

## RESEARCH PAPER

# The Impact of Human Resources Management Practices on Institutional Performance in Jordanian Pharmaceutical Companies: Moderating Role of Talent Management

Atallah Alsharah \*

Received 24 August 2023; Revised 18 October 2023; Accepted 21 November 2023;  
© Iran University of Science and Technology 2023

## ABSTRACT

*In developing countries, Human Resources (HR) is considered one of the most important factors that lead to the improvement and successful organization of employee performance. Human Resources Management (HRM) practices play an effective role in this performance, as this is evident through the impact of talent management on HRM practices, which leads to increasing and improving the production process for employees and making them possess high quality. Given the importance of this topic, the current study aims to determine the impact of the moderating role of Talent Management (TM) on HRM practices, which include good training, recruitment, performance evaluation, and remuneration system, on the institutional performance (IP) of Jordanian pharmaceutical companies. The study population includes employees of 13 pharmaceutical companies listed on the Amman Stock Exchange in Jordan. A random sample of 250 employees was taken. An electronic questionnaire was sent to the employees via e-mail. The 216 valid questionnaires were found, and the response rate was 86%. Two approaches, descriptive and analytical, were used due to their suitability to the nature of this work. The results obtained indicated that there is a significant positive impact of HRM practices (recruitment, training, performance evaluation, and remuneration system) on IP in Jordanian pharmaceutical companies. In addition, it was found that there is a positive impact of the moderating role of TM on the relationship between HRM practices and IP in these companies. Our study recommends that HRM practices can be used as strategic tools to align with long-term goals, invest in high-potential employees, provide performance growth opportunities, and create a collaborative work environment.*

**KEYWORDS:** Human resources management practices; Institutional performance; Talent management; Jordan; Pharmaceutical companies.

## 1. Introduction

Recently, there has been an increase in the number of companies working in various directions to meet the labor market. In light of this, these companies seek to compete for the top positions in customer satisfaction by working to improve the quality of their products. This requires the administration and responsible authorities to find different ways to enhance this, including paying attention to its HR and increasing interest in them to improve the performance of a corporation in various aspects. Moreover, companies seek to create an environment characterized by continuous change and excellence, as well as

progress in their products, whether through technological use or by benefiting from the expertise of their human resources.

Accordingly, effective management of HR becomes extremely important through the training programs and activities it provides and the use of a financial reward system aimed at motivating employees [1], [2], improving their skills, enhancing their performance and productivity, and align their efforts with organizational objectives [3].

HRM is primarily concerned with managing people working within organizations, institutions,

\* Corresponding author: Atallah Alsharah  
[aaalshera@imamu.edu.sa](mailto:aaalshera@imamu.edu.sa)

Department of Business Administration, Faculty of Business, Imam Muhammad Ibn Saud Islamic University, Riyadh, 11623, Saudi Arabia

or companies, taking into account their policies and systems. Its core responsibilities involve training, organization, evaluation, salaries, and benefits. The overall objective of this management approach is to facilitate the development of the institution or organization through its workforce, recognizing the value of the human element as its capital. HRM specialists care about the individual himself and work to train and develop him continuously through training and evaluation programs and reward programs [4], [5]. HRM is also known as a vital activity for corporate leaders because it involves managing people and organizing resources around them. So, it is a methodical and consistent approach to managing an organization's most valuable assets. Employees are the ones who devote their efforts to achieving its goals individually and collectively. So, the HRM is responsible for scheduling, coordinating, managing, and monitoring recruitment, development, and resources to accomplish individual and organizational objectives [6].

TM is a scientific discipline that encompasses the latest concepts in talent development, management, investment, and retention. Unlike traditional HRM, which focuses on individual competence or skill, TM prioritizes talent and aligns with advanced strategic direction in selecting talent owners [7]. The traditional approach to HRM, on the other hand, is a traditional principle that primarily focuses on managing employee relations without recognizing the significance of talent in enhancing the overall work system. TM, also known as HRM, involves the recruitment, supervision, evaluation, development, and retention of employees as the company's main asset [7]. It encompasses various practical competencies and goes beyond simple employee appraisals, recruitment processes, or performance management. It is a comprehensive system that aims to effectively manage the company's talented resources [7]. Within the realm of HRM, TM has gained prominence as a strategic approach to nurturing and leveraging exceptional employees within an organization [8] which involves identifying high-potential individuals, providing them with opportunities for growth and development, and ensuring their retention [9].

Jordanian pharmaceutical companies face many obstacles in the contemporary business landscape characterized by rapid transformations. These challenges include increasing market competition, technological advancement, and increasing customer expectations [10]. Therefore, financial institutions must implement effective HRM strategies to improve operational efficiency and remain competitive [11], which can include a variety of activities including training, selection programs, recruitment, performance management, compensation and benefits programs [12].

HRM gains great importance in various aspects, as it gains its importance from the fact that it cares about the employee himself by meeting his social needs. It strives to maintain a balance between job requirements, qualifications, and the pool of job seekers. As well as providing suitable job opportunities for him. Also providing opportunities for personal development and improving work skills. Effective employee motivation and efficient resource utilization are essential for an organization to achieve all its objectives.

Accordingly, in our current study, we strive to achieve the following objectives:

- Identifying the impact of HRM practices on IP in pharmaceutical companies in Jordan.
- Identifying the moderating role of TM in HRM practices on IP in pharmaceutical companies in Jordan.

## 2. Literature Review

### 2.1. Institutional performance

The concept of institutional performance pertains to the standard of public service delivery exhibited by different categories of formal organizations involved in formulating, implementing, or regulating public-sector operations and the private provision of commodities for the consumer [13]. Several often-used indicators include public confidence in institutions, which is typically assessed using survey questions that gauge respondents' levels of trust and satisfaction with different organizations [14]. Also, many studies have shown that there is a positive relationship between HRM practices and organizational performance, which helps in raising and improving productivity and increasing work rates [15]. Djaelani et al. also indicated that good performance from employees will have a good impact on the company and employees [16].

### 2.2. Human resources management

**practices**

HR is considered one of the organization's most important assets because they support it in achieving its objectives efficiently and effectively. HRM practices can be activities aimed at managing human capital in a way that helps achieve the institution's or organization's goals [17]. It is of high importance because it is concerned with putting employees in the right and appropriate place to employ their expertise properly, which positively affects the performance of the institution or organization helps to best utilize HR, and boosts organizational competitiveness [18]. HRM practices are applied and used in organizations to attract, select, appoint, train, and develop employees and involve them in the in process of identifying and making decisions which may help in determining and raising the level of employee satisfaction and retaining them in the organization [19]. Therefore, we will identify HRM practices and their impact on organizational performance, such as recruitment, training, performance evaluation, and remuneration.

**2.2.1. Recruitment**

The main goal of recruitment practices is attraction and selection where attraction means the organization's attempt to attract the largest number of individuals to apply for the job, while selection is the practice by which the best applicants for this job are selected [20], to recruit employees who are appropriate to the company's culture, values, and beliefs and who can then make a significant contribution to organizational performance [21]. Recruitment is the process through which individuals who have the ability to apply for a job in the organization are attracted and then selecting suitable individuals from them to be appointed according to the policy of the organization or institution and possess the necessary skill, experience, and adaptability to meet the job requirements and fit well within the company's policy. This ensures that individuals with the required abilities and qualities are selected to thrive in a dynamic environment [22]. In HRM, it is recommended to utilize a group that includes a small number of employees in new positions. Additionally, the selection process for choosing

workers should consider various factors, including salary. This approach has been praised for its emphasis on results, effectiveness, profitability, and management support, as well as the prioritization of greater efficiency [23].

**2.2.2. Training**

Training is the act of teaching an individual's specific skills or behaviors. It encompasses the various methods employed to equip new or existing employees with the abilities, skills, knowledge, and behaviors to carry out the work assigned to them and their job duties in an integrated manner and to complete them successfully as well as their future promotions [24]. So, knowledgeable and highly skilled personnel will support productivity and improve the quality of goods and services [25], [26]. As well, training and development help support and enhance the internal brand of the organization [27], [28]. Training aims to enhance capabilities, abilities, productivity, and performance. Additionally, training has a positive correlation with job satisfaction, which in turn positively impacts organizational performance. As tasks become more complex, acquiring modern skills becomes necessary. Job satisfaction is an important factor that we consider a mediating variable. However, it has received relatively little attention in the fields of economics and industrial relations.

**2.2.3. Performance evaluation**

Performance evaluation can be defined as the process of evaluating how well employees perform their tasks against a set of standards [29]. The practice of performance evaluation is an essential and integral part of any organization. It is commonly used to incentivize and measure the performance of employees. Additionally, performance appraisals can also provide insights into the perceptions, preferences, beliefs, and areas of development of employees in relation to organizational goals. This helps to create a sense of value and belonging within the organization, leading to increased commitment from employees [30]. Performance evaluation is an important tool for reviewing deviations between organizational expectations, employee trends, and their real behavior at work. It is part of a system that includes multifaceted activities, beginning with

defining basic tool indicators, then setting goals and evaluating performance, and ending with imitating and providing feedback to employees about their performance [31].

#### **2.2.4. Remuneration**

Incentives are defined as the reward system that is given to an employee as a result of performing a specific job at a high level of mastery. The reward system varies according to the type of work and the results obtained, and it also depends on the organization's policy. The International Labor Office defines incentives as payments for results. The system of incentives and rewards aims to increase production and productivity as well. Remuneration and incentives are cumulative monetary and non-monetary rewards paid to employees for their efforts [32]. Employees perceive incentives to be fair if they are in line with their contribution to the organization in terms of their performance [33]. In addition, remuneration has a positive effect on employees and increases motivation, which helps them complete the required tasks correctly as a result of their feeling that the organization appreciates their efforts to reach organizational goals [34], [35]. Thus, the remuneration system is one of the prominent and important features of HRM, and it is seen as a system that plays a prominent role in implementing strategies.

#### **2.3. Talent management**

TM encompasses the strategic activities of attracting, maintaining, developing, and motivating proficient people who have the capability to make valuable contributions toward the achievement of an organization's objectives and overall performance [9]. TM is crucial to hiring competent leaders, managers, and employees. The significance of this factor lies in its potential to boost organizational performance, foster innovation, mitigate attrition rates, and bolster company branding. TM encompasses five primary domains, namely: talent acquisition and selection, employee development and growth, performance management and recognition, customization of the employee journey, and optimization of workforce planning and strategic initiatives [36]. Effective management of talent

necessitates the implementation of a strategic approach that takes into account the unique requirements and circumstances of individual organizations. Furthermore, the successful implementation of this initiative necessitates a synergistic partnership between the HR department and the organizational executives. Additionally, the active participation and endorsement of all staff members are necessary [37]. Utilizing a strategic approach helps to achieve outstanding accomplishments for the organization and overcome various challenges and difficulties [38]. For instance, filling the most critical tasks in the company can be challenging when there are few competent professionals in the labor market, but attracting and retaining skilled workers can be successful [39]. It makes the institution attractive to talented individuals and ensures successful succession planning, which helps fill vacant jobs using the institution's internal resources. It also affects individual performance and the organization's competitive edge [40]. Many scholars and academics agree that TM can help organizations grow talent internally rather than externally by developing performance and using workers in a way that supports self-directed learning [41]. Glaister et al. demonstrated that TM plays a crucial role as a transmission mechanism in the relationship representing the association of HRM with corporate performance [42]. Specifically, the authors found that when TM is centered around a set of practices that aim to foster the development of worker networks and social capital, it enhances the overall performance of the organization [42]. They found an alignment between HRM strategy and business strategy has been found to enhance performance impacts [42]. However, it is important to note that while this alignment is beneficial, it is not a necessary component in the relationship between HRM, TM, and performance.

#### **2.4. Moderating role of talent management**

Al Awadhi and Muslim showed a clear understanding of TM and its impact on the most important sectors in the United Arab Emirates, which is the public sector. With a focus on



staffing, selection, training, empowerment, compensation, performance appraisal, and career development [7]. There are challenges that companies face in order to retain employees, some of which are imposed by the operating work environment, and therefore the strategies used to retain them depend on these challenges. It seeks to demonstrate that TM is crucial for the success of organizations, backed by scientific concepts and literature. Additionally, it highlights the strategic and essential role of TM in increasing production rates and achieving institutional effectiveness, while creating an environment of appealing work that attracts employees and thus helps reduce their turnover rates. The study found an effect of the moderating role of TM, in the field of training and development, recruitment and selection, compensation, empowerment, performance appraisal, and career development on succession planning. Moreover, Mattalatta and Andriani found in their work: Firstly, the implementation of HRM demonstrates a noteworthy and favorable impact on TM [43]. Secondly, the implementation of HRM does not exhibit a direct influence on organizational performance. Lastly, TM displays a substantial and positive effect on organizational performance [43]. The results of this study can be used by decision-makers and resource management leaders to effectively implement resource management strategies. Specifically, they can improve organizational performance by integrating TM practices. Also, Glaister et al. demonstrated that TM plays a crucial role as a transmission mechanism in the link between HRM and firm performance [42]. Specifically, the authors found that when TM is centered around a set of practices that aim to foster the development of worker networks and social capital, it enhances the overall performance of the organization [42]. The alignment between HRM strategy and business strategy has been found to enhance performance impacts. However, it is important to note that while this alignment is beneficial, it is not

a necessary component in the relationship between HRM, TM, and performance.

### 3. Research variable

Independent variable:

- HRM practices (recruitment, training, performance evaluation, and remuneration).
- Talent management.

Dependent variable:

- Institutional performance.

### 4. Research Hypotheses

#### **Human resources management practices and institutional performance**

To analyze the effect of HRM practices on IP in Jordanian pharmaceutical companies, the researcher has developed the following hypotheses (Fig. 1):

**H1:** There is a statistically significant effect at level ( $\alpha \leq 0.05$ ) of HRM practices on IP in Jordanian pharmaceutical companies.

There are sub-hypotheses that emerge from this hypothesis, which are as follows:

**H1.1:** There is a statistically significant effect at level ( $\alpha \leq 0.05$ ) of recruitment on IP in Jordanian pharmaceutical companies.

**H1.2:** There is a statistically significant effect at level ( $\alpha \leq 0.05$ ) of training on IP in Jordanian pharmaceutical companies.

**H1.3:** There is a statistically significant effect at level ( $\alpha \leq 0.05$ ) of performance evaluation on IP in Jordanian pharmaceutical companies.

**H1.4:** There is a statistically significant effect at level ( $\alpha \leq 0.05$ ) of the remuneration system on IP in Jordanian pharmaceutical companies.

Based on the previous hypotheses, the following main hypothesis can be obtained:

**H2:** There is a statistically significant effect at level ( $\alpha \leq 0.05$ ) of the moderate role of TM in HRM practices on IP in Jordanian pharmaceutical companies.

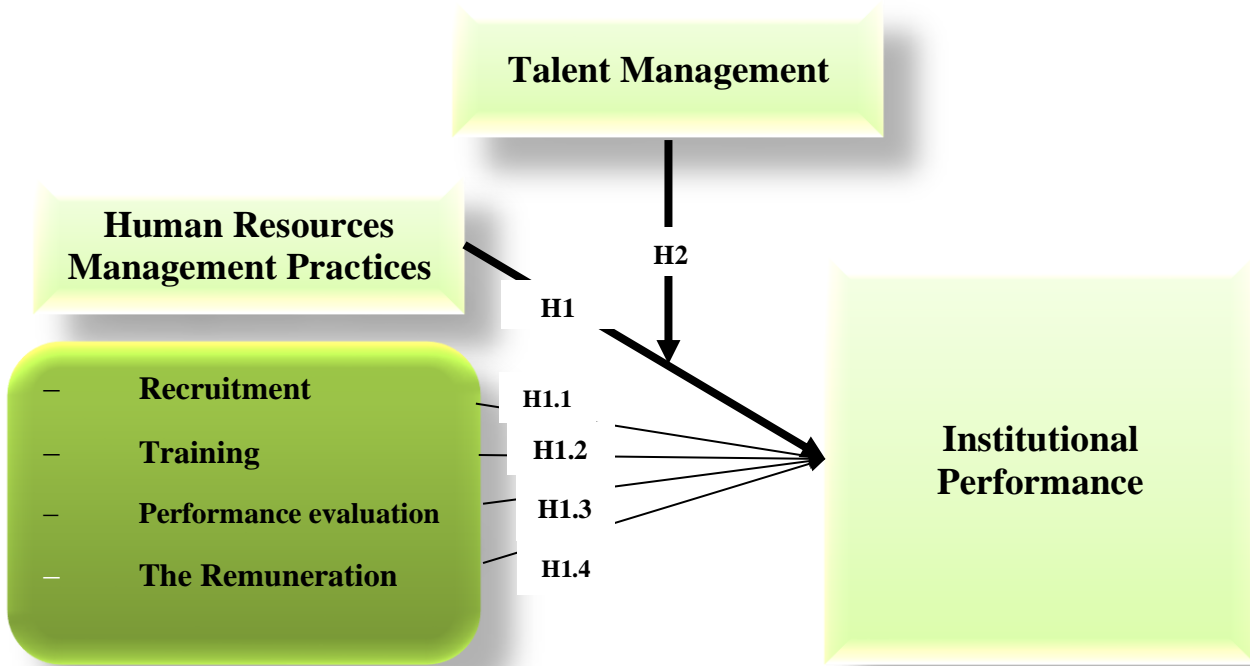


Fig. 1. Theoretical Research Model

### 5. Research Methodology

To collect the information for our work and build an appropriate questionnaire that was needed to complete the study's objectives, two different sources were used. The secondary sources were used for theoretical and scientific literature. These sources played a crucial role in helping researchers gather the information they needed to build the study's theoretical framework, refine its goals, and review key findings. Additionally, they were extremely important in developing the study's hypotheses and enhancing the conversation. Books, university theses, scholarly research articles, peer-reviewed magazines, and academic works published in both Arabic and English comprised the secondary sources. The target population of this research consists of all 13 Jordanian pharmaceutical companies listed on the Amman Stock Exchange. Due to the relatively large population of this study and the difficulty of reaching all the workers in these companies (population of research), the time available for data collection is also limited. So random samples consisting of 250 employees were taken. The electronic questionnaire was sent to the study sample members through the website and e-mail. From the 250 questionnaires distributed to the sample of the study, the total response rate was 86% (216 questionnaires) which was valid to complete the work and statistical analysis. Also, the study utilized a descriptive and analytical

approach to gather data, test hypotheses, and address research questions pertaining to the current state of the study subject. The analytical descriptive method was employed to evaluate the target population, encompassing attitudes, opinions, demographic information, conditions, and procedures.

In addition, we utilized structural equation modeling (SEM) to investigate the impact of variables on each other (independent and dependent variables). SEM is a powerful technique that provides a quick and clear understanding of the relationships between multiple variables. SEM is one of the second-generation statistical techniques and one of the most common analytical strategies. It is used to understand and explain the structure and connections of underlying phenomena, thus it meets the growing demand of researchers and academics in the field of social sciences [44].

#### 5.1. Reliability test

To ensure that the questionnaire's items were reliable and consistent, the Cronbach's alpha value was determined. The value is statistically acceptable if the result is more than 0.70, and the closer it is to one (or 100%), the more reliable it will be [45]. The reliability analysis of the present work was shown in Table 1. It was found that the Cronbach Alpha for all items ranged from 0.727 to 0.940, which was greater than 0.7 (Table 1). This

means the IP was reliable, the study tool is reliable, and it has been taken into account.

**Tab. 1. Shows the reliability analysis by Cronbach’s Alpha Coefficient**

Items	Number of items	Alpha Cronbach (N=216)
Recruitment	5	0.760
Training	5	0.800
Performance Evaluation	5	0.727
Remuneration System	5	0.814
Human Resource Management Practices	20	0.940
Institutional Performance	10	0.862
Talent Management	10	0.939
Total	40	0.938

**6. Results**

The results of the first hypothesis of the current study are shown in Table 2. These results were obtained by applying multilinear regression analysis and analysis of variance (ANOVA). The

results indicated that there is a statistically significant positive impact of HRM practices on IP in Jordanian pharmaceutical companies, as the value of both the correlation and determination coefficient were (R=0.839) and (R<sup>2</sup>=0.704) respectively (Table 2).

**Tab. 2. Shows the results of the first hypothesis**

Item	linear regression coefficient		ANOVA	
	R	R <sup>2</sup>	F	Sig F*
Institutional performance	0.839	0.704	125.633	∗∗∗∗

The effect is statistically significant at the level ( $\alpha \leq 0.05$ )

This indicates that HRM practices affected IP, as the percentage of change in it reached (70.4%). The results of Table 2 also show the importance of the model, where the value of both F and the level of significance were (125.633) and (Sig F = 0.000) respectively. We also noticed that the value of the significance level was much less than 0.05. Regarding the results of the sub-hypotheses, the results of the regression coefficient values related to the HRM practices variable were obtained, shown in Table 3. The results showed that the value of both B and T calculated of the dimension of recruitment were (0.219) and (4.430),

respectively, with a significance level (0.000). While the value of both B and T calculated of the dimension of training were (0.399) and (6.975), respectively, and at a significance level (0.000). The value of both B and T calculated of the dimension of performance evaluation were (0.283) and (4.144), respectively, with a significance level was (0.000), and also the value of both B and T calculated of the dimension of remuneration system were (0.208) and (3.588), respectively, with a significance level (0.000). All these results are shown in Table 3.

**Tab. 3. Shows the results of the sub-hypothesis**

Human resource management practices (sub-dimension)	Regression coefficients			
	B	standard error	T	Sig T*
Recruitment	0.219	0.050	4.430	0.000
Training	0.399	0.057	6.975	0.000

8 **The Impact of Human Resources Management Practices on Institutional Performance in Jordanian Pharmaceutical Companies: Moderating Role of Talent Management**

Performance Evaluation	0.283	0.068	4.144	0.000
Remuneration System	0.208	0.058	3.588	0.000

\*The effect is statistically significant at the level ( $\alpha \leq 0.05$ ).

To study the correlation coefficient between the sub-dimension and the dimension IP the linear regression coefficient, ANOVA, and T-value were used. Regarding the results of the first sub-dimension, which explains the relationship between recruitment and IP, the value of the correlation coefficient R was (0.524) and the value of the coefficient of determination R<sup>2</sup> was (0.274).

When all variables remain constant, these values indicate that the domain of recruitment affects (27.4%) of the variance in IP. While the value of the regression coefficient F was (80.800) at the confidence level (sig = 0.000), and this indicates the importance of the regression value at the significance level ( $\alpha \leq 0.05$ ). All these results are shown in Table 4.

**Tab. 4. Shows the results of the correlation coefficient**

Human resource management practices (sub-dimension)	linear regression coefficient		ANOVA			Coefficients		
	R	R <sup>2</sup>	F	Sig F*	B	standard error	T	Sig T*
Recruitment	0.524	0.274	80.800	0.000	0.566	0.063	8.989	0.000
Training	0.755	0.570	284.194	0.000	0.788	0.047	16.858	0.000
Performance Evaluation	0.678	0.459	181.600	0.000	0.805	0.060	13.476	0.000
Remuneration System	0.707	0.500	213.804	0.000	0.702	0.048	14.622	0.000

\*The effect is statistically significant at the level ( $\alpha \leq 0.05$ ).

Also, from Table 4 we obtained the results of the second sub-dimension, which explains the relationship between dimension of training and dimension of IP, the value of R was (0.755) and the value of R<sup>2</sup> was (0.570). When all variables remain constant, these values indicate that the domain of training affects (57%) of the variance in IP. While the value of F was (284.194) at the confidence level (sig = 0.000), and this indicates the importance of the regression value at the significance level ( $\alpha \leq 0.05$ ). In addition, we obtained the results of the third sub-dimension, which explains the relationship between dimension of performance evaluation and dimension of IP, the value of R was (0.678) and the value of R<sup>2</sup> was (0.459). When all variables remain constant, these values indicate that the domain of performance evaluation affects (45.9%) of the variance in IP. While the value of F was (181.600) at the confidence level (sig = 0.000),

and this indicates the importance of the regression value at the significance level ( $\alpha \leq 0.05$ ). Finally, we obtained the results of the fourth sub-dimension, which explains the relationship between dimension of remuneration system and dimension of IP, the value of R was (0.707) and the value of R<sup>2</sup> was (0.500). When all variables remain constant, these values indicate that the domain of remuneration system impacts (50%) of the variance in IP. While the value of F was (213.804) at the confidence level (sig = 0.000), and this indicates the importance of the regression value at the significance level ( $\alpha \leq 0.05$ ).

The results of the second hypothesis of the current study are shown in Table 5. These results were obtained by using Structural Equation Modeling (SEM). It was used to study the impact of HR on IP in the presence of TM as a moderate variable in Jordanian pharmaceutical companies and its relation with each other.

**Tab. 5. Shows the results of the impact of HR on IP in the presence of TM as a moderate variable.**



CMIN/DF	AGF <sub>I</sub>	CFI	RMSEA	Direct effect	Indirect effect	Total effect	C.R	S. E	P	
				HR-- IP	0.549	0.146	0.695	12.83	0.043	**
4.85	0.861	0.905	0.047	HR --TM	0.496	--	0.496	12.19	0.041	**
				TM-- IP	0.296	--	0.296	7.017	0.042	**

Table 5 shows the results of the structural equation modeling (SEM) of the impact of HR on IP in the presence of TM as a moderate variable in Jordanian pharmaceutical companies, the results of this statistical analysis showed a statistically significant effect of HR on IP with the TM as a moderate variable in Jordanian pharmaceutical companies. The calculated chi-square to degrees of freedom (CMIN/DF) value reached (4.85) at a level of significance (0.2), which is a value indicating the presence of no statistically significant differences in the sense that there is a match between the study data model (real) and the hypothetical model. According to the results of this indicator, the comparative Fit index reached (CFI) was (0.905), which is close to the value of the one true. The root mean square error of the approximation averages (RMSEA) reached (0.047), which is a value that falls within the acceptable range of this indicator. Therefore, it can be judged that the data of this model indicate a high-quality match. In addition, results were obtained regarding the values of the direct and indirect impact of the relationship of the moderate variable (TM) for Jordanian pharmaceutical companies on the relationship between HR and IP. The value of the direct impact of HR on TM reached 0.496, which indicates that HR affect TM. Therefore, the increased interest in HR would have an impact on the dimensions of TM and

development. In the same context, the direct impact of the dimensions of TM on IP was 0.296, which indicates that TM dimensions have an impact on IP. Therefore, increased attention to TM will have a good effect on IP. In the same way, the direct impact of the dimensions of HR on IP 0.549 indicates that the HR effects on IP and thus increased attention to the dimensions of HR will have an impact on IP. These effects have been expressed using standard values, where it is noticed that the effect of the median in the function was statistically significant because it is less than ( $p < .05$ ), which means that there is an indirect effect of the moderating variable statistically amounting to (0.146). So, the total effect of the independent variable on the function becomes the presence of the moderator (0.695). The effect of the moderating variable was statistically significant, then we consider in this case that there is an impact of the moderating variable on the relationship between the independent and dependent variable, the moderation is partial because a human resource has both direct (HR--IP) and indirect (HR --TM -- IP) effects on IP. Accordingly, the hypothesis of the study is accepted as it was found that there is a positive impact of the moderating role of TM on the relationship between HRM practices on IP in Jordanian pharmaceutical companies. Fig. 2 shows the structural model of various variables.

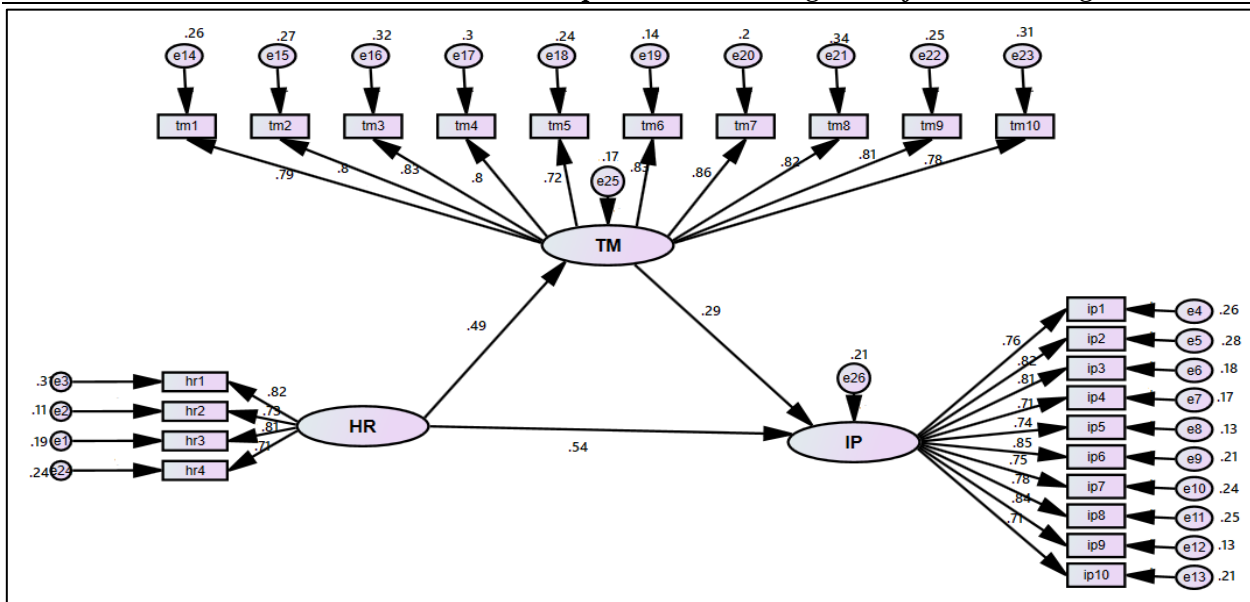


Fig. 2. Structural equation model. moderating variable (talent management (TM)) effect on the relationship between human resource (HR) and institutional performance (IP)

7. Discussion

This study examines the impact of HRM practices on IP in Jordanian pharmaceutical companies in the presence of the moderating role of TM. The results showed that there is a statistically significant positive impact of HRM practices on IP in Jordanian pharmaceutical companies. Whereas the field of recruitment explained (27.4%) of the variance in IP when all other variables remained constant, that indicated the dimension of recruitment does not have a great effect on IP, as the results found. This result is consistent with the results of a study by Zhao et al. [46], which shows the impact of recruitment on IP.

The sub-dimension of training explained 57% of the variance in IP, indicating the importance of training that helps in the improvement of IP. While the other two sub-dimensions (performance evaluation and remuneration system) got a value of less than 57%, but it is considered a high rate. The variable of remuneration obtained value was 50%, which indicated the usefulness of rewards in the institutional system, and the employees try to work at the best level to obtain any kind of reward. A number of studies have supported this result, as Papademetriou et al. provide evidence that there is a strong correlation between HRM strategies and organizational performance [47]. Also, the results of Otoo indicate that some HRM practices impact organizational performance through their influence on employee competencies [48]. Hung's study indicated a significant and direct relationship between corporate social responsibility and organizational success [49]. In

the same way, Papademetriou et al. study also, indicated the effects of sustainable HRM practices on customer satisfaction, service quality, and organizational performance [47]. Additionally, this result are consistent with the results of several previous studies [50], [51], [52], [53].

Anwar and Abdullah indicated that all hypotheses pertaining to the dimensions of HRM (specifically, employee incentives, employee training, selective hiring (recruitment), and job security) were rejected, with the exception of the fifth hypothesis [1]. This particular hypothesis posited that there is a positive correlation between decentralization and organizational performance. Therefore, it may be inferred that there exists a favorable correlation.

In addition, it was found that there is a positive impact of the moderating role of TM on the relationship between HRM practices on IP in Jordanian pharmaceutical companies. These results agree with the study conducted by Al Awadhi and Muslim found the effect of the moderating role of TM, recruitment and selection framework, performance appraisal, compensation, empowerment, and career development for succession planning [7]. Also, it is in agreement with Mattalatta and Andriani study, they found a positive effect between TM and organizational performance [43], as well agree with Glaister et al. [42] study.

8. Conclusion

This research aimed to explore the impact of human resources management on institutional

performance in Jordanian pharmaceutical businesses. The results show that talent management significantly enhances the positive influence of HR practices on institutional performance. Moreover, prioritizing the discovery and development of talented individuals is crucial for fostering an environment that allows high-potential workers to contribute to the company's growth and success. It also highlights the need for efficient human resource procedures and talent management in organizational plans. This study emphasizes the role of talent management as a mediator in the relationship between human resources practices and organizational performance. One of the methods that can be used in talent management is to identify individuals with high potential, develop their skills, and provide them with opportunities, which contributes to improving the organization's performance.

### 9. Recommendations

- Expanding this research to include examining other industrial sectors and considering alternative organizational factors
- Enhancing recruiting and selection procedures, investing in staff training and development, aligning performance management systems with organizational goals, and implementing competitive remuneration and benefits packages to improve institutional performance are required.
- Performance management processes should be designed to motivate and reward employees based on their contributions to organizational objectives.
- Offering flexible work, work-life balance initiatives, and recognition programs helps contribute to employee satisfaction.
- Promoting a collaborative and innovative work environment encourages employees to contribute their ideas and expertise.
- This study recommends that organizations view HR practices as strategic tools that align with their long-term objectives, investing in identifying high-potential employees and providing growth opportunities.

### 10. Academic Contribution

This study enhances the understanding of institutional performance by offering empirical evidence on the relationship between HR practices, talent management, and institutional performance in pharmaceutical firms in Jordan.

Also, it explained the benefits of compensations and rewards for attracting and retaining top talent in the pharmaceutical industry and other fields. This research provides evidence that there is a strong correlation between human resource management strategies, talent management, and organizational performance.

### References

- [1] G. Anwar and N. N. Abdullah, The impact of Human resource management practice on Organizational performance. *International journal of Engineering, Business and Management (IJEEM)*, Vol. 5, No. 1, (2021), pp. 35-47.
- [2] S. F. Rasool, M. Samma, M. Wang, Y. Zhao and Y. Zhang, How human resource management practices translate into sustainable organizational performance: the mediating role of product, process and knowledge innovation. *Psychology research and behavior management*, (2019), pp. 1009-1025.
- [3] K. Moustaghfir, S. El Fatihi and M. Benouarrek, Human resource management practices, entrepreneurial orientation and firm performance: what is the link? *Measuring Business Excellence*, Vol. 24, No. 2, (2020), pp. 267-283.
- [4] M. A. Ali, The Human Resources Management HRM Practices in Jordanian Organizational Environment and the Imposing Difficulties. *Journal of Management Information and Decision Sciences*, Vol. 24, No. 65, (2021).
- [5] S. Garg, S. Sinha, A. K. Kar and M. Mani, A review of machine learning applications in human resource management. *International Journal of Productivity and Performance Management*, Vol. 71, No. 5, (2022), pp. 1590-1610.
- [6] H. A. K. Shaheen, L. I. M. Ahmad, A. S. K. Shakkour, R. K. Matahen and S. A. F. T. Al Azzeh, Human Resources Management Effectiveness and the Role of Quality Management: Empirical Study in Jordanian Pharmaceutical Companies. *International Journal of*

- Economics & Business Administration (IJEBA)*, Vol. 8, No. 4, (2020), pp. 44-59.
- [7] T. H. Al Awadhi and S. B. Muslim, Reviewing the relation between human resources practices, talent management and succession planning in UAE public sector. *Information Sciences Letters*, Vol. 12, No. 4, (2023), pp. 1271-1283.
- [8] S. Jooss, R. Burbach and H. Ruël, Examining talent pools as a core talent management practice in multinational corporations. *The International Journal of Human Resource Management*, Vol. 32, No. 11, (2021), pp. 2321-2352.
- [9] M. Kushwaha and S. Singh, Impact of Talent Management On Employee Productivity in The Enterprises. *EPRA International Journal of Economic and Business Review (JEBR)*, Vol. 11, No. 8, (2023), pp. 34-39.
- [10] H. S. S. Al-Qudah, Impact of ERP System Usage on Supply Chain Integration: A Structural Equation Modeling, Jordanian Pharmaceutical Manufacturing Case Study. *Journal of Economics and Business*, Vol. 3, No. 2, (2020), pp. 719-728.
- [11] H. H. Hamadamin and T. Atan, The impact of strategic human resource management practices on competitive advantage sustainability: The mediation of human capital development and employee commitment. *Sustainability*, Vol. 11, No. 20, (2019), pp. 01-19.
- [12] R. J. Sweis, K. Ogla, Y. Abdallat, G. J. Sweis, T. Suifan and R. Saleh, The impact of human resource management practices on organisational performance in construction companies in Jordan. *International Journal of Business Innovation and Research*, Vol. 23, No. 4, (2020), pp. 515-539.
- [13] S. U. Rehman, A. Bhatti and N. I. Chaudhry, Mediating effect of innovative culture and organizational learning between leadership styles at third-order and organizational performance in Malaysian SMEs. *Journal of Global Entrepreneurship Research*, Vol. 9, No. 1, (2019), pp. 01-24.
- [14] H. J. N. Utomo, I. Irwantoro, S. Wasesa, T. Purwati, R. Sembiring and A. Purwanto, Investigating The Role of Innovative Work Behavior, Organizational Trust, Perceived Organizational Support: An Empirical Study on SMEs Performance. *Journal of Law and Sustainable Development*, Vol. 11, No. 2, (2023), pp. e417-e417.
- [15] E. A. Sinambela, D. Darmawan and V. Mendrika, Effectiveness of Efforts to Establish Quality Human Resources in the Organization. *Journal of Marketing and Business Research (MARK)*, Vol. 2, No. 1, (2022), pp. 47-58.
- [16] M. Djaelani, E. A. Sinambela, D. Darmawan and R. Mardikaningsih, Strengthening the Culture of Occupational Safety and Health as a Contributor to the Formation of Construction Project Performance. *Journal of Marketing and Business Research*, Vol. 1, No. 2, (2021), pp. 59-70.
- [17] G. K. Stahl, C. J. Brewster, D. G. Collings and A. Hajro, Enhancing the role of human resource management in corporate sustainability and social responsibility: A multi-stakeholder, multidimensional approach to HRM. *Human Resource Management Review*, Vol. 30, No. 3, (2020), pp. 100708.
- [18] H. M. Alzoubi, T. M. Ghazal, N. Sahawneh and A. H. Al-kassem, Fuzzy assisted human resource management for supply chain management issues. *Annals of Operations Research*, Vol. 326, No. 3, (2022), pp. 01-19.
- [19] I. Tewari and M. Pant, Artificial intelligence reshaping human resource management: A review. In *2020 IEEE international conference on advent trends in multidisciplinary research and innovation (ICATMRI)*, (2020), pp. 1-4.
- [20] R. D. Johnson, D. L. Stone and K. M. Lukaszewski, The benefits of eHRM and



- AI for talent acquisition. *Journal of Tourism Futures*, Vol. 7, No. 1, (2020), pp. 40-52.
- [21] O. Allal-Chérif, A. Y. Aranega and R. C. Sánchez, Intelligent recruitment: How to identify, select, and retain talents from around the world using artificial intelligence. *Technological Forecasting and Social Change*, Vol. 169, (2021), pp. 120822.
- [22] N. H. Tien, R. J. S. Jose, S. E. Ullah and M. Sadiq, Development of human resource management activities in Vietnamese private companies. *Turkish Journal of Computer and Mathematics Education (TURCOMAT)*, Vol. 12, No. 14, (2021), pp. 4391-4401.
- [23] G. Anwar and I. Shukur, The impact of training and development on job satisfaction: a case study of private banks in Erbil. *International Journal of Social Sciences & Educational Studies*, Vol. 2, No. 1, (2015), pp. 65-72.
- [24] M. Mehmood, M. Awais, M. M. Afzal, I. Shahzadi and U. Khalid, The impact of human resource management practices on organizational performance. *International Journal of Engineering and Information Systems*, Vol. 1, No. 9, (2017), pp. 165-178.
- [25] B. Ozkeser, Impact of training on employee motivation in human resources management. *Procedia Computer Science*, Vol. 158, (2019), pp. 802-810.
- [26] C. Nguyen, The impact of training and development, job satisfaction and job performance on young employee retention. *Job Satisfaction and Job Performance on Young Employee Retention (May 1, 2020)*, Vol. 13, No. 3, (2020), pp. 373-386.
- [27] D. A. Siddiqui and N. Sahar, The impact of training & development and communication on employee engagement—A study of banking sector. *Business Management and Strategy*, Vol. 10, No. 1, (2019), pp. 23-40.
- [28] Z. T. K. Al Jubouri, The Role of Transformational Leadership for Human Resource Managers in Training and Development. *International Journal of Professional Business Review: Int. J. Prof. Bus. Rev.*, Vol. 8, No. 4, (2023), pp. 01-19.
- [29] J. Ugoani, Performance appraisal and its effect on employees' productivity in charitable organizations. *Business, management and economics research*, Vol. 6, No. 12, (2020), pp. 166-175.
- [30] V. Kadiresan, M. H. Selamat, S. ., Selladurai, C. S. Ramendran and R. K. M. H. Mohamed, Performance appraisal and training and development of human resource management practices (HRM) on organizational commitment and turnover intention. *Asian Social Science*, Vol. 11, No. 24, (2015), pp.162-176.
- [31] A. Arslan, C. Cooper, Z. Khan, I. Golgeci and I. Ali, Artificial intelligence and human workers interaction at team level: a conceptual assessment of the challenges and potential HRM strategies. *International Journal of Manpower*, Vol. 43, No. 1, (2022), pp. 75-88.
- [32] E. N. Kuuyelleh, M. Alqahtani, and E. Akanpaadgi, Exploring academic staff retention strategies: The case of Ghanaian technical universities. *SA Journal of Human Resource Management*, Vol. 20, (2022), pp. 01-11.
- [33] I. S. Fulmer and J. Li, Compensation, benefits, and total rewards: A bird's-eye (re) view. *Annual Review of Organizational Psychology and Organizational Behavior*, Vol. 9, No. 1, (2022), pp. 147-169.
- [34] A. AlHamad, M. Alshurideh, K. Alomari, B. Kurdi, H. Alzoubi, S. Hamouche and S. Al-Hawary, The effect of electronic human resources management on organizational health of telecommunications companies in Jordan. *International Journal of Data and*

- Network Science*, Vol. 6, No. 2, (2022), pp. 429-438.
- [35] D. D. Didit and N. R. S. Nikmah, The role of remuneration contribution and social support in organizational life to build work engagement. *Journal of Islamic Economics Perspectives*, Vol. 1, No. 2, (2020), pp. 20-32.
- [36] A. Malik, M. T. De Silva, P. Budhwar and N. R. Srikanth, Elevating talents' experience through innovative artificial intelligence-mediated knowledge sharing: Evidence from an IT-multinational enterprise. *Journal of International Management*, Vol. 27, No. 4, (2021), pp. 100871.
- [37] I. R. Mohamed Jais, N. Yahaya and E. K. Ghani, Talent Management in Higher Education Institutions: Developing Leadership Competencies. *Journal of Education and e-Learning Research*, Vol. 8, No. 1, (2021), pp. 8-15.
- [38] P. Hongal and U. Kinange, A study on talent management and its impact on organization performance-an empirical review. *International Journal of Engineering and Management Research*, Vol. 10, No. 1, (2020), pp. 64-71.
- [39] D. Abeuova and M. Muratbekova-Touron, Global talent management: Shaping the careers of internationally educated talents in developing markets. *Thunderbird International Business Review*, Vol. 61, No. 6, (2019), pp. 843-856.
- [40] M. Kaliannan, D. Darmalingam, M. Dorasamy and M. Abraham, Inclusive talent development as a key talent management approach: A systematic literature review. *Human Resource Management Review*, Vol. 33, No. 1, (2023), pp. 01-23.
- [41] F. Kravariti, K. Tasoulis, H. Scullion and M. K. Alali, Talent management and performance in the public sector: the role of organisational and line managerial support for development. *The International Journal of Human Resource Management*, Vol. 34, No. 9, (2023), pp. 1782-1807.
- [42] A. J. Glaister, G. , Karacay, M. Demirbag and E. Tatoglu, HRM and performance—The role of talent management as a transmission mechanism in an emerging market context. *Human Resource Management Journal*, Vol. 28, No. 1, (2018), pp. 148-166.
- [43] M. Mattalatta and Y. Andriani, Influence of Human Resource Management on Organizational Performance with Talent Management Mediation. *Innovation Business Management and Accounting Journal*, Vol. 2, No. 3, (2023), pp. 147-156.
- [44] Y. A. Wang and M. Rhemtulla, Power Analysis for Parameter Estimation in Structural Equation Modeling: A Discussion and Tutorial. *Advances in Methods and Practices in Psychological Science*, Vol. 4, No. 1, (2021), pp. 01-17.
- [45] U. Sekaran and R. Bougie, *Research methods for business: A skill building approach*. John Wiley & sons, (2016).
- [46] S. Zhao, Y. Liu and L. Zhou, How does a boundaryless mindset enhance expatriate job performance? The mediating role of proactive resource acquisition tactics and the moderating role of behavioural cultural intelligence. *The International Journal of Human Resource Management*, Vol. 31, No. 10, (2020), pp. 1333-1357.
- [47] C. Papademetriou, S. Anastasiadou and S. Papalexandris, The Effect of Sustainable Human Resource Management Practices on Customer Satisfaction, Service Quality, and Institutional Performance in Hotel Businesses. *Sustainability*, Vol. 15, No. 10, (2023), pp. 01-24.
- [48] F.N.K. Otoo, Human resource management (HRM) practices and organizational performance: The mediating role of employee competencies. *Employee Relations*, Vol. 41, No. 5, (2019), pp. 949-970.

- [49] N. T. Hung, Impact of Human Resource Management Practice on Organizational Performance: The Case of Food Processing Enterprises in Vietnam. In *Leadership-Advancing Great Leaders and Leadership*, IntechOpen, (2022)
- [50] A. A. Alrowwad, S. H. Abualoush and R. E. Masa'deh, Innovation and intellectual capital as intermediary variables among transformational leadership, transactional leadership, and organizational performance. *Journal of Management Development*, Vol. 39, No. 2, (2020), pp. 196-222.
- [51] I. R. AlTaweel and S. I. Al-Hawary, The mediating role of innovation capability on the relationship between strategic agility and organizational performance. *Sustainability*, Vol. 13, No. 14, (2021), pp. 01-14.
- [52] I. Farida and D. Setiawan, Business strategies and competitive advantage: the role of performance and innovation. *Journal of Open Innovation: Technology, Market, and Complexity*, Vol. 8, No. 3, (2022), pp. 01-16.
- [53] Q. Zhou and X. Zheng, Socially responsible human resource management and employee green behavior at work: the role of learning goal orientation and moral identity. *The International Journal of Human Resource Management*, (2023), pp. 1-35.

Follow this article at the following site:

Atallah Alsharah. The Impact of Human Resources Management Practices on Institutional Performance in Jordanian Pharmaceutical Companies: Moderating Role of Talent Management. *IJIEPR* 2023; 34 (4) :1-15  
 URL: <http://ijiepr.iust.ac.ir/article-1-1919-en.html>

