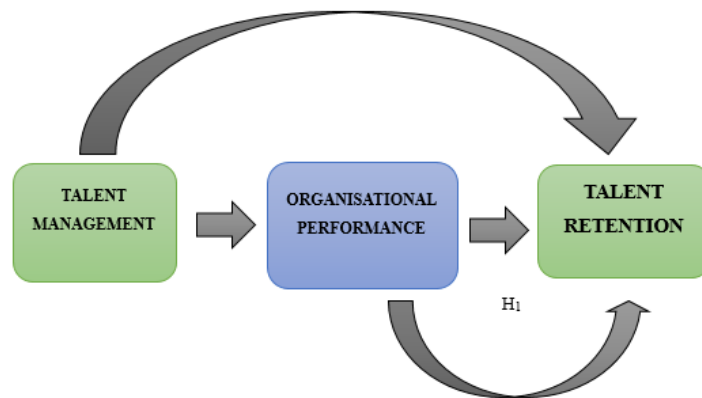
### **STATISTICAL SOFTWARE**

Statistical analyses were conducted with SPSS 25 and Microsoft Excel.

### **STATISTICAL TOOLS**

Descriptive analysis was employed to understand the essential nature of the data. The researcher employed ANOVA for data analysis.

### CONCEPTUAL FRAMEWORK



### RESULTS

**Factor Analysis:** The objective of factor analysis (FA) is to identify latent variables and measurement inaccuracies to validate the foundational integrity of a measurement battery. Statisticians employ the Kaiser-Meyer-Olkin (KMO) Test to ascertain the adequacy of data for factor analysis, ensuring sufficient data for the comprehensive model and its variables. An acceptable sample size ranges from 0.8 to 1.0, whereas KMO values might vary from 0 to 1. Component analysis is significantly obstructed by extensive correlations. The permissible range for Kaiser is between 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.		.934
Bartlett's Test of Sphericity	Approx. Chi-Square	6850.175
	df	190
	Sig.	.000
a. Based on correlations		

The data is appropriate for exploratory factor analysis, according to the study's KMO test for sample adequacy, which yielded a KMO value of .934 and a significance level of 0.00.

### TEST FOR HYPOTHESIS



## DEPENDENT VARIABLE

**Talent Retention:** Employee retention refers to the strategies employed by a corporation to maintain employee satisfaction, motivation, and commitment, hence ensuring stability within the workforce and contributing to the organization's success. To retain valuable personnel, organisations should create an enjoyable workplace, provide opportunities for professional advancement, offer competitive salaries and appealing benefits, foster a collegial atmosphere, and address any issues that may lead to voluntary or involuntary departures. The operational efficiency, continuity, and cultivation of an engaged workforce of a company hinge on its capacity to retain employees (Dayeh & Farmanesh, 2021).

## MEDIATING VARIABLE

**Organisational Performance:** An organization's performance is defined by its capacity to achieve its objectives and maximise its efforts. A method to assess organisational success in the contemporary workforce is by evaluating a firm's efficacy in achieving its objectives while remaining relevant (Abdullahi et al., 2024).

**Relationship between Talent Retention and Organisational Performance:** By improving productivity, lowering expenses, and creating a friendly workplace, employee retention is absolutely essential for the operation of an organisation. Higher efficiency results from a steady workforce since experienced workers need less training and inspire innovation. While raising employee morale and involvement, high retention lowers recruiting and onboarding costs. Long-term workers also develop close customer ties, which improves the quality of the services. High retention rates of organisations help them to have knowledge retention, consistent performance, and a strong corporate culture. In the end, funding staff development and satisfaction increases retention, therefore strengthening organisational performance and competitive advantage (Abunaila, 2022).

Consequently, the researcher aimed to examine the hypothesis that Talent Management and Organisational Performance are positively connected with Employee Retention.

**H<sub>01</sub>:** There is no significant relationship between organisational performances on talent retention.

**H<sub>1</sub>:** There is a significant relationship between organisational performances on talent retention.



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

ANOVA					
Sum					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	77986.640	1067	7538.122	1,823.004	.000
Within Groups	782.940	827	4.135		
Total	81342.570	1894			

The result is significant in this study. The p-value of .000, which is below the alpha threshold, indicates that the F value of 1,823.004 is statistically significant. This means the “H<sub>1</sub>: There is a significant relationship between organisational performances on talent retention” has been accepted and the null hypothesis was rejected.

## DISCUSSION

The outcomes of this study underscore the significance of organisational performance as a moderating factor between talent management and employee retention in the public sector in Beijing, China. Organisational performance is significantly enhanced by the implementation of effective personnel management strategies, encompassing training and development, performance evaluation, and opportunities for career advancement. These tactics foster a culture of productivity and involvement. This improved performance cultivates a positive work environment, encouraging individuals to stay with the company. The interaction of these elements suggests that government agencies have to prioritise strategic personnel management measures to enhance overall performance, leading to improved retention rates. This research underscores the necessity of integrating personnel management strategies with organisational objectives to ensure employee motivation and appreciation. By investing in their personnel and cultivating a culture of continuous improvement, public sector organisations may enhance operational efficiency and service delivery while keeping top talent. Finally, public administrators may find these concepts beneficial when developing comprehensive plans to achieve enduring outcomes by integrating human management with organisational performance.

## CONCLUSION

This study emphasises the significance of organisational performance as a mediator between talent management and staff retention within the Beijing government sector. According to the research, public organisations cannot enhance their performance without robust human management strategies that foster commitment and loyalty among employees. By prioritising employee development and aligning management tactics with overarching objectives, public sector administrators can cultivate a productive environment that attracts and keeps premier talent. These findings underscore the necessity of investing in staff development for both individual and organisational success, emphasising the importance of a strategic people management approach. To enhance operational efficiency and ensure long-term sustainability, it was crucial to comprehend these interrelationships as public sector companies addressed personnel challenges.

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