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Studying the Relationship between Talent Management and Workforce Productivity in Governmental Organizations of Bam City

Mehdi Jazini Zadeh1*, Yousuf Ahmadi2

¹Department of Governmental Management, Sirjan Branch, Islamic Azad University, Sirjan, Iran, ²Department of Governmental Management, Sirjan Branch, Islamic Azad University, Sirjan, Iran. *Email: m.jazinizadeh4977@gmail.com

ABSTRACT

The purpose of present research is to study the relationship between talent management (TM) and workforce productivity (WP) in governmental organizations of Bam City. The research method is descriptive-correlative and the universe includes all 3249 employees working in governmental organizations of Bam City. The sampling was done through Cochran formula and 344 employees were selected randomly as the sample size. The needed data were collected by means of Armstrong's TM questionnaire (2006) and WP questionnaire of Hersey and Goldsmith (1980). The obtained data were analyzed by LISREL software and the hypotheses were tested by structural equations. The obtained results confirmed the positive and significant relationship between TM (talent acquisition, development and retaining) and WP.

Keywords: Productivity, Talent Management, Talent Acquisition, Talent Development, Talent Retaining

JEL Classifications: C32, O13, O47

1. INTRODUCTION

The contemporary world is evolving by an unbelievable rate. Although such evolution has been in all periods, today it is unique from the viewpoint of content and rate. Organizations, as one of the most prominent characteristics of today societies, are evolving quickly with undeniable role of workforce in such evolutions. Improvement of individual and organizational performance is one of the major objectives of any live and dynamic organization today. If workforce is considered as one of the most important bases for improving organizational performance, it is clear that studying the variables effective on such performance will be helpful for managers to improve organizational performance. The purpose of management and the main goal of managers in any organization are effective and efficient use of different resources and facilities of the organization such as workforce, capital, materials, energy and information. Therefore, efficient use of workforce or workforce productivity (WP) is very important because workforce is not only an organizational resource but also it is the only factor for using others. In fact, if a workforce is efficient, it can apply

other resources optimally and efficiently to achieve all types of productivity and thus makes the organization productive. However, how a workforce becomes productive or how the productivity is increased, is a problem considered by experts of management and organization science since long time ago (Ghabezi, 2013. p. 113). The WP is the ratio of human resource output to its input (Mirsepasi, 2013. p. 358). The WP is studied through the following dimensions called Achiu model.

Ability: Including educational courses and sense of occupational success. Understanding: Including correct and exact understanding about the job, occupational objectives, mistakes and doing the job correctly. Organizational support: Including financial and materialistic facilities needed for a job, support of other units and authorities to accomplish the objectives and doing hard jobs. Motivation: Including promotion opportunities, cash rewards, appreciation, welcoming the initiative and superior appeasement at the time of trouble. Feedback: Including the knowledge and aware of performance, methods of improving job performance and quality in addition to positive/negative results of a job.

Reliability: Including making fair decisions compatible with ethics, appointment based on qualifications and rules, and trust in superiors. Compatibility: Including the effect rate of market, economic and competition conditions on performance (Hersey and Goldsmith, 1980).

Productivity is one of the important indices in economic growth of any country. In this regard, studying and measuring productivity in different parts of economy expresses the country economic performance in addition to represent productive capacity of various sectors. The main element in creating and improving productivity is workforce because they decide about the best method for improving quality and they direct any attempt for productivity improvement since workforce is the only rare resource in organizations which can't be copied by competitors easily thereby, creating sustainable competitive advantage for an organization (Cho et al., 2006). The WP is the most important criterion of productivity because it is related to the most organizational analyses in addition to being the easiest measurable data. The basic element in any attempt for improving productivity is workforce (Datta and Rajagopalan, 1998). In productivity history, the WP was considered too little at first but most of the advances were in a field of productivity called capital productivity. Productivity is studied through its two indices: Efficiency and effectiveness. According to Peter Drucker, productivity is the sum of efficiency and effectiveness. In fact, most of the governmental organizations had various ambiguities about effective and permanent management while facing with new challenges and this problem caused the managers to find out that talent management (TM) can help them in attracting, nurturing and developing next generation of public leaders (today called as succession planning) (Marcus and Marion, 2008. p. 1).

Moreover, today organizations find out well that success in global complicated economy depends on having best talents. At the same time with understanding the recruitment, development and retaining of talents, the organizations found out that talents are critical resources which should be managed in order to achieve best results (Tajaddin and Maali, 2008. p. 62). The TM includes integrated planning involving many factors and not just managed by human resource sector which makes the TM hard and time consuming but valuable (Heinen and O'Neill, 2004). The TM guarantees that appropriate people of appropriate talents are placed in appropriate position and focus on appropriate activities and integrate in them.

Talent acquisition includes human resource planning, finding employees, supplying skilled human resource and recruitment through evaluation centers, tests and interviews. Talent retaining includes performance evaluation, 360 degree feedback, considering employees' competency, try to identify the skills, payment based on achievement and competency. Talent development includes holding different educational courses, continuous learning in work, occupational path arrangement and promoting talented people regarding educational considerations. The TM is important due to two general reasons: Implementation of TM results in successful discovering and retaining of talents; talented employees will be selected for key positions which are called "succession planning" that attracts many organizations (Taleghani et al., 2013. p. 8).

Human resource development considered as survival secret of businesses and the most important challenge in business area is not just IT anymore but having intelligent workforce and talented human capital are the main secret to face with challenges. In today world, management of human resource development is not just a cost center anymore but trying to create added value to the capital for more profit and less cost through TM approach, diversity of employees and trainings in line with competitive environment of organizations.

Try to promote WP and optimum use of workforce is one of the vital plans of organizations. Undoubtedly, WP process is independent from any specific factor but it is the result of perfection and combination of various factors (Shaemi and Mohammadi, 2014). Different reasons such as lack of correct culture and attitude, the productivity has been ignored in a society (Shaemi and Mohammadi, 2014). Despite some taken actions such as establishment of National Productivity Organization and some emphases in development program about promotion of productivity, there is still long distance to achieve the desirable situation that needs basic and effective actions to be taken in this field. On this basis, organizations especially those in 3rd world countries, which need a major leap to increase productivity and efficiency, have to provide conditions in a way their employees and managers apply all of their experiences, abilities and capacities to achieve and promote the organizational goals. Different researches have been conducted in this respect:

Jahanian and Hoseini (2015) studied the effect of organizational atmosphere on WP rate in vocational colleges of Tehran province. The results showed that there is a positive and significant relationship between dimensions of organizational atmosphere, i.e., teamwork, interest in work, considerateness at work, intimacy between employees, harassment in the workplace, distancing in the workplace, influential and dynamic managers, valuing the knowledge production and WP.

Atayee et al. (2015) studied the relationship between WP and organizational citizenship behavior (OCB) in Islamic Azad University of Ghazvin. The results showed that there is a direct and significant correlation (0.683) between WP and OCB.

David et al. (2016) studied the effect of TM on organizational culture. To do so, employees of private companies were considered as the universe and TM model of Stahl et al. (2012) and organizational culture model of Stahl were used. These models have dimensions such as coordination with the strategy, internal consistency, cultural environment, management participation, balance of global and local needs and employer's brand. The results showed the positive and significant relationship between TM and all dimensions of organizational culture.

Ahmed (2016) studied the interactive relationship between human resource management (HRM) and TM with the role of electronic moderation of HRM (E-HRM). This research studied the role of E-HRM in the interactive relationship between HRM and TM through data collected from 430 managers in 10 international banks of Egypt. The results

showed the positive relationship between HRM and TM as well as positive relationship between E-HRM and TM among bank employees.

Prof (2016) studied the effect of employees' commitment on productivity and the employees' motivation level in retail selling section. The results showed the positive and significant relationship between employees' commitment and their productivity. In addition, commitment plays an important role in achieving organizational goals, creating effective teams, healthy interpersonal relations among colleagues and managers, and good working environment in an organization which all increase employees' productivity.

Tilahun et al. (2016) studied the effect of social networks on employees' productivity in Kendrick University. The results showed positive and negative relationship between social collaborations and employees' productivity. Negative results are because employees wasted most of their time for social networks irrelevant to their job while the positive relationship is because employees used social networks to improve working conditions.

Therefore, considering what mentioned so far, the present research is trying to answer the following question: What are the effects of TM and its dimensions on WP in governmental organizations of Bam City?

2. RESEARCH HYPOTHESES

2.1. Main Hypothesis

There is a significant relationship between TM and WP in governmental organizations of Bam City.

2.2. Subordinate Hypothesis

There is a significant relationship between TM and WP in governmental organizations of Bam City.

There is a significant relationship between talent retaining and WP in governmental organizations of Bam City.

There is a significant relationship between talent development and WP in governmental organizations of Bam City.

Conceptual model of the research



Productivity: Hersey and Goldsmith (1980) Achiu Model

TM: Armstrong (2006)

2.3. Research Method

The research method is descriptive-correlative and applied goal. The universe includes all 2349 employees in governmental organizations of Bam City. The sample size is 330 employees who selected through Cochran formula by stratified random sampling i.e. organizations considered as the strata and then the sampling is done randomly.

The research questionnaire is arranged into two parts to test the hypotheses. The first part includes questions of Armstrong's TM questionnaire (2006) and includes components of TM (question 1-9), talent acquisition (question 10-15), talent development and training (question 16-25), based on 5-itme Likert scale (strongly disagree, disagree, neither agree nor disagree, agree, strongly agree), scoring from 1 to 5. The second part includes questions of WP questionnaire of Hersey and Goldsmith (1980) with 21 items including ability dimensions (question 1-3), understanding (questions 4-6), organizational support (question 7-9), motivation (question 10-12), feedback (question 13-15), reliability (question 16-18), and compatibility (question 19-21) (Table 1).

Finally, the structural equation modeling (SEM) was used to analyze the obtained data and study the hypotheses by LISREL software.

3. RESULTS

3.1. Factor Analysis of TM

This variable includes 3 dimensions that factor load and correlation between the dimensions is shown in Figure 1.

Considering the Figure 1, the correlation between dimensions of the TM variable is <0.9 therefore there is no need for integration. Moreover, all factor loads have appropriate factor validity although factor load of some questions is <0.5. However, Abareshi and Hoseini (2012) expressed that if the factor load is between 0.3 and 0.5, it will be sufficient for analysis to be continued. Fit indices of (confirmatory factor analysis [CFA]) model of TM are studied in Table 2.

As seen in the Table 2, 7 indices are acceptable which means the TM variable is fitted appropriately.

3.2. CFA

This variable includes 25 items their factor load is shown in following Figure 2.

Table 1: Reliability of questionnaire based on Cronbach's alpha

No.	Component	Reliability
1	Talent management	0.798
2	Talent acquisition	0.723
3	Talent retaining	0.767
4	Talent development and training	0.743
5	Workforce productivity	0.710

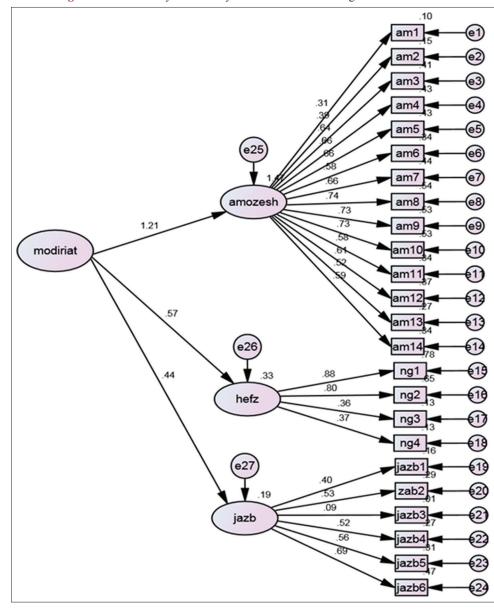


Figure 1: Confirmatory factor analysis model of talent management second order

Table 2: The GFI of CFA model of TM

Index	Obtained value	Acceptable value	Status
Chi-square	0.000	Sig>0.05	Reject
GFI	0.924	GFI>0/9	Accept
AGFI	0.901	AGFI>0/8	Accept
RMR	0.068	RMR<0.08	Accept
TLI	0.944	0.90 <tli<1< td=""><td>Accept</td></tli<1<>	Accept
NFI	0.878	0.90 <nfi<1< td=""><td>Accept</td></nfi<1<>	Accept
CFI	0.97	0.90 <cfi<1< td=""><td>Reject</td></cfi<1<>	Reject
RFI	0.96	0.90 <rfi<1< td=""><td>Accept</td></rfi<1<>	Accept
IFI	0.894	0.90 <ifi<1< td=""><td>Reject</td></ifi<1<>	Reject
CMIN/DF	5.89	<5	Reject
RMSEA	0.069	RMSEA<0.08	Accept

CFI: Comparative fit index, GFI: Goodness of fit index, IFI: Incremental fit index, RMSEA: Root mean squared error of approximation, TLI: Tucker-Lewis index, AGFI: Adjusted goodness of fit index, RMR: Root mean square residual, RFI: Relative fit index, NFI: Normed fit index, CFA: Confirmatory factor analysis, TM: Talent management

Considering the Figure 3, all factor loads are more than 0.5 which means all items of the variable employees' innovation have

appropriate factor validity. Although factor load of some items is <0.5 but Abareshi and Hoseini (2012) said that if the factor load is between 0.3 and 0.5, it will be sufficient for analysis to be continued. However, the factor load of questions 1, 2, 6 and 7 is <0.3 and thus removed from the model. The GFI of CFA model of productivity are studied in Table 3.

3.3. Productivity

As seen in the Table 3, 7 indices are acceptable which means the productivity variable was fitted appropriately.

3.4. Measurement Model

All dimensions of the research and related items are drawn in form of one model in measurement model and then linked together pairwise. The correlations studied in pairwise form and if it is 0.9 or more, they have to be integrated otherwise the variable of more variance remained in the model. Those variables of 0.9 or more correlation mean they measure a relatively close issue.

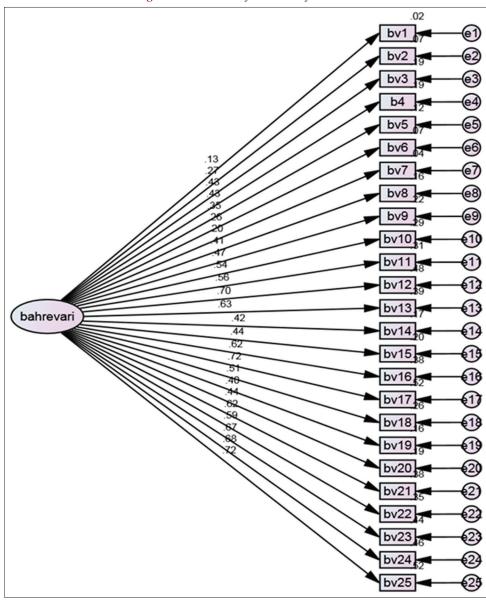


Figure 2: Confirmatory factor analysis model

The difference between measurement model and structural model is in existence of cause-effect relationship between variables; if this relationship exists, the model is structural otherwise it is just the relationship between latent and observable variables. The measurement models in the research literature also called CFA (Abareshi and Hoseini, 2012. p. 208). If the measurement model shows an appropriate fitness of measuring latent variables, fitness of the structural model will be done more confidently (Abareshi and Hoseini, 2012. p. 48).

Based on the measurement models, the researcher defines that which observable variable is the measurer of which latent variable. Based on the structural models, it will be cleared that which independent variable effects on which dependent variable or which variables are correlated. Therefore, using these models help us evaluating the quality of measuring variables and acceptability of direct and indirect effects in addition to the defined interactions between variables (Ghasemi, 2013. p. 4).

Normality of the data (based on skewness and kurtosis), model reliability (based on the factor loads) and model fitness (based on the goodness of fit) of the measurement model are studied.

As seen in the Figure 4, correlation between variables is not more than 0.9, so it is not necessary to integrate or remove them. Moreover, it is observed that all factor loads are more than 0.5 which means all components and items have appropriate factor validity. Although factor load of some items is <0.5, Abareshi and Hoseini (2012) said that if the factor load is between 0.3 and 0.5, it is sufficient for analysis to be continued.

As seen in the Table 4, all data have the normality condition. Therefore, data distribution is normal.

As seen in the Table 5, 6 indices are acceptable. Therefore, the measurement model has appropriate fitness.

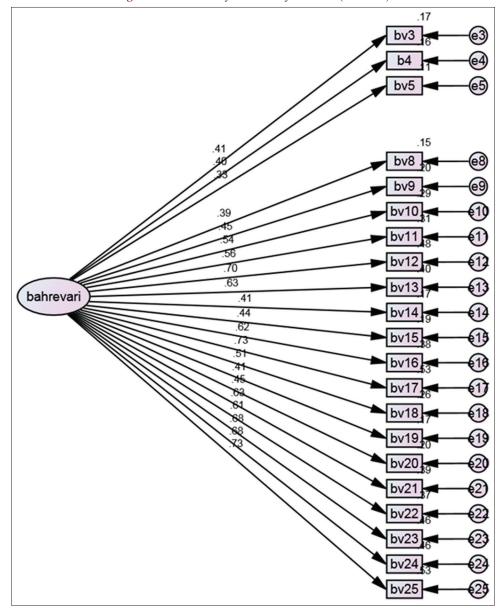


Figure 3: Confirmatory factor analysis model (modified)

Table 3: The GFI of CFA model

Index	Obtained value	Acceptable value	Status
Chi-square	0.069	Sig>0.05	Accept
GFI	0.914	GFI>0/9	Accept
AGFI	0.844	AGFI>0/8	Accept
RMR	0.094	RMR<0.08	Reject
TLI	0.904	0.90 <tli<1< td=""><td>Accept</td></tli<1<>	Accept
NFI	0.922	0.90 <nfi<1< td=""><td>Accept</td></nfi<1<>	Accept
CFI	0.963	0.90 <cfi<1< td=""><td>Accept</td></cfi<1<>	Accept
RFI	0.882	0.90 <rfi<1< td=""><td>Reject</td></rfi<1<>	Reject
IFI	0.874	0.90 <ifi<1< td=""><td>Reject</td></ifi<1<>	Reject
CMIN/DF	4.03	<5	Accept
RMSEA	0.166	RMSEA<0.08	Reject

CFI: Comparative fit index, GFI: Goodness of fit index, IFI: Incremental fit index, RMSEA: Root mean squared error of approximation, TLI: Tucker-Lewis index, AGFI: Adjusted goodness of fit index, RMR: Root mean square residual, RFI: Relative fit index, NFI: Normed fit index, CFA: Confirmatory factor analysis

3.5. Structural Model

In a structural equation generally, a researcher is looking for measuring a set of latent variables by a set of observable variables on one hand and on the other hand he tries to analyze the structural relationships between latent variables (Ghasemi, 2013. p. 221).

After studying and verifying the measurement model, the research model is drawn and the relationships between latent variables (hypotheses) are studied. In this regard, first ensure about GFIs and then the assumed relationships between latent variables are studied.

Relationship between dependent and independent variables is shown in the Figure 5. The numbers are regression coefficients which denote the positive direction of the effect that independent variables have on dependent ones. In addition, factor load, correlation coefficient between independent and dependent variables, and variation coefficient of dependent variables are all shown in the Figure 5.

Moreover, the GFIs of the structural model will be studied afterward.

As seen in the Table 6, 6 indices are acceptable. Therefore, the structural model of the research has an appropriate fitness.

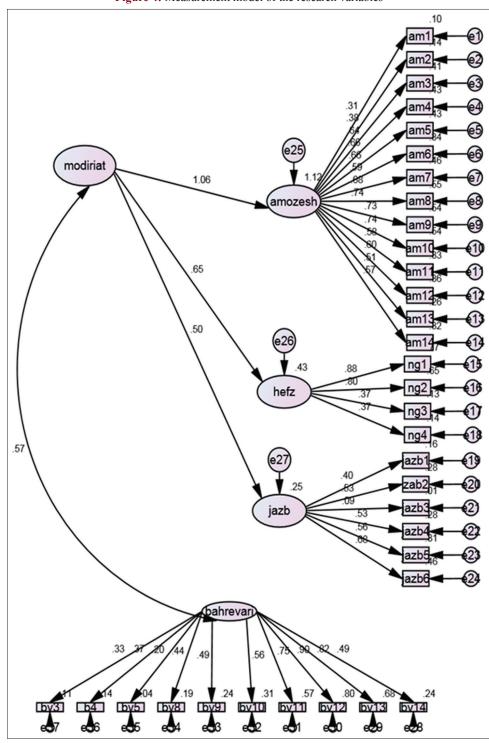


Figure 4: Measurement model of the research variables

The Table 7 shows regression coefficients which denote the effectiveness rate of variables on each other and significance of these coefficients is shown briefly.

4. DISCUSSION AND CONCLUSION

The main hypothesis of the present research is to study the relationship between TM and WP in governmental organizations of Bam City. Result of the SEM showed that there is a positive and significant relationship between TM and WP. The purpose of

TM is to acquire, retain, motivate and develop talented people in an organization that increases the effectiveness and efficiency in the organization. Achieving such goal depends on existence of knowledge-based relations between employees and organization as well as among all employees (Vaiman and Vance, 2008).

Results of the present research show that there is a positive and significant relationship between TM and WP. Investment on TM will increase the capital return rate on one hand and on the other hand, a set of various talents will be united in the

Table 4: Data normality index

Table 4: Data normality index				
Kurtosis	Skewness	Item		
0.879	-0.267	A1		
1.398	0.149	A2		
0.335	-0.091	A3		
1.826	-0.524	A4		
0.907	0.366	A5		
1.736	-0.007	A6		
1.360	0.088	A7		
-0.212	0.062	A8		
0.173	-0.342	A9		
0.438	-0.423	A10		
0.648	-0.149	A11		
0.170	-0.435	A12		
0.918	-0.731	A13		
0.131	-0.554	A14		
0.497	-0.519	A15		
1.181	0.038	A16		
-0.275	-0.445	A17		
1.164	-0.721	A18		
1.202	-0.801	A19		
0.549	-0.416	A20		
1.397	0.104	A21		
0.071	-0.096	A22		
1.010	-0.361	A23		
1.785	1.004	A24		
2.231	0.314	A25		
1.275	-0.054	A26		
1.762	-0.252	A27		
1.798	0.031	A28		
-0.220	-0.757	A29		
-0.495	-0.408	A30		
-0.133	-0.520	A31		
0.098	-0.419	A32		
-0.256	-0.885	A33		
0.667	-0.872	A34		
0.237	-0.690	1		
1.222	-0.924	A36		
1.744	-1.270	A37		
2.026	-1.539	A38		
0.636	-1.001	A39		
0.892	-1.275	A40		
1.735	-1.281	A41		
0.938	-0.970	A42		
-0.702	-0.417	A43		
-0.043	-0.460	A44		
0.026	-0.771	A45		
1.275	-0.054	A46		
1.762	-0.252	A47		
1.798	0.031	A48		
-0.220	-0.757	A49		
-0.495	-0.408	A50		

organization. In such conditions, the organization makes use of agile, motivated and productive workforce. According to Grobler and Derick, the TM improves the quality, innovation, job satisfaction and productivity. Sayyadi et al. concluded that there is a positive and significant relationship between TM and employees' job satisfaction (it was shown in other researches that employees' job satisfaction is effective on their productivity).

The present research verifies what McCauley and Wakefield (2006) and Collings and Mellahi (2009), said about the relationship between TM and productivity. Finding out about factors related

Table 5: The GFI of measurement model of research variables

Index	Obtained value	Acceptable value	Status
Chi-square	0.000	Sig>0.05	Reject
GFI	0.911	GFI>0/9	Accept
AGFI	0.851	AGFI>0/8	Accept
RMR	0.102	RMR<0.08	Reject
TLI	0.933	0.90 <tli<1< td=""><td>Accept</td></tli<1<>	Accept
NFI	0.921	0.90 <nfi<1< td=""><td>Accept</td></nfi<1<>	Accept
CFI	0.914	0.90 <cfi<1< td=""><td>Accept</td></cfi<1<>	Accept
RFI	0.866	0.90 <rfi<1< td=""><td>Reject</td></rfi<1<>	Reject
IFI	0.977	0.90 <ifi<1< td=""><td>Accept</td></ifi<1<>	Accept
CMIN/DF	5.74	<5	Reject
RMSEA	0.117	RMSEA<0.08	Reject

CFI: Comparative fit index, GFI: Goodness of fit index, IFI: Incremental fit index, RMSEA: Root mean squared error of approximation, TLI: Tucker-Lewis index, AGFI: Adjusted goodness of fit index, RMR: Root mean square residual, RFI: Relative fit index, NFI: Normed fit index

Table 6: The GFIs of the structural model of the research

Index	Obtained value	Acceptable value	Status
Chi-square	0.000	Sig>0.05	Reject
GFI	0.987	GFI>0/9	Accept
AGFI	0.952	AGFI>0/8	Accept
RMR	0.074	RMR<0.08	Accept
TLI	0.933	0.90 <tli<1< td=""><td>Accept</td></tli<1<>	Accept
NFI	0.947	0.90 <nfi<1< td=""><td>Accept</td></nfi<1<>	Accept
CFI	0.744	0.90 <cfi<1< td=""><td>Reject</td></cfi<1<>	Reject
RFI	0.911	0.90 <rfi<1< td=""><td>Accept</td></rfi<1<>	Accept
IFI	0.833	0.90 <ifi<1< td=""><td>Reject</td></ifi<1<>	Reject
CMIN/DF	6.87	<5	Reject
RMSEA	0.13	RMSEA<0.08	Reject

CFI: Comparative fit index, GFI: Goodness of fit index, IFI: Incremental fit index, RMSEA: Root mean squared error of approximation, TLI: Tucker-Lewis index, AGFI: Adjusted goodness of fit index, RMR: Root mean square residual, RFI: Relative fit index, NFI: Normed fit index

to managers' TM in organizations especially governmental ones is very important because due to positive and significant relationship between TM and productivity, changing and modifying its components will result in productivity improvement and step toward organization growth.

The first subordinate hypothesis claimed that there is a positive and significant relationship between talent acquisition and WP. Considering the model, statistical analysis between these two showed that the significance value between the two variables is 255.16 and the hypothesis is verified since it is more than 1.96. On the other hand, since the obtained significance value is positive, the effect is direct. Such findings approve the research results of Dyet (1982) and Spector (2008). According to Dyet, human resource planning increases employees' efficiency and performance. According to Yarahmadi Khorasani, human resource planning can play an effective role in effective and optimum productivity of human resource. He added that one of the advantages of human resource planning is supplying workforce by minimum costs, supplying progressive workforce for organization and optimum use of the existing workforce in an organization. In his researches, Spector concluded that an organization has to supply the required workforce regularly and permanently in order to keep the organization fresh and productive.

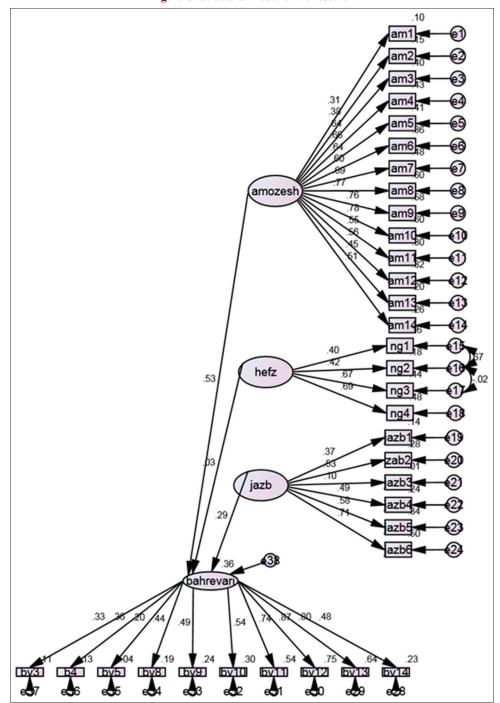


Figure 5: Structural model of the research

Table 7: Regression coefficients of the research variables (hypotheses testing)

Hypothesis	Independent variable	Dependent variable	Regression coefficient	Significance	Result
1	Talent management	Workforce productivity	0.566	0.000	Verified
1-1	Development and training	Workforce productivity	0.527	0.018	Verified
2-1	Retaining	Workforce productivity	0.026	0.004	Verified
3-1	Talent acquisition	Workforce productivity	0.287	0.022	Verified

In the second subordinate hypothesis, it was claimed that there is a positive and significant relationship between retaining talents and WP. Considering the model, statistical analysis between these two showed that the significance value between the two

variables is 244.63 and the hypothesis is verified since it is more than 1.96. On the other hand, since the obtained significance value is positive, the effect is direct. Such findings approve the research results of Harrison and Sullivan (2000). They found

out that evaluation of employees' performance is effective on their productivity.

In the third subordinate hypothesis, it was claimed that there is a positive and significant relationship between developing/training talents and WP. Considering the model, statistical analysis between these two showed that the significance value between the two variables is 176.24 and the hypothesis is verified since it is more than 1.96. Other finding of this research about the relationship between talent development and WP is in line with the research results of Harrison and Sullivan (2000) and Laing (2009).

Harrison believes that development is an important primary process which is achieved perfectly through individual and organizational growth. Training is the major help to the development process because it is directly and permanently effective not only on formation of knowledge and skills but also on personality traits, culture, tendencies, attitudes and successes.

In his researches, Laing concluded that training and educating the employees improves their performance and productivity.

Finally, considering the results, managers are recommended to consider the TM system as one of the most important effective variables on knowledge sharing in an organization and try to develop the system. In addition, managers should emphasize on modern trainings, human resource development, empowering them in addition to develop the evaluation methods for identification of talented people and retaining methods to keep them in the organization and then consider these variables as factors effective on knowledge sharing.

Nowadays, organizations use performance management system in order to retain human resource. The two important and key components of performance management are performance evaluation and performance-based payment. Another issue in performance management and retaining human resource in an organization is compensation. Performance-based payment increases WP. Therefore, it is recommended that organizations use performance evaluation especially 360 degree feedback and performance-based payment in order to retain their workforce.

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