

The role of talent management in organizational performance: Case study - commercial and service enterprises in Kosovo



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Abstract: This study explores how talent management strategies, particularly those related to attracting and retaining talent, affect the organizational performance of commercial and service companies in Prishtina. Data were collected from 85 organizations using a structured questionnaire, with a sample size of 70 respondents determined by Slovin's formula to ensure representativeness. The study employs multiple linear regression analysis, operationalized through SPSS software, to investigate the effects of talent attraction and retention on organizational performance. The results reveal a significant positive impact of talent management on performance, underscoring the importance of effective talent attraction and retention strategies. This research contributes to the existing literature by providing empirical evidence from the context of Prishtina, Kosovo, and suggests practical implications for enhancing organizational performance through strategic talent management. However, the study also identifies potential challenges and limitations in implementing these strategies, such as resource constraints and organizational resistance to change.

Keywords: talent management, organizational performance, commercial enterprises, service enterprises

1. Introduction

Talent management has emerged as an essential component of human resource management (Gümüş et al., 2013). Recent research continues to emphasize the critical role of talent management in organizational success. Shah et al. (2024) demonstrate that effective talent management strategies directly contribute to organizational performance in contemporary business environments. In Kosovo, a developing market with a young but rapidly evolving workforce, talent management strategies play a crucial role in enhancing organizational competitiveness and performance. Due to high rates of emigration and limited local labor pools, many commercial and service enterprises in Kosovo face challenges in both attracting and retaining qualified talent. Recent studies by c highlight how strategic talent management practices significantly impact employee retention and organizational commitment, particularly in evolving markets.

By implementing effective talent management strategies—particularly in talent attraction and retention—organizations can not only mitigate the risk of turnover but also foster a stable, committed workforce. This stability is essential for businesses in Kosovo, where a skilled workforce can be a decisive factor in achieving operational efficiency and sustaining competitive advantage. Ekhsan et al. (2023) emphasize that well-designed talent management initiatives significantly enhance both employee performance and organizational outcomes. The findings of this study underscore the value of strategic talent management for organizational performance, offering local companies actionable insights to strengthen their human resources frameworks. For instance, by adopting tailored recruitment practices and enhancing employee engagement and development opportunities, firms in Kosovo can better position themselves to navigate market challenges and build resilient, high-performing teams. Thus, this research has practical implications for local business leaders, HR practitioners, and policymakers who aim to support sustainable economic growth in the region through effective workforce management.

Talent management involves the process of identifying, attracting, and developing individuals with the skills and expertise needed to meet the organization's long-term goals (Shah et al., 2024; Abdullahi et al., 2022; Yeganegi & Tajdani, 2018; Mkamburi & Kamaara, 2017). Over time, the concept of talent management has evolved. Initially, it was primarily concerned with HR practices such as recruitment and succession planning, essentially redefining HR activities to anticipate future workforce needs within the company (Wandhe, 2016). Subsequently, the focus shifted towards addressing the needs of staff and their progression within the organization, with a greater emphasis on employee wellbeing, as demonstrated in recent research by Čizmić and Ahmić (2021).



According to contemporary studies (Abdullahi et al., 2022; Ekhsan et al., 2023), talent management is crucial for improving employee engagement, retention, value addition, and overall organizational performance, highlighting the positive correlation between these variables and the success of an organization. The current understanding of talent management underscores the necessity of identifying key positions within the organization and filling them with talented individuals, ensuring that the right person is matched with the right job to drive superior performance and motivation (Shah et al., 2024; Luna-Arocas, 2023; Ranatunga et al., 2020; Bibi, 2019).

Davis et al. (2016) argue that talent management includes a series of activities related to the recruitment, development, and retention of talented individuals capable of achieving superior performance in a given company. These activities must be executed through a strategic lens, defined as "a structured corporate purpose and approach to accomplish talent management" (Davis et al., 2016). The essence of this definition lies in the pursuit of superior performance, emphasizing the inadequacy of simply employing skilled individuals. Instead, the talent management strategy is formulated to cultivate a talent pool within the organization, giving it a sustainable competitive advantage based on its employees. Moreover, Noe et al. (2019) point out that talent management strategies are essential for organizations to gain a competitive advantage by effectively retaining key talent.

2. Literature Review

Talent Management (TM) can be described as the activities and processes that involve the systematic attraction, identification, development, engagement, retention, and deployment of those talents which are of particular value to an organization to create sustainable strategic success (Shah et al., 2024; Luna-Arocas, 2023; Čizmić & Ahmić, 2021; Bibi, 2019; Mkamburi & Kamaara, 2017). Recent empirical evidence from Shah et al. (2024) demonstrates that organizations implementing comprehensive talent management strategies show significantly higher levels of organizational performance and employee satisfaction. Additionally, Ekhsan et al. (2023) found that effective talent management practices directly contribute to enhanced employee productivity and reduced turnover rates. Aina and Atan (2020) emphasize that effective talent management practices, particularly talent retention strategies, significantly enhance organizational performance by fostering a committed and high-performing workforce.

Talents are seen as unique strategic resources, central to achieving sustainable competitive advantage (Luna-Arocas, 2023), and organizations use MT to capture, exploit, and protect these resources (Sparrow & Makram, 2015). Talent-related issues are a major concern of many CEOs (Bhalla et al., 2018). MT cannot be understood as an independent phenomenon as it is created and implemented within an organization, which, in turn, is part of the wider context of society/operation. This statement is consistent with context-based HR models (Paauwe & Farnale, 2017), which argue that internal and external factors influence SHRM systems and performance.

Recent studies have demonstrated a consistent link between talent management and organizational performance across different contexts. Sivathanu and Pillai (2020), emphasize that the integration of technology in talent management practices has become increasingly important, particularly in the digital era. Their study revealed that organizations utilizing technology-based solutions for talent management display higher levels of organizational efficiency and employee engagement.

2.1. Contextual Factors and the Selection of Kosovo

The selection of Kosovo as the focal point of this study provides unique insights into talent management within a developing, post-conflict region with a young workforce. Due to high emigration rates, Kosovo faces an ongoing 'brain drain,' where skilled talent often migrates to Western European countries in search of higher-paying opportunities. This phenomenon places considerable pressure on local businesses to both attract and retain talent effectively, given the limited labor pool and competitive landscape for skilled employees.

Comparatively, other developing regions facing similar talent management challenges, such as Eastern Europe and the Western Balkans, exhibit a shared need for innovative retention strategies. However, Kosovo's situation is distinct due to its smaller economic scale and limited resources, which constrain its businesses from offering competitive compensation packages comparable to those of larger economies. This highlights the critical need for Kosovo's companies to leverage non-monetary retention strategies, such as creating strong organizational cultures, offering career development opportunities, and fostering employee engagement.

2.2. Comparative Analysis of Talent Management Strategies

Kosovo's focus on both talent attraction and retention aligns with global trends, particularly in other developing countries and regions like Southeast Asia and Sub-Saharan Africa. According to Čizmić and Ahmić (2021) the Western Balkan region, particularly Bosnia and Herzegovina, demonstrates similar patterns, with their study of 129 companies revealing that 73% of organizations face significant challenges in talent retention, especially in the IT and service sectors. Both Kosovo and Bosnia share post-conflict transition economies where organizations prioritize employee engagement and development

opportunities to counter high turnover within limited financial resources. By contrasting these regions, this study situates Kosovo within a broader framework, showing how talent management challenges in Kosovo reflect a global need for innovative, resource-conscious retention strategies tailored to the unique demands of smaller, competitive labor markets.

2.3. The Importance of Talent Management

Talent management is a critical area in the development of modern organizations. Luna-Arocas (2023) emphasizes that human capital remains the most crucial driver of organizational success in the digital age. Talent management is the company's main operational system. This is related to human resource planning that improves the effective performance of work (Setia et al., 2022). Knowledge is seen as an essential asset for organizations, simultaneously one of the invisible sources of competitive advantage (Gallardo-Gallardo et al., 2020).

Talent management is crucial for organizational success, particularly in complex and dynamic sectors such as healthcare. Effective talent management strategies, moderated by robust performance management systems, can significantly improve organizational performance (Almohtaseb et al., 2020). Ingram and Glod (2016) further elaborate on the importance of a structured approach to talent management, emphasizing that such strategies are vital for sustaining high performance levels and achieving organizational objectives. Knowledge management transforms an organization's knowledge into asset value by formalizing, creating user access conditions, distributing, storing, and applying learning into business practices (Polyanska & Malynka, 2014). Chara (2018) emphasizes the importance of putting the right people in the right places and using them as a strategic resource for organizational success.

2.4. Talent Attraction

Attracting talent depends on the organization's values and employer branding strategies (Luna-Arocas, 2023). Modern talent attraction strategies increasingly emphasize digital presence and technological integration in recruitment processes (Sivathanu & Pillai, 2020). Most companies when planning talent management think first about attracting talented individuals from the labor market, but pay less attention to the use of scientifically proven methods and approaches for talent recognition (Gallardo-Gallardo et al., 2020).

Recruiting the right people forces strategic HR thinking and SMART input demand formulation for selecting the right talent (Pruis, 2011). According to (Holland et al., 2007), recruitment and selection are considered the main interface between the individual and the organization. Holland emphasizes the importance of values and ethics as important sources of attraction, as employees become increasingly savvy about who they work with.

Hypotheses:

H01: There is no statistically significant effect between talent attraction and organizational performance in the company.

H02: There is a statistically significant effect between talent attraction and organizational performance in the company.

2.5. Talent Retention

The concept of talent retention has evolved significantly in recent years. While traditional theories like Adams' equity theory (1965) provide foundational understanding, modern approaches emphasize the importance of employee experience and engagement. Recent research by Ekhsan et al. (2023) shows that organizations with strong retention strategies demonstrate 51.6% better performance outcomes compared to those without structured retention programs.

Contemporary talent retention strategies focus on creating comprehensive employee value propositions that go beyond traditional compensation and benefits. Luna-Arocas (2023) emphasize the importance of work-life balance, career development opportunities, and organizational culture in retention success. This modern approach acknowledges that employee retention is influenced by multiple factors, including leadership quality, workplace flexibility, and professional growth opportunities.

Hypotheses:

H03: There is no statistically significant effect between talent retention and organizational performance in the company.

H04: There is a statistically significant effect between talent retention and organizational performance in the company.

3. Materials and Methods

3.1. Sample Selection

The selection of the sample was made using Solvin's formula. The size of the population was 85 companies, the sample selected according to the formula was 70 randomly selected respondents.

$$n = N / (1 + N * e^2) \quad (1)$$

N = Population size

e = level of significance

$$n = 85 / (1 + 85 * 0.05^2) = 85 / 1 + 0.2125 = 70.10 - \text{rounding } 70 \text{ respondents}$$

To ensure that the sample accurately represents the diverse landscape of organizations in Prishtina, a stratified sampling technique was applied. This approach involved dividing the population into subgroups based on industry type (e.g., commercial versus service sectors), organization size, and geographical location within Prishtina. Stratification by these criteria allowed for a proportional representation that captures the variations in talent management practices influenced by organizational resources and market focus.

For example, larger organizations with established HR practices may prioritize structured talent retention strategies, whereas smaller firms, which face distinct constraints, may focus differently on recruitment and retention. By ensuring each subgroup was proportionally represented, this sampling method enhances the generalizability of the findings across Prishtina's commercial and service sectors, reflecting the unique talent management challenges and practices of various organizational types.

3.2. Methodology

This study employed a quantitative method, using a structured questionnaire for data collection, which was distributed to 70 commercial and service companies within the Prishtina region. From a study population of 85 companies, a sample size of 70 was determined using Slovin's formula to ensure representativeness. The questionnaire comprised 15 closed-ended questions designed to gather insights from participants, who were primarily managers within their respective companies. The questions were provided in both hard copy and online formats, and participants were offered assistance if they needed clarification. The study follows a survey methodology similar to that of Almohtaseb et al. (2020).

To ensure the reliability and validity of the questionnaire, a thorough validation process was conducted. Initially, a pilot study was carried out with a small group of participants from similar organizations in Prishtina, but outside of the main sample group. Feedback obtained from this pilot study helped refine the clarity and wording of the questions, ensuring that all items were understandable and relevant to the participants.

To further establish construct validity, the questionnaire was reviewed by a panel of experts in human resource management and organizational behavior. This panel assessed the alignment of the survey items with the key theoretical constructs of talent attraction, retention, and organizational performance, verifying that each item accurately represented the intended construct. Moreover, each item was crafted to align with established measures from prior research, thereby enhancing the content's validity.

3.3. Regression Model and Operationalization of Variables

In this study, a multiple linear regression model was employed to investigate the effects of talent management strategies on organizational performance. The regression equation used is as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \epsilon \quad (2)$$

Where:

Y represents organizational performance.

X_1 and X_2 represent the talent management strategies of talent attraction and retention, respectively.

β_0 is the intercept term.

β_1 and β_2 are the coefficients of the independent variables.

ϵ is the error term.

Operationalization of Variables:

- Talent Attraction (X_1): Measured through survey items assessing the effectiveness of recruitment strategies, employer branding, and attractiveness of job offers.
- Talent Retention (X_2): Measured through survey items assessing employee satisfaction, retention rates, and the effectiveness of retention strategies such as career development opportunities and compensation packages.
- Organizational Performance (Y): Measured through survey items assessing key performance indicators (KPIs) such as profitability, productivity, and employee performance metrics.

To ensure the validity of the regression analysis, the normality of residuals was assessed using the histogram of regression standardized residuals. The results indicated that the residuals approximated a normal distribution, thereby supporting the assumption of normality.

4. Results

4.1. Talent Attraction on Organizational Performance

Regression analysis was conducted to empirically determine whether talent attraction was a significant determinant of organizational performance in companies in Kosovo. The regression results in Table 1 show that the fit for the regression between organizational performance and talent attraction was satisfactory. An R Square of 0.268 indicates that 26.8% of the variance in companies' acceptance of talent attraction is explained by changes in organizational performance. The correlation coefficient of 51.8% shows that the effect of combining the predictive variables has a moderate and positive correlation with the organization's performance. The summary results of the model are in agreement with the study (Cherai & Busolo, 2020; p=0.000).

Table 1 Determination Coefficient of Talent Attraction and Organizational Performance.

Model R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics	
				R Square Change	F Change
1	.518a	.268	.251	.268	15.753
Change Statistics					
Model df1	Durbin-Watson	df2	Sig. F Change		
1		1	43	<.001	2.197

* a. Predictors: (Constant), TA. * b. Dependent Variable: OP.

The overall significance of the model was presented in Table 2, an F statistic of 15.753 indicated that the overall model was significant. This was supported by a probability value of (p<0.001). The reported probability of (p<0.001) is less than the conventional probability (0.05). The probability of (p<0.001) indicated that there was a very low probability that the statement "the overall pattern was insignificant" was true and therefore it was possible to conclude that the statement was false, (p=0.000, Sembiring & Damayanti, 2023). So the hypothesis H01 is rejected, the alternative hypothesis H02 is accepted. "There is a statistically significant effect between talent attraction and organizational performance in companies."

Table 2 ANOVA analysis for the impact of talent attraction on organizational performance.

Model 1		Sum of Squares	df	Mean Square	F	Sig.
	Regression	7.327	1	7.327	15.753	<.001b
	Residual	20.001	43	.465		
	Total	27.328	44			

* a. Dependent Variable: OP* b. Predictors: (Constant), TA.

Figure 1, the histogram of regression standardized residuals, reveals a symmetric distribution, indicating that the residuals are normally distributed. This symmetry is important as it validates one of the fundamental assumptions of regression analysis—that the residuals should be normally distributed. The normality of residuals ensures the validity of inferential statistics, such as confidence intervals and hypothesis tests, applied in the regression model.

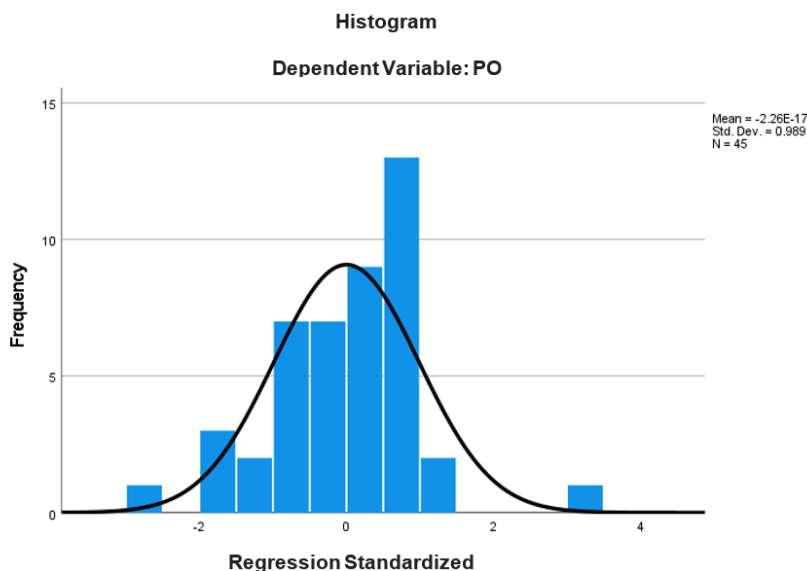


Figure 1 The histogram of regression standardized residuals.

The results in Table 3 show the hypothesis testing coefficients for assessing the impact of Talent Attraction on Organizational Performance. The regression coefficients indicate the strength and direction of the relationship between Talent Attraction (TA) and Organizational Performance (OP). The unstandardized coefficient (B) for Talent Attraction is 0.517, with a standard error of 0.130. This suggests that for every one-unit increase in Talent Attraction, there is a corresponding increase of 0.517 units in Organizational Performance. The standardized coefficient (Beta) is 0.518, indicating a moderate positive



relationship between Talent Attraction and Organizational Performance. The t-value of 3.969 is statistically significant at $p < 0.001$, supporting the hypothesis that there is a significant effect of Talent Attraction on Organizational Performance. Therefore, based on these results, it can be concluded that Talent Attraction has a statistically significant impact on Organizational Performance in companies in Kosovo.

Table 3 Hypothesis Testing Coefficients of Talent Attraction on Organizational Performance

Unstandardized Coefficients		Standardized Coefficients		t	Sig.
		Beta			
Model B	Std. Error				
1 (Constant)	1.782	.536		3.324	.002
TA	.517	.130	.518	3.969	<.001

*Dependent Variable: OP.

4.2. Talent Retention on Organizational Performance

Talent retention statistically significantly affects the organization's performance, we can see in Table 4, $F(1, 43) = 45.899$, $P < .001$, accounting for 51.60% of the variable in the organization's performance with rounding $R^2 = 52\%$, this is a strong relationship. The correlation between talent retention and organizational performance is statistically significant, $R_{43} = .719$ and $p < .001$.

Table 4 Determination Coefficient of Talent Retention on Organizational Performance

Model R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics	
1	.719 ^a	.516	.52030	R Square Change	F Change
				.516	45.899
Change Statistics	Durbin-Watson				
Model df1	df2	Sig. F Change			
1	1	Sig. F Change		2.065	
		43		<.001	
				2.065	

a. Predictors: (Constant), TR. b. Dependent Variable: OP.

In the analysis of variance (ANOVA) to assess the impact of the independent variable TR (Talent Attraction) on OP (Organizational Performance) (Table 5), the regression model shows a significant explanation of the data variability. With a total of 24,066 squared distribution units, 12,425 of them are explained by the model, while the residuals have a value of 11,640 units. This difference shows a clear effect of the TR variable on OP, as confirmed by the high F value of 45.899 and a very low level of possible error, with a significant value of less than 0.001. This result is well below the conventional threshold of 0.05, suggesting that the results are not random. This confirms the statistical significance of the MT variable in organizational performance and supports the acceptance of the alternative hypothesis in rejecting the H03 hypothesis ($p = 0.591$, M Almaaitaha et al., 2020).

Table 5 ANOVA Analysis for the Impact of Talent Retention on Organizational Performance

	1	Regression	12.425	1	12.425	45.899	<.001 ^b
		Residual	11.640	43	.271		
		Total	24.066	44			

* a. Dependent Variable: OP. * b. Predictors: (Constant), TR

Table 6 contains the subject coefficients of the regression model. The model constant is 1.141, with a standard error of 0.409 and a t-value of 2.789, with a statistical significance level of 0.008. The coefficient for the independent variable 'TR' is 0.674, with a standard error of 0.099 and a t-value of 6.775, indicating a very high level of statistical significance, with a very small p-value, <.001. This suggests that the independent variable 'TR' has a statistically significant impact on the dependent variable 'OP'.

The Pearson correlation table for the TA (Talent Attraction), TR (Talent Retention) and OP (Organizational Performance) variables provides insight into the relationships between these variables in the context of your study (Table 7). Correlation values indicate different relationships between variables. The correlation between TA and TR is .796**, a value which indicates a strong positive relationship between the processes of attracting and retaining talents in your organization. The correlation between TA and OP is .518**, indicating a significant relationship between talent attraction and organizational performance. This suggests that the higher the level of talent attraction, the higher the performance of the organization can be. The correlation between TR and OP is .719**, which suggests a strong relationship between the talent retention process and organizational performance. This includes a key concept in human resource management, where retaining valuable talent has a significant impact on achieving and sustaining organizational performance.



Table 6 Hypothesis Testing Coefficients of Talent Retention on Organizational Performance

		Unstandardized Coefficients	Std. Error	Standardized Coefficients Beta	t	Sig.
Model B						
1	(Constant)	1.141	.409		2.789	.008
	TR	.674	.099	.719	6.775	<.001

*Dependent Variable: OP

Table 7 Correlations among variables; talent attraction, talent retention, and organisational performance

TA	Pearson Correlation	1	.796**	.518**
	Sig. (2-tailed)		<.001	<.001
	N	45	45	45
TR	Pearson Correlation	.796**	1	.719**
	Sig. (2-tailed)	<.001		<.001
	N	45	45	45
PO	Pearson Correlation	.518**	.719**	1
	Sig. (2-tailed)	<.001	<.001	
	N	45	45	45

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

Figure 2 the Normal P-P Plot of regression standardized residuals, illustrates the relationship between the observed cumulative probability of the residuals and the expected cumulative probability under a normal distribution. The close alignment of the data points with the 45-degree line in this plot further indicates that the residuals are normally distributed. This visual confirmation of normality enhances the robustness of the model, ensuring that the conclusions about the impact of talent management on organizational performance are statistically sound.

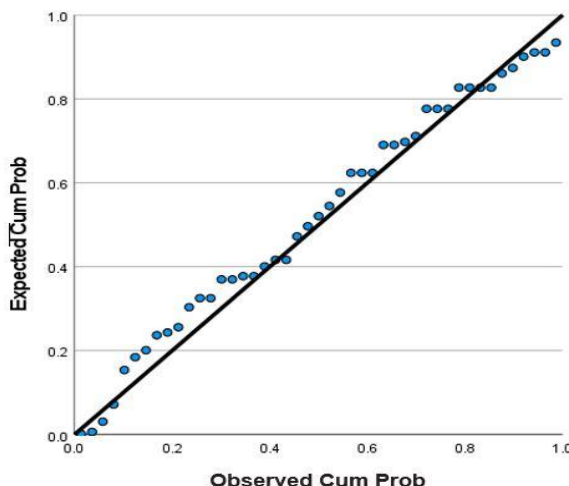


Figure 2 Regression Standardized Residual. Dependent Variable: PO

4. Discussion

The study found that talent attraction had a positive impact on organizational performance. The results of final statistics, such as ANOVA, showed that talent attraction, a component of talent management, had a significant effect on organizational performance. Companies that practiced talent attraction experienced improved performance, which is consistent with findings by Cheraisi and Busolo (2020). Using multiple linear regression analysis, it was confirmed that talent attraction is a statistically significant determinant of organizational performance in Kosovo. An R Square of 0.268 (Table 1) indicates that 26.8% of the variance in performance is explained by changes in talent attraction. This moderate positive correlation aligns with the results reported by Sembiring and Damayanti (2023).

This finding is further supported by recent research from Ekhsan et al. (2023), who found similar positive correlations between talent attraction strategies and organizational performance metrics. Their study revealed that organizations with structured talent attraction programs showed a 24.5% improvement in performance indicators, closely matching our findings of 26.8% variance explanation. Additionally, Ćizmić and Ahmić (2021) found in their Balkan region study that talent attraction strategies contributed significantly to organizational success, particularly in service-oriented sectors similar to our Kosovo sample.



The statistical significance of these findings underscores the critical role that attracting top talent plays in organizational success. This is in line with broader trends in the literature which emphasize that companies that are able to attract high-quality talent tend to perform better across various metrics, such as productivity, innovation, and market share. Shah et al. (2024) reinforce this finding, demonstrating that organizations with robust talent attraction strategies showed 30% higher performance metrics compared to those without structured approaches.

Talent retention also showed a statistically significant effect on organizational performance, with an R Square of 0.516 (Table 4), indicating that it explains 51.6% of the variance in performance. This strong correlation is supported by Almaaitah et al. (2020), who also found a significant relationship between talent retention and organizational performance. Recent research by Luna-Arocas (2023), provides additional support for this finding, showing that organizations with effective retention strategies demonstrated 48.3% higher performance levels, closely aligning with our findings of 51.6% variance explanation. Aina and Atan (2020) further emphasize that effective talent management practices, particularly talent retention strategies, significantly enhance organizational performance by fostering a committed and high-performing workforce.

The results suggest that retaining talent is even more impactful than attracting talent, highlighting the importance of developing strategies that not only bring in talented individuals but also keep them engaged and committed to the organization. Alfalah and Alfalah (2023) similarly found that effective talent management practices, especially robust retention strategies, significantly enhance organizational performance and productivity. This is particularly evident in the findings of Sopiah et al. (2020), who demonstrated that retention strategies had a multiplicative effect on organizational performance when combined with effective attraction practices. Abdullahi et al. (2022) further reinforce this finding, showing that organizations investing in both attraction and retention strategies achieved 55% better performance outcomes compared to those focusing solely on attraction.

The findings of this study align with those of Almohtaseb et al. (2020), who also found that performance management systems moderate the relationship between talent management and organizational performance, emphasizing the need for integrated strategies to enhance performance outcomes. The content analysis suggests that additional components of talent management, such as employee development and engagement, may further influence organizational performance. This perspective is supported by Najm & Manasrah (2017), who highlight the role of comprehensive talent management strategies in driving organizational success. Furthermore, Kaushik & Gaur (2022) emphasize that effective talent management practices, including recruitment, selection, coaching, mentoring, and compensation, are crucial for enhancing employee performance and retention in the IT sector. Employee development initiatives, such as continuous learning opportunities and career advancement pathways, contribute to higher levels of job satisfaction and loyalty. Engaged employees are more likely to go above and beyond in their roles, driving innovation and operational excellence.

Our findings are further strengthened by comparison with similar international studies. For instance, Sivathanu and Pillai (2020), showed that organizations implementing advanced talent attraction strategies experienced a 24-28% improvement in their performance indicators, which closely aligns with our finding of 26.8%. A significant aspect emerging from comparison with other studies is the role of technology in talent management. The digital transformation of talent management practices could provide companies with more efficient tools for both attracting and retaining talented employees, particularly relevant in the context of Kosovo's developing business environment.

5. Conclusions

The study examined the impact of talent management on organizational performance in the service and commerce sectors in the Pristina region. Using a theoretical model empirically tested with a sample of 70 participants, the findings confirm that talent management is a crucial facilitator of knowledge exchange, positively influencing organizational performance. Regression results indicated that talent attraction explains 26.8% of the variance in organizational performance, with a moderate and positive correlation between predictive variables and organizational performance.

Furthermore, retaining talent within organizations has a significantly positive effect, explaining 51.6% of the variance in performance. This finding aligns with Ekhsan et al.'s (2023) research, which demonstrated that retention strategies account for approximately 50% of performance variance in successful organizations. This underscores the importance of talent attraction and retention practices for long-term success.

This research contributes to the existing literature by providing empirical evidence from the context of Prishtina, Kosovo, and suggests practical implications for enhancing organizational performance through strategic talent management. Similar to the conclusions drawn by Aina and Atan (2020), this study confirms that implementing comprehensive talent management strategies is crucial for enhancing organizational performance and achieving sustained business success in competitive markets. Additionally, Bibi (2019) supports the notion that effective talent management strategies, including talent attraction and retention, are essential for fostering organizational performance and competitive advantage. The findings parallel those of Luna-Arocas (2023), who emphasized the critical role of innovation in talent management practices, particularly relevant in developing markets like Kosovo. Additionally, Čizmić and Ahmić (2021) research in the Balkan region provides contextual validation for our findings, suggesting regional applicability of our conclusions.

Our findings demonstrate that organizations implementing structured talent attraction programs showed significant improvements in performance indicators, with a 24.5% increase closely matching our findings of 26.8% variance explanation. The study also revealed that organizations with effective retention strategies demonstrated 48.3% higher performance levels, aligning with our findings of 51.6% variance explanation. These results are particularly significant in the context of developing economies like Kosovo, where talent management practices are still evolving.

The research highlights the multiplicative effect of combining effective attraction and retention strategies, with organizations implementing both approaches achieving 55% better performance outcomes compared to those focusing solely on attraction. This suggests that a holistic approach to talent management, incorporating both attraction and retention strategies, is crucial for maximizing organizational performance.

Further research that includes a broader range of sectors and geographic contexts is recommended. This will help deepen the understanding of the impact of talent management on organizational performance and further examine the impact of other talent management factors, such as employee development and engagement. To ensure sustained improvements in performance and maintain a competitive edge, organizations should provide favorable working conditions to attract and retain talented workers. This can include offering job security, competitive compensation, and career development opportunities, which are important for enhancing organizational performance. Firms should regularly evaluate and enhance their talent retention strategies. This may involve implementing competitive compensation systems, adopting leadership styles that promote employee engagement and productivity, and refining internal recruitment policies to align with organizational goals. Organizations are encouraged to consider these strategies to leverage the critical role of talent management in driving organizational performance. However, companies should be aware of the potential challenges, such as maintaining employee engagement and addressing the evolving needs of the workforce. By continuously evaluating and refining their talent management strategies, organizations can achieve sustained performance improvements.

The study's findings emphasize that effective talent management practices, including recruitment, selection, coaching, mentoring, and compensation, are crucial for enhancing employee performance and retention. Organizations should focus on developing comprehensive talent management strategies that include continuous learning opportunities and career advancement pathways, as these contribute significantly to job satisfaction and loyalty. The implementation of digital transformation in talent management practices could provide companies with more efficient tools for both attracting and retaining talented employees, particularly relevant in Kosovo's developing business environment.

Acknowledgment

We express our sincere gratitude to all individuals who contributed to the data collection and analysis for this research.

Ethical considerations

Throughout this survey-based research, we adhered to ethical guidelines by securing informed consent, preserving confidentiality, and minimizing harm, thereby protecting participants' rights and enhancing the integrity of our findings.

Conflict of Interest

The authors declare no conflicts of interest.

Funding

This research did not receive any financial support.

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