

Talent Management Practices Effect on Employee Engagement Applied in the Logistics Sector in Egypt

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Talent is scarce, resulting in a tight labor market, hence it has numerous choices, especially in knowledge-based and service-driven organizations. The fundamental purpose of this study was to develop a practical as well as theoretically sound model to illustrate a link between a firm's Talent Management and Employee Engagement. In addition, the study aims to evaluate nine critical success factors of Talent Management that are known to be attributed to employee engagement; they were developed based on the pre-existing literature. The study will also develop a conceptual model to measure the direct effects of Talent Management practices on General Employee Engagement in Logistics Companies in Egypt. The study is carried out by administering a questionnaire to 269 out of 500 employees working in multinational logistics companies in Egypt. A self-administered questionnaire consisting of 67 questions was used to collect the necessary data. To test the validity and reliability of the measurement scales, factor analyses were conducted. Results indicate that talent development is most affective on employee engagement. This opened up new questions to be explored by future research that should elaborate on the indicators of an organization's performance that do or do not have direct effects, such as Indicators of Productivity, Quality Service, Customer Satisfaction, and Company ROI.

Keywords: Talent management, Talent Acquisition, Talent Retention, Employee engagement.

JEL Codes: F34, G21, and G24

1. Introduction

Markets are increasingly recognizing human capital as a source of value for firms and shareholders, as talent is rare, valuable, difficult and hard to substitute, and organizations that better attract, select and retain talent outperform those that do not (Barney and Wright, 1998). In addition to market gaps in terms of talent availability in today's rapidly moving, dynamic, uncertain and highly competitive global market, organizations worldwide have recognized that the knowledge, skills and abilities of their employees represent a major source of competitive advantage and realize organization profitability (Schuler et al., 2011; Scullion et al., 2010; Tarique and Schuler, 2010; Vaiman, Scullion, and Collings, 2012; Colling and Mellahi, 2009; Lewis and Heckman, 2006, Tucker, Kao, & Verma, 2005, cited in Krauss, 2007). As a result, competition and the lack of availability of highly talented and skilled employees make finding and retaining talented employees a major priority for organizations (Flegley, 2006). Another factor is the uniqueness of the service industry, especially the logistics industry, in emergent markets such as Egypt. The service sector is

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heterogeneous, which has made talent sourcing more challenging. Today, a service-driven organization's success is directly linked to the talent it can recruit. Recruitment is critical, not only for sustained competitive advantage but also for basic organizational survival (Taylor and Collins, 2000). Moreover, the costs associated with losing key employees or retaining less productive ones in depressed economic conditions have long been recognized by organizational leaders. Undesired turnover and underproductive employees have a negative impact on firm profitability. Turnover of talented professionals increases a firm's costs and hinders the company's overall competitiveness. In addition, it has been defined largely in ways that have not contributed to our understanding of managing talent in organizations. (Lewis and Heckman, 2006).

That led to the recognition of the urgent need to study the impact of talent acquisition, development and retention on employee engagement. Therefore, this research aims to present the importance of talent management concept and the emergency call for research intervention due to research gaps in terms of concept definition and framework.

The study found that talent development is the most affective process on employee engagement; this differs from previous studies, which agree that talent acquisition is the most important.

The rest of the paper is organized as follows. Section two discusses the relevant literature. Section three presents research methodology, model, and data collection. Section four examines the results and analysis of the investigation. Finally, section five concludes this paper by outlining the limitations of the study and making recommendations for future research.

2. Literature Review

2.1 Employee Engagement

"Employee engagement" is a term that lacks a precise definition. (Hughes and Rog, 2008) According to Gibbons (2006) "employee engagement is a heightened emotional and intellectual connection that an employee has for his job, organization, manager, or co-workers, which in turn influences him to apply additional discretionary effort to his work. Moreover, Hewitt and Associates (2004) view engagement as a measure of the energy and passion that an employee has for her organization. The Gallup Management consultants (2006) in, "Gallup study: Engaged employees inspire company innovation", express engagement as employees who work with passion and feel a profound connection to their company. They drive innovation and move the organization forward. (Sweem, 2009) Watson Wyatt views engagement as a combination of commitment and line of sight (Debunking the Myths of Employee Engagement, 2006; cited in Sween, 2009). Engagement is employees' commitment to the success of the business strategy. (Sweem, 2009) According to Blessing White (Employee Engagement Report, 2006), employee engagement represents an alignment of maximum job satisfaction with maximum job contribution. Towers Perrin (Global Workforce Study, 2005) views it as the employees' willingness and ability to help their companies succeed by freely and consistently delivering discretionary effort on the job. (Sweem, 2009) Employee engagement can make or break a bottom line (Lockwood, 2006). Engaged employees exhibit a willingness to make an extra effort for the success of the company. (Sweem, 2009).

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2.2 Talent Management Definition

The terms “talent management”, “talent strategy”, “succession management”, and “human resource planning” are often used interchangeably. (Lewis and Heckman, 2006). Some researchers see talent management from a primarily human capital perspective (Cappelli, 2008) while others see it as essentially a mindset with talent as the key to organizational success (Creelman, 2004). Others see the alignment of talent management closely to the business strategy and the corporate culture as a key feature of talent management (Farndale et al., 2010; Kim and Scullion, 2011). Lewis and Heckman (2006, p. 140) uncovered three distinct strains of thought regarding TM. The first perspective defines talent management as a collection of typical human resource department practices, functions, activities or specialist areas such as recruiting, selection, development, and career and succession management (Byham, 2001; Chowanec & Newstrom, 1991; Heinen & O'Neill, 2004; Hilton, 2000; Mercer, 2005; Olsen, 2000) It is criticized on the basis that it is “superfluous” or little more than the “rebranding” of HRM. A second perspective on talent management focuses primarily on the concept of talent pools. Talent management is a set of processes designed to ensure an adequate flow of talents into jobs throughout the organization. Talent management is an architecture where a set of processes are designed to ensure an adequate flow of employees into jobs throughout the organization" (Jackson & Schuler, 1990). It is having the right people at the right time in the right job (Kesler, 2002). It is “a key component to effective succession Planning” (Cheloha & Swain, 2005); "managing the supply, demand, and flow of talent through the human capital engine" (Pascal, 2004); it is based on such factors as workforce skills, supply and demand, and growth and attrition. (Hughes and Rog, 2008) This perspective provides no incremental understanding and is therefore not useful. A third perspective on talent management focuses on talent generically; that is, without regard for organizational boundaries or specific positions, organizations are encouraged to manage performance pools of talent generally rather than succession pools for specific jobs. It offers no guidance to determine how many resources should be allocated to uncovering each employee's talent and seems to assume that all employees are equally valuable to the firm from an economic and developmental perspective (Axelrod, Hand field-Jones, & Michaels, 2002; Michaels, Hand field-Jones, & Axelrod, 2001) or “top grading” the organization via exclusively hiring “A” players (Smart, 1999). Buckingham and Vosburgh (2001) define talent management in terms of managing talent according to performance and as an undifferentiated good that emerges from both humans and demographic perceptions. Talent is critical because it is the role of a strong HR function to manage everyone to high performance (Buckingham & Vosburgh, 2001; Walker & Larocco, 2002) or because demographic and business trends make talent in general more valuable (Gandossy & Kao, 2004; Romans & Lardner, 2005; Tucker, Kao, & Verma, 2005).

All Talent Management Definitions of This Perspective are "generic". It does not focus on just specific positions or boundaries.

Based on such a strategic approach, strategic talent management is defined as: “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.” Talent management enables an organization to "grow" the future from a holistic perspective. Based on such a holistic approach, talent management is defined by combining many of the attributes into a "whole" model.

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Employee engagement is all about how an employee is emotionally and intellectually committed to an organizational group. An engaged employee is always fully participative and enthusiastic about the assigned job responsibilities (Falcone, 2006). When talented people feel important, then their contributions will make a difference to organizational goals and objectives. It enables them to feel recognized, appreciated and valued, motivated and aligned to the organization's goals and objectives (Davies & Davies, 2010).

Society of Human Resources Management (2012) survey reveals that talent management enables all the levels of employees focused on driving revenue that will result in employee engagement, performance improvement, customer satisfaction and reduced turnover and absenteeism, and all of these will have an impact on the bottom line of the organization.

A Corporate Leadership Council study (2011) found that using talent management strategies help companies in driving employee engagement, which resulted in 23% of increased performance against revenue expectations. Engaged employees within an organization provide a competitive advantage to organizations, as explained by the resource-based view (RBV) of the firm (Joo and Mclean, 2006).

Table 1: Talent Management Definition Perspectives

	Perspectives	Distinctive Features	Criticisms	Citation
1	<p style="text-align: center;"><u>First Perspective</u></p> <p style="text-align: center;">Talent Management = HR</p>	<p>Managing Talent; Through Internet / Out Sourcing Across the Enterprise</p>	<ul style="list-style-type: none"> *No Framework *Adds nothing to our Understanding to HR *Doesn't advance our understanding of the TM Strategies *Described as Superfluous / Rebranding of HRM * TM not more than trendy term 	<p>(Byham,2001; Heinen& O'Neill, 2004; Olsen, 2000; Chowanec&Newstrom, 1991; Hilton, 2000; Mercer, 2005).</p>
2	<p style="text-align: center;"><u>Second Perspective</u></p> <p>*Talent Pool * Talent Management = Succession Management / HR Planning</p>	<ul style="list-style-type: none"> * Focus Internally * Needs to Position is based on Supply and Demand 	<ul style="list-style-type: none"> * Repeat what is said in Succession Management * No theory or Practice to Talent management *No Increment Understanding , Therefore unnecessary 	<p>(Cheloha& Swain, 2005; Jackson & Schuler, 1990; Kesler, 2002; Pascal 2004)</p>
3	<p style="text-align: center;"><u>Third Perspective</u></p> <p>* All Employee are Equal in Value *Generic/ Boundaries less (All Jobs are weighted equally)</p>	<p>Criteria of A performer (High Potential * High Performance)</p>	<ul style="list-style-type: none"> * The Most Problematic * Not Strategic *No Constraints *Not Goal Oriented/ Not Focused *Generic/ No Specific Position *No Framework * Cost of Uncovering all employees needs is not measurable and cant be evaluated * Some called for differentiated strategy and others called for undifferentiated Strategy (Buckingham & Vosburg.,2001) 	<p>(Buckingham & Vosburg.,2001; McCauley & Wakefield, 2006; Redford, 2005;)</p>

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It is commonly understood that engaged employees are motivated to contribute to the success of the organization; literature also reveals that work engagement that came from job satisfaction is derived from effective talent management practices, which results in lower employee turnover and higher productivity for the organization. A CIPD report (2008) reveals that organizations are now placing more importance on talent management, which results in more job satisfaction and engagement. Hewitt's survey revealed that almost half of the companies studied planned to increase or sustain employee learning, engagement, and development budgets through the management of their talent during the economic slowdown (Beechler and Woodward, 2009).

An important element of talent management is total reward management which enables employees to be contented and more satisfied at the workplace, leading to employee engagement and organizational success; furthermore, 82% claims that employee recognition enhanced their job performance. According to the Corporate Leadership Council (2004), "when done well, practices that support talent management also support employee engagement."

2.3 Talent Management Practices

2.3.1 Talent Acquisition & Employee Engagement

Talent acquisition includes external recruitment "staffing" and internal succession management. Recruitment is staffing. It is defined as the process of attracting, selecting, and retaining competent individuals to achieve organizational goals (Ployhart, 2006). Staffing includes employment planning and forecasting, recruiting, and selecting employees. Successful staffing starts with accurate employment planning and forecasting. (Cho, 2004) Employment planning and forecasting involve determining future human resources supply and demand. Employment planning and forecasting are also key in the decision-making process of determining a standard of core talents that need to be hired. "The old adage 'people are your most important asset' is wrong. People are not your most important asset. The right people are." (Collins, 2001, p. 120). If a company hires the right person in the first place, the company can save much of its managers' training effort and time. Furthermore, staffing practice leads to financial success and, therefore, results in increases in organizational performance (Terpstra & Rozell, 1993).

Talent has become the key differentiator for human capital management and for leveraging competitive advantage (Bhatnagar, 2005). With the better talent acquisition, employee engagement improves and so does productivity. Maximizing team engagement, motivation, and retention through due diligence in talent acquisition is vital in today's highly competitive environment (Srivastava and Bhatnagar, 2007) Barrick and Zimmerman (2005) noted that better selection to ensure "fit" between individuals and organizations would reduce turnover rate.

A study was conducted by Gill (2007) to investigate a work engagement model that included recruitment and selection practices mediated by work engagement, as it predicted job satisfaction, personal health, job performance and intention to quit. In the first stage of the analyses, the impact of recruitment and selection practices were tested. The use of RJPs was the only test group that yielded significant results, without covariates, for any of the engagement variables. Individuals who received an RJP reported higher levels of dedication and absorption. In the second stage of the analyses, the ability of vigour, dedication, and absorption to predict work outcomes were tested. Personal health and job satisfaction were the only outcome variables that were predicted by work engagement

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without full or partial mediation of job satisfaction.

There was a previous study conducted by Srivastava and Bhatnagar (2007) and applied to Motorola India Mobile Devices business to investigate talent acquisition and its relationship with levels of employee engagement. The study concluded that the reflection of recruitment and culture need fit; an environment is created in the workplace where employees feel more passionate about their work and exhibit the behaviours that organizations need to drive better results.

H1: *There is a significant relationship between talent acquisition and employee engagement.*

2.3.2 Talent Development and Employee Engagement

Talent development includes training, performance management, and coaching. Training and development is the process of systematically developing expertise in individuals for the purpose of improving employees' job performance on their current jobs and of preparing employees for future jobs. (Swanson, 1995) Training and development start with training needs assessment and ends with measuring outcomes. (Cho, 2004) The developmental areas or skill gaps require constant monitoring by the leadership to ensure that the areas were identified correctly. (GILL, 2007) A training needs assessment is "the process of determining the organization's training needs and seeks to answer the question of whether the organization's needs, objectives, and problems can be met or addressed by training." (Arthur & Bennett, 2003) Thus, needs assessment is a process of identifying "the gap(s) between optimal performance and actual performance." (Breiter & Woods, 1997) Also critical is the initial step of training (Breiter & Woods, 1997).

Blumberg and Pringle (1992) posited that performance is a function of capacity (ability, health, intelligence, education, etc.), willingness (motivation, job satisfaction, status, etc.) and opportunity to perform (tools, equipment, working conditions, co-worker, leader behaviour, etc. Colling and Melahi (2009) view performance as a set of behaviours that are relevant to the goals of the organization. Mathis and Jackson (2003) stated that performance appraisals are the managerial processes of evaluating employees' performance against a set of standards. Denisi (2000) holds that performance management refers to the range of activities engaged in by the organization to enhance the performance of a target person or group, with the ultimate purpose of improving organizational effectiveness. Mondy, Noe, & Premeaux (2002) state that it is the potential for individual accountability and achievement. Performance management tools and techniques are effective ways to establish a common understanding of roles and responsibilities. They also build commitment and accountability at all levels of an organization.

Coaching. This is a training or development process via which an individual is supported to achieve a specific competence result. It is often processed as a one-to-one training. Manager mentors his subordinate who is in need of a specific competency. In conclusion, assessing and developing talent is the ability to hire and develop individuals who "fit" the culture and achieve results. (Collins, 2001)

High performers are more satisfied by constant learning opportunities. Employee development efforts build on this strategy. Learning begins on the first day of hire with a comprehensive on-boarding process. On-boarding, or employee orientation, is an effective and impressive way to welcome new employees and to introduce them to the company in a consistent format. (McGuire, 2007)

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Saks (1996) found that training was significantly related to newcomers' job attitudes such as intention to quit, commitment, and job satisfaction. (Cho, 2004) Training and development have significant direct effects on employee retention (Panitz, 1999) and significant indirect effects on organizational commitment (Roehl & Swerdlow, 1999).

The number of hours of training also had a significant effect on turnover rates for employees and managers. (Cho et al., 2001) One study found that companies spending \$218 per employee on training and development had a 16% turnover rate, whereas companies spending \$273 per employee had less than a 7% turnover rate ("Training proves," n.a., 2001; cited in Cho, 2004).

Schaufeli and Salanova (2005) indicated that providing an employee with a development plan, which includes structuring how and what competencies and skills an employee can develop, would lead to increased work engagement. Additionally, providing extensive worker training and career planning enables employees to continue to develop new skills and abilities. Schaufeli and Salanova indicated that continuous career development increases the likelihood that an employee will remain engaged.

H2: *There is a significant relationship between talent development and employee engagement.*

2.3.3 Talent Retention and Employee Engagement

"Talent management is integral to engaging employees in the organization." The ability to effectively address both of these issues has become a primary determinant of organizational success and, in some cases, even survival. (Hughes and Rog, 2008) "Labor shortages as a result of an aging workforce and the growing scarcity of highly skilled workers will clearly establish employee retention as the major talent management concern that organizations must confront in the next decade. (Fegley, 2006) "Hence, recruitment and retention of employees become a critical business issue. Employee engagement has been shown to be a contributing factor in organization effectiveness and strategy and, therefore, plays an important role in how an organization best utilizes its human capital." (Sweem, 2009)

Employee Value Proposition. "Why would a talented person want to work here?" (Michaels et al., 2001) A winning employee value proposition means tailoring a company's "brand" and "products"—the jobs it has to offer—to appeal to the specific people it wants to find and keep. Dell and Hickey (2002) state that the employee value proposition makes clear to the employee "what's in it for them" or what extrinsic and intrinsic benefits they will receive in exchange for their labour, both now and in the future. Hughes and Rog (2008) are of the view that an employee value proposition "are those organizations that are able to successfully recruit and retain valued employees and are committed to showing potential employees they are valued and that opportunities exist for them." In the war for talent, they summarized values that motivate talents into three main values: company, job and compensation and lifestyle.

Rewards consist of all the economic benefits supplied by the organization as pay, promotion, and other benefits, but also verbal recognition and responsibilities. Accordingly, the author concluded a classification for value proposition that tried to cover all proposed values. It is as follows.

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A. Compensation and Benefit:

Watson and Seidman (1941) and Mohanty (1981) have implied that salary is not an important cause of job satisfaction. The employer and the management both consider the pay to be the important cause of job satisfaction. This is definitely due to the gap in communication between the workers and the management.

B. Company (Brand):

Creating a positive employer image radiates to the community at large and attracts potential job applicants. Improving external and internal communication signals to the potential talent about the total employee experience there. Employer branding has become a key strategy (Brewster et al., 2005) to attract and retain the right kind of talent as people want to work for great brands. The development of an employer brand is now becoming recognized as being equally important. In addition to helping attract external job candidates and position an organization as an “employer of choice”, positive employer branding has been found to help employees internalize the organization’s mission, vision, and values. (Hughes and Rog, 2008)

C. Job Characteristics:

Hackman and Oldham first outlined this view in 1975 and their model has inspired thousands of research papers. The job characteristics model proposes that three psychological states of a jobholder result in improved work performance, internal motivation, and lower absenteeism and turnover. The motivated, satisfied, and productive employee achieving these three psychological states serves as a reinforcement to the employee and as a source of internal motivation to continue doing the job well. According to Hackman and Oldham, five core dimensions of job characteristics are as follows:

- **Skill Variety:** The degree to which a job entails a variety of different activities, which demand the use of a number of different skills and talents by the jobholder.
- **Task Identity:** The degree to which the job requires completion of a whole and identifiable piece of work, that is, doing a job from beginning to end with a visible outcome.
- **Task Significance:** The degree to which the job has a substantial impact on the lives or work of other people, whether in the immediate organization or in the external environment.
- **Autonomy:** Autonomy deals with the amount of freedom that employees can exercise in their job.
- **Task Feedback:** The degree to which carrying out the work activities required by the job results in the individual being given direct and clear information about the effectiveness of his or her performance. Employees will experience the greatest motivation when all five characteristics are present since the job characteristics combine to produce the three psychological states.

D. Communication:

This is an important element in bringing transparency in the organization, settling employees’ expectations, and guaranteeing effective performance management according

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to organization directions.

E. The Role of Managers (Leadership):

The role of the manager is a key component, if not one of the most important. It is the manager who enables employee commitment to the job and organization. (Sweem, 2009) Effective leadership is necessary to foster engagement. In a 2005 study investigating how to obtain the full potential of employees, the Corporate Leadership Council concluded that organizations with high levels of engagement had leaders who were committed to developmental plans, could successfully identify development opportunities, and assign employees enjoyable developmental tasks. (GILL, 2007)

Job satisfaction has identified a number of factors like reward system in work, perceived quality of supervision, working conditions, and individual determinates, such as status and seniority, age group, marital status, and years of experience that cause people to become either satisfied or dissatisfied with their job (Mosadeghrad et al., 2008; cited in Rani, Kamalanabhanb & Selvarania, 2011) The research showed that the key factors affecting job satisfaction are career opportunities, job influence, teamwork and job challenge. (Armstrong, 2006, 264) There should not be a gap between what a worker says they want from the organization and what they actually get. This leads to disengagement. (Bhatnagar, 2008)

H3: There is a significant relationship between talent retention and employee engagement.

From the previous discussion, that were conducted to investigate the overall impact of talent management practices on the employee engagement and resulted in a strong positive relationship between them. In addition, there is a paucity of literature and studies that investigated the effect of talent management practices (acquisition, development, retention) on the logistics sector in developing countries like Egypt. Therefore, the recent study will try to investigate the impact of talent acquisition, development and retention on employee engagement in the logistics sector in Egypt.

3. The Methodology and Model

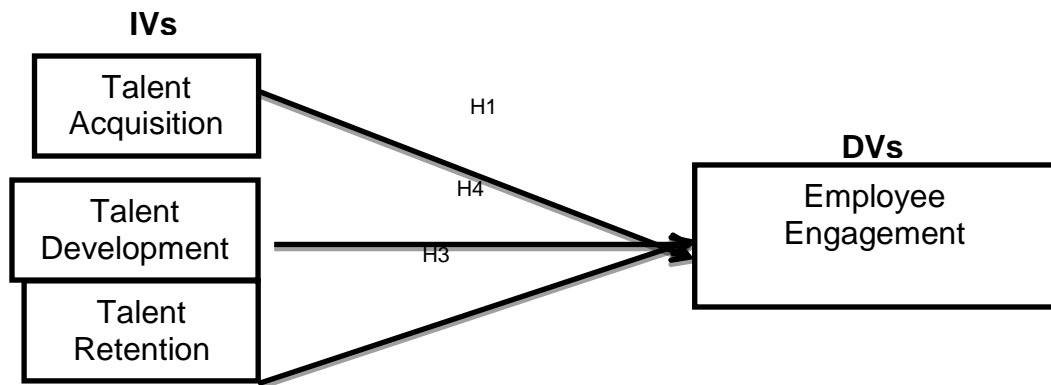
The study was based on the quantitative approach where the research data is usually in the form of precise numbers that have been collected in clear defined steps characterized by a methodology of formulating hypotheses that are tested through controlled statistical analysis. In this study, we used the survey as a form of quantitative approach type. The confirmatory study approach was used to measure the impact of Talent Management Practices on Employee Engagement, as it allows a researcher more control over results. It does not allow for the investigation of new factors or values and does not address how factors are established and utilized. It only tests whether a model is true or not. The study was conducted in three months.

3.1 Research Model & Study Variables

There are four variables in the present study. The Independent variables of this research were developed from the extensive literature review. They are talent acquisition, talent development, and talent retention. The dependent variables used were measures of employee engagement.

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Figure 1: Research Model



3.2 Questionnaire

The study instrument is a questionnaire that consists of four parts. The first part contains questions of talent management practices. The second and third parts contain questions of employee engagement. The fourth part contains personal information. The statements are assessed by using the Likert five-point scale ranging from 1 ("highly agree") to 5 ("highly disagree"). The questionnaire was mainly inspired by Cho, (2004). In order to assess the reliability, the reliability coefficient was calculated by using Cronbach's alpha, as seen in table 2 that the values of Cronbach's alpha for the variables under study exceed 0.7, which is an acceptable level for the reliability of the variables.

Table 2: Reliability analysis	
Study Variables	Cronbach's alpha
Talent Acquisition Evaluation	0.825
Talent Development Evaluation	0.862
Talent Retention	0.795
Employee Engagement	0.798

3.3 Sample and Population

The population is the logistics services sector in Egypt. Two Independent convenient samples working in the logistics sector are drawn with the following characteristics. First, the Division category group sample regarding Gender (5.8% warehousing, 94.2% freight). Second, the sample regarding Department consists of 269 employees (Ocean Operation 26.10%, Air Operation 2.9%, Custom Clearance 11.6%, Commercial 1.4%, Transportation 11.6%, Human Resources 11.5%, Projects 8.7%, Finance 8.7%, Process & Audit 5.8%, Management 11.6%). The third sample regarding Position Level consists of 269 employees (Senior Manager 2.9%, Manager 21.7%, Assistant Manager 11.6%, Supervisor 43.4%, Executive 20.3%). The fourth sample regarding Gender consists of 269 employees (79.7% male, 20.3% female). Fifth sample regarding Experience group (less than 2 years' experience 26.1%, from 2-5 years 37.7%, from 5-10 years 27.5%, more than 10 years 8.7%). Sixth group regarding Age group (37.7% are aged less than 30 years, 50.7% are aged from 30-39 years, and 11.6% are aged more than 40 years).

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The sample size was estimated according to (Tabachnick & Fidell, 2007) formula:

$$N > 50 + 8M$$

N=number of participants

M=no. of IVs

$$N > 50 + 8 \times 3$$

$$N > 74$$

Therefore, 500 questionnaires were distributed; only 320 were returned and 269 out of them were correctly filled.

4. The Findings

Correlation analysis is conducted to assess the relationship between variables under study and each other, and talent management practices are tested to check their significance and impact on employee engagement. As mentioned in table 3, it was found that there is a strong positive significant correlation between employee engagement and talent management practices as follows: talent acquisition ($r=0.23$, $n=399$, $p=.029$), talent development ($r=0.64$, $n=399$, $p=0.00$), and talent retention ($r=0.535$, $n=399$, $p=0.000$). But regarding the correlation between the independent variables as seen in Table 4, it is notable that there is a strong positive correlation between the variables which cause a multicollinearity problem which will make the result not reliable.

This will lead the researcher to use stepwise regression to be able to check which variables to delete its correlated variables.

Table 3: Means, Standard deviations,& correlations between Employee Engagement & Talent management

Measure	Mean	SD	1	2	3	4
1.Employee engagement	57.28	6.85	-			
2.Talent acquisition	15.09	3.17	0.23*	-		
3.Talent development	22.65	7.67	0.64**	0.57**	-	
4.Talent retention	90.07	17.07	0.53**	0.70**	0.82**	-

Notes: $p^* < 0.05$, $p^{***} < 0.01$,

4.1 Stepwise Regression:

Adjusted R Square (the adjusted coefficient of determination) is an indicator of how well the model fits the data.

From table 3, it is clear that the talent development and talent retention are not significant since the significance levels of the t-test are greater than 0.05, and the model is suffering from a multicollinearity problem. A stepwise regression was performed in order to assess if the model significantly predicted employee engagement. The results of the stepwise regression are indicated in table (4) as follows.

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Table 4: Summary of stepwise regression analysis for variables predicting employee engagement (N=269)

	Model		
Variable	B	SEB	β
Constant	44.36	2.01	
Talent development	0.57	0.08	0.64
R2	0.41		
Fsig change	0.00		

The stepwise regression discards two variables, which are talent acquisition and talent retention. This means that talent development is the only significant variable that affects employee engagement and it explains 41% of the variance of employee engagement.

The table above proposes the following model:

$$\text{Employee engagement} = 44.36 + 0.57 * \text{talent development}$$

In order to have a deeper look at the demographic characteristics, correlation analysis was conducted to assess the relationship between demographic characteristics and employee engagement. As mentioned in table (5), it was found that there is a positive significant correlation between employee engagement & years of experience ($r=0.271$, $n=269$, $p=.024$), but regarding the correlation between other demographic characteristics and employee engagement, it noted weak and no significant relation as mentioned in table (5) below.

Table 5: Means, Standard deviations, & correlations between Employee Engagement & Demographic Characteristics							
Measure	Mean	SD	1	2	3	4	5
1. Employee engagement	57.28	6.85	.				
2. Experience	2.14	0.91	.271*	.			
3. Position	2.97	0.93	0.00	-.184-	.		
4. Age	1.74	0.65	-.066-	.357**	.084-	.	
5. Gender	1.24	0.43	0.02	0.13	.055-	.135-	.

Notes: $p^* < 0.05$, $p^{***} < 0.01$,

5. Summary and Conclusions

From the previous result analysis, it is concluded that there is a significant relationship between talent management practices and employee engagement level. Talent development process is the process that most affects employee engagement and explains the variance in employee engagement level. These results disagree with a study conducted by Gill (2007) who concluded that there is a significant positive relationship between talent acquisition and employee engagement. In addition, the results of the current study agree with the results of Schaufeli and Salanova (2005) who indicated that providing an employee with a development plan would lead to increased work engagement.

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Also, regarding the relationship between the demographic characteristics and employee engagement level, it was found that the only experience is positively related to employee engagement level. So it is recommended for organizations to enhance the talent development process by focusing on employee training and career development, giving them formal and informal training and enhancing their skills in order to have a talented pool to gain its competitive advantage according to the resource-based theory.

Although this study made several results and analysis for talent management practices, it has many limitations. First, although the sample size of this study has met the minimum required sample size, the sample size of 269 is not sufficient to apply the findings to a similar company. Second, adding to sampling limitations, our model can be easily generalized to other problems with some modifications. However, due to the fact that it is a case study, the results may not be applicable to be generalized to the whole industry either inside or outside Egypt.

Third, this study employed one outcome related to human resources outcomes, which is general employee engagement. However, this indicator is not sufficient to reflect overall organizational performance since human resources outcomes indicators is considered as one part of four parts of organization performance according to Dyer & Reeves (1995). This is because it was not feasible to gather data on organizational performance from a third party or archival databases for private companies. Future research should elaborate on the indicators of an organization's performance that do or do not have direct effects. These include indicators of productivity, quality service, customer satisfaction, and company ROI.

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