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Examining talent management practices in small and medium enterprises in Jordan

Alzbaidi, Mohammad

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Examining Talent Management Practices in Small and Medium Enterprises in Jordan

Mohammad Alzbaidi

08/2019



*A thesis submitted in partial fulfilment of the University's requirements for
the Degree of Doctor of Philosophy*

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Certificate of Ethical Approval

Applicant:

Mohammad Alzabadi

Project Title:

Examining talent management practices in Jordan: A macro level approach

This is to certify that the above named applicant has completed the Coventry University Ethical Approval process and their project has been confirmed and approved as Medium Risk

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Abstract

Talent management has seen an increasing interest in the last decade as organisations face critical challenges to acquire and retain talented individuals who contributes to their success and create sustainable competitive advantage. However, talent management challenges have become more significant due to the rapid growth of small and medium sized enterprises. Rather than fiercely competing with multi-national companies to attract talent, SMEs have tended to develop talent internally and focus on retaining them. Also, while the prime focus is on the development of human capital, organisations often neglect the socio-cultural context in which decisions are made. Thus, in order for talent management to be effective, organisations need to address the broader national context when implementing such practices.

Wasta, the practice of favouritism based on family and tribal relations has been widely used in Jordan to secure jobs, pay rises and other benefits. Research at the macro-level was conducted to understand the impact of cultural and institutional environmental on talent management in an internal context. This research contributes empirically to the literature of talent management by examining practices influenced by a national context and utilised in SMEs that differ from those processes adopted by large and multinational companies. Therefore, this thesis aims to examine the influence of micro and macro-environmental factors on strategic talent management within SMEs in Jordan. As talent management focusses exclusively on the organisational level, this research extends beyond organisational level by applying a multidimensional model, integrating factors at the macro level (Wasta), micro level (the talent management process) and strategic talent management performance.

A mixed method research (confirmatory and explanatory) design was utilised to address the specified research questions. A quantitative method was employed to test and confirm the hypothesis developed throughout the study. A qualitative method was used to explain the relationships between variables and explain the institutional factors that affect the strategic talent management process. Due to serious challenges with data collection in Jordan, convenience and snowball sampling were applied as the most appropriate sampling techniques. Data was collected from the manufacturing and ICT sectors as the sectors with the largest number of SMEs in Jordan. Based on a total of 250 surveys, the outcomes revealed the significant effect of Wasta on retention performance mediated by strategic retention management. The findings were further supported and explained through explanatory qualitative results and expanded to an institutional context by applying a regulatory, cognitive and normative framework.

The key theoretical contribution of this research was the development of a multidimensional model that can be used to examine the impact of environmental factors on talent management processes and talent retention performance. This research also provides a conceptual framework that shows how the talent management process is effectively implemented to retain talented employees and how the impact of Wasta and institutional factors affects strategic retention performance through the process of strategic talent management. In doing so, this study attempts to help key stakeholders and HR consultants at organisational level, as well as policymakers at sectorial and national levels identify how to utilise their pools of talent as well as to address the impact of Wasta on retention performance in Jordanian organisations.

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Mohammad Alzbaidi

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List of Abbreviations

AVE	Average Variance Extracted
CB-SEM	Covariance Based Structural Equation Modelling
CIPD	The Chartered Institute of Personnel and Development
CR	Construct Reliability
CU	Coventry University
FDI	Foreign Direct Investment
GCC	Gulf Cooperation Council
GCI	Global Competitive Index
GDP	Gross Domestic Product
GFC	Global Financial Crisis
GFI	Goodness of Fit Index
GOF	Goodness of Fit
H	Hypothesis
HRD	Human Resource Development
HRM	Human Resource Management
HTMT	Heterotrait-Monotrait Ratio of Correlations
ICT	Information and Communication Technology
ILO	International Labour Office
ILO	International Labour Organisation
IMF	International Monetary Fund
INSPIRE	Innovation in Science Pursuit for Inspired Research
INT@J	Information and Communications Technology Association of Jordan
IT	Information Technology
JD	Jordan Dinar
JEDCO	Jordan Enterprise Development Corporation
TIMSS	Third International Mathematics and Sciences Studies
PISA	Program for International Student Assessment
IHRM	International Human Resource Management
JEGP	Jordan Economic Growth Plan
MENA	Middle East and North Africa
MITC	Ministry of Information Technology and Communication
MNCs	Multi-National Companies
MTM	Macro Talent Management
NFI	Normed-Fit Index
NCHRD	National Strategy for Human Resource Development
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
OLS	Ordinary Least Square of regression
PhD	Doctor of Philosophy
PLS-SEM	Partial Least Squares Structural Equation Modelling
PW	Perceived Wasta

Q²	Predictive relevance of the model
R²	Coefficient of Determination
RBV	Resource-based View
RMR	Root Mean Square Residual
SEM	Structural Equation Modelling
SHRM	Strategic Human Resource Management
Sig.	Significant
SMEs	Small and Medium-Sized Enterprises
SPSS	Statistical Package for Social Sciences
SRM	Strategic Retention Management
SRMR	Standardised RMR
SRP	Strategic Retention Performance
β	Path Coefficient
SSM	Strategic Succession Management
STD	Strategic Talent Development
STM	Strategic Talent Management
STR	Strategic Talent Resourcing
TM	Talent Management
TVET	Technical and Vocational Education and Training
UAE	United Arab Emirates
UK	United Kingdom
UNDP	United Nations Development Programme
USA	United States of America
USAID	United States Agency for International Development
VB-SEM	Variance Based Structural Equation Modelling
WEF	World Economic Forum
X²	Chi-Square

Chapter 1 - Introduction

1.1 Overview

In today's highly competitive and complex environment, most firms must compete effectively to develop sustainable competitive advantage. The economic downturn over the last decade, as well as the shift toward knowledge-based economy has increased the level of competition and global mobility of human capital in response to globalisation (Collings et al. 2018). This has compelled large and small business organisations to seek sustainable competitive advantage through the acquirement of human capital advantage. The inevitability of human capital has since been eulogised as the silver bullet for gaining and sustaining competitive advantage in a dynamically heterogeneous and complex business world. In the past few years, due to economic and financial recession, there have been numerous downsizing practices in which organisations reduce their workforces. However, with the assumption of talent surplus associated with an increase in unemployment rates across many countries, the skill shortage is worsening globally (Sheehan et al. 2018).

ManpowerGroup (2018) report concluded that the global talent shortage has reached the highest level since the global recession in 2007, where 45% of employers reported their difficulties in finding talent in order to fill critical jobs. Therefore, organisations small and large, private and public have gradually come to the realisation that in order to gain and sustain global competitive advantage, they must acquire, manage, retain, develop and reward their workforce more effectively. Over the past two decades, talent management has received the greatest attention in the human resource management literature. There is a great emphasis on what organisations (Collings et al. 2018; Beamond et al. 2016; Sparrow and Makram 2015; Jyoti and Rani 2014) should do to recruit, train and retain talent as there is a lack of knowledge as to the meaning, challenges and future vision of talent management (TM). TM was first coined by McKinsey and Company in their study in late of 1990s titled 'War for Talent' (Collings et al. 2018). TM refers to processes and activities to attract, develop, retain and deploy those individuals whose great potential and value contribute towards the success of the organisation (Beamond et al. 2016).

The processes and practices underlying TM are much related to several components of HRM such as recruitment and selection, compensation and succession planning. TM is composed of

set of integrated activities that align the internal organisational system with external environmental factors that HRM has not yet engendered (Tatoglu, Glaister and Demirbag 2016). Despite the increased attention received by TM and its much-emphasised criticality, the analysis of TM remains limited and focused only at organisational level of large multinational enterprises (MNEs), thereby neglecting the different types of organisations, including small and medium and enterprises (SMEs). The “war for talent” has moved beyond the individual and organisational spheres to the national and global realm, including country level factors that involve government policies, institutions and approaches related to the process that firms use in their TM. The macro representation of TM, including regional level has been largely absent with the received wisdom of talent management, thereby constraining the development of a more holistic, multi-layered and nuanced portrayal of the talent management narrative (Al Ariss 2014; Collings et al. 2015). In order to produce effective TM processes and evaluate the strategic outcomes of talent mobility (Heidrick and Struggles 2015), shifting towards the macro context may include exploring country level factors such as government and non-government activities which enhance high talent levels (Khilji et al. 2015; Khilji and Keilson 2014).

This chapter introduces a brief background and the scope of the study. This is followed by the research motivation, aim, research questions and objectives. Thereafter, the significance of the study is presented and followed by a brief research methodology. The structure of the thesis with a breakdown of the chapters and sections will then be outlined along with a brief overall chapter summary.

1.2 Research Motivation

The topic of TM has received considerable interest from practioners and academic scholars (Collings and Mellahi 2009) alike. This recent emphasise on TM represents a paradigm shift from the traditional HR source of competitive advantage and strategic human resources management (SHRM), towards the management of talent in today’s dynamic competitive environment (Collings and Isichei 2017). Due to the increase in global mobility, the challenge of maximising an organisation’s competitive advantage through its human capital has become more critical in both national and social contexts since the beginning of the last decade. The increasing internationalisation of SMEs is currently leading to the intensification and extensity in the competition for talent within an already complex global business environment (Tarique

and Schuler 2010). Global TM has become a more and more complex phenomenon in today's marketplace with enhanced talent mobility and national level competition for talent globally. Thus, TM at national level requires multi-level theoretical development and explanation that is deeply embedded within a given context. By conducting a contextual macro-perspective study, this will extend the understanding of TM to more complex aspects which are related to an economic development agenda or the competitiveness of countries.

Despite the primary focus of contemporary published work on exploring the conceptual meaning of TM and the approaches and strategies adopted by organisations in several business contexts, there is still a need for the development of a more holistic and multi-layered conceptual empirical lenses through which TM could be better understood. There are still questions been asked to whether TM can be considered as a new strategic management activity that extends beyond HRD or HRM. McDonnell et al. (2017) conducted a systematic peer-reviewed study of the evolution of TM scholarship, by a comprehensive examination of published research examining some of these issues surrounding TM. In doing so, they proposed a research agenda to move the field forward. McDonnell et al. (2017) found a serious gap in research on how talented individuals are managed within an organisation in respect of recruitment, development and retention. In line with Thunnissen et al. (2013) and Lewis and Heckman (2006) they concluded that one of the most dominant themes covered in the literature of TM is how it is defined. In addition, little consideration has been extended to small and medium-size enterprises, as a significant proportion of the received wisdom on TM focuses on large organisations with MNCs being a central focus (McDonnell et al. 2017) and that TM issues may vary significantly in different types of organisations (Iles et al. 2010). Furthermore, the effectiveness of TM and its added value to organisations has not yet been examined comprehensively, especially in varying national and organisational contexts. Much of the theoretical and empirical work on TM is based on US, UK and European contexts and research for other national contexts is still limited (Festing 2013).

Research Context

While research into the opportunities and challenges of TM in private and public organisations internationally is generally increasing, there is a remarkable lack of literature covering the Middle East and North Africa (MENA) region (Al Ariss 2014). The MENA countries, historically, in general have faced critical challenges for the management of talent, including the shortage of national skills and knowledge resources (Al Ariss 2014). The region enjoys abundant energy sources: with more than 61% of the world's oil reserve, strategic geographic locations and a generation where those younger than 30 years of age, who comprise 60% of the population. TM is perceived to play a vital role in the region's economic growth. However, the effective management of human capital has become the most pressing challenge facing the region (Scullion and Collings 2011). Although, huge investments have been made by governments in attracting and developing human capital through education, training and research programmes, recent studies have pointed out to the low return of positive results for empowering local talent. Aguirre et al. (2009) indicated that only 4% of the global talent pool comes from the Middle East. Further, The MENA region countries still struggle with mounting socio-economic and educational obstacles that prevent them from forming and developing sufficient talent pools that can be absorbed easily by the job market. For instance, the region has the highest unemployment rate worldwide where the highest unemployment is in countries like Iraq with 15.3%, Tunisia with 14% and Jordan with 13.4%. Moreover, another challenge that faces talent in the MENA region is the weak governance structures and prevalence of nepotism especially while trying to access the job market. Despite the fact that Islam stresses values like moderation, keeping promises, accountability and discipline (Eabrasu and Al Ariss 2012), these values seem to be absent from the practical life style of managers within organizations in the MENA region. A study conducted by Al Ariss (2010) based on extensive interviews, demonstrated that religious affiliations and confessional diversity schemes play a significant role in securing a job, rather than qualifications and experience. This obliges many talented individuals to emigrate and travel abroad in search of equal access to job opportunities that prioritise merit and qualifications rather than religious beliefs or connections. Traditionally, most job vacancies in the region are filled with little regard to qualifications. In growth economies like those of the oil-producing countries and especially the GCC, citizens

were given jobs based on considerations that were irrelevant to the tasks to be performed or the requirements of the job. Foreign workers were selected based on their availability and lower wage expectations.

The retention of highly skilled individuals has become a critical challenge facing corporation in Jordan, due to low investment of human capital which in turn increases turnover rates among competent employees. According to Alhmoud and Rjoub (2019) and Akhtar et al. (2015); due to lack of investment in human capital, organisations face challenges to prevent talented individuals from leaving their organisations, and thus staff turnover rates increase. Therefore, a shift from typical HR practices toward strategic TM practices is critical for organisations that intend to prevent talented employees being attracted to another organisations. Jordan as classified by the World Bank (2008) on the availability of natural resources, mainly the abundance of oil, is a resource-poor, labour abundant country which faces critical issues relating to economic, political and social practices and structures which influence TM at a national level. Jordan is classified as a lower middle-income country with limited natural resources. These resources include: insufficient supplies of water, oil, and other natural resources which underlies the government's heavy reliance on foreign assistance. The economy is particularly dependent on tourism, export and the remittances of Jordanian workers overseas (Assaf 2015).

The economic conditions of Jordan have been under increasing pressure over the past decade caused by the global financial crisis, the Arab Spring, a decline in wage levels, as well as an energy crisis with the subsequent effect on gas and oil prices (JEGP 2017). This has put more strain on the economy in which Jordan's GDP growth stands at 2.4% with youth unemployment rate that exceeds 30% and an inflation rate of -0.8% in 2016 (Worldbank 2017). As a result, the average GDP growth went down drastically to 2.5% between 2010 and 2016, compared with 6.5% between 2000 and 2009. Therefore, the country needs to look to resources other than natural assets. The private sector plays a vital driver in the economy, contributing 74% to the country's GDP and generating 70% of total employment by sector. In addition, the private sector accounts for 97% of total exports as a major driver of rapid export growth. SMEs play a significant role in economic growth and job creation where they account for 98% of businesses and enterprises and 80% of the total employment (Al-Hyari 2013). However, due political instability, economic uncertainty and a highly competitive market with large multinational companies locally and regionally, SMEs face challenges to attract and retain highly skilled workers in key industries such as construction, IT, manufacturing and financial services that

together contribute to nearly 50% of GDP. In addition, due to lack of resources and professional expertise to cope adequately with attracting and retaining talent, TM becomes more challenging within SMEs and within the institutional environment.

Economic considerations are inextricably linked to politics. Jordan is politically vulnerable, as the largest host of refugees of 2.8 million, demonstrating a significant response to the regional crises and relying upon international aid. Since 2011, the Syrian crisis has cost Jordan approximately \$2.5 billion a year (6% of GDP) due to the influx of 630,000 Syrian refugees who have affected the expenditure on education, health, and infrastructure (JEGP 2017). On the Global Competitiveness Index (2015), the country is ranked 64th out of 140 countries where the current stage of development is efficiency-driven. In addition, the most problematic factors with doing business in Jordan list an inadequately educated workforce, coming second after access to finance with a score of 11.3 out of 30. The unemployment rate exceeded 18% in 2018, where Syrian labourers worsened the employment conditions competing against Jordanians in the labour market. Therefore, Jordan needs to create 700,000 jobs every year to absorb newcomers to the labour force and prevent unemployment from increasing. Moreover, due to the emigration of 800,000 highly qualified personnel, the brain drain index ranks Jordan 90th out of 131 countries in 2015 indicating poor capacity for retaining talented individuals.

Therefore, TM has become of prime importance to the Jordanian economy driven by the new governmental initiatives and development plans, including: the Jordan Economic Growth Plan 2018-2022 (JEGP), and the National Strategy for Human Resource Development 2016-2025 (NCHRD). The JEGP (2017) aims to increase Jordan's economic growth and development, identifying the need for policy interventions for public and private major project investments to realise its sectoral potential development and to ensure sustainable growth and economic resilience in the face of regional turmoil. Jordan's top five contributing sectors to GDP in order are government services, finance, manufacturing, transport, tourism, and hospitality. The government of Jordan has identified through the NCHRD major private sector investments with a total value of \$13.3 billion, which seek to expand the industrial manufacturing base and production capacity, improving the quality of local products and services by implementing international standards to increase the competitiveness of SMEs. These initiatives at the national level also emphasise the importance to develop, and nurture talented individuals by adopting the recommendation of NCHRD. The recommendations propose sophisticated and advanced education and HRD policies that can help fulfil the needed educational and vocational skills that lead to prosperity. The current drive to implement these practices (rather

than simply focus on their conceptual design) is a testament to the importance of this issue to present day Jordan. These efforts have come to reality, highlighting the vision for talent driven prosperity and the efficiency needed for effective deployment of human capital.

However, effective management of human capital becomes the most pressing challenge in Jordan due to a high level of underutilisation of skills and knowledge resources. In fact, there are pressing concerns regarding Jordan's ability to nurture and absorb talent. In addition, HRM policies and practices in Jordan are dramatically influenced by the national culture values, comprising Arab heritage, and tribalism. Human capital is ineffective because formulating and implementing HR practices is influenced by weak governance structures and the prevalence of nepotism and bureaucratic management (Budhwar et al. 2016). Employment practices in Jordan's public and private sectors are heavily influenced by Wasta which uses nepotism and favouritism to give family members and friends priority over organisational benefits and resources (Budhwar et al. 2016). In the Arab world jobs are normally filled through social connections, including family members, relatives and friends with a general disregard to proficiency and achievements. The expectation of Wasta in Arab society is overwhelming as people in authority or positions of power are expected to help their family members and relatives obtain their personal desires such as jobs, salary increases and other benefits. While some may associate Wasta with unfairness, others perceive Wasta as providing social cohesion. According to Sidani and Thornberry (2013) a study of nepotism is needed to cover gaps in business ethics literature.

Research Gap

Previous studies have been largely conducted at the individual and organisational levels examining large private sector organisations, with MNCs as a central focus (Sheehan et al. 2018). This thereby overlooked the macro or country-level factors as most of these studies were not necessarily based on the home context. Also, previous empirical studies indicate an overwhelming focus on how MNCs attract, recruit and retain high potential and high performing employees. This in part, demonstrates limited attention to other types of organisations, specifically SMEs, as the practices of MNCs are uncritically applied within SMEs that operate under different institutional, resource and economic contexts. According to a systematic review of published research conducted by McDonnell et al. (2017), the majority

of TM literature, including empirical studies focus on the adoption of TM practices for MNCs in the western context (e.g. The United States of America and the United Kingdom). However, the macro view of TM in the Middle East, has not been empirically examined (Vaiman et al. 2019; McDonnell et al. 2017; Al Ariss 2014; Farndale et al. 2014). It is also important to highlight that the results of previous studies in the U.S and other Western countries cannot be directly applied to Middle Eastern countries such as Jordan, due to institutional and cultural differences (Hafez et al. 2017). The national culture of a country can determine the appropriateness of TM policies and practices at an organisational level (Vaiman et al. 2019). Studies have indicated that despite the heterogeneity of organisational cultures in a specific country, they are impacted by the national culture. However, the strength of the relationship between the culture of a country and the effectiveness of TM processes and practices is under-researched (Dordevic 2016). According to Thunnissen et al. (2013) in order to understand the impact of institutional and socio-cultural structure on TM in both an internal and external environment context, further research on macro-talent management is required (Thunnissen et al. 2013). TM remains under-researched in the Middle East and in particular Jordan as most of TM studies have been primarily focussed on Gulf Cooperation Council (GCC) countries. Moreover, TM research in the Middle East remains empirically unexamined, especially with a resource-poor, labour abundant country such as Jordan (Budhwar et al. 2018; Al Ariss 2014). In this regard, researchers and scholars face issues in these economies as most of the theoretical concepts and models have emerged from developed economies or emerging economies such as UAE and Saudi Arabia and not in countries with scarce resources (Dirani 2018; Al mansoori 2015; Abunar 2014). The national culture of Jordan is largely based on tribalism and kinship relations, Wasta is a cultural concept which springs from tribalism which has a significant impact on HRM practices. Although there has been extensive research on Wasta, the impact of Wasta on TM practices remains unexplored. The Wasta term translates to nepotism which indicates using one's connection to reach a desired outcome. Wasta could also be used to understand similar dynamics in many parts of the world such as Guanxi in China and Blat in Russia. In part, although there are several studies conducted over the influence of the Chinese cultural on TM (Cooke et al. 2014) and the impact of Russian culture on TM processes, few studies have been conducted over the impact of nepotism on TM processes and practices. In addition, there are no studies have been conducted on the influence of Wasta on TM processes in Jordan. Several authors and scholars emphasised the need for a study that analyses the impact of Wasta on HRM practices. According to (Ali 2014); Sidani and Thornberry (2013) a study of Wasta in the Arab world is largely absent in the TM literature. They argued that the use of

nepotism (i.e. Wasta) create negative implications on the turnover of talented individuals who have no family connections. Due to the unique context of Jordan which involves complex socio-cultural challenges, Wasta, and ineffective formation and development of talent, Jordan provides an opportunity to conduct a micro and macro level study that would contribute to theory and practice. Therefore, this study attempts to fill the research gap by examining TM processes and practices at the micro level, impacted by national culture (i.e. Wasta) at the macro level and their impact on the retention of talented individuals. Thus, the primary focus of this study is on TM in SMEs but as the institutional environment has an important impact, the national level policy for TM will be included in this research.

1.3 Research Aim, Questions and Objectives

The aim of this research is to examine how key micro and macro institutional factors impact Jordanian SMEs, in strategic talent management processes, which will ultimately affect their talent management performance. In addition, this research attempts to highlight the underlying cultural and institutional factors at a country level that influence the strategic talent management practices. In doing so, this research aims to conceptually and empirically contribute to the literature on TM by developing an integrative and multi-layered model that addresses the institutional and cultural conditioning of strategic TM processes and strategic talent retention performance. Given the scattered and limited nature of TM literature received within the scope and scale of SMEs (McDonnell et al. 2017), this research also seeks to address the research gap by investigating how, by the use of TM, SMEs in Jordan can cope with the opportunities and challenges of retaining talented individuals. Conceptually, this study also seeks to add to the definition of TM by examining the practices and principles utilised in SMEs and how they may differ from those processes and practices adopted by large and multinational companies. Moreover, this study primarily considers the national context of TM activities for SMEs in Jordan. Empirically, this study seeks to contribute to the furthering and enhancement of existing knowledge by exploring and articulating the nuances that underpin the convention and practice of TM within SMEs in Jordan. Hence, the primary focus of the study is on TM in SMEs, and also the macro TM in a national context, including the national culture and the institutional environment which both have an impact on strategic TM processes and strategic retention outcomes. This will outline the macro-level challenges faced by SMEs in Jordan to acquire, develop and retain talent. Furthermore, recent calls for research highlight the

importance of conducting TM in under-researched areas away from the US and UK-centric focus and on to Central and Eastern Europe, the Middle East and Asia (Al Ariss et al. 2014; Collings et al. 2015; Khilji et al. 2015).

Talent management in the MENA region, and in particular Jordan is under-researched. There has been an increasing interest in utilizing human capital in the region, however TM remains in the infancy stage of development (Scullion and Collings 2011). Jordan faces high youth unemployment with a rate that exceeds 30% and with a high brain- drain index (Worldbank 2017). Despite their important contribution in the Jordanian economy, SMEs face critical challenges, including issues with national regulatory and legal environment and lack of employee skills development and training (World Bank 2012). SMEs within the private sector in Jordan were chosen as they account for 98% of all businesses in Jordan and make a significant contribution to Jordan's economic growth and serve as a major driver in job creation which stands at 80% of total employment in the sector (Al-Hyari 2013). Thus, in order to meet the aim of the study, the research questions that need to be addressed are as follows:

1. What are the talent management practices (micro-level factors) that influence strategic retention performance of talented individuals in Jordanian SMEs?
2. What is the potential impact of 'Wasta' (macro-level factor) on strategic talent management practices and strategic talent retention performance in Jordanian SMEs?
3. How do micro-level factors and macro-level factors impact on strategic talent management practices and strategic retention performance of talent in Jordanian SMEs?
4. To what extent do institutional (macro-level) factors impact on strategic talent management practices in Jordanian SMEs?

In attempting to address the overarching aim of this study, the following research objectives will help in shaping and informing its direction and focus.

1. To explore talent management practices (micro-level factors) that influence retention performance of talented individuals?
2. To develop a measurement scale for the 'Wasta' construct in the context of HRM practices. This involves a literature research, collection of interviews with HR experts and quantitative data on from private sector organisations in Saudi Arabia.
3. To develop a model that provide clear understanding of the determinants that influence strategic retention performance of talented individuals in Jordanian SMEs.

4. To examine the impact of micro and macro level factors on strategic talent management practices in Jordanian SMEs.
5. To identify institutional factors that influence strategic talent management practices in Jordanian SMEs.
6. To propose research recommendations that have emerged from the theoretical and practical implications for further research on talent management

1.4 The Scope of The Study

The effective management of human resources plays a major role in the success of international business. In this regard, there is a recognition (Scullion and Collings 2010) that the critical role played by competent managerial talent contributes to the success of multi-national corporations (MNCs). However, the difficulties of sourcing the right skills to the labour market at the right time continues to cause a major issue for organisations in filling the pool of talent of human capital. As globalisation intensifies talent mobility, organisations which are set to grow assert that their ability to attract and retain talent will become more difficult with an increase in turnover costs, including the loss of intellectual and social capital. For instance, the projection anticipated by McKinsey shows an acute talent shortage in the demand for highly skilled workers, that will reach 10% in 2020 (Quarterly 2012). The McKinsey report shows that talent shortage will continue to be the most critical challenge for TM at organisational, national and international levels and firms will find it harder to attract and recruit highly skilled and talented individuals as the demand for key skills grows.

TM challenges have become more significant due to the rapid growth of SMEs and the emergence of ‘micro-multi-nationals’ in recent years. The shortage of management and leadership talent has emerged as a key challenge facing SMEs for recruiting and retaining the managerial talent required for implementing their strategies. There is evidence of major challenges to be faced by organisations in attracting and retaining key talent (Tarique and Schuler 2010). A study conducted by CIPD (2017) concluded that in 2016 seven in ten organisations had focused their TM practices on recruiting key talent. In 2017, organisations anticipated a greater need for developing talent internally and an increased focus on retaining rather than recruiting talent, as well as investing more time and effort in the quality of

candidates. In addition, the growth of the emerging markets has resulted in an increase of demand for competent managerial talent who can operate effectively in complex cultural and geographical markets (Brewster et al. 2019; Vaiman and Brewster 2014). The intensifying scope and scale of talent shortages in a highly volatile and dynamically complex business environment has resulted in business organisations adopting a more strategically focused approach to TM.

Global competition has put more pressure on organisations to improve quality and strive for innovation. Hence, small and large organisations in almost every country which operate locally or globally are being forced to effectively create and develop sustainably competitive practices that create the conducive environment for human capital to thrive in order to facilitate the conditions for gaining competitive advantage (Tatoglu et al. 2016; Collings et al. 2015; Dries 2013).). To this effect, one of the most pronounced and eulogised theoretical perspectives that has emerged over the past three decades, supporting and appropriating the relevancy of human capital advantage as a critical source of gaining and sustaining competitive advantage is the Resource-based View (RBV). RBV is based on the premise that organisations which acquire more people with talent that are unique, valuable, inimitable and non-substitutable will gain sustained competitive advantage (Collings and Mellahi 2009). RBV shows firms that control assets, organisation resources, capabilities and knowledge can exploit those resources and implement strategies to improve efficiency and effectiveness. Whilst RBV focuses on the development of human capital by only identifying strategic resources (e.g. talent), it that often neglects the social context in which decisions are made, which can be addressed by institutional theory (Sparrow and Makram 2015). Therefore, MNCs, SMEs, local and international organisations must take into account external corporate pressures at a country level, including social, cultural and institutional factors that shape TM practices. Therefore, for TM to be effective across different cultures, TM strategies need to address the broader national context, including institutional and cultural factors at a county level (Vaiman and Brewster 2014).

Thus, in order to understand the impact of institutional environmental mechanisms on TM in both the internal and external context, further research on macro talent-management is therefore required (Thunnissen et al. 2013). Recent research on strategy implementation of TM focuses on the influence of national governments and the impact of non-government organisations (Khilji et al. 2015 as well as education systems, HR development planning and societal problems (Cooke et al. 2014). Academic scholars suggest that HR practices tend to be less institutionalised and less structured in developing countries. Authors and scholars of

international HRM have emphasised the importance of institutional and socio-cultural factors on the configuration of HRM practices in a given country (Vaiman et al. 2019; Sheehan et al. 2018; Harvey 2014). Macro talent-management (MTM) incorporates activities that focus on attracting, developing, mobilising and retaining top talent within an organisation (Vaiman et al. 2018). MTM activities also have implications for organisations, including local, national (i.e. Countries) and multinational enterprises and non-governmental organisations (NGOs). However, the essence of MTM focuses on the country-level processes and their outcomes. Vaiman et al. (2018) in their book *'Macro Talent Management: A Global Perspective on Managing Talent in Developed Markets'* suggest that a macro perspective is best analysed at country level, when it is easier to examine relationships between factors such as institutions, government policies, talent mobility, and the process that firms adopt in their TM. While individual and organisational levels are best examined from a TM or global TM perspective, thereby minimising several macro or country factors which are also important for managing talent at organisational levels.

Several studies have highlighted the macro-country view of TM (Khilji and Schuler 2017; Sparrow et al. 2017; Cooke, Saini and Wang 2014; Khilji et al. 2015; Oxford Economics 2014; World Economic Forum 2016; Lanvin and Evans 2017). These studies and reports concluded that the role of government was important for attracting and retaining global talent through immigrant friendly policies. Some governments have focused on bringing back skilled diaspora where many others have made significant investment in education and the development of their own citizens that aim to achieve economic growth by upgrading local capabilities and building innovative capacities for the organisations in their own countries (Lanvin and Evans 2017; Khilji et al. 2015). Some of these studies further highlight the complexities of the macro environment within which organisations develop their TM processes, and individuals make career choices (Khilji and Schuler 2017; Khilji et al. 2015). Managing talent at the macro level also incorporates cross border flow of talent, diaspora mobility and government policies. To this effect, it has been argued that a more holistic and multi-layered reading of TM should extend beyond the individual and organisational schisms and moved into the macro sphere in order to fully comprehend the complexities and external pressures in managing talent in today's globalised world. This is also to understand not only how organisations compete with each other, but also how governments and societies joined the race to nurture and develop talent in their countries (Sparrow et al. 2017; Lanvin and Evans 2017). Thus, by promoting the macro

perspective of TM, this research attempts to broaden the scope of TM beyond its current primarily micro (organisational level) into macro environmental level.

1.5 Intended Research Contributions

This research intends to produce a multi-layered and nuanced understanding of TM at micro and macro levels. This study attempts to offer an efficient and balanced approach to the management of talent in theory and practices by developing an integrative theoretical framework that combines relationships between external and internal factors that influence strategic retention of talented individuals. This research aims to examine the influence of macro-level factors (i.e. Wasta) and micro level factors (TM practices) on strategic TM performance. This also offer an opportunity to offer how TM processes and practices are internally formulated at organisational level and how such practices are externally influenced by macro-environmental factors in the private sector within the specific context. To the best of the researcher knowledge, this study is the first to examine and investigate the impact of Wasta on strategic talent management process and performance. Therefore, this study provides valuable insights on how environment, process and outcomes are interrelated by assessing relationships between factors in Eastern practices such as Wasta and TM processes. This study attempts to contribute to the TM literature by extending beyond organisational level to involve country-level factors (i.e. Wasta). As discussed in the research gap section, and due to limited focus of TM literature on SMEs and other varying national context, yet there is a dearth empirical research in this area. Following a call for (Al Ariss 2014) a more Middle Eastern perspective that offers different contextual views on TM, this study seeks to contribute the Middle Eastern research by empirically examining TM practices and process in small and medium-sized companies within the context of Jordan. Therefore, this study aims to contribute to the development of the field conceptually by adding to the definition of TM and identifying practices used in small and medium-sized companies that may be different from those processes and practices utilised by large and multinational companies. Empirically, this study attempts to contribute by providing the results of fieldwork on TM undertaken in Jordanian SMEs.

This study also contributes to the TM literature by examining TM practices within multi-dimensional model that involves an examination of the impact of external factors (i.e. Wasta) in the process of managing talented individuals. As the macro-review of TM is under-researched at a country level and particularly in the Middle East, this study contributes to our understanding of TM by observing the national context of Jordan. Therefore, this study aims to contribute to the literature of TM by addressing the aforementioned gaps to move the field forward. In order to meet this purpose, a multi-level integrative conceptual framework will be developed to address the macro-level challenges, affecting TM practices to demonstrate how to deal with TM challenges emanating from a country level spectrum. This research seeks to open up the feasibility and possibilities for alternative and effective approaches to the management of talent at a micro and country level and within a non-Western context. The findings of the research are expected to help practioners, including HR directors and managers as well as governmental policymakers at national and regional level and identify gaps in HRM and HRD policies to better utilise and manage their pools of talent, allowing them to learn from the opportunities embedded in GTM best practices. Looking at the broader institutional, national and regional context will help outline major macro-level challenges facing the management of talent.

Due to the focus on the broader context, this research will highlight possible generalisations within the region, taking into consideration the different level factors between countries including cultural, institutional and country level factors. The methodological approach and design will facilitate the generation and extrapolation of relevant data in an attempt to address the outlined research questions. In doing so, the relevant philosophical theorisations, methodological nuances (including sampling strategies, reliability and validity), instruments for data collection and techniques for data analysis will be explored and discussed. In addition, consideration will also be given to ethical issues that may be associated with this study.

1.6 Planned Research Methodology

Given the research gap and motivation to consider both macro TM and micro TM, this study has adopted an abductive approach. A confirmatory and explanatory sequential research design was implemented to examine and explain the micro and macro TM factors that affect strategic

retention performance. According to the principles of sequential research design, quantitative research produces findings, and qualitative results explain those quantitative findings (Creswell 2013). This research contributes to the association between organisational processes and practices (micro-level) and macro-environmental factors (macro-level) that influence the strategic retention performance of talented individuals. Deploying such a perspective allows the study to examine empirically the relationships between variables and these in the form of findings. Hence, in this study hypotheses were developed based on a proposed model that links both micro and macro level factors and their influence on strategic retention performance. Thus, in order to meet the aim of this study, this research adopts a positivist philosophy with a quantitative strategy of analysis.

This research seeks to examine the influential factors at organisational level, as well as at macro level that affect talent retention performance within SMEs in Jordan. A mixed method approach was adopted, combining quantitative method and qualitative method to comprehensively provide more in-depth understanding of strategic TM processes followed by Jordanian SMEs and the influence of Wasta on talent retention performance. A quantitative method was used to statistically examine the relationships between the variables in the proposed theoretical model, and thus generalise on the findings by involving large sample of SMEs. Quantitative data play a dominant role in supporting the theoretical arguments that build into generalised conclusions (Howard and Borland 2001). Therefore, as this research is significantly based on testing a theoretical model by testing relevant hypotheses based on relationships between variables, the quantitative method plays a dominant role in this study. A qualitative approach was followed to draw a complete picture based on the initial quantitative results to address 'how' questions by explaining the process followed by Jordanian SMEs in their strategic talent management, as well as the effect of Wasta and institutional factors on talent retention performance. By conducting survey questionnaire to examine strategic TM processes and the effect of Wasta among SMEs, followed by semi-structured interviews with HR managers and executive managers, a sequential research design was employed. Based on the overall findings of the quantitative and qualitative analysis, in-depth semi-structured interviews were conducted with industrial bodies and senior governmental officials to explain the institutional and cultural influence represented by Wasta.

In order to highlight the dynamics of TM within its context, this research uses a case study of SMEs in Jordan, where multiple cases were included to generate empirical insights and provide

richer understanding of the influence of micro level and macro level factors on retention performance. As mentioned early in this chapter, SMEs in the manufacturing and ICT sectors in Jordan were targeted as the sectors with the largest number of SMEs in Jordan as well as two of the most contributing sectors to Jordan GDP. The target sample were targeted in both sectors in Amman as the largest economic centre in Jordan, with the highest number of private local and international organisations. Due to several challenges with regard to data collection and poor response rate reported by local scholars, convenience and snowball sampling were applied as the most appropriate sampling techniques in the quantitative phase, where stratified sampling technique was used in the qualitative phase, based on the initial quantitative results. A purposive sampling technique was implemented for in-depth semi-structured interviews conducted with HR consultants, industrial bodies and senior officials at governmental level.

This research adopts a sequential mixed method that aims to confirm structural relationships using quantitative data followed by qualitative data in order to explain in depth the initial quantitative results. Using a positivist approach in this study starts with the existing theory to develop a hypothesis to be tested and confirmed, which then leads to the development of a theory that can be tested by further research. Therefore, the prioritisation of a quantitative approach was emphasised before using a qualitative approach to explain the particular findings (Saunders et al. 2016). The primary data for the research was collected by an online and paper-based survey of 250 HR managers and executives across private sector organisations in Jordan. The proposed model was tested using structural equation modelling and mediation analysis. The qualitative data was analysed using a thematic approach with the use of the NVivo version 11 software. Upon completion of the quantitative and qualitative analysis, the research findings were further discussed with comparison to the relevant theories.

1.7 The Structure of the Thesis

This section outlines the structure of the thesis which contains seven chapters along with references and appendices. The outlines are as follows:

Chapter 1 Introduction – The first chapter provides the background and the scope of the study, followed by the research motivation, research aim, and research questions and objectives. Thereafter, this chapter presents the intended contributions of the study, and then the planned research methodology of the study and then finally introduces the structure of the thesis.

Chapter 2 Literature Review – This chapter starts by reviewing the existing literature on talent management, covering the dominant themes and key theoretical perspectives. This is followed by identifying the macro view of talent management, including the cultural and institutional pressures facing SMEs. Similarly, the next section critically examines in depth the TM practices used in the MENA region with a key focus on socio-economic and socio-cultural challenges. This is followed by evaluating HRM and institutionalism in Arab countries. This chapter ends by highlighting HR and TM practices of SMEs in Jordan with a key focus on the national culture and the institutional context.

Chapter 3 Conceptual Framework and Model Development – This chapter builds a conceptual framework based on existing theoretical frameworks from a strategic talent management perspective together with macro talent management. This is formulated along with a number of hypotheses for structuring the proposed model using resource-based view theory, national culture and institutional theory between macro environmental factors, strategic talent management process and strategic talent management outcome.

Chapter 4 Research methodology – This chapter discusses the research methodology applied to assess empirically the proposed conceptual model developed in Chapter three. This chapter also discusses the mixed method approach applied in this research in order to explore and examine strategic talent management practices along with the macro-level factors that influence the talent management process. This also includes the research philosophy, research

design and the justification for adopting a positivist paradigm and cross-sectional research strategy for this study

Chapter 5 Quantitative Analysis and Findings – This chapter presents the analysis and findings of the survey questionnaire using different data analytical models and tools which are explained and justified. The quantitative analysis chapter starts by presenting the demographic characteristics of participants and the details of organisations included in the study, as well as descriptive statistics of strategic talent management processes. The next section discusses the evaluation of the outer model and continues to evaluate the inner model. Finally, as there are primary mediators that represent the essence of the structural model, mediation analysis will be applied to assess the total effects between the relationships in the structural model.

Chapter 6 Qualitative Analysis – This chapter presents the analysis and findings of the interviews conducted using a thematic approach in order to explain relationships between variables and explain the macro level factors for strategic talent management represented by the Perceived Wasta. This chapter continues by examining the institutional factors that influence the processes and retention performance of strategic talent management.

Chapter 7 Discussion – This chapter provides an overall discussion of the main findings related to the quantitative and qualitative analysis. The findings of the quantitative analysis discuss the significant relationships between exogenous and key target endogenous factors. The findings of the qualitative analysis are further discussed by examining talent management practices along with the impact of exogenous factors discussed in Chapter 6. Further, this chapter ends by examining the influence of the institutional factors drawn from the institutional context

Chapter 8 Conclusion – This chapter concludes and summarises the results of this study. First, the findings and how they address the research aim and objectives are discussed in order to highlight the key theoretical contribution of the thesis. Second, the managerial implications and proposed recommendations for managers, organisations and governmental policymakers are then presented. Finally, the chapter concludes with the methodological limitations of the research, from which suggestions for further research are made.

1.8 Chapter Summary

This research aims to examine how key micro and macro cultural factors impact STM processes and talent retention performance within SMEs in Jordan. This chapter has shed light on key gaps and issues related to the literature of TM that has been largely absent. The prime focus of the literature of TM has been on how MNCs manage talent in an international context. However, this has left a research gap in the literature on how TM is critically applied in different types of organisations, including SMEs. This chapter also shows that most of contexts applied in the literature were based on US, UK and European contexts with little consideration given to varying national contexts in which organisations operate under different cultural, institutional and economic contexts.

This chapter highlights key structural challenges facing corporations in Jordan as a particular context within the MENA region. Due to low investment in human capital, weak governance, and prevalence of nepotism in the specified context many talented people feel obliged to leave their countries or emigrate to other countries in search of equal access. Hence, this study aims to examine micro and macro level factors that affect talent retention performance. In addition, it has been highlighted in this chapter that TM is vitally important to Jordan driven by the new governmental initiatives and development plans, including: the Jordan Economic Growth Plan 2018-2022 (JEGP), and the National Strategy for Human Resource Development 2016-2025 (NCHRD). Therefore, this research seeks to make a contribution conceptually and empirically to the literature of TM by examining the practices and principles utilised in SMEs and how Wasta, as well as organisational factors affect retention performance in the specified context.

Chapter 2 - Literature Review

2.1 Chapter Overview

Talent management (TM) as a concept, process and practice has received extensive coverage since it first emerged within the purview of mainstream HR literature in the late 1990s based on McKinsey's report, which articulated the prevalence and imminence of a protruding "war for talent". This McKinsey study noted the intensification of talent scarcity underpinned by an unyielding and pugnacious competition involved in the attraction and retention of talent, which results in the generation of human capital advantage, thereby resulting in the attainment of competitive advantage (Collings et al. 2018). McKinsey's study in 1998, predicted major challenges over the next two decades to effectively manage talent and to recognise the vital role of talent in creating and shaping organisational competitive advantage, contributing to the success of the top performing organisations (Thunnissen et al. 2013). However, the thrust into managing talent tended to focus primarily on the more individual and organisational levels, and thereby disregarded several macro and country level factors that have important implications for managing talent at organisational level (Khilji and Schuler 2017; Collings et al. 2018; Lanvin and Evans 2017). In particular, non-governmental organisations such as the World Economic Forum (WEF) and the Organisation for Economic Cooperation and Development (OECD) have published reports since 1980 about the importance of talent, education and quality of workforce (Khilji and Schuler 2017; Sparrow et al. 2017). These reports showed that leading governments, including the US, UK and Germany have joined the hunt for global talent by implementing practices such as investment in education and human development with the purpose of upgrading local capabilities and building innovative capacities for the firms in their countries (Lanvin and Evans 2017; Khilji et al. 2015).

In this regard, this chapter examines the literature on the concept of TM with a primary focus on the macro-national and regional-level factors affecting TM practices among small and medium enterprises (SMEs). In this regard, a critical review of the existing literature surrounding TM will be undertaken. This will focus on the key theoretical concepts, philosophies and models of talent management and highlight any related gaps in the existing body of knowledge. Therefore, this chapter starts by covering dominant themes and key theoretical frameworks in order to allow the development of a finer and more nuanced portrayal

of the concept. This is followed by a review of the macro view of TM as well as global talent management (GTM), including socio-economic and socio-cultural pressures facing TM in the MENA region. The next section will examine in-depth the institutional context in Arab countries that influence HRM practices in the region. To this end, this chapter highlights HR and TM practices utilised by SMEs in Jordan along with a key focus on its national culture and the institutional context.

2.2 Overview of Talent Management

Talent management has become the most critical of HR functions and challenges facing organisations, governments and nations in the 21st century (Sparrow et al. 2017). A study conducted in 1998 in the US, by McKinsey and Company indicated that demand over the next twenty years would exceed supply of talent proclaiming “war for talent” to recruit and retain them. The study pointed out a significant shift from “The Old Reality” which considered people as a resource such as capital and machine into “The New Reality” where people with special skills and abilities become the new source of competitive advantage (Collings and Mellahi (2009). They found that the top 20% of employees have a greater impact than average-performers on productivity, revenues and profit (Axelrod et al. 2001). However, in 2000, McKinsey’s study was updated, showing that 89% of managers indicated more difficulties in recruiting talent than 3 years before, where 90% expressed significant concerns in retaining them. Despite the debate that has taken place over the past two decades with regards to TM, the question “what is talent?” remains quite problematic to define (Meyers et al. 2013). Collings and Mellahi (2009) have indicated that reviews on the academic literature of TM still lacks a clear definition and theoretical framework that can offer clear understanding of the TM concept and philosophy. In spite of the number of publications that has rapidly increased since 1990, the peer-reviewed literature has not relatively increased (Dries 2013).

The shift towards a knowledge-based economy, as well as the economic downturn over the last decade, have increased the level of competition between organisations to attract, acquire and retain talent, due to the increasingly competitive market and the complex economic climate (Beechler and Woodward 2009). Following the global financial crisis (GFC) of 2008, TM has become more complex as organisations continue to face severe difficulties recruiting and retaining talent to support global business, due to the increase in the global mobility of human

capital (Scullion et al. 2008). The proportion of employers competing to attract highly skilled and talented individuals has risen from 20% in 2009 to 62% in 2013 (CIPD and Hays 2013). As a consequence, these challenges have created difficulties for organisations to attract and select the right skills at the right time, as well as to adopt a sophisticated approach to TM that can fulfil the strategic need of human capital (Tatoglu et al. 2016).

ManpowerGroup (2015) indicates that global talent shortage has reached the highest level since the global recession in 2008, with 40% of employers reported difficulties in finding the talent to fill critical jobs. For instance, talent shortage in the U.S and Europe stands at 45%, while in the Middle East and Africa (EMEA) it stands at 36%. However, this challenge is most critical in developing economies, where countries with scarce resources due to a high level of underutilisation of skills and a lack of knowledge resources face major challenge in forming and nurturing talent (Boyle and McDonnell 2013). Researchers face issues in these economies as most of the theoretical concepts and models emerged from developed economies and not in countries with scarce resources (Collings et al. 2018). Although researchers have been compelled to examine the importance of talent for organisational sustainability (Collings and Mellahi 2009), and factors affecting TM decision-making in the global context (Vaiman et al. 2018), they have failed to address both of these aspects in the developing regions.

2.3 Mapping the Field of Talent Management

The field of TM still lacks theoretical frameworks and empirical research as until 2012, most of the academic publications have been conceptual and built on a wide range of academic traditions, which include: strategic human-resource management (SHRM), international HRM and organisational behaviour (Thunnissen et al. 2013). The academic literature on TM focuses on the conceptualisation, philosophies, practices, effects and implications of TM (Thunnissen et al. 2013). One of the key arguments in the TM literature addresses the question 'what is talent?' due to its importance for both scholars and practitioners (Gallardo-Gallardo et al. 2013). The TM literature has extended the debate where scholars argue about whether talent is innate or acquired or whether it is inclusive or exclusive (Dries 2013). Moreover, in the field of talent management, there is also an urgent need for further empirical research, to examine and develop the existing frameworks currently found in the literature (Lewis and Heckman, 2006; Thunnissen et al. 2013). However, it should be noted that most of the research studies were

conducted in the US or the UK (Vaiman, 2018). Khilji and Schuler (2017) agreed that in the literature the dominant influence of the US and UK on the debate was well observed. These observations raise the question of whether the current assumptions and concepts which are strongly embedded in UK and US multinational organisations are appropriate for studying TM in other contexts, such as SMEs in the developing regions.

Studies on Asian management note that “a majority of the body of knowledge in management today is work done by non-Asians” (Khilji and Keilson 2014), and mainly address US or European issues. This has resulted in the lack of a more nuanced and multi-layered theoretical development, and thus to resolve these issues, a higher level of context-specific research, for a specific local context needs to be advocated. Context-specific research should be indigenous, and include work by local researchers emphasising explicitly the link to the existing knowledge base. Al Alriss et al. (2014) calls for a shift away from the dominance of the US on TM to the emerging markets of Central and Eastern Europe and the MENA region which are not covered by the existing literature. Looking at the institutional and corporate drivers of regional and global TM, can offer the much-researched Western world other examples of how TM processes can be shaped. For instance, a few empirical studies have been conducted which examine how TM practices in the MENA region can be identified and deployed.

Al Alriss et al. (2014) suggest that to understand TM more comprehensively and address the lack of theoretical frameworks, research should consider the factors at the multi-dimensional level. This should include the factors at both the country-institutional and national/ regional levels that shape the management of talent. Factors at the country-institutional level focus on the norms, values and regulations that enable or constrain TM practices. Factors at the national/regional levels account for the transferability of TM practices across cultures and national boundaries to formulate and implement more effective TM systems which are contextually appropriate. Considering factors at both the country-institutional and national/regional levels will illustrate how TM can be implemented at various levels in various contexts. However, Al Alriss et al. (2014) state that in order to address the TM challenges and opportunities, TM agendas should consider the broader national and international context rather than focusing exclusively on organisational performance.

2.4 Dominant Themes in Talent Management

2.4.1 Definition of Talent

Talent has been defined by a wide variety of definitions since the term “war for talent” was coined in 1998 (Meyers et al. 2013). Collings and Mellahi (2009) have indicated that reviews on the academic literature still lack either a clear definition or a theoretical concept of talent and TM (Dries 2013). A clear definition of talent is of vital importance for a profound understanding of the concept of TM which has critical implications for TM practices (Dries 2013; Gallardo-Gallardo et al. 2013; Meyers and Van Woerkom 2014). This section discusses the various definitions of talent and the concept, perspectives and philosophies of TM.

The concept of talent is compounded by major competing tensions in the TM literature. These tensions range from, whether the term is subjective or objective, innate or acquired; subjective or objective; inclusive or exclusive. In the subjective approach, Williams (2000) (see Table 2.1) argues that talent refers to people who possess exceptional abilities or competencies. The subjective approach also differentiates between inclusive talent (i.e. all people in the workforce possess the necessary skills to do the job but just need to receive the appropriate training and development) and exclusive talent which considers only a small proportion of high potential or high performing individuals (Preece, et al. 2010). However, talent in the objective approach refers to characteristics and traits of people such as skills and abilities (Barber 2004; Gallardo-Gallardo et al. 2013). Deverson and Kennedy (2005) also distinguish between innate ability and acquired ability with the objective approach.

Table 2.1 Definition of Talent

Source	Associated terms	Talent definition
Howe et al. (1998)	Ability	Inborn ability as excellent criteria to succeed in the future
Gagné (2000)	Ability Skills	Superior skills and abilities with long-term development
Williams (2000)	Ability Competence Potential	People who possess one or more of: exceptional ability, achievement, comparable ability, transferable competence, high potentials
Buckingham and Vosburgh(2001)	Thought Behaviour	Productive patterns of vision, feeling, or attitude
Jerico (2001)	Ability Capacity	Group of committed professionals that can accomplish outstanding results in specific context
Michaels et al. (2001)	Ability Knowledge Skills	The sum of individual ability, skill, knowledge, attitude, experience and the ability to learn and grow
Barber (2004)	Ability Skills	Exceptional skills and abilities
Deverson and Kennedy (2005)	Ability Attitude	Exceptional aptitude and special mental ability
Lewis and Heckman (2006)	–	Talent is fundamentally a euphemism for 'people'
Tansley, Harris, Stewart, and Turner (2006)	Ability Knowledge Potential Skills	Complex combination of individual's values, cognitive ability, knowledge, skills and potential
Gooleman (2006)	Value	Top performers whose value worth ten times as much as other individuals in a particular organisation
Throne and Pellant (2008)	Ability	An outstanding ability that can be distinctly applied
Stahl et al. (2007)	Capability Performance	The top ranked employees of ability and performance
Tansley et al. (2007)	Performance Potential	Individuals who either make immediate contribution and a difference or who demonstrate the highest potential in the long term
Ulrich (2007)	Commitment Competence Contribution	Talent: competence (skills, knowledge and values that are required to perform a job), commitment (individual who work hardly toward the organisation success, contribution (a real contribution and meaningful work)
Cheese, Thomas, and Craig (2008)	Experience Knowledge Skills	Set of skills, knowledge, experience and attitudes to work in a certain role
González-Cruz et al. (2009)	Competence	Developing and applying set of competencies that allow individual to perform in a specific position
Silzer and Dowell (2010)	–	Some cases refer to the entire workforce
Silzer and Dowell (2010)	Ability Competence Skills	A pool of employees with outstanding skills and abilities in different areas such as technological areas
Bethke-Langenegger(2012)	Competence Knowledge	A leader or specialist who possess high qualification profile including knowledge, social and systematic approach, ability to learn to do achievements
Ulrich and Smallwood (2012)	Competence	Talent=competence (skills, knowledge and behaviours needed in the right job in the right time) × commitment (ability to do the job) × contribution (purposive and meaningful contribution)

Source: (Meyers et al. 2013)

The innate-ability perspective shows talent as either natural or inborn and refers to giftedness, intelligence, exceptional skills and abilities (Meyers et al. 2013). Education researchers argue that talent refers to “giftedness” as an inborn ability that prevails among the top 10% of children or adolescent-age peers within specific disciplines such as sport, music, science, physics, art or mathematics (Gagné 2011). Buckingham and Vosburgh (2001) argued that while skills are easy to be learned, talent is unique and harder to acquire. In the context of business, innate ability is linked to the “war for talent” based on the assumption that talent is rare and cannot be developed. According to Gallardo-Gallardo (2013), talent is defined in HRM research and practice as an innate ability, such as intelligence and brain power which allows talented

individuals to demonstrate both exceptional and creative skills to solve problems. However, Cohn et al. (2005) refer to the term as a mere potential that can be developed through training and practice. One of the key issues of defining talent is whether the term refers to innate ability or acquired through education, training and experiences.

Psychology researchers refer to talent as a “potential for excellence” which through positive individual traits and strengths allows them to perform to their best ability (Seligman and Csikszentmihalyi 2000: 5). Peterson and Seligman (2004) classify strengths as a different set of traits such as creativity, gratitude and kindness that are accompanied with positive feelings such as powerful energy, motivation and self-fulfilment. Acquired perspective shows talent to be developed through learning, training, education and experience. This assumes that every individual possesses savant talents and latent skills which can be developed through learning in order to reach an excellent level of performance. Pfeffer and Sutton (2006) suggest that talent is an experience of learning and working.

Hoge et al. (2005) identified talent as a competence which is a measurable human capability required for effective performance”. Competencies are demonstrated-behaviours of talent that are shown in the context of leadership development, succession planning and decision making. Competencies consist of sets of skills, knowledge, abilities and personal traits. However, Nieto et al. (2011) argue that talent that require motivation and commitment. That can be defined by the formula “talent = competence * commitment * contribution” (Ulrich and Smallwood 2012: 6). Commitment refers to the loyalty and willingness of an individual to contribute to the success of an organisation (Ulrich 2007). However, talent as commitment is seen to be a complementary rather than primary element such as natural ability or superior performance.

However, in the context of business, the exclusive vs inclusive debate is the most prevalent tension in defining talent (Meyers and Woerkom 2014). Krishnan and Scullion (2016) conducted a study among 33 MNCs that shows two distinct understandings of TM which includes an exclusive approach with selective focus on high potentials and an inclusive approach where all employees are equally valuable. Inclusive approach is linked to a positive psychological view and suggests that every employee possesses certain talents and set of strengths which potentially contributes and creates value for an organisation (Buckingham and Vosburgh 2001). O'Reilly and Pfeffer (2000; P.45) argue that an organisation's success requires “capturing the value of the entire workforce, not just a few superstars” where companies in a knowledge-based economy cannot achieve their objectives without relying on

all employees. For instance, service-based companies such as luxury hotels rely equally on frontline employees and behind-the-scenes employees to offer a high-quality service. The inclusive approach suggests that treating all employees equally and distributing the organisation's resources through an egalitarian perspective rather than focusing on a small proportion of top performers can help avoid morale issues for employees not identified as talented (Groysberg, et al. 2004). Although, this approach provides a win-win approach for both the individual and the organisation, it generates a high cost of HR investment due to the heavy distribution of resources across the entire workforce (Collings and Mellahi, 2009).

In contrast, Becker et al. (2009) argues that talent prevails exclusively in a small proportion of employees. The exclusive view relates talent to the human-capital view that shows the relative contribution of a certain group of talented individuals justifies the disproportional investment in this select group. The exclusive approach is the most dominant approach of TM that is based on the philosophy of workforce differentiation, targeting a small proportion of employees who can effectively make a difference (Sparrow et al., 2011; Stahl et al., 2012). This is supported by the Chartered Institute of Personnel and Development (CIPD) study in 2012 that indicated that three fifths of organisations surveyed and implemented an exclusive TM, while two fifths adopted an inclusive approach. Further, Bothner et al. (2011) suggest that most of the organisation's resources should be allocated to high potential and high performing individuals, improving their performance in order to gain a higher return on investment. This approach is associated with the resource-based view (RBV) as the most dominant theoretical framework used to identify talent (Gallardo-Gallardo et al. 2015). RBV theory refers to talent as valuable (enables an organisation to exploit opportunities and respond to threats), rare (is controlled by very few competing firms), inimitable (is hard to imitate, so is a cost disadvantage for other firms) and non-substitutable (the advantage can only be developed by using these resources) that organisations seek to obtain in order to gain a sustainable competitive advantage (Barney 1991).

Smart (2005) stated that high performing individuals play a vital role in an organisation's success and described them as "best of class" or "A players". These are smart workers who show initiative and can innovate, contribute and produce a higher quality work more quickly with less cost. Stahl et al. (2007) refer talent to high performers as the top individuals in terms of capability and performance where performance appraisals can help to identify talent. The high potential approach is widely used by HRM and TM fields but has no concrete definition. but implies the possibility that individuals with sophisticated training and developments can

become highly skilled and capable to achieve and contribute to the success of an organisation (Silzer and Church 2009). Similarly, Silzer and Church (2009) suggest that talent possess latent skills that are yet to be explored where people with potential are individuals who demonstrate skills, ability, motivation and experience that can significantly contribute at some point in the future to the organisation. Ulrich and Smallwood (2012) stated that talent exclusively prevails in a small proportion of the workforce on both a partly innate basis and in a scarce quality that needs to be developed. Those individuals have the potential to develop faster than regular employees, demonstrating different attitudes, motivations and needs. The notion of workforce differentiation can establish highly competitive workplace environment between employees to encourage them to develop and apply their qualities to improve organisational performance (Höglund 2012)

The exclusive approach follows the notion of differentiation by allocating resources based on the identification and development of a small segment of high potential and high performing individuals, where the “winner-takes-all” (Gallardo-Gallardo et al. 2013, P.296). This approach can be applied significantly in industries with low-wage workers such as retail companies and call centres where individual performance does not rely on a hierarchy system. This could include, for example, a sales person who is considered as a high performer by significantly contributing to the profit of organisation. However, the exclusive approach has been criticised because of the problems with appraising the performance or assessing the capability of high potential or high performing individuals. In addition, the negative impact of low performance on actual performance can affect motivation (Gallardo-Gallardo et al. 2013). Moreover, workforce differentiation can negatively affect organisation morale and teamwork where only one segment of employees would be rewarded, creating an atmosphere of destructive internal competition (Gallardo-Gallardo et al. 2013).

2.4.2 The Concept of Talent Management

The definitions (see Table2.2) describe an effective management of employees, however they imply different aspects and components as to whether TM is a process, decision, outcome or practice, and generate a confusion whether it is succession management or workforce planning. Lewis and Heckman (2006) uncovered three distinctive concepts of TM

Table 2.2 The Trajectory of TM concept

Source	Associated terms	Talent management definition
Rothwell (1994)	Succession executive development	Practices to ensure continuous leadership development to fill critical positions in an organisation, as well as enhance individual performance
Sloan, Hazucha, & Van Katwyk (2003)	Outcome	Strategic leadership management of talent to place the right person in the right job at the right time
Creelman (2004)	Succession planning	A "mindset" to effective succession planning
Pascal (2004)	Decision making	Managing the demand, supply and flow of talent through effective human capital
Ashton & Morton (2005)	SHRM	Strategic HR approach and business planning to develop organisational effectiveness through improving talent performance and potential who can achieve organisational success. At the same time improving the entire workforce performance to their potential
Duttagupta (2005)	Decision making	An approach to manage the flow of talent to ensure sufficient supply of talent in the right place at the right time
Warren (2006)	Talent development	The process of identification, development and retention of talent to ensure short-and long-term of resources through executives and high performers
Jerusalim & Hausdorf (2007)	Talent pool	Identifying and developing high potentials to be able to work in leadership roles in the future
Cappelli (2008)	Workforce planning	Workforce planning of human capital resource
Collings & Mellahi (2009)	Strategic Talent management (STM)	Systematic identification of key roles and critical positions which differently contribute to the organisation, creating sustainable competitive advantage, developing a talent pool of high potentials and high performers, as well as developing HR architecture to facilitate filling these roles and positions
Silzer & Dowell (2010)	STM	Designing and implementing programs, procedures and cultural environment to recruit, develop and retain talent to meet the business need and achieve organisational success
Davies and Davies (2010)	STM	A process of identifying, developing, engaging, retaining and deploying high potential individuals who demonstrate high value to an organisation
Scullion and Collings (2011)	Global Talent management (GTM)	Global talent management that includes all organisational activities through recruitment and selection, training and development, and retaining the top skilled and qualified employees in mission-critical roles on a global scale

Source: (Dries 2013)

The first concept defines TM as a set of typical practices, functions and activities of HRM that include recruitment, selection, development and career management. Warren (2006) described TM as ‘old wine in new bottles’ through the re-labelling and re-packaging of HRM. However, staffing needs to be transformed into broad human talent attraction and retention practices. In contrast, Collings et al. (2018) suggest that TM is very broad and that TM practitioners need to focus on specific sub-disciplines so that the definition can be narrowed down to “growing talent”, training and developing programs, or sourcing the best candidates.

The second concept refers to TM as a talent pool differentiated by a selective focus, targeting a small proportion of the workforce to ensure an adequate flow of talent into the key roles of an organisation. However, this view of TM indicates a similar approach to succession planning and management, as well as typical recruitment and selection practices, that are associated with projecting staffing needs and managing the employee’s development by understanding the internal workforce (Collings and Mellahi 2009).

The third concept in contrast to the second concept, refers to talent regardless of key positions or organisational strategies, by two streams of views. The first view shows talent as high potential or high performing individuals who would be hired, managed and rewarded by managing performance rather than succession talent-pools. Hence, this approach classifies performance levels as “A” for top performers, “B” for average-performers and “C” for low performers. This classification could then be used to terminate “C” players, or implement “top grading”, packing the organisation exclusively with “A” players, from senior management level to low wage workers (Sparrow and Makram 2018). The second view considers the workforce to be undifferentiated and defines talent as competence and heavily relies on the HR function to raise every employee’s performance to a high level by competence development (Tatoglu et al. 2016).

Lewis and Heckman (2006) criticises the above concepts noting the first perspective as being superfluous and that it is simply replacing and re-labelling HR practices. Also, they criticise the second perspective because it duplicates the function of succession and workforce planning, which fails to offer either the theory or practice of TM. In addition, they are critical of the third perspective because although on the one hand it stresses the strategic need to manage every employee’s potential by allocating more resources to uncover their talents, on the one hand, it suggests that they are all equally valued. Moreover, the notion that a small proportion of performers should be regularly terminated or all positions should be filled with “A” players,

ignores the opportunity for organisations to maximise certain competencies and capabilities that would be significantly fruitful for the organisation to obtain (Collings et al. 2018). Hence, it would be neither desirable nor practical to fill all positions with top performers which can result in over-investment on non-pivotal positions. In addition, an organisation might be involved in a debate on how accurately performance appraisals differentiate between high potential and high performing individuals.

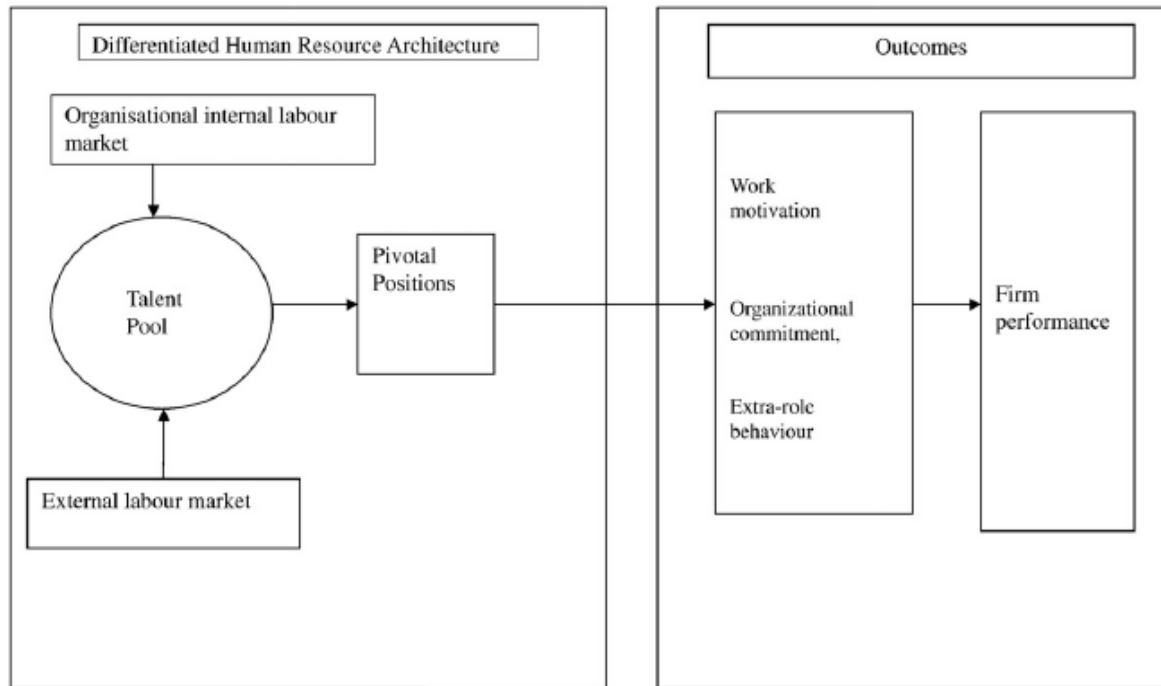
There are wide variations of how Global Talent Management (GTM) is defined which has resulted in a lack of clarity concerning its overall goals. Collings and Scullion (2008, p. 102) developed a concept of GTM which linked TM with the globalisation of businesses and economies by the need to identify, develop and strategically deploy high performing and high potential individuals on a global scale. Thus, the difference between the concept of TM and GTM is the global mobility of workers which resulted from the globalisation of business in a Multi-National Enterprise (MNE). According to Collings (2014); Ariss (2014); GTM is an organisation's practice to attract, develop and retain talented individuals on a global scale. Harvey (2014) define GTM as identifying strategic positions and roles which contribute to organisational competitive advantage on a global scale. However, it is also critical when investigating TM at a country level to highlight significant factors and trends of GTM; shifting demographics; the rising of emerging economies and international mobility; demand-supply gaps; or talent shortage. It is vitally important that these external macro-international-level factors are aligned with the social context in the national/regional agenda.

2.4.3 Strategic Talent Management

Collings and Mellahi (2009) postulated an emerging fourth concept which highlights the identification of key positions that have the potential to contribute to the organisation. They contribute by creating sustainable competitive advantage and developing a talent pool of high potential and high performing individuals. By also developing an HR architecture to facilitate filling these positions, this concept ensures the continuous commitment of these individuals to the organisation through the application of appropriate strategic HR practices (Table 2.1). This approach varies than previous ones by systematically identifying key positions rather than talented individuals as the starting point. Collings and Mellahi (2009) argue that recognising different contributions by different groups of employees helps to distinguish between STM and

the Society for Human Resource Management (SHRM). Hence, while the scope of SHRM includes all employees in an organisation, STM focuses on filling and developing high potential and high performing individuals to pivotal talent positions.

Figure 2.1 Strategic Talent Management



Source: (Collings and Mellahi 2009)

Sparrow et al. (2013) stated that STM adopts a top-down approach to indicate that few employees can become of strategic value unless they are able to contribute to the organisation's strategic objectives. The focus here is on the position not the individual, where "A" positions should be evaluated by the strategic importance, quality of work and the potential to significantly contribute to the organisation's strategic objectives. In addition, Khilji and Schuler (2017) suggest that pivotal jobs have a marginal impact on the values, decisions, activities and resources of the organisation. However, they argue that a lack of decision science when recruiting talent can lead to investment in non-pivotal rather than pivotal jobs.

Developing a pool of high potential and high performing individuals refers to filling pivotal positions by moving from vacancy-led recruitment to 'recruiting ahead of the curve' (Sparrow 2007: 8). In contrast, a study of GTM among high performing organisations concluded that their talent-pool strategy is to recruit high performing or high potential individuals, and thereafter to find for them pivotal positions. However, talented individuals might become disillusioned when their talents and skills are misapplied in a role where their opportunity to

apply those skills is limited. Furthermore, the key issue for many TM systems is the mismatch between supply and demand which can result in the over-supply or under-supply of talent. Thus, organisations should manage quantitative risk by ensuring sufficient supply of talent, as well as qualitative risk by recruiting talent with the required skills (Collings and Mellahi 2009).

Collings and Mellahi (2009) highlighted two distinct approaches of HRM when linking HR practices with organisational performance. The first approach, 'best practice', refers to the universal integration of HR practices which can contribute to the profitability of organisation. The second approach, 'best fit', clarifies the influence of the internal and external context when implementing HR practices and according to the 'contingent school' aligns HR policies with the organisation's strategy and environmental factors. In spite of different views and studies performed on HRM, the assumption is made that all employees were managed through HR practices with a single configuration. However, Farndale et al. (2010) highlighted the importance of differentiating workforce according to their contributions to the organisational performance, indicating that specific HR systems are more likely to be different according to the uniqueness and value of human capital.

Lepak et al. (2007) classifies four categories of employment according to their value and uniqueness. The first category, knowledge-based employment, refers to those unique and valuable workers who have the potential to achieve the firm's strategic objectives. Organisations that rely on this category should enhance long-term internal development and commitment. The second category, job-based employment, refers to valuable workers with limited uniqueness who can contribute to the success of the firm. Those workers can be internally employed, whereas their skills are easily transferable. The third category, contract workers, are neither unique nor valuable and could be targeted for outsourcing. The fourth category, the alliances group, includes relatively unique workers, but they are not strategically valuable to employ internally. Lepak et al (2007) indicated in their study of service-based companies that their investment in HR practices was mostly allocated on core employees rather than support employees.

2.4.4 Perspectives on Talent Management

Becker et al. (2009) argue that everyone possesses certain talents than can be utilised. On the one hand, Cohn et al. (2005) argue whether an inclusive or exclusive talent management approach should be implemented, or, on the other hand, whether talent is a solid and stable quality or a mere potential that can be developed. Therefore, combining these two tensions centralises the focus into an exclusive ‘differentiated workforce’ and an inclusive ‘undifferentiated workforce’. Consequently, those two dimensions are extended into four distinct philosophies, being: exclusive and stable; exclusive and developable; inclusive and stable; inclusive and developable.

For instance, General Electric (GE) implements an exclusive TM where 10%-20% of the workforce are identified as talented employees (i.e. “A players”), whereas Ford Motor adopts an inclusive approach, targeting development of the entire workforce (Collings and Mellahi 2009).

Figure 2.2 Talent Management Perspectives



Source: (Meyers and Woerkom 2014)

The exclusive-stable philosophy divides the workforce into two categories: a small proportion ‘with talent’ of around 20% who are often identified as ‘A’ players, and a large proportion ‘without talent’ who are recognised as ‘B’ and ‘C’ players. For instance, General Electric (GE) company classifies its workforce under three categories; ‘A’ players who are between 10%-

20% of the workforce, 'B' players who are around 70% and 'C' players between 10%-20% (Meyers and Woerkom 2014). Organisations that implement such a philosophy gain a competitive advantage within the 'war of talent' by filling their critical positions with talented individuals. However, the issue in such perspective is the accuracy in assessing the relationship between intelligence and performance, as well as the considerable challenge of recruiting and retaining the scarce talent (Meyers and Woerkom 2014).

The exclusive-developable philosophy, refers to individuals with potential talent that is either latent or realised who can reach a level of outstanding performance, who make up between 10-15 percent of the total workforce of an organisation (Ulrich and Smallwood 2012). The high potential individual undergoes a three-stage process to (a), identify them, (b), provide them with special assignments, and on-the-job training, and (c), move them into senior management positions. Hence, using this philosophy significantly improve performance and progression by matching high potential individuals with the required level of training which can result in a high return on investment. For instance, Google and Yahoo recruit high-potential computer-science graduates from universities, and, at the same time, they expand research and development programs in order to develop software products (Keeffe 2009). However, such an approach questions the establishment of a development and career path for talented individuals, and the matching of skills to the future requirements of the organisation. In addition, if talent is latent and unrealised some people would argue that more individuals would be considered as being talented.

The inclusive-stable philosophy refers to a "universal" approach, which assumes that everyone possesses special qualities and strengths which can be identified and matched with positions or tasks (Dries 2013). Thus, organisations that use such a philosophy can enhance employee's commitment, retention and role performance by the recognition of their strengths. In addition, combining and managing employee's strength profiles to overcome any weaknesses within the organisation's structure can lead to an increase in the job-fit between the qualities of employees and their roles. Hence, organisations that recognise their strengths the motivation, well-being and team cohesiveness, employees are more positively affected and lead to a higher level of achievement. However, the key issue in such approach entails a risk of employee inability to effectively perform the job due to their lack of skills and competencies needed, and thus they feel discouraged. Moreover, one of the main issues here is whether the right employee with the right skills and qualifications are well recruited, as in some specific industries there are scarcity of workers such as health and medical care workers (Meyers and Woerkom 2014).

The inclusive-developable philosophy seeks to develop the regular employee's performance to the maximum potential which is described as a "growth-mindset" (Dweck 2012). This is the belief that all workers have the capability to become extraordinary performers by offering them learning opportunities. Such an approach can increase the potential of individuals when they are able to (a) practice their strengths, (b) recognise their contextual factors, and (c) monitor the utility of their strengths (Biswas-Diener et al. 2011). This approach also provides performance feedback based on tasks which are beyond their skills and knowledge to act as a development leadership tool through coaching the learning process which can overcome the scarcity of talent. However, implementing training and developing programmes for the whole workforce requires huge investment and resources including time and money which may not be applied to organisations with few resources such SMEs (Meyers and Woerkom 2014).

2.4.5 Talent Management Philosophies

The prime focus of TM is to identify pivotal positions that can shape the organisational competitive advantage, developing an HR competitive advantage by formulating systems, processes and practices. According to (Collings and Mellahi, 2009; Scullion and Collings 2010; Sparrow et al. 2014) there are four dominant philosophies that differentiate TM from HRM. which are people, pools, positions and practice.

The people philosophy focuses on the categorisation of individuals or employees, classifying them into A, B and C groups or segments (Farndale et al. 2014). It advocates management and investment differentiation on a small elite of high performing and high potential individuals, through the individualisation of organisations and understanding of management competencies (Sparrow and Makram 2015). This approach advocates shift from a pay-for-the job approach in which jobs could be evaluated, designed and evaluated based on size and complexity and employees fitted to the job, to a pay-for-the person approach which argues that jobs are too uncertain and flexible to be sized. Thus, this approach argues that HR systems should enable highly skilled individuals with job crafting capabilities to design their jobs in the most appropriate way (Sparrow and Makram 2015). Those individuals possess intellectual skills which are rare, hard to find, difficult to replace and add a considerable amount of value to the organisation. The people approach positions TM either as a leadership imperative, calling for either, differentiating between over-performance and under-performance, or, an egalitarian

approach in which every individual possesses qualities that can be effectively improved where high performance is not feasible for everyone, and therefore a differential investment approach is to be expected. However, the people philosophy focuses more on human capital, rather than systems, which can affect the locus of organisational effectiveness, and that the high level of pay and rewards to those differentiated by the system create a 'set aside' behaviour and performance (Sparrow et al. 2014). In addition, the cognitive capabilities and the mental model held by senior managers and strategic leaders operating in a hypercompetitive business system are limited. The people philosophy has been also criticised of balancing between a talented segment and other segments of employees in which organisations must seek a balance between sourcing talented individuals and developing a collective organisational capability, or creating a discomfort for a differentiated approach to talent, calling for a more egalitarian and inclusive focus. Thus, organisations must understand the locus of organisation effectiveness and how different levels of talent as human capital, or a small elite of talent, interface with the more systematic sources of organisational performance.

Whilst the people philosophy suggests that TM has no sophisticated TM processes but is rather a fundamental belief or rational decision, made by executives and senior managers about the importance of talented individuals and the creation of an internal labour market, the practices approach advocates the importance for a core set of sophisticated and advanced TM practices (Meyers and Woerkom, 2014). It acknowledges the function of HR architecture and its components through programmes, practices and processes that together form part of a coherent system and business process in line with the business strategy (Silzer and Dowell 2010). These practices involve identifying and recruiting talent; attracting talent by developing employee value proposition, and employer branding; engaging and retaining strategies through effective onboarding, pay and reward system, and retention initiatives. It also involves identifying internal high potentials using identification systems and assessment frameworks; managing talent flows through creating effective succession processes, internal mobility and career management; coaching and mentoring through leadership development programmes and establishing a talent review process linked with individual and organisational performance (Al Ariss et al. 2014). Such a philosophy argues that HR architecture must be aligned to competition strategies such as quality, effectiveness, efficiency or innovation to be of any strategic value or must amplify the efficiency of the existing strategic positions. However, the practices approach does not address the bundles of TM practices that constitute effective TM and how these practices can deliver to the organisation (Sparrow and Makram 2015).

The positions philosophy picks us on the critique of people approach that stresses the concern with regards to the locus of organisational effectiveness. The position philosophy by Becker and Huselid (2006) suggested that organisations make significant investment in positions that contribute to their competitive advantage, reflecting on the role of a differentiated HR architecture. Collings and Mellahi (2009) combine the matched strategy approach of this philosophy with the key elements of people categorisation, through systematic identification of positions, and the development of a talent pool of high potential and high performing individuals to fill these roles. This philosophy becomes critical, either when the relative contribution of important roles to the success of organisations is dependent on the design of a small number of mission critical jobs, or, when a high level of strategic uncertainty makes it complex to assess how ‘valuable’ a role is (Sparrow et al. 2014). This can significantly add value when linking TM and organisation design, by building and developing talent in line with the business model that can enhance performance outcomes of innovation, effectiveness and efficiency, and the ability to retain the best capabilities. Thus, the positions philosophy can significantly contribute to the organisational effectiveness through the speed and quality of strategic execution aligning TM with business model and organisation design.

The pool philosophy draws upon human capital or workforce planning in which organisations anticipate their needs for human capital. Bourdreau and Ramstad (2007) identified ‘pivotal talent pools’ through the grouping of talent viewed either as people or positions who have a differential impact on organisational performance, adopting an exclusive approach of TM. Investment in human capital helps improve organisational capability, competitiveness and strategic success. It differs from the position philosophy by identifying pools of labour of strategic value (Sparrow and Makram 2015). The pool philosophy extends beyond human-capital theory adopting supply-chain management for planning and forecasting in uncertain conditions of supply and demand. This can create inequitable systems, widening pay differentials, overemphasising individual performance. However, decisions in human capital management involve pragmatic limitations as decisions are driven by intuitive instincts or informed preferences not on frameworks and analysis. Decisions are bounded by the cognitive limits of managers who have neither the time, capability or inclination to access data to select those who are “good enough” based on their previous experience or belief about talent (Collings 2014). The strategic-pool philosophy stresses a number of claims for a more nuanced and differentiated understanding of TM. It signals potential mechanisms for: how the identification and translation of the organisational capability can be articulated into a strategy

and translated into a specification for talent for the execution of strategy; assessment of the consequences or feasibility to build or buy talent strategies; the use of frameworks to segment existing or target talent populations according to the strategic need. These mechanisms move beyond the HR analytic skillset or human capital theory, arguing that models and frameworks from the field of risk management, optimisation, mitigation disciplines or supply chain management under condition of uncertainty can be utilised for TM.

The people approach focuses on the categorisation of talent into A, B and C performers using solid performance management based on the differentiation of high performing and high potential individuals. This approach highlights the role of talent as people, with disregard to sophisticated TM practices that could be aligned to a resource-based view, for the development of resources that are valuable, rare, inimitable and non-substitutable. Thus, this is only based on sourcing talent with the right skills or managing performance based on rational decision-making developed by managers. This also entails that talent is exclusive-stable without configuring the locus of organisational effectiveness. The positions approach is a response to the critics of the people approach which shows that organisations should make significant investment in positions that contribute to their competitive advantage. Such an approach draws upon the assumption that key strategic positions are certain and fixed. However, key strategic positions in small and medium organisations keep evolving due to the constant changing size of the organisation. The pool approach moves beyond human capital, by identifying talent pools either as people or as positions with a differential impact on organisational performance. However, this approach is based on limited cognitive ability where decisions are bounded by the manager's ability to access data which is 'good enough' to identify and select talent. Finally, the practices approach refers to systematic TM processes that involve sophisticated practices and programmes, including sourcing, developing and retaining talent. However, there are issues with defining the bundle of TM practices that constitute effective TM as well as trying to align them with organisational strategies and institutional contexts. This approach can also be underpinned by the resource-based view which has been previously described.

2.5 Talent Retention Challenges

2.5.1 Talent Management Challenges in the MENA Region

The Middle East and North Africa (MENA) region has faced a number of critical challenges in the management of their talented individuals, which include: shortage of national skills, the massive reliance on foreign workers, the need for investment in knowledge resources. In spite of these major challenges, the region was able to cope with them due to their abundant financial resources, improved socio-economic conditions and effective integration to the global economy. However, these conditions have changed due to shrinking budgetary allocations for project expansion and human development, departure of talent from several sectors and the quest for workforce nationalisation and employment opportunities for locals (Al Ariss 2014).

Given the fact that in today's economy, the region is relying on trade with other regions and several of its countries are highly dependent on oil exports, talent nurturing and management in today's economy will be a decisive factor in shaping the region's economic future and role in the global market. Effective TM becomes of vital importance to maximise the potential of knowledge for sustaining the performance of SMEs, and contributing to the region's economic growth (Al-Ariss 2014). The effective management of human capital becomes the most pressing challenge due to a high level of underutilisation of skills and knowledge resources. In fact, there are pressing concerns regarding the region's ability to nurture and absorb talent. In particular, there are two issues essential for talent management, which are proportion of the youth compared to the population of the region and the unemployment rate among both the youth and the general population. Both issues constitute a major hurdle that must be confronted. The large presence of youth in the workforce and their high unemployment rate represent a major challenge for both government and business corporations.

The changing external environment has made it necessary to question how talent and knowledge are utilised and managed to meet the strategic goals of organisations. Although, huge investments have been made by governments in attracting and developing human capital through education, training and research programmes, recent studies indicate a low return of positive results, including the empowerment, management and improved performance of local talent. The global financial crisis (GFC) caused challenges for organisational management,

talent management, and knowledge management in the Arab world and GCC countries, (Biygautane and Al Yahya 2010).

The World Bank (2008) classifies the MENA countries into three categories based on the degree of availability of natural resources, mainly oil and labour, which are: (1) Resource-poor, labour-abundant countries including Lebanon, Jordan, Egypt and Morocco, Sudan, and Tunisia. These countries have scarce natural resources, but with massive pools of labour that seek jobs in the gulf countries or Europe. (2) Resource-rich, labour abundant countries including Algeria, Iraq, Iran, Syria and Yemen. (3) Resource-rich, labour importing countries, and essentially resource-based oil countries: Libya, Kuwait, Oman, Qatar, Saudi Arabia, and UAE. Saudi Arabia and UAE are the most dynamic and largest markets in the Arabic speaking part of the region and primarily rely on expatriates to carry out major economic activities for countries, attracting engineers, doctors and university professors in which expatriates comprise 80% of the population (Scullion and Collings 2011).

According to Scullion and Collings, the region is a home to more than 490 million people, and 60 % of them are under the age of 30. This vibrant, energetic, and young population can serve as the engine of economic prosperity in the region if their talent and potential are tapped. The region has the potential to be a formidable international economic player as it accounts for more than 61% of the world's oil reserve, has experienced a rapid growth in higher education, and, over the last few years, has accumulated a considerably large sum of sovereign wealth funds (SWFs). These factors have enabled the region to embark on new mega economic projects and invest heavily in human capital and enjoys abundant energy sources, strategic geographic locations and a generation of those younger than 30 years who comprise 60% of its population. The youth (defined as those between the ages of 15 and 24) numbered about 90 million in 2005. This number is expected to exceed 95 million in 2025. where MNEs compete for influence and domination due to the regions potential and the market capacity to evolve. The region is highly diverse in terms of ethnicity, geography, gender and age where manual work and related jobs are performed by Asian workers and highly skilled jobs in marketing, strategic planning and R & D are performed by Westerners, Lebanese and Jordanians, while engineering and teaching are performed by Indians and other Arab states.

Major challenges such as diversity, turnover and shortages in highly professional and skilled labour. This is a pivotal issue in the years ahead as turnover in the private sector appears to be increasing in recent years. The Bayt.com (2009) found that there was an overall “unrest” in the

job market as many employees are either planning to leave their current jobs or are actively looking for other jobs (Scullion and Collings 2011). This is a new trend in the region. Five major forces have contributed to the emergence of this event: the economic downturn; an accelerating trend to diversify the economy which opens new opportunities; mobility of the workforce; a steady shortage in skilled labour, as many skilled expatriates are either moving back to their home country or looking for emerging opportunities elsewhere (Mercer 2008); and countries which have sponsorship systems have recently relaxed regulations giving employees in certain industries the right to switch employers without the approval of their current employer. Therefore, retention of skilled and professional employees is becoming the most critical issue facing corporations in the region.

There are various drivers of TM which make it essential to face the mounting complex challenges that are confronting countries in the region. Specifically, the major drivers include: huge investments by governments in infrastructure, rapid integration in the world economy, MNCs' increasing demand for qualified personnel, phenomenal growth in higher education institutions, and a shortage in leadership and certain competencies essential for sound development (Scullion and Collings 2011).

Aguirre et al. (2009) indicated that currently only 4% of the global talent pools comes from the region. There is a recognition that privately-owned businesses and MNEs play a significant role in economic growth and job creation. The GCC countries are expected to invest \$3 trillion in the region by 2020. Jobs are not normally given with any regard to qualifications or jobs requirements, but on availability and lower wages. Succession planning is considered as a leadership development tool, and training and development activities are held abroad, enrolling employees in distance learning courses or inviting western trainers to conduct seminars for their senior staff. The mobility of the workforce made it hard to retain talent which has left a shortage of skilled labour

2.5.2 Talent Retention Challenges in Jordan

Jordanian organisations face major problems surrounding the development and retention of human capital, including high turnover rates and a lack of skilled employees. Low investment in training, development and learning opportunities fuelled these problems (Aladwan et al. 2014). Firms realise that it is more cost-effective to retain a talented employee than to attract

and recruit talent with high direct costs for advertising, recruiting and training. Research by Manpower (2018), shows that it can cost 1.5 times the salary to replace existing talent. Companies also consider indirect costs such as reduced morale and disruption of work flows. Organisations in Jordan struggle to establish a positive organisational climate to retain and sustain valuable employees. Variant rewards systems have been used to motivate and retain knowledgeable and talented employees. According to the Manpower (2018) report, the focus of middle eastern organisations to retain talented individuals was based on traditional HR policies, including personnel management and payroll policies, new policies are generally based on a more strategic perspective of managing competent employees which is competency-based. According to Alhmoud and Rjoub (2019); Akhtar et al. (2015); Stone et al. (2010) the intrinsic rewards are key determinants that enhance high retention performance. Alhmoud and Rjoub (2019) found that 88% of highly skilled employees left their organisations on the basis of non-monetary motives, where a lack of development opportunities (39%) was the main cause of turnover.

A firm that is not able to keep valuable talent resources who can fulfil leadership roles, misses out on: growth opportunities, sustainable development, and the ability to manage expanding areas of their business (World Economic Forum 2018). Effective talent retention should focus on strategic processes and practices that prevent talented individuals from being attracted to another organisation. Thus, organisations that creatively offer a range of benefits such as learning and advancement opportunities are more likely to retain talented individuals. The RBV explains how human capital may provide a source of competitive advantage if they are valuable rare, inimitable and non-substitutable as previously described. However, the sole presence of talented individuals does not lead to a sustainable competitive advantage since these assets are not owned or even controlled by a firm. Therefore, without effective STM processes and practices that lead to high retention performance, firms may lose this competitive advantage to other firms and so it becomes imitable. Alhamwan et al. (2015) suggested that promotion and development opportunities that distinguish and reward talented individuals are significant factors to determine whether they are likely to stay or leave their jobs.

Several empirical studies on employee retention have been published. The majority of these studies investigate the relationship to employee retention of organisational culture and employee motivation in emerging markets. In addition, most of the published work on talent retention have been conducted in the US, UK and emerging economies with abundant resources. However, a study on talent retention in middle eastern countries with poor resources

have rarely been conducted. The link between STM and retention in Jordan in particular has not yet been analysed (Alhamwan et al. 2015).

A lack of economic growth in line with discrimination by using the Wasta principle demotivate people and push them to leave their country looking for equal opportunities through what has become known as the 'brain drain'. A field study conducted by Al Ariss (2014) concluded that nepotism practices in the Middle East play a significant role in securing a job. Long-term structural unemployment among the youth in Jordan was considerably high and stood at 30%. The Arab Competitiveness Report (World Bank 2018) report indicated that unemployment was high among the most educated where the cultural paradigm represented by Wasta emphasised the role of personal connections rather than the importance of merit-based opportunities and the value of work, as a way to advance socio-economic emancipation. As previously discussed, this obliges many talented individuals to leave their companies and travel abroad in search of equal access that merits qualifications and achievements rather than personal connections. This being partly due to the economic and social system and the weight of state-owned enterprises and family-owned business among small and medium enterprises.

The lack of merit-based opportunities is reflected by the mismatch between skills and fields of education and the needs of the labour market. The brain drain is highly evident in countries with both poor resources and abundant talent such as in the MENA region, specifically Jordan. The Jordan brain drain index stands at 4/10 where more than 800,000 highly skilled individuals emigrated to other countries looking for more promising opportunities. According to Bayt.com, the Middle East Salary (2018) survey stated that 31% of highly skilled and educated individuals showed a willingness to relocate to other countries. Sidani and Thornberry (2013) argue that nepotism acts to prevent a firm from retaining non-family talent. Most importantly, it violates, firstly, standards of merit, by hiring people who lack technical qualifications for involvement in day-to-day operations of the enterprise, and secondly, standards of equity where some members feel unfairly treated because they are not offered the same opportunities that are given to others. Moreover, nepotism is also correlated with several problems, including lack of responsibility, weak governance and institutional structure, family interference in management and negative attitudes from employees.

2.6 Talent Management Process - Micro level

TM process consists of an interrelated set of organisational activities such as identifying, attracting, developing and retaining high performing and high potential employees who ultimately contribute to organisational benefits (Jyoti and Rani 2014). These activities start with attracting talent people and ends with retaining them. As identified above, TM applies a strategic and modern approach which is distinct from typical HRM practices with a primary focus on high performing and high potential individuals. The attraction, development, succession planning, management, and retention of talented individuals are the key practices of TM which build and develop high performing and high potential individuals beyond the traditional HRM practices (Ambrosius 2016; Vaiman et al. 2018; Zhang and Bright 2012; Bano et al., 2010; Vaiman, 2010; Collings and Mellahi 2009; Tansley and Sempik 2008). These practices are more strategic because they help organisations achieve corporate goals by focusing on high potential staff and high performing employees rather than management functions and common employees (Kaur 2013; Iles et al. 2010; Snell 2007). This section discusses TM as an integrated and interrelated set of activities that shape the strategic processes of TM. As TM practices are under-researched in Jordan, discussion of these practices generally considers the context of the Middle East.

2.6.1 Talent Acquisition

Talent acquisition is the process of identifying, attracting and evaluating talented individuals by using assessment and development centres. Building on the context-specific approach of this research, and the aforementioned problems of defining talent, there are two key tensions, which are whether talent is innate or acquired which result in different approaches being used to recruit talented people. Those that support the argument that talent is innate emphasise the need for identification and selection practices. Those that support the alternative view, that talent is acquired emphasise the need for gaining the necessary experience by developing people. (Dries, 2013; Meyers and van Woerkom, 2014; Meyers et al. 2013). For instance, in many western countries, talent is viewed as an innate capability that contributes to an above average performance, whereas in Eastern countries talent is seen as an exceptional accomplishment obtained by years of training and development. In the Middle East and Arab Gulf region, companies are more willing to acquire and develop local talent than to attract foreign talent (Sidani and Al-Ariss 2014) because of the need to fill gaps in demand and supply

for workers, and because government policies require hiring locals. Talent shortage continues to become the most critical challenge for TM at organisational, national and international levels in which employers find it harder to attract and recruit highly skilled and talented individuals as the demand for key skills grows. The skill shortage is worsening globally where the global talent shortage has reached the highest level since the global recession in 2007, where 40% of employers reported difficulties in finding talent in order to fill critical jobs (ManpowerGroup 2015), identifying a talent shortage in the U.S of 45% and, 36% in Europe, Middle East and Africa (EMEA). According to CIPD (2017), there are four core internal recruitment activities: promotions from within, lateral transfers, job rotation and rehiring former employees. Employee flexibility has been emphasised increasingly as firms often operate in turbulent environments, and employees are often required to change their work practices and expand their range of skills. For instance, firms working in the IT industry or high-technology industries require an agile workforce. In addition, as many organisations manage team structures, employees often have knowledge of a multitude of roles and skills (Taylor 2019). In such environments, job rotation or lateral transfers may be more effective for employers who seek to fill new roles or skill gaps. The benefit of adopting job rotation is that employees are kept engaged and are already embedded in the firm's organisational culture, and so the employee can quickly transition to their new role (Mahoney and Kor 2015). Although, employee flexibility does not lead to task proficiency as if employees are encouraged to work on different tasks, they are not able to build up a high level of performance on one task, although this practice is cost-efficient, as a variety of skills deployed lowers the requirement for additional employees.

In order for organisations to build their talent pipelines, they have to have both formal and informal recruitment channels, including career fairs, consultancy firms and placements, and then carefully select candidates who fit the strategic need and the culture of an organisation (Hatch and Dyer 2004, Ready and Conger 2007, Collings 2009, Taylor 2014). Hatch and Dyer (2004) find that screening employees based on their educational and organisational requirements can have favourable outcomes, such as facilitating employee learning and development. Ployhart (2006) and Taylor (2014) state that organisations select employees based on their personality and attitude to achieve better employee engagement and workplace behaviour. These advanced selection techniques can reduce the amount of risk in the external labour market by enabling the firm to select candidates who both fit the role and have the potential to prosper in the organisation.

2.6.2 Talent Development

Talent development is the process of designing and implementing developmental strategies to ensure a continuous flow of talent in the future through succession planning and leadership development, and creating development pathways (Garavan, Carbery and Rock 2012). Talent development consists of planned training and development activities which aim to produce a sufficient supply of competent leaders and ensure they are equipped with the necessary skills to manage the vagaries of the business environment. It has been highlighted that talent management favours developing employees from within organisations. Several studies (Schmidt 2007, Jones et al 2012, Bapna et al 2013) conducted on training and development find a positive relationship between employee development and both individual performance and organisational performance (Hatch and Dyer 2004, Vidal-Salazar et al. 2012, Georgiadis and Pitelis 2016). According to Nadler (1979:88), ‘employee development is concerned with preparing employees so that they can move within the organisation as it develops, changes and grows’. CIPD (2017) highlighted that organisations must offer employees development opportunities that contribute to their personal growth, including promotion opportunities. However, in the absence of internal promotion, new learning opportunities and skill development initiatives such as job rotation may not be viable (Wrzesniewski et al. 2010, Stahl et al. 2012, Taylor 2014). In addition, conducting internal and external learning opportunities such as workshops enable talented individuals expand their skillset and enable them to achieve the organisation objectives.

One of the most critical elements for talent development is to understand both the context in which the firm operates, and the future needs of the firm (Elegbe 2010). Elegbe (2010) argues that not all organisations appear to critically implement talent development activities. For instance, in terms of type of organisations, talent development activities have long been recognised as one of the major challenges faced by SMEs due to the informal and personal management style, as well as them having fewer resources when compared to large organisations (Krishnan and Scullion 2016). In terms of context, in the Middle East, there has been a shift from traditional training and development activities, such as classroom learning, to a focus on work related activities such e-learning and group learning activities. Organisations in the Middle East are implementing strategic-development activities by conducting seminars

given by experts to their key staff or by sending their employees abroad for distance-learning courses to broaden their perspectives (Scullion and Collings 2011). However, in Arab countries, Arab managers view training and development programmes as a cost rather than an investment in human capital. In spite of the modernisation of rules and regulation imported in Arab countries, old practices and the personalised approach are still dominant (Obeidat et al. 2012).

2.6.3 Succession Planning and Management

Succession planning refers to a systematic effort and constant process in which organisations ensure leadership continuity in key positions, retain and develop intellectual knowledge and provide individual advancement for the future (Rothwell 2010). Succession management also refers to the ability of an organisation to find a high potential employee with the competencies needed to fill a key position either in the present or in the future. In terms of internal promotion, succession planning and management ensure that an organisation has a pool of employees with the ability, knowledge and attributes to fulfil senior roles when they become vacant (Taylor 2014). Rothwell (2010) suggested ‘replacement planning’ when an organisation ensures that successors are slotted into senior roles in the event that a vacancy arises suddenly. The benefit of internal succession is that employees are familiar with the culture of their organisations, thus the risk of an unsuccessful appointment is reduced. Effective succession planning occurs when an organisation implements processes and programmes in order to develop and retain talent (Rothwell 2010). According to Ali and Mehreen (2019) companies that have well-developed succession management processes along with career development opportunities, improve the skills and abilities of high potential employees, and thus retain talented individuals (Jyoti and Rani 2014).

Ali and Mehreen (2019) suggested that succession planning creates new knowledge paradigm and increases loyalty and engagement which reduces the turnover of employees. Ahsan (2018) stated that succession planning is a retention strategy that help to retain talent by offering development opportunities. Moreover, Ali and Mehreen (2019) conducted an empirical study and found that succession planning improves employee performance. When succession management is effectively planned between employer and employee through staged succession, opportunities are created for both parties to achieve their goals. However, in the

private sector where family owned business represents the majority of SMEs in Jordan, succession planning and management is problematic as members of the extended family often occupy senior roles in these organisations (Scullion and Collings 2011). According to the PwC (2016) study, only 14% of Middle East family organisations have a succession planning process in place for senior executives, while 38% have no succession planning at all. Further, succession is an important long-term strategic goal in Arab societies as self-employment in SMEs is a dominant aim for both employment and business structure (Palliam et al. 2011). However, according to Palliam, Cader and Chiemeke (2011) employee succession practices in Arab societies are non-existent for allocating talented individuals to senior roles resulting in high turnover rates within SMEs, which are mostly family owned.

2.6.4 Talent Retention

Talent retention refers to the ability of an organisation to retain its valued employees (Taylor 2014). Retention management is a systematic effort to create an environment that help retain employees by implementing policies and practices that address their needs. Employee retention continues to be one of the greatest challenges facing organisations and managers that affect their ability to sustain competitive advantage by retaining their pools of talented individuals (Pregolato et al. 2017). A study conducted by CIPD (2016) concluded that four-fifths of organisations had critical challenges for retaining senior staff in 2016, whereas two-fifths of organisations had undertaken serious initiatives to improve the retention of staff. The loss of valuable talented staff incurs a high cost for organisations in terms of the, time, effort and budget required to recruit and retain replacements. According to Taylor (2014) the ability to retain staff is influenced by both push and pull factors. Pull factors is aligned with job satisfaction and include: higher rate of pay, benefits, long-term career opportunities and job security that can be offered by other organisations. In contrast, push factors cause employees to leave their organisations due to perceptions of unfairness, feeling bored, being disengaged and not motivated to do their day-to-day work, a lack of proper coaching and mentoring, and a lack of training and development.

According to Alhmoud and Rjoub (2019) various studies attempted to explore factors causing employees to leave and move to other organisations. The leading factors were: lack of job satisfaction, job pressure and low commitment to the organisation. The implementation of

appropriate talent retention measures results in talented individuals staying and this achieved the objectives of the organisation. Intrinsic, extrinsic, tangible, intangible and social rewards could be offered to an employee by the organisation as an incentive to stay (Chinyio, Suresh and Salisu 2018). Several studies have investigated the critical role of rewards ensuring employee's commitment and willingness to stay in organisations (Chiboiwa, Samuel and Chipunza 2010; Morgan et al. 2013; Newman and Sheikh 2012) which found that increased motivation and retention of employees contributed to an increase in individual performance and workforce loyalty. Research studies over decades suggest that human motivation, recognition and job satisfaction at work are more powerful than pay rises and extrinsic rewards for retaining key employees (Taylor 2014).

According to a study of Islamic Banks in Jordan conducted by Alhmoud and Rjoub (2019) shows that although extrinsic, intrinsic, and recognition, support and affirmation (social rewards) had the highest level of influence over retention. Several studies investigating employee retention and turnover have been published (Chinyio et al. 2018; Belbin, Erwee and Wiesner 2012), however few studies had investigated relationships between talent retention and turnover. For example, motivation is a key factor for retaining talented individuals. Cappelli (2008) stated that lack of internal development of talented individuals increases the demand for outside hiring and so causes retention problems. Turnover rates in the Middle East appears to be increasing in recent years where talented individuals are either planning to leave their current jobs or looking for other places to work. This emergence is due to the economic downturn, mobility of workforce and shortage of highly skilled individuals, as expatriates are leaving and either looking for new opportunities in other countries or moving back to their home countries (Scullers and Collings 2011). Alhmoud and Rjoub (2019) noted that retention management in the Middle East, including Jordan has conducted little quantitative research and further investigation is much needed to better understand factors that influence effective retention of valued employees.

In conclusion, TM practices consider systems, programmes and policies that support the exploitation of valuable resources (Kraaijenbrink, Spender and Groen 2009). RBV is underpinned by the assumption of economic motivation and that efficiency can be achieved when value-maximising choices are reached through systematic assessment (Barney and Clark 2007). Bowman and Hird (2014) suggest that the application of RBV to TM emphasises the need for collective interaction and path dependence rather than the actions of key individuals. Thus, in order for TM to be effective across cultural contexts, the institutional context in which

decisions are made must be considered. This suggests that TM processes may not be suitable for all contexts and that the unique context proscribes the limits of the exploratory power of RBV (Bowman and Hird 2014: 82). For instance, the recent political unrest in the Middle East arising from the Arab Spring and the economic climate associated with the sharp decline in oil prices have shrunk budgetary allocations for major projects and human resource development (Cammatt et al. 2015). This has in turn created critical socio-economic challenges that have affected human capital formation, talent attraction and retention. This unique context can be analysed through sociological institutionalism that views organisations as social entities that seek approval in a socially-constructed regulatory, cognitive and normative environment. This highlights the significant role of social legitimacy and the need for cultural acceptance in the politics of the organisation (Morgan and Hauptmeier 2014). Therefore, as acknowledged by Beamond et al. (2016) an empirical study should be conducted to examine and explore the influence of macro-level factors on micro-level analysis in a unique context.

2.7 Macro View of Talent Management

The macro view of TM has been largely ignored as the majority of TM literature focus upon the individual and organisational level or provides a comparative view of how organisations adopt TM practices in different national contexts (Al-Ariss 2014; Farndale et al. 2014). According to the Global Competitiveness Index (GCI) and the survey findings of both Softscape Global and Deloitte-Bersin (Khilji and Keilson 2014), show that the war for talent has gone global under uncertain global market conditions. These conditions have intensified the game to develop robust TM strategies that can help organisations attract and retain the best talent. However, leading governments, including UK, USA Germany, Australia and Canada have joined the hunt to attract global talent through developing governmental policies such as the immigration policy. Governments of the emerging countries, including India and China seek to reverse emigration and return highly skilled emigrants back to their home countries, whereas governments such as South Korea, Malaysia, Taiwan and Singapore have made serious investments in education and the human-resource development of their own citizens which is known as “home growing”. These investments in utilising human talent and upgrading local capabilities have been playing a key part in government-led policies that aim to enhance economic growth by unlocking human potential and building on the innovative capacity of

organisations. The global issue of attracting and retaining the best talent has broadened the complexity by involving various governmental and non-governmental organisations, moving beyond the development of individuals, TM processes and systems for organisations.

TM at a macro-national level incorporates a broad crossflow of talent, government policies and diaspora mobility to attract, train, develop and retain talented people for innovation and competitiveness, which facilitates TM practices at an organisational level. Therefore, Khilji et al. (2015) suggest that as governments have joined the race along with organisations in the war for talent GTM must extend beyond the scope of individual and organisational level to better understand the complexity of managing talent in today's globalised world. Hence, Khilji et al. (2015) conceptualise a definition of macro global talent management (MTM) as 'activities and policies that are systematically designed and developed by governmental and non-governmental organisations for promoting the quality and quantity of talent across countries and regions to facilitate innovation and competitiveness of their citizens and corporations'. They argue that exploring and engaging in interdisciplinary research can provide a more holistic and comprehensive understanding of TM and further develop nuanced theoretical frameworks in the field (Khilji and Keilson 2014). This will help build and strengthen knowledge and practice in the area of GTM to better inform governmental and non-government level policy. This will enable them to cope with the complexity of managing talent in the global labour market and enhance economic development by using integrated country-level education and human-resource development together with talent development.

Building on the definition of TM given by Collings and Mellahi (2009), Al Alriss et al. (2014) conceptualise TM as processes and activities that constitute (1) the identification of key positions that differentially contribute to the organisation's sustainable competitive advantage; (2) developing a diverse talent pool of high potential and high performing individuals, and developing an HR architecture to facilitate filling these roles and positions; and (3) ensuring their continuous commitment to the organisation and to the well-being of societies in line with local and national contexts through appropriate HR policies and practices. While the definition of TM is based on operating at both the individual and organisational level, this has not taken into account the macro-level that involves country level activities, including both governmental and non-governmental activities.

Nevertheless, the macro-view of strategy formulation and implementation of TM in the MENA region literature is largely absent. However, firms which operate in the developing regions,

such as the MENA region, need to examine the macro-country or regional-level factors in order to contextualise or recontextualise their strategies when designing and implementing TM practices. Taking a more nuanced approach, these would be various country or regional level factors that might sustain or impede talent or human capital formation and integration. For instance, when exploring local differentiating factors in the emerging economies at a country or regional level such as India, China, Central and Eastern Europe, TM would focus on skill availability, business culture, corporate social responsibility, and social, economic and political transformation.

TM in Jordan goes beyond the boundaries of HR departments and practices in public or private organisations to involve government policies and strategies for youth education, formation and integration. Therefore, TM in Jordan is a structural and governmental issue, including socio-economic and educational obstacles as well as those at the institutional or organisational level. Hence, in order to effectively evaluate these challenges, this section will look at macro-level factors affecting national policies, as well as the educational and technical challenges facing Jordan in respect of the formation and development of young talent. Especially those that hinder either the best utilisation of talent or investments made, forming and training adequate talent pools that can be absorbed easily into the labour market.

2.7.1 National Human Resource Development

Recent research on TM at the macro-level emphasise the importance of governmental and non-governmental level policy impacts (Khilji et al. 2015), including education, human resource development planning and societal issues on both strategy formulation and implementation of the management of talent (Cooke et al. 2014). As mentioned earlier, governments pursue policies that focus on upgrading and maintaining local capabilities and improving innovative capacities by exploiting the talent of individuals. According to Martin (2015) policies that are most directly aligned to TM in a country are targeted at education and Human Resource Development (HRD) in order to attract and retain talented individuals from other countries. However, these government policies are more broadly important for attracting talent as well as aiding MNEs who are seeking to operate their businesses in a particular country.

Several HRD scholar investigated opportunities and challenges that sustain or impede long term HRD at the national level (Alagaraja and Githens 2016; Cho and McLean 2004; Lynham and Cunningham 2006). HRD fosters economic development strategies by promoting job growth through enhancing workforce development, training and development in the organisational context and also the development of skills at regional and national level by considering training and retaining those individuals who are partially employed, unemployed as well as new entrants to the labour force. National HRD (NHRD) refers to strategies, policy development initiatives and programmes that aim to enhance and improve the capability building of human resources at the national level (Alagaraja and Githens 2016). Capability-building strategies target individuals through education, training and development, vocational education and training, as well as educating and upskilling the adult workforce (Kuchinke, 2010). A critical review of the literature shows an investigation of political and socio-cultural systems (Cho and McLean, 2004; Cunningham et al. 2006; Lynham and Cunningham 2006). These models were useful for identifying and developing policies, programmes and recommendations for policy-makers. Another dimension focuses on cross-country comparisons such as education-led systems (formal, informal, and vocational educational systems) based on comparative assessment in the U.S, UK, France and Germany) with pillars that are not all related to education and TM. A third dimension was the cultural influences on industry and educational systems in the US, France, Germany, Switzerland and Japan.

Another approach highlights institutional arrangements between employers and the labour market, education institutions, utilisation of national skills as well as partnerships between the public sector and the private sector. The dominant focus of NHRD considers national priorities such as the linkages between employers, the labour market and public institutions that support work-based systems. However, NHRD policies and strategies are considered to be more effective when examining the impact of socio-economic and socio-cultural systems stakeholder institutions (e.g. government institutions, public sector and private sector organisations) (Alagaraja and Githens 2016). The impact of NHRD at a macro-level is best understood by considering the interdependence of economic, political, social and cultural systems in mobilising human resource capacities and enabling capability building at the national, organisational and individual levels. A multi-level framework provides a more effective approach to examine policies, practices and skills that are appropriate for the three levels of analysis. Such an approach considers the interaction between policies, practices and skills at

the three levels. Given that this research is more concerned with micro and macro levels, this study discusses both organisational and national levels to help identify ways for creating value.

Developing a highly qualified labour force is primarily important for the national agenda. Education reform started in 2003 by launching: The Education Reform for the Knowledge Economy initiative, the Education Initiative and the Jordan higher education programmes (Stevenson 2010). These initiatives involved updating the curriculum, developing training programmes for teachers, launching online learning systems, building new schools and reforming childhood education system (Stevenson 2010). However, education in Jordan faces major challenge due to the mismatch and large gap between the education system, including mainly the Technical and Vocational Education and Training systems (TVET), and the skills needed in the labour market. This is due to a lack of a formal coordination process between education and training programmes and social partners and stakeholders, as well as the disengagement of employers in curricula development addressing human capital development reforms to achieve the national agenda goals.

NCHRD (2015) incorporates well-defined reform priorities to develop Jordan's human resources by targeting change across all educational levels from early childhood to employment. This strategy equips youth with the requisite skills, capabilities and qualifications to compete effectively at national, regional and international levels. Through this strategy, the government of Jordan is realising their competitive advantage creation, including prosperity, stability and wellbeing relies almost entirely on the talent and enterprises of its people, as the competitiveness and productivity of its industries, depend highly on a talent pool of highly skilled and educated workforce. However, the most critical challenge facing the country is a mismatch of both the quantity and quality of its graduates. There are many graduates available, they do not possess the skills needed by employers. In other words, there is a marked oversupply of university graduates with inadequate skills and a chronic undersupply of craftsmen and skilled workers. As a result, the youth unemployment rate is running at 31.8% and the participation of the workforce at 41% is one of the lowest rates in the world. Following this, His Majesty King Abdullah II has called for "the development of an integrated, comprehensive, strategic, and well-defined system for human resource development in alignment with the new vision". Hence, structural change of HRD and education policies, designing structures and processes is a critical requirement to form, integrate and engage youth talent.

Jordan 2025 (2015) as an ambitious vision for a prosperous and resilient Jordan, sets out opportunities and challenges that drive or restrict growth. In accordance with the strategy, the main opportunities focus on a fast growing youth population where people under 25 years, including Syrian refugees, who at 55.7%, account for the majority of the population. This dramatic figure indicates that education and training are imperative to ensure that youth people have the skills needed to drive growth and productivity, as well as to improve quality and access to education for both Syrian refugees and vulnerable Jordanians. However, the key challenge facing Jordan is the alarming increase in youth unemployment that has reached 31%, as well as the acutely low labour force participation which stands at 41%. Institutionalised rule of law, based on trust and confidence, was highlighted earlier as being critical for conducting business efficiently. The foundation of the Jordan 2025 vision is based on promoting the rule of law and equal opportunities, increasing participating policy making, and strengthening institutions. In the absence of trust and fairness of regulations, the relationship between society members becomes fragile and results in low compliance to rules and regulations. Through a national vision and strategy 'Jordan 2025' aims to improve the regulatory changes to understand the changes and prepare businesses to adapt to new developments. Under the social structure and the institutional context of Jordan, people in Jordan perceive Wasta as a tool to obtain a job and secure preferential treatment by government. According to a national study of employment factors among Jordan's youth population, conducted by the Jordan government, 21% considered that Wasta was the most critical factor, 50% identified wealth and social relations and only 26% answered personal merit. Therefore, according to Jordan 2025, a system that does not operate fairly with social relations and Wasta considered greater influences than personal merit, will not incentivise youth in Jordan to apply for jobs and move up the career ladder. According to the national development strategy, in order to change the incentive structure, the core challenge is to reinforce the rule of law with trust and confidence so that the law will be applied equally and without bias.

2.7.2 Education

Education is a critical macro-environmental factor that consulting firms use to track and measure how well countries compare with others. Their work can be found in yearly reports from the World Economic Forum, INSTEAD, the World Bank and OECD. This can be measured by comparing across countries: innovation, ease of doing business, business practice sophistications, the institutional environment, and the capacity for attracting, developing and retaining talent. However, some of these terms are not directly related to education and TM.

In spite of significant improvements to increase literacy rates, the relevance and quality of education, and its applicability to the market needs are still questionable. Moreover, the tertiary school enrolments are still at a very low rate at 26% when compared to 90.3% in OECD countries (Arab World Competitiveness Report 2012). Enterprises in the region continually complain about the inherent imbalance and mismatch between the skills needed in the labour market and the skills taught at schools and universities. The prevalent educational system does not equip students with technical and analytical skills essential in today's competitive world, but rather demand traditional rote memorisation to pass the tests. This is supported by 585 surveys among eighteen Arab countries which found that 54% of respondents indicated that education does not provide the right skills in sufficient quantities to meet the demands of the labour market. Moreover, 97 % of respondents in Jordan, 92 92 % in Morocco, and 86 % in Algeria all agreed that the curricula are essentially based on a theoretical rather than practical foundation (Al-Ariss 2014). The World Bank Enterprise Surveys found that 38% of respondents in Lebanon, 36% in Syria, 33% in Jordan and 31% in Egypt identified that a lack of key skills and adequate talents are constraints for recruitment. The poor quality of the education system impacts the academic achievements of students in the MENA region. The results revealed by the World Bank study showed that students from the MENA region who participated in the Third International Mathematics and Sciences Studies (TIMSS) and the OECD Program for International Student Assessment (PISA) standard exam, were ranked lower than any of the other countries who participated. In a business administration test, the UNDP and MBRF made a comparison of the results between US and Arab students which showed that 63% US students scored good or above, as compared to 31% of Arab students. These results show how complex TM is in the MENA region. In the OECD and the developed countries, the main challenge for organisations in the private sector is to attract, retain and develop talented individuals. In contrast, the main challenge in the Arab countries is just to find

highly skilled, educated and trained individuals at entry level for the job market. Thus, almost 70% of students who graduate with higher education degrees in the humanities and social sciences are not considered attractive to the private sector. In addition, the skills and teaching methodologies for teachers as a fundamental part of the educational experience are one of the critical elements that inhibit an effective preparation and training of talent in the region. Due to socio-economic factors affecting teachers such as low paid salaries, insufficient and improper training received, teachers might not be psychologically prepared to deliver the required teaching, which can hinder the educational experience for students. Thus, the poor quality of education does not give priority to the technical or vocational skills needed for the labour market.

2.7.3 National Culture

National culture emphasises the role of work ethics, uncertainty and work orientation and the need for structure at work which have been described as important characteristics of a country's talent (Vaiman et al. 2019). There is evidence supported by Cooke et al. (2014) which suggests that the national culture helps to shape the appropriateness of TM policies and programmes which can be utilised by companies. For instance, Cooke et al. (2014) discusses how the Chinese culture characteristics influences TM programmes in China. One of their key findings is that growth advancement and life-long learning are valued by individuals when joining and staying in the firm. Moreover, Latukha (2015) found that TM practices reflect Russian culture more significantly in Russian companies than multinational companies within Russia. For example, companies like Huawei, YUM, IKEA and LG encase their TM programmes in a global/ local context in order to manage talent within a global framework (Schuler 2015). According to Cooke et al. (2014) the degree to which a strong relationship between country culture and company TM practices influences the effectiveness of TM practices remains under-researched. Thus, firms may find their TM practices need to be tailored to achieve a better fit to the national or local culture in order to support education, innovation and achievement and increase knowledge (Cooke et al. 2014; Lanvin and Evans 2017).

One of the key challenges of conducting research based on the national cultural perspective is to define what culture is, due to the numerous definitions that describe the concept (Stroh et al. 2002). One of the most dominant definitions suggested by House et al. (2004); Hofstede

(1983); define culture as shared norms, behaviours and values of a group which lead to similarities or differences in comparison to other human communities. According to Dordevic (2016) culture is the social behaviour and norms in terms of the central tendencies of a group in respect of a range of traits. These traits consist of shared patterns of beliefs, self-definitions, norms, behaviours and values that form together a complex theme within a society to shape national culture as a multifaceted construct of cultural traits. According to Hofstede (2001) national culture is a collective mental programming of the people in a particular nation. National culture is a convenient tool for explaining several phenomena in management such as leadership style and organisational structure (House et al. 2004; Hofstede 2001). Dordevic (2016) suggests that the greatest impact on the behaviour and attitudes of employees in an organisation and on the content of HRM is a national culture. Sonja and Philips (2004) argue that employees who work in an organisation live in a particular society, and so they are affected by a larger complex society. Therefore, employees may develop shared assumptions within the organisation, but they also acquire and bring in various sets of norms and values from outside of the organisation attributed to national cultures.

Several studies have shown that in spite of existing heterogeneous organisational cultures within one country, they are affected by the national culture (Hofstede et al. 1990). Dordevic (2016) stated that individuals establish their organisational values after their nationally based values have already been developed and that their existing systems of attitudes and values transfer to that organisation. Dordevic (2016) suggest that when there are contradictions between values that promote national culture and the values of managers, the impact of organisational behaviour on the fundamental beliefs of employees is weaker when compared to the influence of the national culture. In addition, as suggested by Triandis (1995) and cited by Dordevic (2016), the effect of organisational culture on norms and behaviours is of a short duration. This suggest that national culture is generally prevalent in organisations and has a great effect on HRM practices.

One of the most influential studies on national culture was conducted by Ronen and Shenkar (1985) who proposed a system for ‘clustering’ (i.e. classifying) into nine groups all nations that are similar in their culture, which were: Anglo, Nordic, Germanic, Latin European, Latin American, Arab, Far East, Near Eastern and Independent. the Anglo cluster consisted of the United States, the United Kingdom, Canada, New Zealand, Australia, Ireland and South Africa. The four independent countries were Japan, India, Israel and Brazil. The analysis of culture frameworks was built on literature existing at that time and countries were clustered according

to the patterns of similarity in the work-related attitudes of employees. The study was based on a large-scale assessment of how thousands of employees responded to questions in line with various work objectives; organisational and managerial issues, the extent to which work satisfies particular needs and the nature of work roles and interpersonal relationships. Although Ronen and Shenkar's approach has been criticised as many countries were not included in their study, the clusters proposed allow broad similarities and differences between the values which exist between managers in the Arab countries to be determined. The analysis can then be used to study the effect of these values on the transfer of recruitment and selection to the Middle East, and more particularly in Jordan.

Hofstede (1980) measured culture through value dimensions of national culture in terms of similarities and differences between cultures (Lin 2009). One of the most dominant models of national culture is the model formulated by Hofstede (1980) which shows that cultural patterns are rooted in the value systems of large groupings of the population over long periods in history (Hofstede 1980 2001). Successive research by Hofstede developed five dimensions which determined variation in national cultures. Hofstede's model was initially developed in 1980 over a study conducted on IBM employees in 40 countries. According to Hofstede (1983) these five dimensions are: power distance (which refers to how equal the power of distribution is in a certain society); uncertainty avoidance (which concerns the risk-taking behaviour), individualism vs collectivism (which refers to the degree to which members of a society tend to see themselves as independent); Masculine vs. feminine (which refers to the degree to which male and female values and social roles are differentiated). The value dimensions measured are used significantly for analysing and understanding managerial behaviour. As Hofstede suggested that differences in cultural values are embedded in managers' way of thinking, they promote particular values and guide managerial actions and mindsets. Thus, all national cultural factors can be considered as potential influences on manager's decision making (Hofstede 2001).

The Hofstede model is widely used for comparability on cross-cultural studies and provides valid measures for a highly elusive construct (Rowley 2009). This also helps to utilise these frameworks and analyse the cultural contexts by selecting several sub-concepts in order to achieve a high level of culture measurement. However, Hofstede's model has been criticised for the limited number of dimensions which fail to address the richness of national environments. With regard to Hofstede's theoretical limitations, the model represents values which are considered as internal factors, however there are some external factors which may

also affect behaviour (Obeidat et al. 2012). His model has also been criticised because national culture characteristics persist over time and that the constructs within the model dimensions are statistically based on clusters of responses with a deep disregard of the need to understand the underlying processes (D'Iribarne 1991; McSweeney 2002). Several studies (Schuler and Jackson 2007; Sparrow 1995; and Tayeb 1995) concluded that the most important influences on national culture that affect HR practices are the shared values, norms of behaviour, the unique way of doing things and the management logic of a particular country that reflects a broader national business system.

Jordan is well-known for its tribalistic nature (Branine and Analoui 2006; Rowland 2009). A tribe as defined by Maurice Godelier refers to a form of society consists of group of men and women who are being recognised by birth or marriage to control, exploit and defend territory and resources. For the purpose of this research, a tribe refers to a group within which the members share an intangible emotion that results in a varying degree of loyalty. The social system in Jordan is still largely based on tribalism and kin relationships. A central element that springs from tribalism and has a significant impact on HRM practices in Jordan is 'Wasta'. Branine and Analoui (2006) defines Wasta as to 'go in between' that favours people in several ways based on family and tribal relations. Loewe et al. (2007) indicate that Wasta in the Arab world equate to blat in Russia and guanxi in China. According to Branine and Analoui (2006) in Jordan as in most Arab countries, Wasta is the only way for many people to get hired. Vacancies in Jordan are normally filled through connections and jobs are offered to family members, relatives and friends with very little consideration of competence and achievements (Branine and Analoui 2006). Whiteoak et al. (2006) stated that Wasta provides an advantage for those who have developed social connections to help them progress and reach the positions they aspire to by befriending decision makers, and hinders people who struggle to follow the rules in order to advance in their careers. This diminishes any form of equality by providing advantages to individuals who may not necessarily merit them (Tlaiss and Kauser 2011). Several academics and practioners in the field of organisational culture studies (Alvesson, 2002), and organisational behaviour (Gelfand et al. 2007) have focused on addressing the impact of culture on TM in developed countries (USA, UK and Western Europe) because as a concept, it has not yet been cultivated in developing countries. This has resulted in a gap between TM practices in developed and developing countries and knowledge of how these concepts and practices may apply in the Middle East is thus limited. There has been little focus in research on how national culture influences TM practices in general in the Middle East and

in particular in Jordan (Tlaiss and Kauser, 2011; Tarawneh and Naamneh 2011). Due to a rapid increase in the number of small and medium sized organisations in Jordan, researchers have been prompted to study the effect of national culture on the implementation of both western business practices and HRM practices.

2.8 Talent Management Challenges in Jordan

2.8.1 National Culture - Wasta

As highlighted in the literature in the regional setting, the national culture of Arab countries is influenced by Islamic values and norms, nepotism and favouritism. However, Jordan's social structure is more significantly influenced by tribalism, kinship relations with a particular focus on rural areas. Tribalism as identified by Branine and Analoui (2006) and Rowland (2009) is one of the most distinctive characteristics of Jordanian culture. Furthermore, tribalism in Jordan plays a major role in the social relationships of individuals in a particular group. Additionally, Jordan traditions and history have significantly shaped business practices. HRM policies and practices in Jordan are also dramatically influenced by the values of the national culture. These values are reflected in the government policies and bureaucratic procedures. Tribalism and nepotism are frequently used in the recruitment and selection process influenced by personal connections and intermediary relationships because Jordan is a highly collectivist culture based on tribalism and kinship relation. Wasta is present in Jordanian organisations in different ways. For example, nepotism and favouritism plays a major role in favouring family members and friends with benefits from organisational resources. Personal connections and relations also offer family members and friends jobs irrespective of job qualifications (Budhwar et al. 2016).

In most Arab countries, including Jordan, the practice of Wasta is the only way for many people to get employed (Brainine and Analoui, 2006). According to Brainine and Analoui, (2006) vacancies are commonly filled through social connections, and jobs are normally offered to family members, relatives and friends with a general disregard to competence and achievements. This is supported by Metcalfe (2006) who stated that social networks in most Arab countries, including Jordan, are built on family connections which pressurise all aspects

of decision-making and thus play a significant role in the career development of individuals. This is affirmed by Tlaiss and Kauser (2011) who indicated that Wasta in the workplace is one of the most significant factors affecting HRM practices, including recruitment and career development of individuals. Wasta plays a critical role in hiring and promotion decisions in many Arab countries. Applicants may seek out a Wasta 'gatekeeper' from their family members, tribe or friends to increase their chances of being hired.

The problematic effect of the practice of Wasta contradicts the concept of justice and equality of opportunity which are recognised by western HRM frameworks (Branine and Analoui 2006). The use of Wasta favours individuals with low personal merit and strong connections over individuals with high personal merit and weak connections, which results in unfairness to those groups who do not have access to Wasta. Abdalla (1996) found that organisations in Jordan which practice nepotism will face critical challenges in attracting and retaining highly skilled employees who have no family connections within the organisation. Abdalla, Maghrabi and Raggad (1998) suggested that such firms will find it difficult to fire relatives who are unqualified inadequate performers if they were hired by Wasta. The Arab Human Development Report (2005) conclude that SMEs in the Middle East who compete with large MNCs realise today that in order to survive and compete effectively in a highly competitive business environment, they have to attract talented individuals and develop their skills and abilities regardless of their social connections. Therefore, in a highly competitive market it is imperative for HR in SMEs to overcome structural and cultural practices in order to address any discrimination that may take place as a result of Wasta (Tlaiss and Kauser, 2011).

For multinational organisations this presents a challenge in balancing the western idea of fairness, equal opportunities and diversity and the local system based on favouritism. The perceived benefits of Wasta cannot match the moral case for a merit-based model. Wasta has a very significant impact on business and HRM practice in Jordan. Wasta involves interpersonal connections rooted in family and kinship ties which are able to exercise power, influence, and share information through social and politico-business networks. It is intrinsic to the operation of many valuable social processes, and central to the transmission of knowledge and the creation of opportunity (Hutchings and Weir, 2006: 143). Finally, Smith et al. (2011: 3) defines Wasta as a process whereby one may achieve goals through links with key persons. It is implied that these links are personal, and most often derive from family relationships or close friendships (Cunningham and Sarayrah, 1993). Therefore, individuals will find it economically more rational to work on their social network rather than on their

skills and competence”. It appears that Wasta in the workplace is one of the most important factors affecting the recruitment and career success of individuals” (Tlaiss and Kauser, 2011: 474). Public efforts to address the effect of Wasta have been partially successful by focusing on legislative reform and improving transparency (Kilani and Sakijha, 2002). However, Mohamed and Mohamed (2011) stressed that the major challenge with Wasta is that it is deeply rooted in society and will prove difficult to eliminate, therefore, it will be crucial to develop more innovative strategies to address the critical challenge it represents (Tarawneh and Naamneh 2011).

2.8.2 Institutions - Regulatory, Cognitive and Normative

Most of HRM studies conducted in Jordan are not based on empirical realities which does not make it possible to chart an effective awareness of HRM strategies and practices (Melham 2004; Afana 2004; Abu-Doleh 2000). As stated by Abu-Doleh, (2000), Al-Shaikh (1997), Al-Rasheed (1994) developing countries need to reinforce their organisational and human resources to prepare for future growth. However, according to Melham (2004), Afana (2004), Abu-Doleh (2000), HRM practices within Jordanian organisations would improve when HR practioners understand the nature of its current application. There is less literature on HRM in the Arab countries, including Jordan, Egypt, Saudi Arabia and Qatar than other countries in the rest of the world (Altarawneh 2009; Al-Athari and Zairi 2002). Therefore, there is a lack of systematic analysis in the literature of HRM, that could present a comprehensive understanding of the dynamics of HRM in Arab organisations (Altarawneh 2009; Budhwar and Mellahi, 2006; Al-Athari and Zairi 2002; Abdalla and Al-Homoud 1995).

HRM policies and practices in Jordan are dramatically influenced by the values of its national culture. These values are reflected in the olicies and bureaucratic procedures of government. In addition, there is no clear evidence of the participation of HR managers in strategic decision making, or on establishing, or even implementing HR practices in either private or public Jordanian organisations (Budhwar and Mellahi 2006; Al-Athari and Zairi 2002). Abu-Doleh (2000) stated that development and effective enhancement of HRM strategies and professional practices can only be implemented when management in Jordanian organisations acknowledge and value the role of HR in the structure of the business. In most of the Arab countries, the role of HR does not extend beyond personnel through the administration of recruitment and retirement files of candidates and employees (Budhwar and Mellahi 2006; Melham, 2004;

Afana 2004). Furthermore, the socio-cultural values, economic condition and political environment are more likely to affect HRM practices in Jordan, than in other Arab countries (Yeganeh and Su, 2008; Gerhart and Fang 2005; Jackson and Schuler 1995).

Regulative dimension

Despite their important contribution to the Jordan economy, SMEs face critical challenges, which emanate from the national regulatory and legal environment, and the lack of employee skills, development and training (World Bank 2012). Therefore, SMEs face barriers to entry and to compete in the market. According to the World Bank (2012) findings, the largest barrier for SMEs competitive survival in Jordan, is the access to financial resources, due to an inadequate regulatory framework which triggers poor regulation of financial services. These regulations lead to more risk-averse and less competitive business activities to support dynamic, expansionary activities (Katua 2014). According to JEDCO (2013) findings, due to limited micro-financing schemes, SMEs are largely centred in the capital, Amman. This central positioning of SMEs throughout the country limits their socio-economic contribution to job creation across the kingdom.

JEDCO provides several financial and technical programmes for SMEs. JEDCO (2017) has been involved with a regulatory initiative and has initiated projects aimed at enhancing the business environment for SMEs by “Supporting Jordan in Improving Policies of SMEs”. These efforts aim to improve the legal framework by policies that facilitate cooperation between public and private institutions. in respect of investment funds to foster financial, technical and logistical support for SMEs. Despite these efforts, Jordan 2025 stated that SMEs still lack technical support, guidance and funding programmes. The World Bank’s (2017) ‘ease of doing business’ index ranks Jordan 118th out of 190 markets surveyed, and falling eight places to 106th, in the ‘starting of a business’ category. In addition, according to a study conducted by the Jordan Strategy Forum, access to resources such as finance and electricity, as well as competition from informal enterprises are the biggest constraints for the growth of SMEs in Jordan. This has created the ‘missing middle’ in the structure of the economy where 96% of SMEs are micro businesses with no more than 10 employees due to their inability to grow and develop. Thus, a lack of SMEs information regarding market competitors, and the under-recording of informal small and micro enterprises, threaten their survival and growth. JSV (2016) suggested that better law enforcement reinforces the formal registration of all SMEs.

The high level of entrepreneurship in Jordan may be due to the weak growth of jobs generated by large companies and the decline of employment in the public sector after both the privatisation programme and government policies. While employers, including SMEs struggle to find workers with the skills needed to grow their businesses, Jordan 2025 aspires to the NCHRD vision to overcome critical challenges with regards to youth unemployment (31%) and workforce participation (41%). This is in order to grow a more dynamic and more competitive private sector. NCHRD (2015) stressed the mismatch of supply and demand of both the quantity and quality of workforce, as well as the imbalance of incoming and outgoing migration. NCHRD (2015) emphasises the vision of Jordan 2025 which can only be delivered by developing human resources from education, across all levels, to meet the requirements of the labour market. NES (2015) is associated with the strategic national goals of NCHRD (2015) which is to enable the private sector to move up the value chain and improve its productivity on the demand side. On the supply side, NES (2015) attempts to graduate a skilled labour force with employability skills and the technical know-how demanded by the labour market. However, while NCHRD is in the early stage of implementation, reviewing the delivery of past efforts at HRD reform in the past, which due to poor implementation have not delivered the benefits desired.

Nasr and Rostum's (2013) study examined the impact of the quality of their labour force skills on SMEs growth. The findings showed that through poor motivation there was a lack of employee training in SMEs (Nasr and Rostum, 2013). This was supported by The International Labor Office (2015) which showed that the lack of human capital development was a barrier to the growth of SMEs will miss out on business and economic opportunities because of inadequate education and skills training. As stated by Brewster et al. (2018), the Arab management style shows little recognition of the need for TM and Arab managers consider training and development as a cost rather than an investment. Brewster et al. (2018) stated that creating a strategic approach to HRM in the region is long overdue. There is a lower status associated with strategic HRM roles in the organisational structure, which together with the poor development of HRM managers is reflected in the absence of strategic HR practices such as succession management. Therefore, there is a need not only to overhaul the education, vocational and training courses provided by different institutions but also to be open to learn from successful systems from other parts of the world (Budhwar and Derbah 2009). A recent analysis conducted in a study by Deloitte (2015) based on the views of 300 HR managers and executive directors, concluded that a focus on training and development should be given a high

priority in order to meet talent-related challenges reflected in poor education performance, as well as to align the role of HRM with business strategies. As training and development activities play a crucial role in developing high potential individuals and thus improve organisational performance, Altarawneh (2009) conducted a study to examine whether continuous investment in training and development programmes positively influence organisational competitiveness. However, this study concluded that in many Arab and Jordanian organisations, training and development is considered as an unnecessary additional function (Aladwan et al. 2014). Aladwan et al. (2014) found that some Jordanian organisations consider training and development activities a waste of time and money that do not improve employee and organisational performance. Al-Athari and Zairi (2002) confirm this view, and argue that also some Jordanian organisations consider training and development as a function which does not contribute to improving the commitment of employees. In addition to what has been highlighted, a review of the literature in Arab countries, including Jordan, shows that training and development is still not regarded as a significant function that contributes to organisational success. Instead, this function is considered as a vacation or leisure time activity which is normally given to the friends or relatives of managers. Furthermore, the literature also demonstrates that the training evaluation process in some Jordanian and Arab organisations is more generally an infrequent and uncommon practice (Altarawneh, 2009).

2.9 The importance of Talent Management in SMEs

TM concepts and practices are largely developed within large firms, but uncritically applied within SMEs which operate under different institutional, resource and economic contexts (Festing et al. 2013; Heneman et al. 2000). The conceptualisation of TM as proposed for large firm needs adaptation in the SME context.

Opportunities for TM in SMEs.

SMEs are increasingly identified as growth contributors to the global economy and crucial employment generators. In developing countries, they account for 90% of businesses and on average 50-60% of national employment. They also account for more than 99% of companies in the U.S and OECD countries, and 85% of companies and two-thirds of total employment in the MENA region. Their dominance highlights the strategic importance of job creation in the

world economy that is central to the economic agenda of most governments. However, they vary in size between countries according to the number of employees. For instance, the employee size limit in Canada and in the US run to 500 employees, and 250 employees in the MENA region.

SMEs face critical challenges in attracting, developing and retaining talent people. Krishnan and Scullion (2016) argue that their TM practices tend to be informal, adopting a more egalitarian culture, rather than the formal and exclusive approach implemented by large MNEs. Institutional theory considers organisations as social entities that seek approval for their procedures and practices in socially constructed environments. (Jackson and Schuler 1995). For instance, Large MNEs, to obtain legitimacy, may have to conform to legal standards and regulations when implementing HR practices which gives them a necessary trustworthy and dependable image (De Kok and Uhlaner, 2001). This theory highlights the need to consider the laws, regulations, social structure, norms, values and beliefs within the institutional context as well the internal and external environment elements within the social context. Due to the limited organisational resources and information available to job seekers, SMEs face a legitimacy disadvantage in the labour market along with the additional challenge of being embedded in a global competitive environment which makes it harder to attract talent. This can make international managers think that the international dimension of a career is less relevant in SMEs than in MNEs. Barber et al. (1999) report that SMEs tend to develop their own distinctive models which fit with their specific context by opening up non-traditional recruitment channels to attract qualified staff from different talent pools. They do this, for example by recruiting semi-retired individuals who have a wealth of knowledge and experience. SMEs are at a disadvantage in comparison to larger firms in respect of cost due to the smaller scale of products produced. They tend to implement informal work practices rather than formal practices, remaining flexible so as to reduce cost. They do this, for example by requiring employees to play multiple roles and to adapt to the changing needs of the organisation. SMEs face the restriction of size with fewer resources and greater challenges when compared to large firms. The major challenge for them is to attract managerial talent from recruitment pools used by larger firms due to their limited ability to offer competitive compensation and benefits

The fourth stream of strategic TM defined by Collings and Mellahi (2009) focuses on identifying key strategic positions and the development of a talent pool to fill these positions. Similarly, scullion et al. (2010) define global TM as all organisational activities that aim to

attract, develop and retain talent in the most strategic roles. Thus, identifying key strategic roles has become a central theme in the TM of large enterprises (Cappelli and Keller, 2014; Collings et al. 2015; Cascio and Boudreau, 2016). This stream has become dominant in the literature and in the practice of TM in large enterprises (Scullion et al. 2016). However, this has left TM practices conceptually or empirically uncritically applied with the need to adapt according to its context adaptation in its context (Festing et al. 2013; Heneman et al. 2000). Krishnan and Scullion (2016) argue that the large firm approach would not fit well in the SMEs context due to the constant evolving of functions and hierarchical levels in SMEs. This reflects in the fact that SMEs have not yet reached stability in their structural form, make it hard to identify strategic roles. This suggests that it is unlikely that there is one function or a set of jobs that would be considered as strategic, and thus this would require constant re-evaluation. In addition, due to the high emphasis on a centralised decision-making process in SMEs (Child 1973; Jack et al. 2006) and the low conception of HR in these firms, there is little time or resources available for top managers to identify key strategic roles. For top managers, the main focus is on running business and dealing with production and marketing, as well as responding to customer demands, while efficiently utilising the firm's resources (Viverde et al. 2013; Mayson and Barrett 2006).

Moreover, due to the liability of size as previously discussed with only a few resources and greater challenges, SMEs remain flexible by adopting informal HR practices and centralised decision-making in order to be more cost effective (Mayson and Barrett 2006). Thus, they require employees to play multiple roles according to the changing needs of the organisation. However, they tend to develop their own distinctive models which fit with their specific context. For instance, SMEs use the advantage of tapping into non-traditional channels for filling critical roles such as recruiting semi-retired individuals who have valuable knowledge and experience.

Further, SMEs could adopt several strategies to overcome the resource disadvantage. For instance, they could seek to reduce uncertainty by attracting experts and consultants in the development process (Garnsey 1998). In addition, because of their flexibility, research highlights a number of measures they could take to achieve high levels of talent retention such as better job quality and better job satisfaction (Storey et al. 2010). However, due to limited organisational resources and the information available to job seekers, they face a legitimacy disadvantage in the labour market, which makes it harder for these companies to attract and retain talent. Given their limited market presence, they become more liable to competitive

pressure and more focused on utilising current resources more effectively and efficiently (Festing et al. 2013). While high performance work practices have a positive impact over performance outcomes (Arthur 1994; Huselid 1995), significant investment in HR practices incurs high direct and indirect costs. However, due to the limited ability of SMEs to invest in costly employee practices (Cardon and Stevens 2004), attracting talent by offering competitive pay and developing talent through highly sophisticated TM practices become more difficult for SMEs to implement. Barber et al. (1999) suggest that they tend to develop their own distinctive models which fit with their specific context by opening up non-traditional recruitment channels to attract qualified staff from different talent pools.

According to Krishnan and Scullion (2016), in order for SMEs to effectively develop and retain talent, utilisation of complementary and consistent TM practices through the involvement of senior managers and line managers is critical for successful implementation of TM processes and strategies. Given their small size, owner-managers are more likely than line managers to be involved in the design, leadership and operation of TM practices (Cassell et al. 2002; Cardon and Stevens 2004). In addition, as SMEs face particular challenges attracting talent, innovative practices help leverage their contextual attractiveness and build or develop talent internally

2.10 Chapter Summary

This chapter has provided the foundation of TM along with key concepts and dominant theories in the literature of TM. The literature reveals the main elements of TM processes, including talent acquisition, talent development, succession management and talent retention which are essential to effectively manage and retain talented individuals. The literature also shows how SMEs find it hard to retain their highly valuable employees due to a high competition with large MNEs, as well as their limited resources to offer career development opportunities. In line with limited resources in such organisations, SMEs face issues with lack of technical and managerial support provided by the Jordanian government. This lack of resources makes it even more difficult to train and develop individuals with high potential and thus affect SMEs ability to retain them. The literature review reveals little recognition of the need for training and development, but rather it is considered as a cost than an investment. In addition, the review of the HRM literature in Arab countries shows a low status associated with strategic HRM roles in the organisational structure reflected in the absence of strategic HR practices such as succession management. The literature review has also pointed out cultural and institutional challenges as the economic climate and the geopolitical crisis that can impede human capital formation due to the difficulties in retaining talented individuals. By discussing TM practices in the MENA region and its challenges, the context of Jordan indicated major socio-economic challenges including a high unemployment rate together with a poor education system, high brain-drain index and complex social structure that make it even more difficult for SMEs to attract and retain talent. However, HRM practices in Jordan are dramatically influenced by the values of the national culture where nepotism and favouritism represented by Wasta play a major role in offering jobs to family members and friends irrespective of job qualifications. This in turn ultimately affect talent retention and succession management. In the context of institutional context, exogenous factors refer to factors external to the firm that are beyond the control of management and which can create challenges that can affect TM processes and practices (Schuler et al. 1993). These exogenous factors including national culture that affect organisational ability to attract, develop and retain talented individuals, where the most influential factors highlighted are socio-cultural issues related to prevalence of nepotism and more specifically Wasta.

Tarquie and Schuler (2010) called for future research that examines how TM practices can be affected by cultural characteristics and how organisations can tailor their TM activities in order

to be efficiently sensitive to regional and industrial conditions. Therefore, this study extends beyond the organisational level into the macro country-level, to examine how the practice of Wasta as national culture norms affect STM processes and STM performance. The literature review shows that the degree to which a relationship between country culture and company TM practices influences the effectiveness of TM practices is still under-researched. The next chapter provides a theoretical conceptual framework in order to examine relationships between macro environmental factors, Wasta, TM processes and outcome in which it affects talent retention performance.

2.11 Critical Reflection and Overall Research Gap

Despite the rapid growth of TM in the last two decades, there are still challenges facing this emerging field in terms of comprehensively understanding TM and its operating boundaries. The effectiveness of TM and its added value to organisations need to address not only factors at organisational level but also external factors that are embedded at varying national and organisational contexts (Al-Alriss et al. 2014). The chapter aimed to provide a critical review of key concepts and theoretical streams that are deeply embedded in the literature of TM. It also highlighted the macro representation of TM which has been neglected in the literature and has not yet been examined comprehensively, especially in varying national and organisational contexts. The literature reveals an overwhelming focus on how MNCs attract, recruit and retain highly competent individuals, that are uncritically applied within SMEs that operate under different institutional, resource and economic contexts. Furthermore, due to the rapid growth of SMEs in recent years, the shortage of management and leadership talent has emerged as a key challenge facing SMEs for implementing their strategies.

This research seeks to make a conceptual and empirical contribution to the nature of TM, by examining TM practices in Jordanian small and medium-sized enterprises (SMEs), an under-researched area in the field. The critical gap represents undertaking different approach to MNCs as the dominant theme covered in the literature by examining practices in a varying type of organisations. In addition, due to the mounting challenges surrounding the development and retention of human capital, along with socio-cultural issues (i.e. Wasta), Jordan was selected as a context that differs in nature to much of the theoretical and empirical work based on US, UK and European contexts. The prevalence of Wasta as suggested in the literature creates

negative signals to non-related Wasta individuals causing turnover of talented individuals. The social norms and behaviour of Arab management are deeply embedded in the way that they perceive strategic functions, including training and development activities and succession management as an expense rather than an investment in human capital.

According to recent studies Alhmoud and Rjoub (2019); Akhtar et al. (2015) lack of strategic TM activities, including talent development and retention were key factors to high turnover rates. Therefore, without effective STM practices, organisations may lose this competitive advantage to other firms and thus such resources become imitable. Alhamwan et al. (2015) suggested that promotion and development opportunities that distinguish and reward talented individuals are significant factors to determine whether they are likely to stay or leave their jobs. However, few studies have investigated relationships between talent retention and turnover, at both organisational level and macro level.

The effect of Wasta as identified by Sidani and Thornberry (2013) diminish standards of equity due to unfair treatment that non-family members feel because they are not offered the same opportunities that are given to others. According to Cooke et al. (2014) the degree to which a strong relationship between country culture and company TM practices influences the effectiveness of TM practices remains under-researched. There has been little focus in research on how national culture influences TM practices in general in the Middle East and in particular in Jordan (Tlaiss and Kauser, 2011; Tarawneh and Naamneh 2011). The link between STM and retention in Jordan in particular has not yet been analysed (Alhamwan et al. 2015). Although there have been a few studies conducted on the impact of Wasta in the Arab world (Tlaiss and Kauser 2011; Tarawneh and Naamneh 2011), very limited of these studies have been particularly conducted on Jordan (Sa'ad et al. 2013).

Thus, this research aims to examine the impact of micro organisational factors as well as macro (i.e. Wasta) factors on talent retention performance among SMEs. In order to address the research aim, this research attempts to examine the process followed by Jordanian SMEs in their strategic TM practices by examining the influence of both organisational factors as well as external factors (i.e. Wasta) on strategic TM performance. This research also seeks to examine the practices and principles utilised in SMEs and how they may differ from those processes and practices adopted by large and multinational companies.

Chapter 3 - Conceptual Framework and Model Development

3.1 Chapter Overview

The literature review in the previous chapter highlighted talent retention challenges at the micro and macro levels in Jordan. At the micro level, talent development, succession management and talent retention are the key organisational factors that affect talent retention performance. At the macro level, Wasta is responsible for recruiting and promoting individuals with low personal merit based on social connections (i.e. tribe, family and kinship) rather than individuals with high personal merit. This suggests that highly skilled employees who have no family connections within an organisation may perceive this as unfair for their value as well as their contribution. However, far too little attention has been paid to combining micro and macro level factors and their effect on the strategic retention performance of talented individuals in Jordan. Therefore, this chapter builds and develop the conceptual framework for this research based on a broad theoretical framework, examining the micro and macro level factors that affect strategic retention performance in Jordan. This chapter is divided into four sections. In the first section, the theoretical background that links the resource-based view, Wasta and the institutional framework will be reviewed, the second section will focus on the development of the model, the third section, the development of research hypotheses and the final section will present the conclusions of the chapter.

3.2 Conceptual Framework

The literature review in the previous chapter has identified the critical talent retention challenges facing Jordanian organisations (SMEs) at the micro and macro levels. In talent acquisition, the recruitment and selection for high potential individuals is inadequate, unsystematic and rarely based on merit and ability, where jobs and promotions are often offered to family members through the use of Wasta. Wasta as a consequence creates a negative organisational climate for non-family members affecting the retention of key talent. As middle

eastern organisations shift towards a more strategic perspective in managing talented individuals, intrinsic rewards which include training and career development opportunities play a significant role in retaining talented individuals. On the other hand, a lack of appreciation, recognition and failure to implement retention initiatives, such as coaching and mentoring, may negatively influence the engagement of talented individuals in the performance of their roles. The review of the macro-environmental factors shows a lack of recruitment for talented individuals, and due to limited resources, SMEs are unable to retain talented individuals. Also, there is no motivation for governments to provide the necessary facilities for technical support, training and development. Therefore, the conceptual framework of this research primarily focuses on the Strategic Talent Management (STM) factors at the micro and macro level, that affect talent retention performance. Prior to developing a theoretical model of strategic TM processes, a robust understanding of strategic TM frameworks and current conceptual models is crucial in order to add a strategic perspective to the strategic framework of TM.

3.2.1 Strategic Talent Management

The concept of TM has been defined in the literature review with strategic perspectives given at the individual and organisational levels that neglect the roles of both the national institution and societal culture in shaping perceptions of TM and HRM practices. In practice there is little clarity on how TM should be operationalised in a specific organisational context.

The literature review highlighted issues with understanding TM as a term, as well as a function of how organisations manage talented individuals in practice. Lewis and Heckman (2006) had major concerns with the lack of a strategic framework or theoretical development for TM in the academic literature. According to Lewis and Heckman (2006), TM is not distinct from traditional HR practices or well-grounded in research and does not contribute to our understanding of how organisations manage talented individuals. Most of the academic publications up until 2012 have been conceptual and built on a wide range of academic traditions, including strategic HRM and organisational behaviour. Although these studies have highlighted the need for TM to adopt a system-level or strategic framework, they have failed to outline how this should occur (Gubman 2004; Sears 2002). Collings and Mellahi (2009) defined TM as the systematic identification of pivotal positions that differentially contribute to the competitive advantage of an organisation. They advocated the development of a talent pool

that consists of high potential and high performing individuals and the development of a differentiated HR architecture that facilitates the filling of these positions, and ensures the continued commitment of these individuals to the organisation. Most recent studies (Lepak and Snell 2002) focus on the importance of a differentiated HR architecture, and acknowledge that a small proportion of these high potential and high performing individuals can differentially contribute to organisational performance.

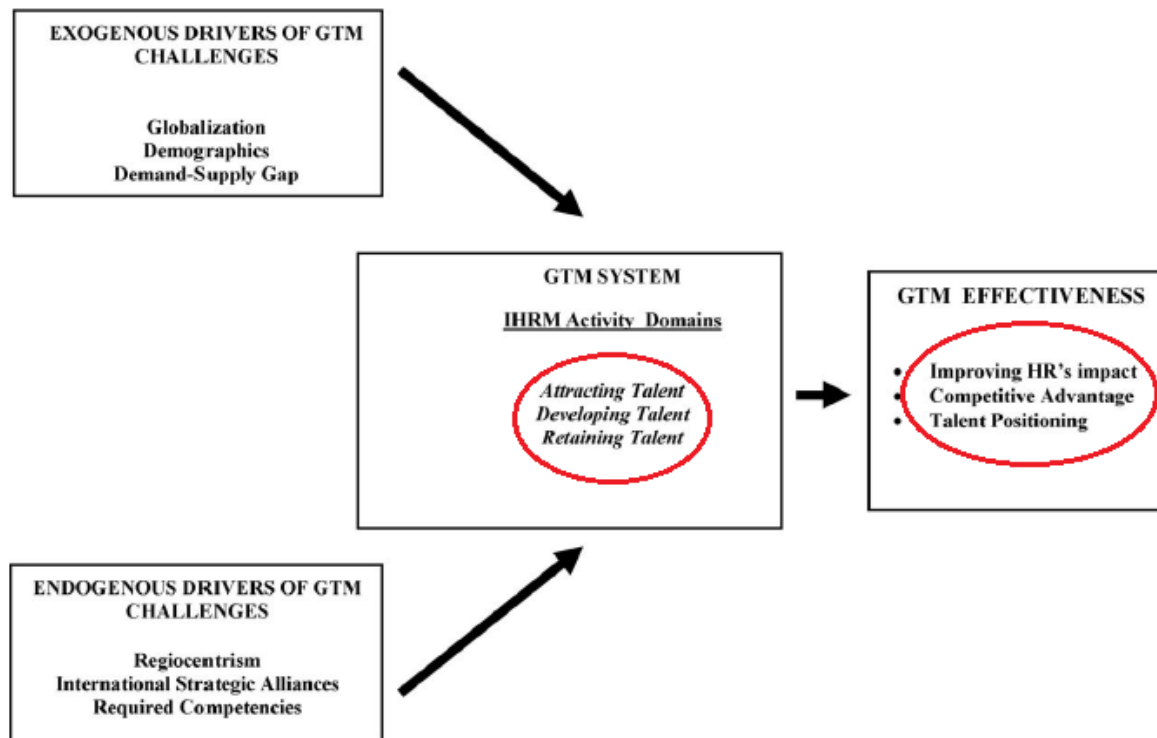
TM practices are underpinned with various HR practices, including recruitment and selection, training and development, succession planning, and pay and rewards. HR practices may differ in response to competitive climates, geographic regions and socio-economic variables. However, TM implies a strategic integration between the internal systems of organisations and external environmental factors. Therefore, TM is a multifaceted concept, fuelled by the war for talent, developed on the foundation of strategic HRM, and championed by HR practitioners. Most HR practitioners view TM as an effectively integrated wide-set of sophisticated evidence-based HRM processes and practices. This creates an opportunity for the HR practitioner to become both strategic and a champion of STM, therefore, TM is defined in this research as both a philosophy and a practice. Hence, TM is enacted and espoused across the highest levels of organisations by all those in supervisory and managerial positions to implement an integrated and strategic approach to HRM with a particular focus on recruitment and selection, training and development, succession planning and retention practices for those identified as high potential and key performers in key positions (Julia et al. 2008).

TM processes and practices as identified by Meyers and Woerkom (2014) are a core set of sophisticated and advanced TM practices that acknowledge the function of HR architecture and its components through programmes, practices and processes that together form part of a coherent system and business process in line with the business strategy (Silzer and Dowell 2010). These practices involve identifying and recruiting talented individuals, attracting talent by: an employee value proposition, employer branding; engaging and retaining strategies through an effective onboarding, pay and reward system, and retention initiatives. It also involves finding high-potential individuals internally by: using identification systems and assessment frameworks; managing talent flows through the creation of effective succession processes, internal mobility and career management; coaching and mentoring through leadership development programmes and establishing talent review processes linked with individual and organisational performance (Al Ariss et al. 2014). Such a philosophy argues that HR architecture must be aligned with competition strategies such as quality, effectiveness,

efficiency or innovation to be of any strategic value or amplifying the efficiency of the existing strategic positions. However, the practices approach does not address the bundles of TM practices that constitute effective TM and how they can deliver to the organisation (Sparrow and Makram 2015).

TM implies a level of strategic integration in which sophisticated activities and practices are aligned with the internal organisational system and external environment factors, with the development of an integrated data management and information system, as well as broad-based accountability for managers and HR supervisors. With this in mind, TM presents the opportunity for HRM to enhance its theoretical potential with evidence, shared responsibility, and a supportive culture as the key cornerstones of its practice. Tarique and Schuler (2010) suggest an integrative framework of global talent management (GTM) in MNEs that addresses the global challenges of implementing TM practices in international HRM for further research. Their framework has suggested the implementation of practices such as attracting, developing and retaining talent. They discussed in their framework the linkage between the internal and external environments, including external challenges, and that further research was needed to examine TM outcomes. In terms of TM effectiveness, Tarique and Schuler (2010) suggested TM outcomes such as improving the impact of HR, and concluded that in order for organisations to gain sustainable competitive advantage, the long-term strategic outcomes must include the motivation and satisfaction of talented individuals.

Figure 3.1 Framework of Global Talent Management in MNEs



Source: (Tarique and Schuler 2012)

In the review of the literature of TM concerning the issue of talent retention for the context of Jordan, Jordanian organisations, specifically SMEs, struggle to retain their highly valuable employees, due high competition with large MNEs, as well as their limited ability to attract talented individuals. Therefore, SMEs need to adopt a strategic perspective for their TM practices to prevent the loss of their talented employees. In a strategic TM process, retaining talented employees is the core component for achieving competitive advantage in an organisation. As SMEs have limited scope for development the skills of their talented individuals, they may become disillusioned, bored or disengaged in the fulfilment of their roles. Therefore, without STM, talented individuals may leave their organisations, looking for development opportunities. Krishnan and Scullion (2016) argue that SMEs have limited resources to offer talented employees effective training and career development opportunities as compared to large MNEs and therefore this causes critical challenges in their retention.

In terms of raising pay and extrinsic rewards, research suggests that it is a short-term perspective and a less powerful tool to retain a high competent employee than intrinsic rewards, and which does not necessarily result in improved levels of talent retention (Taylor 2019;

Alhmoud and Rjoub 2019; Chinyio et al 2018). Therefore, Taylor (2019) stated that raising pay rates only achieves short-term satisfaction. However, research also suggests that intrinsic rewards in the form of STM processes and practices, which talent development, succession management, talent retention and talent resourcing, are all key factors which contribute positively to improving the satisfaction, motivation and engagement of talented individuals. Jyoti and Rani (2014) suggest that talent development and resourcing, succession management, talent retention have a positive relationship with strategic retention performance. CIPD (2017) in their report ‘resourcing and talent planning’ demonstrates that the most key activities that contribute to reduced levels of turnover refer to talent development, effective succession management, talent retention and talent resourcing activities. Talent development that consist of training and development opportunities as well as talent resourcing activities provided to key employees leads to improved retention performance. Talent resourcing was developed throughout this research to implement resourcing activities, including partnering with agencies for educating, training and developing high potential individuals to meet the need for specific skills. However, without effective succession management that provide high potential individuals with career advancement opportunities (Allen and Bryant 2012: 3-72) training and development opportunities, may not necessarily bring about improved levels of satisfaction. Talent retention as is identified by as a key tool for retaining talented individuals consist of providing high potential employees with interesting and challenging tasks, coaching and mentoring, together with support and affirmation.

Figure 3.2 STM Process



Source: The Researcher

3.2.2 Resource-based View and Strategic Talent Management Outcome

The objective of investing in an STM system is that it has a positive impact on critical individual and organisational-level performance. According to Boselie et al. (2005) with their distinction between financial, organisational and HR-related performance, human resource outcomes tend to have the most direct impact on human resource processes and practices. Hence, understanding the relationship between HR practices and HR outcomes, including individual or group performance and turnover is highly relevant for this theoretical development. An effective STM system is a process by which organisations are capable of successfully acquiring and retaining talent. . In a study conducted in 1990s, Becker et al. (2001) identified a strong correlation between high-performance HRM systems and practices, and a number of organizational variables, including turnover and sales per employee. TM extends beyond a strategy, or a deployed HR process, to a specifically defined process that involves top management, supervisors and HR managers and employees themselves. However, in order to understand the impact and effectiveness of any system, a stated measurement of TM outcomes is necessary within the scope of Strategic Human Resource Management (SHRM). Challenges and criticism persist within the field of HRM due to insufficient measurements. Some preliminary measurements of TM effectiveness are retention, turnover, employee engagement and the associated business capability, coverage of key succession roles and access to external talent markets. Outcome-oriented rather than input-oriented measures can better inform how and what value is created, captured, leveraged and preserved. Theoretical development requires the development of a theoretical model that highlights the interrelationships between STM processes and STM outcomes for an effective implementation of TM into operating activity at a firm level, and underscores the importance of the measurement outcomes.

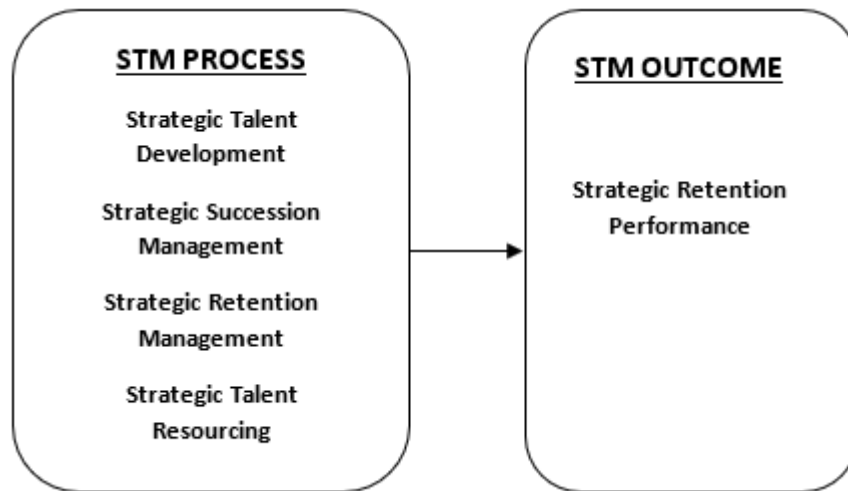
The primary focus of human capital at the organisational level is related to the impact of unit-level resources on both practices and competitive advantage. The resource-based view (RBV) refers to talent as valuable, rare, inimitable and non-substitutable resources that organisations seek to obtain in order to gain sustainable competitive advantage (Barney 1991). Valuable refer to resources that offer strategic value to the firm that helps in exploiting market opportunities. Rare refers to resources that are difficult to find among competitors of the firm and are unique in being able to offer competitive advantage. Inimitable refers to resources that unique and

cannot be copied. Non- substitutable refers to resources that cannot be substituted by another alternative resource. Barney (1991) extended this view to state that each organisation possesses a unique bundle of valuable tangible and intangible resources, competencies and capabilities that enable the creation of competitive advantage. According to Barney (1991), resources include all capabilities, assets, organisational resources, knowledge and attributes of the firm that are deployed to develop and implement strategies to improve effectiveness and efficiency. As this theoretical development applies a strategic perspective to TM, RBV suggests that if long-term success is to be attained, creating and exploiting specific investments are essential. RBV has been applied in several studies referring to human capital (HC) at the firm level. The importance of the human dimension of the RBV framework was significantly influenced by HC theory, which emphasises the potential relationship between the quality and skills of the workforce and organisational performance (Becker 2009). More recent contributions (Lepak and Snell 2002; Tsui et al. 1997), however, recognise the importance of differentiated HC and specifically a differentiated HC architecture that emphasises the varying contributions that specific worker groups can make to organisational performance.

Strategic talent management (STM) and the existence of an HC pool are strategically important for building a sustainable competitive advantage according to the framework of the resource-based view, hence, RBV is applied as a key theory in the conceptual framework to build up and support the underlying arguments. RBV is often used to provide an explanation of how the HC of a company provides a source of sustainable competitive advantage. HC can provide a competitive advantage when it is valuable, rare, inimitable and non-substitutable, however, when a company loses its talented individuals it loses its competitive advantage to other firms as human capital talent becomes imitable and easier to imitate. Therefore, without strategic TM those talented individuals leave, transferring the HC to competitors or other companies and thus competitive advantage is lost. Shaw et al. (2013) found that HC losses through turnover rates, negatively impacts organisational performance. Nevertheless, HRM investment helps develop firm-specific HC, although these accumulations are diminished, as explained by RBV, as employee turnover, path dependencies, routines and social complexities with the long-tenured workforce are also erased. In addition, competitors can easily imitate the remaining resources and eliminate competitive advantage. However, firms that invest more in HRM practices will have a larger talent pool which provides a 'buffer' employee to cover roles as employees leave, while firms who invest less in HRM practices will not find skilled workers

to fill roles (Kwon and Rupp 2013). Therefore, the negative impact of talent departure on organisational performance will be strongest for firms who invest less in TM practices.

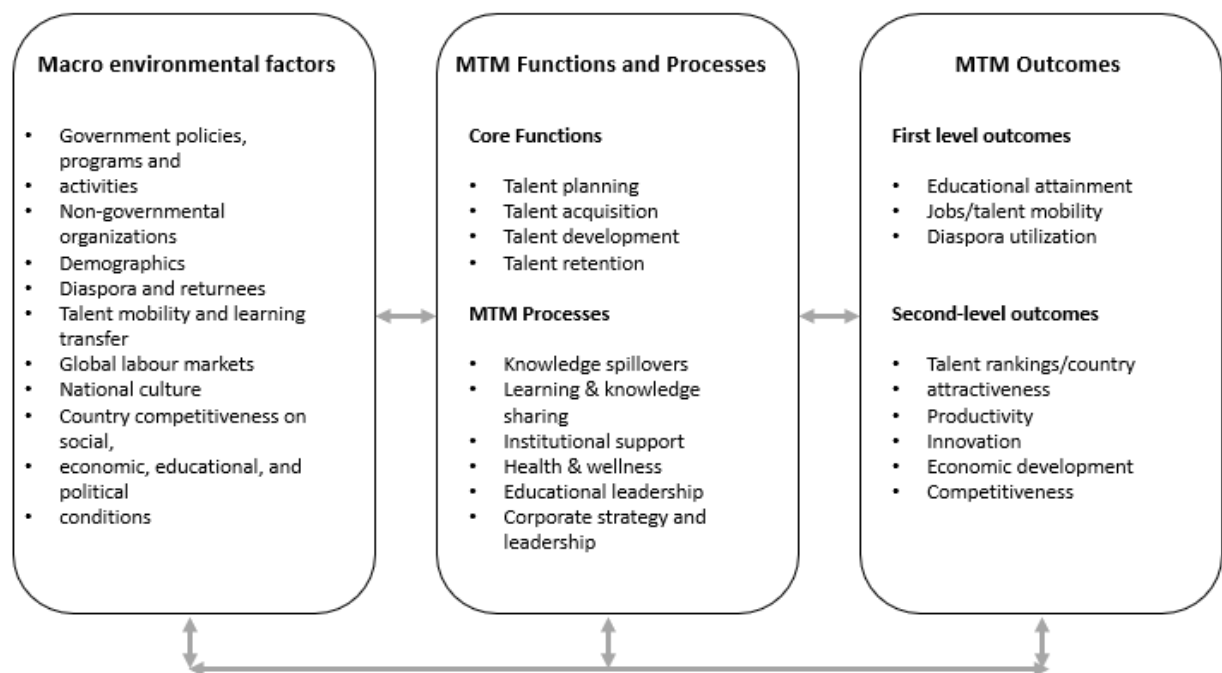
Figure 3.3 STM Process - STM Outcome



Source: The Researcher

While RBV focuses on its development, HC, cannot be considered immune from broader socio-cultural forces. Sonja and Phillips (2004) argue that employees who work in an organisation live within a larger complex society, therefore, while they may develop shared sets of values within their organisation, they also bring with them the sets of norms and assumptions they acquired outside the organisation in the form of national culture. Studies (Hofstede et al 1990) have concluded that despite the divergence of organisational cultures within one country, they are affected by the national culture. Since an organisation is a social system that operates within the context of a particular society, it cannot be considered in isolation from the socio-cultural context. This extends beyond the ‘soft stuff’, which refers to the way individuals or employees of an organisation relate to each other, to the ‘hard stuff’ which includes systems, structures and processes that are put in place by human beings (Dedoussis 2004). This argument leads us to understand the significant impact of national culture (i.e. Wasta) on STM processes and performance and thus justifies the focus of this study on the national culture in macro talent management (MTM).

Figure 3.4 The General Framework for Macro Talent Management



Source: (Vaiman et al. 2019)

3.2.3 National Culture and Perceived Wasta

3.2.3.1 National Culture

The study of culture, especially examining cross-cultural differences, gained much weight when developing and validating measures of cultural traits. These traits consist of shared patterns of beliefs, self-definitions, norms, behaviours and values that together form a complex combination within society to shape national culture as a multifaceted construct of cultural traits. National cultures can be quantitatively measured in their similarity and differences (Leung and Hui 1990: 302).

However, Hofstede's notion of culture as the "software of the mind" postulates that there must be shared meanings and interpretation of reality that make groups function cohesively. In order for a group to function cohesively, group members need to understand how power, status and authority are allocated within the group and the nature of group's obligations, goals in life and

morality of behaviour. This information is largely transmitted by subjective culture between group members which influences their values, beliefs and the way they perceive the world. In addition, cultures often include social norms and can be institutionalised, such as the French ban on religious symbols in public schools.

Hofstede (1997) argues that economic growth and development tend to transform hierarchical and collectivist cultures into more individualist and egalitarian cultures. Hofstede's argument suggests that in less affluent societies, and particularly in time of economic adversity people tend to approach a large network of trusted family members and friends for help and protection. However, as society become more affluent and governments establish social welfare systems and the demands of industrial development are met, collective support and extensive interdependence is no longer required. Thus, they became more independent to fend for themselves and no longer need to defer to their social superiors upon whom they may be dependent for various resources. Culture is the product of interaction between group members. Nevertheless, individual perceptions and values help shape a culture, and in turn culture shapes and impacts the perceptions and values of the group members in a 'social construction of reality'.

National culture norms such as the Hofstede dimensions of cultural norms fail to undertake intragroup variation and treat all members of a group the same. Hofstede (1989) has concluded that in countries with economic development, people become more affluent and become more independent, and thus, they do not require the support of their trusted family members and friends or people to whom they must be deferential. Thus, this generally in modern societies promotes the growth of democratic institutions, encourages individualism and decreases what is known by Hofstede as 'power distance'. Individualism, and its converse, collectivism, on a scale derived by Hofstede, refers to the degree to which members of a society tend to see themselves as independent or interdependent with others. With collectivism as a cultural dimension, people tend to have a strong sense of group identity, whereas with individualism, people tend to have multiple group connections without one connection being completely dominant. The dominant group in collectivism is family, tribe or religious subgroup. Tribe is one of the most distinctive characteristics of Jordanian culture in the nature of the country (Branine and Analoui, 2006; Rowland 2009). Several studies have been conducted on the tribal system and its effect on the political and social environment in Jordan (Antoun, 2000; Rowland 2009; Sharp 2012). According to Godelier, (2009 cited in Rowland, 2009: 12), a tribe refers to

“a form of society that arises when groups of men and women who recognize each other as being related by birth or by marriage come together to act in concert to control a territory and appropriate its resources, which they exploit – together or separately – and which they are ready to defend by armed force”. Tribalism is viewed as a varying degree of loyalty and the social sense of belonging to a certain family group of people (Rowland 2009). For instance, the political implication of tribalism in Jordanian society is highly visible in the electoral system which lends itself to tribal and family-based politics, as the campaigns of the candidates are often run within the confines of kinship ties that they have with their tribes (Rowland 2009: 22). On the other side, the social system in Jordan is largely based on tribalism and kinship relations with a particular focus in rural areas. The social structure is less dominant in urban areas, as the Palestinian Jordanian is considered to be less tribal. This system is more viable and remarkably egalitarian when it comes to economic conditions, and inspires a fierce loyalty to the tribe from all members (Rowland, 2009: 6).

Collectivist culture tend to promote harmony and unity among group members, whereas conflicts or disagreements are more acceptable in individualist cultures. The social ethos of Arab tribes does not provide a rigid hierarchical order but emphasises egalitarianism, consultation and participation (Ayubi 1995). As a result, conflicts in Arab societies had to be solved with an informal system of mediation and arbitration, by respected, but neutral, mediators. This dispute system for conflicts provided a fundamental pillar and created trust, bridging social capital, and facilitated collective action in the absence of a codified law. Thus, ‘nepotism’ is often acceptable in collectivist cultures and considered as highly ethical in organisations within collectivist cultures. According to Al Faleh (1987) nepotism is perceived in the Arab world as acceptable and natural, where Arab managers view their organisations as family units. Collective responsibility is a fundamental aspect that helps achieve tribal justice (Al-Rahami 2008). If a member of a tribe commits a crime, it is the entire collective that can be held responsible, instead of just the individual who actually violates a norm, or harms a member of another tribe. According to this tribal ethos, if the victim’s tribe does not consider that justice has been done, revenge can be taken. This threat of becoming a victim of revenge, following the wrongdoings of a member of the same tribe, is a normative force that prevents tribal members from deviant behaviour.

3.2.3.1 Perceived Wasta

The term Wasta refers to a networking practice as a type of social capital in Arab societies that controls social interaction in Jordan and many other Middle Eastern societies. Wasta in its traditional form is a process of mediation between two conflicting parties by a third person known as a 'Waseet'. In addition, Wasta as an Arab informal institution is the backbone of social organisations in Arab societies (Cunningham and Sarayrah 1993; Al-Rahami 2008; Hutchings and Weir 2006; Al-Rahami 2008). It is a multidimensional and complex phenomenon that was historically instituted as a central mechanism for solving disputes in pre-Islamic Arab Bedouin societies. Wasta has evolved into many practices within two dimensions, being; mediation Wasta and intercessory Wasta (Cunningham and Sarayrah 1993).

Mediation Wasta has emerged out of Arab traditions to settle disputes in several possible scenarios. Mediation Wasta is particularly applied in situations where a member of a tribe is harmed by a person from another tribe. In this case, Wasta provides a solution for both parties and helps prevent the party who is injured taking revenge in the future. Therefore, Wasta maintains social stability and prevents the escalation of conflict. In a case where a Wasta procedure applies, a group of people find a competent and respected person, often a Sheikh, who as an elder of a tribe, to act as a Waseet, to mediate and use connections to solve a conflict or disagreement (Cunningham and Sarayrah, 1993: 8)

The second dimension of Wasta, Intercessory Wasta, tends to be nepotism which in most cases is considered as a harmful practice. This phenomenon can be widely found at many levels in Jordanian society. Intercessory Wasta is a process by which a person with structural power provides access to resources unattainable to the other party. The intercessory Wasta procedure facilitates administrative actions, including bypassing formal procedures or regulations when issuing, for instance, a new passport or license, or providing access to a job or other government resource for an individual who previously had no access (Smith et al. 2012). Intercessory Wasta is significant in the labour market, where for all scenarios, one party has a well-established Wasta relations with a gatekeeper who can obtain what is accessible and attainable from a broker. This is more applicable when a broker using structural power establishes a connection between an applicant and an employer to provide the applicant with access to a job. Due to its complexity and many different dimensions, this research does not take into consideration all

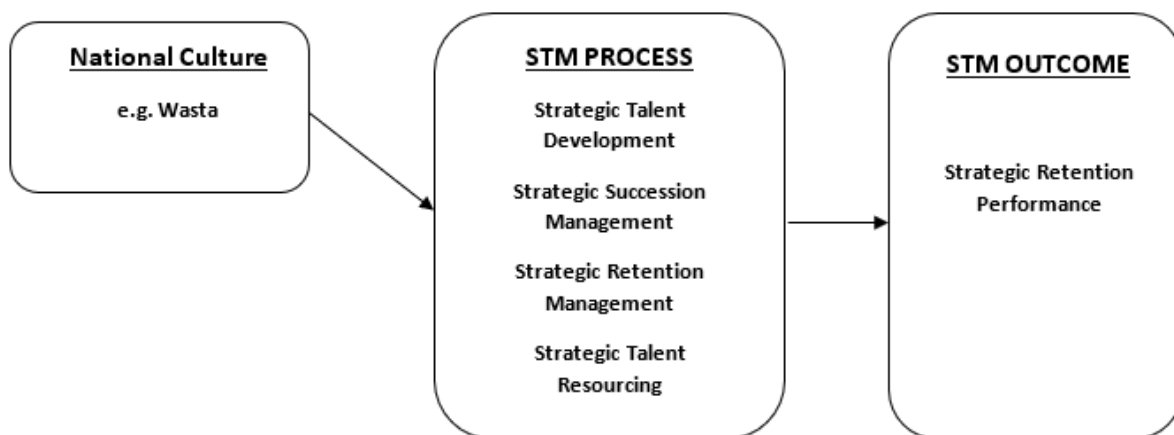
aspects of Wasta. In this case, this research focuses on the intercessory Wasta dimension being informal personal-networks based on kin, friendship or patron-client relations.

Loewe et al. (2008) discovered that using personal relations is common among all groups of Jordanian society. The Loewe et al. (2008) study found that 86% of business leaders said that it can be very helpful with administrative procedures, and 56% of them said they were using it regularly. The Jordanian Center for Strategic Studies (2006) indicated that Wasta exists in 65% of organisations in the public sector and 52% in the private sector. These percentages increased to 75% and 64% respectively when a sample of opinion leaders were interviewed. According to the Jordan Times, the Jordan Transparency Forum (2009), concluded that around 81.3% of the sample researched agreed that Wasta was highly prevalent in Jordan (Ronsin 2010). The study by Kilani and Sakijha (2002) showed that 90% of respondents believed that they would continue to use Wasta in the future. Wasta can provide users with an advantage for: gaining admission to universities, getting bank loans or financial support from government, and being granted tax exemptions (Loewe et al., 2008: 246). In addition, business people take advantage of Wasta on a regular basis to speed up administrative procedures (Loewe 2007).

However, Wasta also creates negative consequences for business, creating an unfair advantage for those who can use Wasta, over those who do not. Business leaders, entrepreneurs and companies who use Wasta can save time and money by skipping procedures and gaining access to governmental facilities when their counterparts cannot (Loewe 2007). This is supported by Ronsin (2010: 4) who stated that:

“Wasta has an acknowledged perverse effect, because, most people know its negative impact on the economy at an aggregate level but very few are ready to give it up. The harm that Wasta can cause to the economy is hardly deniable. If having access to Wasta (which often depends on the hierarchical level of one's family or tribe) makes life easier, those who do not have access (or have a weaker one) will have more difficulties in their daily life. Therefore, individuals will find it economically more rational to work on their social network rather than on their skills and competence”.

Figure 3.5 National Culture - STM Process - STM Outcome



3.2.4 Institutional Theory

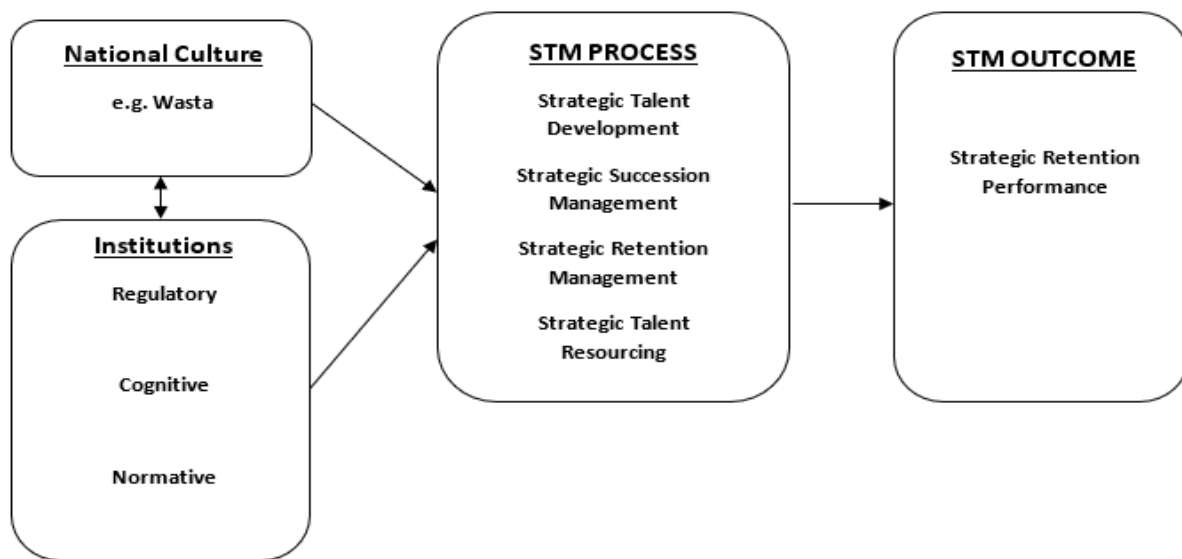
Institutional theory is a theoretical lens that has been widely used to examine the adoption and diffusion of organisational forms and practices (Björkman et al. 2007; DiMaggio and Powell 1983). The institutional view suggests that motives of human behaviour extend beyond economic optimisation to social justification and obligation (Zukin and DeMaggio 1990). Therefore, individuals and organisations are assumed to be seeking approval within a social context that consists of habits, norms and traditions. Unlike economic and strategic frameworks, institutional theory emphasises the extent to which firm behaviour is compliant and socially defined. The institutional perspective shows that organisations are embedded in a wider institutional environment and organisational practices are either a reflection or response to rules and structure which exist in that environment (Paauwe and Boselie, 2003).

The elementary claim of all institutional theories, according to Clemens and Cook (1999) is that all factors identified at the higher level are critical to explain processes and outcomes at the lower level of analysis. However, there is a call for research to trace the process of creating institutions and policies (Barley and Tolbert 1997). In addition, institutions that operate under social influences are often involved in explaining the phenomenon, in order to adopt appropriate practices for their environments (Amenta and Ramsey 2010). Haak-Saheem, Festing and Darwish (2016) suggests that actors and some mediators, with regard to local power and specific circumstances, struggle to work under institutional rules, but also consider functional instruments for the given context. Meyer (2008) suggest that an intuition approach

can help understand the impact of environmental models on the process and structure of organisational actors in modern systems. Hence, the adoption of management processes and practices are not only influenced by rational decision making, but they are also influenced by the institutional context in which they operate (DiMaggio and Powell 1983; Kostova and Roth 2002).

The role of institutions as described by Haak-Saheem, Festing and Darwish (2016) is instilling value and worth to the process and structure of organisations. Meyer (2002) refer institutions as the social influence by which individuals share a common definition of social environment. The design and implementation of STM systems and processes are affected by the social and institutional context. Haak-Saheem, Festing and Darwish (2016) described institutions as regulative, normative and cognitive structures with activities that provide meaning to social behaviour. Institutional frameworks have been more widely used in HRM and employee-relations literature in mature developed countries than is the case in developing or emerging countries. However, there has been increasing interest in developing means to categorise institutional frameworks within the national institutional context. According to the institutional context, organisations are under social pressure to adopt HR practices that are considered to be appropriate (DiMaggio and Powell 1991). Organisations adopt different practices through three different mechanisms: regulatory (coercive), cultural-cognitive (mimetic) and normative mechanisms (Haak-Saheem, Festing and Darwish 2016). The regulatory dimension reflects laws, rules and regulations within a national context that promotes a particular set of behaviours and restricts others. For instance, to obtain legitimacy Large MNEs may be held to the legal standards and regulations when implementing HR practices which gives them a trustworthy and dependable image (Meyer and Peng 2015). The cultural-cognitive dimension involves shared the conceptions and norms that shape social life among members of a social group (e.g. the dominance of tribal Islamic values. Finally, the normative dimension views prescriptive and obligatory elements through a set of expectations, norms and values created in the social system. The literature on institutionalism has been mainly developed for the context of Western developed economies. However, Meyer and Peng (2015) suggested that the institutional approach offers the highest degree of novelty in a highly unusual context such as that of Arab countries. Moreover, theoretical constructs and conceptual models such as an integrative framework for strategic international human relations management (SIHRM) do not consider the peculiarities of economies (De Cieri and Dowling, 2012).

Figure 3.6 STM Framework



Source: The Researcher

The fundamental perspective of institutional theory, as has been identified in the conceptual development chapter is to identify critical factors at the higher level in order to explain processes and outcomes under social influence at the lower level of analysis. Thus, institutional perspective emphasises the importance of exogenous factors across the context of industry, nation and region. DiMaggio and Powell (1983); Kostova (1999) stated that implementing management processes and practices are not only influenced by rational decision making, but also by the institutional context where they operate. Moreover, Meyer (2008) views institutional approach as a great success because it helps us to understand the impact of environmental models on structures and programmes of organisational actors in modern systems. Therefore, in order to examine the impact of these institutions on STM practices, this section aims to assess the national institutional context of implementing TM practices in Jordan. According to Scott (1995) organisations design and implement work processes and practices through three different processes: regulatory (coercive), cultural-cognitive (mimetic) and normative mechanisms.

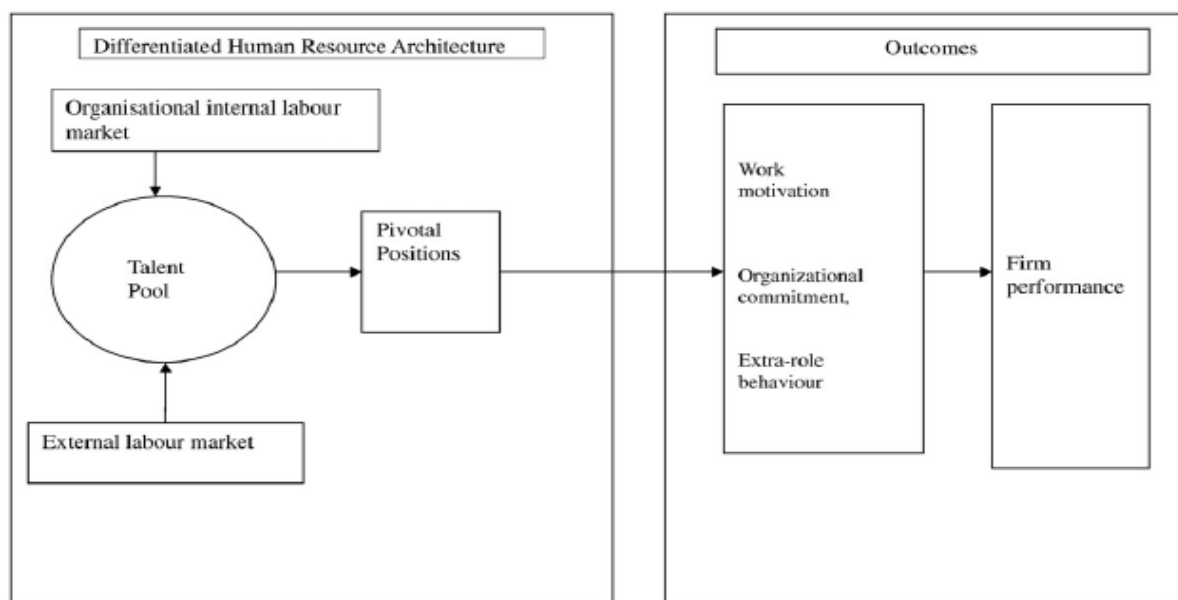
3.3 Model Development

Efficient and effective traditional HRM processes are the core underpinning of TM for an effective implementation of TM. Thus, a comprehensive set of HRM evidence-based best

practices, including employer branding, recruitment, selection, development and retention are highly implicated in this theoretical framework. However, the extent to which organisations engage in reviewing and adjusting their own practices influence generally their implementation of TM. TM implies a level of strategic integration in which its activities and practices are aligned with internal organisational system and external environment factors, sophistication; with the development of integrated data management and information system, as well as broad-base accountability for managers and HR supervisors. From this end, TM presents the opportunity of HRM to enhance its theoretical potential with evidence, shared responsibility, and a supportive culture as key cornerstones of its practice.

Collings and Mellahi (2009) defined TM as the systematic identification of pivotal positions that differentially contribute to the organisation's competitive advantage, the development of a talent pool that consists of high potentials and high performers, and the development of a differentiated HR architecture that facilitate filling these roles, and ensure continued commitment to the organisation. Most recent studies (Lepak and Snell 2002; Tsui et al. 1997) that focus on the importance of a differentiated HR architecture, acknowledge that small proportion of workers can differentially contribute to organisational performance.

Figure 3.7 Strategic Talent Management



Source: (Collings and Mellahi 2009)

The key for a STM system is the development of a talent pool to fill these pivotal roles. Collings and Mellahi (2009) argue that organisations should differentiate between those who are high

performers and who are not. This suggests that, in order for organisations to achieve high performance, strategic or pivotal positions should be filled with high performers or high potential individuals. However, it is neither desirable nor practical for an organisation to fill all positions with A performers. This would result in over-investment in non-pivotal roles, as well as an inefficient utilisation of organisation's resources. Thus, while strategic HRM recognises the different contribution of different employees in a firm, it generally focuses on all employees, whereas, STM focuses on those individuals who are identified as talented and develop them so as to occupy pivotal roles.

Collings and Mellahi (2009) argue that for organisations to utilise their talented individuals, they first have to identify those key positions and only then does the emphasis shift to the development of the talent pool. This stream has become dominant in the literature and in the practice of TM in large enterprises (Scullion et al. 2016). Krishnan and Scullion (2016) argue that the large firm approach would not fit well in the SME context due to the constantly evolving functions and hierarchical levels that are still being added. This reflects the fact that SMEs have not yet reached stability in their structure, which make it hard to identify strategic roles. This suggests that it is unlikely that there is one function or set of jobs that could be considered as strategic, and thus this would require constant re-evaluation.

Lepak and Snell (2002); Tsui et al. (1997) in their most recent contributions, recognise the importance of a differentiated HR architecture, which acknowledges the differential contribution that a small proportion of workers can make to organisational performance. However, Lepak and Snell (1999) demonstrated that within the contingent configurational-view of SHRM, it is unlikely that specific HR systems can be appropriate in all contexts, but it rather depends on the uniqueness of the human capital. Most HR practioners view TM as an effectively integrated comprehensive set of sophisticated evidence-based HRM processes and practices. However, the theoretical model of Collings and Mellahi (2009) does not set out which HR practices may be appropriate or inappropriate for the development of a talent pool and the deployment of talented individuals to pivotal positions.

However, employees in this talent pool are likely to be high achievers, and may easily become disillusioned, if they are employed in roles with limited scope for the application of their skills, or development of their talent. Due to the liability of size, with few resources and greater challenges, SMEs remain flexible by adopting informal HR practices and a centralised decision-making approach to be more cost effective (Mayson and Barrett 2006). Thus, SMEs

require employees to play multiple roles according to the changing needs of the organisation. However, they tend to develop their own distinctive models which fit with their specific context. Hackman et al. (1975) demonstrate that where jobs are more complex, employees tend to be excited, motivated and satisfied to perform in their roles. A key failure of traditional TM systems is a mismatch between demand and supply. As a result of this mismatch, an oversupply of talent results in employee turnover or layoffs, or an under-supply results in key positions not being filled (Cappelli 2008). Therefore, the challenge here for an organisation when developing a talent pool is to select the appropriate HR practices to ensure that these individuals are strategically deployed and supported.

Cappelli (2008) suggests that organisations should combine internal development and external to ensure that there are sufficient talented individuals to fill the talent pools and provide the skills to meet organisational needs. TM practices make few conceptual or empirical contributions within SMEs. The dominant theme in the literature of TM practices, has critically examined TM processes and strategies within MNEs but has found them uncritically applied and with a need for adaptation (Festing et al. 2013; Heneman et al. 2000). Based on their academic review on TM processes and practices within a global context for large MNEs, Tarique and Schuler (2012) proposed an integrative framework to highlight the potential role of international HRM activities that attempt to inform the work of HR professionals in order to address several selected challenges. Tarique and Schuler (2012) identified international human resource management (IHRM) activities, that may result from successful implementation of TM systems, as underlying formal TM practices that help gain and sustain global competitive advantage. These TM practices are often used by MNEs to attract, develop, and retain talented individuals.

3.4 Hypotheses Development

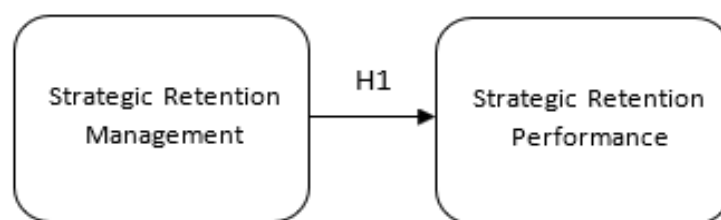
3.4.1 Strategic Retention Management

Talent retention is the ability of an organization to retain employees by implementing retention initiatives (Michaels et al. 2001). These initiatives involve providing exciting and challenging work, support and recognition, coaching and mentoring. The direct economic cost of losing talented employees includes the replacement of an employee, the exist of the employee and the downtime that occurs due to the exit of that employee, as well as the cost of recruiting, interviewing and training a new hire (Hagen Porter 2011). Beside the economic cost of losing talented employees, an indirect cost is associated with the loss of tacit or strategic knowledge, loss of productivity and loss of the output of the employees. Thomas et al. (2013) highlight that a more tailored approach to employee rewards can prevent employees from leaving an organisation. However, another reason that pushes employees to leave their organisations is that they feel bored, disengaged or constrained by their jobs.

As discussed in the literature, raising pay and giving rewards does not necessarily bring about reduced levels of turnover. Research studies carried out over decades suggest that intrinsic rewards like human motivation, recognition and job satisfaction at work are more powerful than extrinsic rewards like pay rises and additional benefits for retaining key employees (Taylor 2016). Hence, pay rises are more operational than strategic and promotes job satisfaction for the short term rather than in the long term. Therefore, employees who are dissatisfied will only be deterred to leave their organisations in the short term. However, employees who are happy in their jobs are unlikely to leave their organisations in order to secure a higher pay rate. According to Taylor (2019), perceived organisational support in the form of recognition, support and affirmation strengthen the bond between employees and their organisation. Employees in turn feel committed and obligated to pay back these soft rewards by performing well in their roles. This is a result, enhances employees embeddedness, improves satisfaction and commitment and reduces turnover. A study conducted by Ambrosius (2016) shows that talent retention initiatives that involve providing organisational support strengthen the employee's obligation to support the organisation in achieving its goals and increases organisational commitment to that employee which in turn leads to reduced turnover.

According to Ambrosius (2016) coaching and mentoring and skill development as effective retention tools, increases both social complexity and firm specificity of the human assets, which leads to reduced employee turnover intentions, decreased imitability, and thus to a competitive advantage. Hosie et al (2013) have found that in the south-east Asian retail petroleum industry, recognition and support given through empowerment and development opportunities are strongly related to job satisfaction.

Hypothesis1: Strategic talent retention activities positively influence retention performance



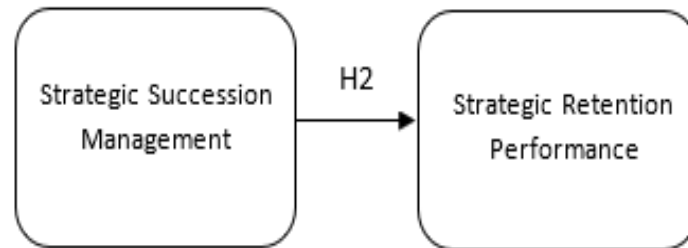
3.4.2 Strategic Succession Management

Succession planning is a process which develops high potential employees to become the leaders in the future (Polit 2009). The implementation of succession planning improves the satisfaction level of future leaders that helps maintain and improve retention performance. Succession planning is a systematic effort by an organisation to ensure leadership continuity (Perrin 2005). Golden (2005) identifies that the importance of succession planning is to retain talented individuals. Hence, succession planning is a systematic process by an organisation to manage and ensure leadership continuity by developing and retaining talented individuals to pursue key strategic roles in the future (Rothwell 2010). However, due to the size of SMEs and their unstable structural condition, succession planning in this model is replaced with succession management. Unlike large companies and MNEs where identifying key positions is critical for succession planning, functions, jobs and hierarchy roles in SMEs are still evolving (Krishnan and Scullion 2016). In addition, while the traditional approach is to prepare successors for key positions as nothing more than ‘replacement planning’, strategic succession management facilitates the filling of key positions internally whenever a vacancy occurs, as a key measure used to assess the effectiveness of succession management and talent

management. Ahsan (2018) suggested that several firms invest highly in creating succession plans but only few firms are able to utilise effective succession management in the operations of their organisation.

Succession management refers to the ability of an organisation to find high-potential employees with the competencies needed to fill a key position at some point in the present or in the future. According to Gandossy and Kao (2004) companies that have a well-developed succession management process with career development opportunities improve the skills and abilities of high-potential employees, and thus (Sebald et al. 2005; Tansley et al. 2007; DiRomualdo et al. 2009; Yapp, 2009) achieve higher retention rates overall and of talented individuals in particular. Rothwell (2010) states that succession management with prior development opportunities seeks the early identification and development of talented individuals. Rothwell (2010) suggests that for SMEs to compete fiercely with large MNEs they should source and develop talented individuals, and then manage their succession and career opportunities in an attempt to assure retention. This as a result can improve retention performance overall and can make accurate predictions of turnover. Allen and Bryant (2012) concluded in their study that effective succession management which provides career development opportunities has a high impact on employee retention. If they lack strategic succession management, organisations may find it difficult to keep ambitious high potential and exemplary performers who seek advancement. Ahsan (2018) conducted a study analysing the impact of TM and employee retention on organisational effectiveness. The study concluded that succession management played a significant mediation role between talent development activities and talent retention. The mediating function represents the ability of the independent variable to influence the dependent variable of interest. However, the findings of research by Allen and Bryant (2012) concluded that providing employees with both training and development as well as career development opportunities at the same time will lead to improved employee retention. Cappelli (2008) stated that a lack of internal development decreases career development and succession management, and thus causes retention problems. Thus, a key retention tool for retaining high performers is to provide career development opportunities as they are career minded and will not stay long in an organisation which does not provide them with the opportunity to advance.

Hypothesis 2: Strategic succession management positively influences strategic talent retention performance



3.4.3 Strategic Talent Development

Most of the literature of TM recognises the need for training and development programmes and activities for talented individuals, particularly in the international context of MNEs (Rezaei and Beyerlein 2018; Hartmann et al. 2010; Tarique and Schuler 2010; Collings and Mellahi 2009; Puvitayaphan 2008). Most of the research in this category has studied IHRM and SHRM for the development of executives in global leadership roles. A few have examined strategic processes aligned with talent development which focus on designing, delivering and evaluating developmental programmes and activities with long-term strategic succession management (Kunasegaran 2016). However, Caligiuri and Tarique (2009) stated that it is important to identify individuals with the requisite characteristics and then offer them developmental activities.

A constant development of employees is critical for organisations to achieve competitive advantage. A study conducted by Mason and Bishop (2015) examining the impact of the UK recession on adult training, concluded that reduced off-the-job training during the recession had a negative impact on skill levels. However, the required level of skills were addressed by targeting on-the-job training. Employee development is not only important for the organisation but also for the employee (Armstrong 2014). Another stream of research suggests that employees perform well when they perceive that their employer has their interests at heart and provides training, career development plans and learning opportunities. In a study conducted by Fallon and Rice (2015) on perceived employee development and volunteer staff turnover

intentions, their research found that there is a relationship between employee development and effective succession management (Bapna et al. 2013).

Moreover, several studies emphasised that investment in training and development can also add value for the organisation, as well as impact employee performance. New learning opportunities and skill variety provided by internal and external development initiatives such as formal education programmes, external conferences, seminars and workshops. The application of these initiatives can unleash the potential of upcoming talent to expand their skillset, and help them to achieve more within the organisation. Traditional talent development processes such as training are effectively implemented to impart technical competencies. They can in many cases be developed away from the workplace (Lahti 1999; Hirsh 2009). Bapna et al. (2013) concluded in their study that participation in one additional general training course results in a 2.14% increase in performance for an average employee. However, talent development extends beyond training programmes to the long-term objective of the firm to develop high potential employees and executive leaders to fill key leadership roles when they become vacant.

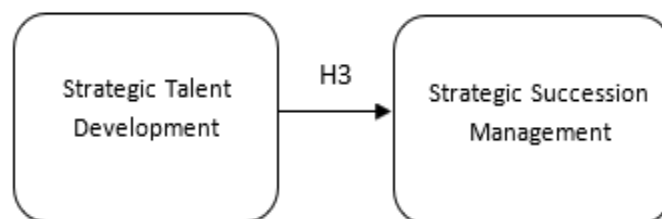
According to Elegbe (2010) training is tactical with short-term objectives that aims to bridge the gap in knowledge, skills and attitude that can enhance the performance of an employee. On the other hand, development is a constant strategic process with long-term objectives that enhance the potential of employees. Through this development they acquire skills and generic competencies such as problem solving and analytical skills that can facilitate succession and prepare managers for leadership responsibilities. Silzer and Church (2010) suggested that sufficient development of high potential individuals enables them to assume higher roles in the organisation. According to the Resource Based View (RBV), firms create sustainable competitive advantage through significant investment in talent development that results in valuable, rare, inimitable and non-substitutional human resources. Organisations have to constantly develop talent competencies to sustain competitive advantage as technology, changes in demand and institutional context can make what used to be a source of competitive advantage no longer valuable. Hence, talent development is critical for organisations, finding potential employees who can meet specific competencies that will be required in the future. Garavan (2012) found that science-based organisations exclusively invest a significant amount developing high potential and high performing individuals to capitalise on business opportunities. For instance, a study conducted by Fallon and Rice (2015) concluded that employee development was a strong predictor of job satisfaction for paid employees, in turn,

job satisfaction was a predictor for retention of paid employees. The findings show that employee development enhanced job satisfaction, and in turn, retained employees.

Green et al. (2000) found on a large-scale study that the overall effect of training on retention is neutral. Many performance-management systems focus on what is needed to improve current performance. Often there is a lack of attention to what the individual will need to survive and perform productively in the future business environment. Developing talent requires planned activities that concentrate on developing skills and abilities for future business needs, as well as development of skills for current job performance. Successful programs identify strengths on which to build and development areas that need to be improved. The development activities generally include on-the-job experience coupled with targeted educational/learning opportunities.

Given the aforementioned influence on talent retention, the following hypothesis is proposed:

H3: Strategic talent development practices has a positive influence on strategic succession management



3.4.4 Strategic Talent Resourcing

The role of the government in Jordan's development has been emphasised in the literature. As discussed in the literature, job creation and economic growth is critically dependent on the survival and growth of SMEs (Al-Hyari 2013). The growth of SMEs in Jordan is constrained by several factors. On the supply side, SMEs are adversely affected by an inadequate legal and institutional framework for secured transactions and insolvency, weak regulatory and supervision of financial services, and lack of credit controlling and information. SMEs face a legitimacy disadvantage because of limited access to governmental support caused by a poor regulatory framework (Trianni and Cagno 2012). SMEs struggle with accessibility to the information needed to identify market opportunities when expanding the business. Al-Hiyari

(2013) concluded in a study conducted on factors affecting the development of SMEs in the Jordanian manufacturing sector that they lack information related to the external environment such as market opportunities and government policy. Thus, limited access to resources for SMEs such as critical information on markets and industry affects their management competitiveness and innovation opportunities which could affect their strategic talent development. Al-Hiyari (2013) also concluded that factors such as: poor access to credit facilities, lack of qualified human resources and competition difficulties were ranked very high in the list of factors affecting the development of SMEs. Furthermore, rigid business rules and regulations, lack of information technology support and lack of government support were other areas of concern.

The lack of the necessary human skills and knowledge have had a negative effect on the competitiveness of SMEs. The most significant issues stated were the lack of knowledge and ability to deal with business issues. This was attributed to insufficient training of workers, together with a lack of education which resulted in a lack of skilled employees. Irjayanti and Azis, (2012); Okpara and Kabongo (2009) stated that management workshops and seminars can be organised by industrial bodies, local chambers of industry and commerce and other non-profit organisations in order to provide owners with the fundamental skills through entrepreneurship training programmes to foster their management skills and competencies. However, with regard to human capital development in Jordan, Nasr and Rostum's (2013) study examines the impact of the quality of labour force skills on the growth of SMEs. The findings showed that SMEs lacked the motivation to provide employees with the necessary training. (Nasr and Rostum, 2013). This is supported by The International Labor Office (2015) who explained that this lack of human capital development is a barrier to growth as SME entrepreneurs and employees will miss out on business and economic opportunities due to their lack of education and skills training. While it is difficult to highlight the slow SME growth rate (JEDCO 2013), SMEs would increase their competitiveness and promotion through employee skills development (ILO 2015).

Krishnan and Scullion (2016) argue that due to limited resources and the information available to job seekers, SMEs face a legitimacy disadvantage in the labour market, which make it harder to attract and retain talent. Given their limited market presence, SMEs become more liable to competitive pressure and more focused on utilising current resources more effectively and efficiently (Festing et al. 2013). Therefore, SMEs tend to develop their own distinctive models as functions and roles keep evolving as the size of the organisation increases and the structure

changes. Due to legitimacy disadvantages and limited resources, SMEs can attract talented individuals by: partnering with agencies or resourcing experts, secondment, training and development. Strategic talent resourcing is concerned with meeting the needs of the firm for certain skills or competencies, by acting as a strategic partner. HR professionals play a strategic role by helping firms to develop their strategies. According to Pilbeam and Corbridge (2010) resourcing of high potential people is contingent on the organisational context and circumstances. It is therefore proposed to select talent resourcing techniques according to the particular organisational context. For instance, in attracting and recruiting talented individuals, the appropriateness of identification standards for talent is questioned. Sisson and Storey (2000) stated that policies and practices tailored to the organisational context and circumstances are much more likely to be effective than a universal model of best practices. According to the specific contextual TM practices discussed above, strategic talent resourcing provides more effective solutions for competency management by sourcing experts or partnering with agencies for training and development activities in order to meet the skills or behaviours needed.

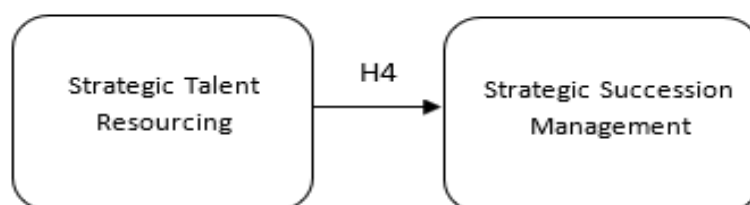
In strategic TM resourcing, SMEs source experts and professionals through contractors and third-party providers and deploy talented individuals by collaboration with other organisations (i.e. secondment of experts for training and development opportunities). Strategic talent resourcing can be considered a key dimension in a bundle of high-performance work practices that are associated with superior succession management. However, the key issue here is how these developmental programmes are implemented or communicated to organisations. For instance, SMEs in Jordan may have a contract with experts to provide consultancy for improving products or services. This as a result, improves skills or talent internally and helps them improve knowledge and experience. According to Heinen and O'Neill (2004) talent resourcing is an important factor for effective strategic talent management. A study conducted by Frank et al. (2008) concluded that that effective sourcing and selection enhances employee retention.

Attracting talented individuals generally depends on developing the HR reputation, and recruiting talent who are willing to work internationally. In addition to HR reputation, several studies on organisational attractiveness have identified and examined factors such as organisational size for attracting high potential candidates. Therefore, SMEs tend to develop their own distinctive models through resourcing development activities in collaboration with public sector organisations or private sector agents. SMEs tend to source high potential

candidates who can play multiple roles, as functions and roles keep evolving due to the constant changing size and structure of the organisation. Tarique and Schuler (2012) through their integrative framework focus on MNEs global staffing, attracting individuals interested in international career using a talent pool strategy, by selecting the best people for the available positions. In contrast, SMEs tend to attract people with high potential who can fit and adapt to their specific context as well as the organisational structure. However, through effective resourcing activities, SMEs can develop those high potential people and increase their potential.

Through strategic talent resourcing SMEs develop talent through contractors and third-party providers and deploy talent through collaboration with other organisations i.e. secondment of experts for training and development opportunities. For instance, SMEs in Jordan may have a contract with experts to provide consultancy over improving product or services. This as a result, improve skills of talent internally and help them improve knowledge and experience. Further, providing talent with education, training and development opportunities enable them to acquire valuable skills and competencies that are significantly needed in managerial positions in order to advance their careers (Aguinis and Kraiger 2009; Schuler and Tarique 2012). According to Heinen and O'Neill (2004) talent resourcing is an important factor for an effective strategic talent management. A study conducted by Frank et al. (2008) concluded that that effective resourcing activities associated with development activities enhance succession management. Such activities provide career development opportunities by partnering or registering with public sector organisations for educating, training and developing talented individuals. Therefore, training and development opportunities lead to improved succession management (Allen and Bryant 2012). Based on the aforementioned perspectives, we propose the following hypothesis:

H4: Strategic talent resourcing practices has a positive influence on strategic succession management



3.4.5 Perceived Wasta

As identified in the literature review chapter, the national culture of Jordan is affected by nepotism and favouritism practices, usually known as 'Wasta'. Wasta is a concept that springs from tribalism, which is favouritism based on family and tribal relations (Ali et al. 2013). Wasta involves social networks of interpersonal connections rooted in family and kinship ties and involves the exercise of power, influence, and information sharing through social and politico-business networks. It is intrinsic to the operation of many valuable social processes, and central to the transmission of knowledge and the creation of opportunity (Hutchings and Weir 2006: 143).

As highlighted in the literature review, this research focuses only on the intercessory Wasta dimension which includes informal personal networks based on kin, friendship or patron-client relations. Intercessory Wasta bypasses administrative procedures, including formal procedures or regulations (e.g. when issuing, a new passport or license, or providing an access to a job or other government resources for an individual who previously had no access (Smith et al. 2012). In all the scenarios of intercessory Wasta, one party has well-established Wasta relations with a gatekeeper to obtain what is accessible and attainable by a broker. This is more applicable when a broker establishes a connection between an applicant and an employer by using structural power to provide the applicant with access to the job. As well as taking into consideration the nature of this research project, this research will investigate Wasta within HRM practices, in order to examine its impact on STM practices within SMEs in Jordan.

Although there have been a few studies conducted on the impact of Wasta in the Arab world (Tlaiss and Kauser 2011; Mohamed and Mohamed 2011), very few of these have been in Jordan (Sa'ad et al. 2013). A study conducted by Albdour and Altarawneh (2012) on the banking industry concluded that workplace diversity has a significant relationship with job retention. While the findings of the study suggest that greater workplace diversity could make the employees more engaged in their jobs, use of Wasta prevents workplace diversity, since individuals hired through tribal connections and relatives are likely to represent homogenous groups. Also, companies that avoid using Wasta are perceived by their employees, community and stakeholders to be operating ethically and thus benefit from better employee engagement (Jensen and Sandström, 2011).

Wasta negatively affects the decision-making process of attracting and retaining talented individuals who have no interpersonal connections with employers. When Wasta is embedded within social context surrounding an organisation, vacancies are normally filled through connections and jobs are commonly offered to family members, relatives and friends with very little consideration of competence and achievements (Brainine and Analoui, 2006; 150). Middle Eastern organisations competing with MNC's are realising that in order to survive in today's highly competitive business environment, they have to recruit the most talented and utilise the skills and abilities of individuals regardless of their social connections (Arab Human Development Report 2005). It can be argued that Wasta plays a positive role in retaining and motivating talents and the ease of correcting undesirable behaviours of a family member in the organisation.

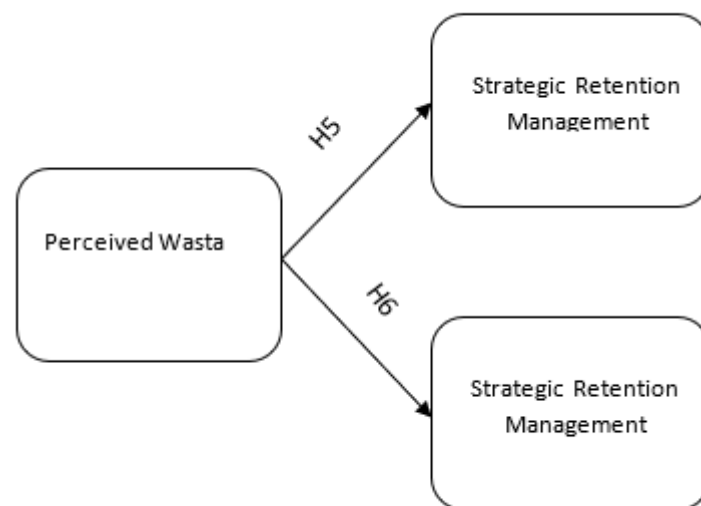
Furthermore, companies that avoid the use of Wasta and which are perceived to operate ethically by both its employees and the community will also benefit from better employee engagement. In addition, these organisations will be perceived more positively by stakeholders in the wider community (Jensen and Sandström, 2011). This is supported by Hutchings and Weir (2006: 149) who state that in the Arab world people have a negative perception of Wasta. Whiteoak et al. (2006) suggest that the use of Wasta extends beyond by not only attaining a job but also moving up in the hierarchy structure and obtaining promotion and benefits. On the one hand, the use of Wasta encourages individuals to reach their desired positions by befriending influential people. On the other hand, the use of Wasta hinders other employees progress who perform well and struggle by not having strong social connection inside an organisation (Cunningham and Sarayah, 1994). As a result, this diminishes any form of equality by promoting people to positions who may not necessarily merit them (Tlaiss and Kauser 2011).

Sa'ad (2013) suggested that the practice of Wasta can have a positive effect on HRM practices. Hofstede et al. (2010) indicated that hiring people from a family known by the workforce positively affects motivation and employee retention, by reducing turnover rates, as well as managing the undesirable behaviours of a family member in the organisation. However, according to the Arab Human Development Report (2005) in order for Middle Eastern organisations to survive and effectively compete in a highly competitive environment, they have to acquire and retain the most talented individuals and develop their skills and abilities with a disregard of their social connections. This is supported in a study conducted by Abdalla et al. (1998) when assessing the perceptions of HR managers toward nepotism in Jordan which

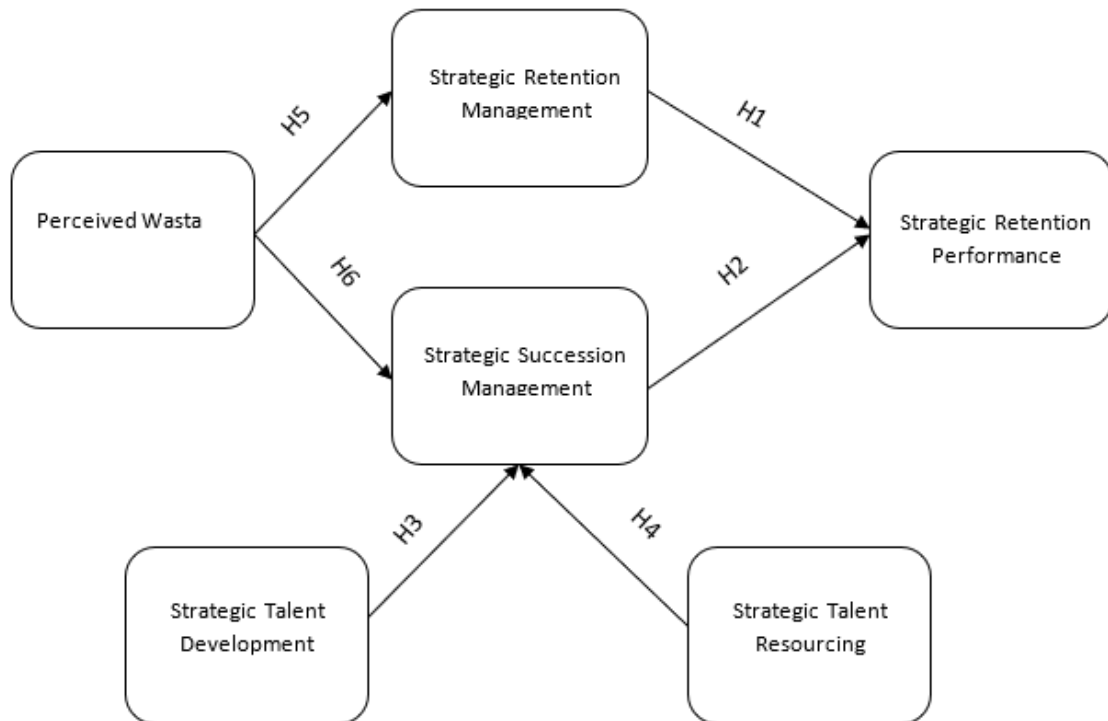
found that companies that practice Wasta find it difficult to retain qualified non-relative employees. In addition, their study pointed out that organisations that hire executives' relatives face difficulties in attracting and retaining talented individuals. Also, their study suggested that such firms find it difficult to demote unqualified relatives employed in these organisations. As long as they continue to use Wasta and employ people based on social connections with little consideration of their qualifications and achievements, companies that implement STM practices will find it difficult to retain talented individuals. According to Tlaiss and Kauser (2011: 478) Wasta diminishes any form of equality by providing advantages to individuals who based on their performance may not necessarily merit them. In addition, Wasta also adversely affects talent retention as other employees may feel discriminated when those with influential family connections receive benefits in the form of promotion, pay and rewards (Hofstede et al., 2010). Building upon the aforementioned theoretical perspectives, we propose the following hypotheses

H5: Perceived Wasta has a negative influence on strategic retention management

H6: Perceived Wasta has a negative influence on strategic succession management



According to the conceptual framework along with the hypotheses formulated in this section, the theoretical model that is to be tested can be seen below



3.5 Chapter Summary

This chapter frames a core set of sophisticated TM practices that form a strategic integration between internal organisation system and external environment factors. Due to limited resources, as well as limited scope of skills development, SMEs need to adopt a strategic perspective to prevent highly competent employees from leaving their organisations. Therefore, talent resourcing process as a construct was developed throughout this research to implement resourcing activities, including partnering with agencies for educating, training and developing high potential individual to meet the need of specific skills. Strategic talent resourcing in line with effective succession management allows an organisation to manage career aspirations and competency capabilities of high potential employees. This also fulfil career development needs of high potential employees to enhance greater talent pool resources. Taylor (2014) emphasise that talent resourcing activities, including career development programmes affect succession management and so influence employee retention. This as a result provide companies with a managerial talent by developing human resource benefit.

According to this research learning and development, as well as, career advancement opportunities serve more strategic perspective than extrinsic rewards in order to retain talented individuals. The proposed model along with the hypotheses developed show that strategic talent development, strategic succession management, strategic talent resourcing and strategic retention management contribute positively to improved levels of talent retention. The conceptual model shows a potential mediating effect of succession management between strategic talent development and talent retention performance, and also between strategic talent resourcing and talent retention performance. The role of succession management not only promote internal development but also emphasise the management of educational and development activities conducted by external agents and organisations.

This chapter shows that retaining high performing employees or high potential people requires effective succession management that offer career development and leadership programmes to improve talent retention (Areiqat et al. 2010; Hartmann et al. 2010). Therefore, firms that provide superior training programmes are likely to experience lower turnover than companies which lack staff development (Fey et al., 2000). However, this could have negative implications for companies to retain talented individuals (Kraimer et al. 2011) as the enhancement of managerial skills may increase employee's mobility. Thus, talented employees

may be more likely looking for more desirable career opportunities and thus leave their organisation (Kraimer et al. 2011). STM practices are strategically important for building a sustainable competitive advantage in the framework of the resource-based view as a key dominant theory in the conceptual framework. Wasta, according to the hypotheses developed may adversely affect talent retention through a mediating role of strategic retention management as other non-relative employees may have a feeling of discrimination and unfairness and thus, organisations may find it difficult to retain talented individuals. Therefore, without effective strategic retention management and strategic succession management companies may lose their competitive advantage to competitors or other companies. In order to test and validate the proposed model of this research, the application of structural equation modelling will be implemented. The next chapter discusses the research methodology adopted in this study.

Chapter 4 - Research Methodology

The aim of this research is to explore the underlying country level factors that influence talent management practices within SMEs in Jordan. This will outline the macro-level challenges faced by SMEs in Jordan to acquire, develop and retain talent. A conceptual framework will be developed to address the macro-level challenges, affecting TM practices within SMEs to demonstrate how to deal with TM challenges at a country level. This research seeks to open up the feasibility and possibilities for alternative and effective approaches to the management of talent that are not totalised by a Western canon. An analysis of the challenges and opportunities will help governmental policymakers at national and regional level to identify gaps in HRD policies to better utilise and manage their pools of talent, and allow them to learn from the opportunities embedded in GTM best practices. Looking at the broader institutional, national and regional context will help outline the major macro-level challenges facing the management of talent. Due to the focus on the broader context, this research will highlight possible generalisations within the region, taking into consideration the cultural, institutional and country-level factors between countries. Thus, in order to meet the aim of the study, the research questions that need to be addressed are the following:

1. What are the talent management practices (micro-level factors) that influence strategic retention performance of talented individuals in Jordanian SMEs?
2. What is the potential impact of 'Wasta' (macro-level factor) on strategic talent management practices and strategic talent retention performance in Jordanian SMEs?
3. How do micro-level factors and macro-level factors impact on strategic talent management practices and strategic retention performance of talent in Jordanian SMEs?
4. To what extent do institutional (macro-level) factors impact on strategic talent management practices in Jordanian SMEs?

It is intended that through the above questions, a more multi-layered and nuanced understanding of talent management will emerge, which will lead to the eventual formulation of a more holistic conceptual framework that will seek to demonstrate how to deal with talent management challenges, as well as developing effective, efficient and balanced approaches for

the management of talent in both theory and practice. To this effect, this chapter will seek to explore and outline the methodological approach and design that will facilitate the generation and extrapolation of relevant data in an attempt to address the outlined research questions. In doing so, the relevant philosophical theorisations, methodological nuances (including the reliability and validity of sampling strategies,), the instruments for data collection, and the techniques for data analysis will be explored and discussed. In addition, consideration will also be given the ethical issues associated with this study

4.1 Philosophical Approach

Philosophy refers to a system of beliefs about the nature and the development of knowledge based on our assumptions about the nature of reality and existence (Saunders et al. 2016). The research philosophy indicates the assumptions made in the way researchers view the world. Well-informed and consistent research assumptions will constitute a feasible research philosophy that will enhance the appropriate methodological approach, research strategy, data collection and analysis procedures. However, Johnson and Clark (2006) argue that management and business researchers need to be aware of the impact of the philosophical approaches in their study investigation, and thus defend their choices in relation to the alternative philosophies.

Business and management draw its theoretical base from a mixture of disciplines, including sociology, psychology and economics which has produced multiple research philosophies, approaches, paradigms and methodologies. However, in order to understand the philosophical approach that is to be adopted, there is a need to distinguish between the research assumptions: ontology and epistemology. Ontology refers to assumptions about the nature of reality. Since, this research intends to investigate talent management practices in organisations, the ontological approach includes individuals, organisations, management and organisational events. Epistemology refers to assumptions about knowledge, and its legitimacy and validity, and how knowledge can be communicated to others (Burrell and Morgan 1979). The multimilitary context of business and management indicates different types of knowledge from facts to interpretations, and from numerical to textual and visual data. However, it is critical to

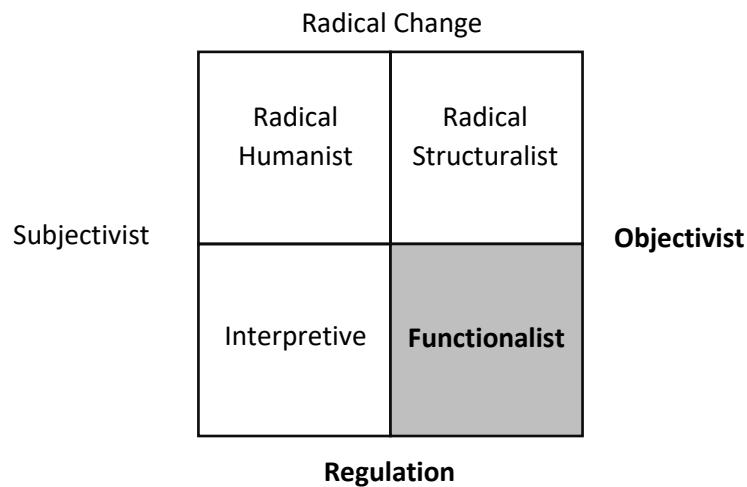
understand the implications of different philosophies and epistemological assumptions which are aligned with the research methodology.

4.1.1 Functionalist Paradigm

The ontological debate in the social science world scatters research philosophies within a multidimensional set of continua between two distinct assumptions: objectivism and subjectivism (Burrell and Morgan 1979). Objectivism incorporates the assumptions of the natural sciences, postulating that social reality is external to us and other social actors. The ontological assumption of objectivism in its extreme form, embraces realism, which considers social entities as physical entities and immutable structures, that are independent of how we label them, and external to our awareness and cognition. Further, Burrell and Morgan (1979) argue that we might not even be aware of critical structures that have not yet been articulated by concepts. Subjectivism revolves around the assumptions of the art and humanities, stating that the social world is made up of perceptions and actions that are created by people as social actors. The ontological assumption of subjectivism in its extreme form embraces nominalism that considers that the social world along with its structure and order are conceptualised and labelled by us as researchers and other social actors to structure reality. Burrell and Morgan (1979) call for another dimension to distinguish between research philosophies and the assumptions about the nature of society. They identify two different perspectives, which are: the sociology of regulation and the sociology of radical change.

Researchers who work from the regulation perspective are primarily concerned with the need for the regulation of societies and human behaviour. This perspective emphasises the role of unity and cohesiveness of society in stabilising its structure and system as an entity, rather than radically changing the current position. In contrast, the sociology of radical change perspective suggests challenging the status quo. However, Burrell and Morgan (1979) combined the two ontological dimensions: objectivism-subjectivism and regulation-radical change within a 2×2 matrix to create four distinct paradigms of organisational analysis (see figure 1).

Figure 4.1 Ontological Dimensions Paradigm



Source: (Burrell and Morgan 1979)

The functionalist paradigm is underpinned by positivist philosophical researches such as business process re-engineering, and concerned with developing rational explanations and solutions within the current structure to be correctly monitored and implemented (Kelemen and Rumens 2008). The interpretive paradigm focuses on the attempt to understand the world around to discover irrationalities to explain, for example, how politics and power are used by organisations to become involved in everyday activities. The radical-humanist paradigm which adopts a critical perspective by challenging the status-quo has a primary focus on the issues of politics and power. This paradigm has a subjectivist approach which emphasises the role of human consciousness through social interaction, processes, language and the instability of structures in organisational life. The radical structuralist paradigm which is located within the objectivism and radical change dimensions advocates an objectivistic standpoint that emphasise its analysis of structural conflict, contradiction, mode of domination and deprivation.

This research attempts to comprehensively understand TM at the macro-level by examining the impact of national culture and country-institutional factors, including norms, values and regulations. Consequently, the social structure of Jordan is based distinctively on tribalism and kinship relations. This research aims to assess the impact of Wasta as a nepotism practice that extends beyond norms and behaviours, to how HRM and TM practices in Jordan are affected by national culture. The functionalist paradigm tends to provide a clear understanding of society in a way that generates knowledge that can be explored and explained. Arab countries,

including Jordan are characterised as collectivist culture that tend to promote harmony and cohesiveness which advocates egalitarianism and consultation and participation rather than a rigid hierarchical order (Ayubi, 1995). The functionalist approach is concerned with the effective regulation and control of social affairs. It is largely rooted in the tradition of sociological positivism. This reflects the attempt to apply methods and models of the natural sciences to investigate human behaviour. The functionalist approach is derived from the natural sciences and it is composed of empirical artefacts and relationships that can be studied, identified and measured. The aim of this research as supported by the functionalist approach is to understand the relationships between macro level factors (objective social facts) and the strategic TM process.

4.1.2 Positivism Approach

In the business and management field, there are two main research philosophies, namely positivism and interpretivism (Saunders et al. 2016). The positivist approach refers to the philosophy of the natural sciences that entails studying an observable social reality to generate law-like generalisations. The term ‘positivist’ refers to what is ‘posited’ based on scientific empirical methodology designed to obtain accurate data and facts irrespective of human interpretations (Saunders et al. 2016). Adopting such a philosophy, you would seek to discover observable and measurable regularities, looking for casual relationships to produce universal laws (Crotty 1998). As a positivist researcher, one would start with existing theory to develop a hypothesis to be tested and confirmed, leading to a development of theory that may be tested by further research. This approach suggests that positivist researchers are detached and external to the process of data collection, operating from a value-free perspective, so they can avoid influencing their research findings. Therefore, positivists are more likely to use a highly structured methodology with quantifiable observations that can lead them to statistical analysis. In contrast, interpretivist philosophy criticises the positivist philosophy, arguing that the focus should be on humans who create meaning rather than regularities or a physical phenomenon. People from different backgrounds under different circumstances, at different times, create different meanings, and so express different experiences and different social realities. Direct realism is the most extreme form of realism that underpins the positivist philosophy. This philosophy argues that what you see is what you get, as our senses describe the world accurately.

With the functionalist paradigm, social facts and relationships are studied and measured epistemologically, but with positivism, the researcher focuses on discovering measurable and observable facts and regularities. Thus, this research intends to observe and measure the impact of country-level institutional factors on TM that would lead to the production of meaningful data. This is supported by examining the causal relationship between factors primarily by focussing on quantitative methods in order to create law-like generalisations (Gill and Johnson 2010) rather than focusing on narrative stories, perceptions and interpretations. This will also help explain and predict behaviour and events in organisations. Adopting a positivist philosophy, this research intends to further develop existing theory by completing the general framework (Collings et al. 2016) that comprises macro-level factors, processes and outcomes. Where macro talent management (MTM) is evolving within national and regional level, this involved macro level factors such as the quality of education system, social and cultural level in a country level. This helps determine country level conditions that shape the type of a country's talent. By adopting positivist approach, this can help examine the impact of cultural and social system by evaluating relationships exist such as national culture or institutions and processes of managing talent at organisations. This macro context will support calling for an understanding in a way in which these macro level issues create challenges for organisations. This associated with considering organisations as social entities that seek approval for their practices in social environment.

4.1.3 Abductive Approach

The use of theory at the beginning of a research study relies on the design of the research project. This is often theorised into two opposing approaches, which are deductive or inductive (Bryman and Bell 2011). The deductive approach involves developing an existing theory to be rigorously tested through a set of propositions. This approach is dominantly used in the natural sciences as researchers evaluate hypotheses or propositions related to an existing theory to explore casual relationships between concepts and variables. The deductive approach tends to be a highly structured methodology where concepts are operationalised, and facts are measured (Bryman and Bell 2011). In contrast, the inductive approach aims to explore a phenomenon by collecting data to generate or build theory by identifying themes and explaining patterns (Saunders et al. 2016). By discovering the cause and effect relationship a concept can be created

by the formulation of theory by discovering the cause-effect relationship. This can open up possibilities not possible with a rigid methodology with highly structured design. The inductive approach is less structured and a researcher can use a variety of methods to collect data.

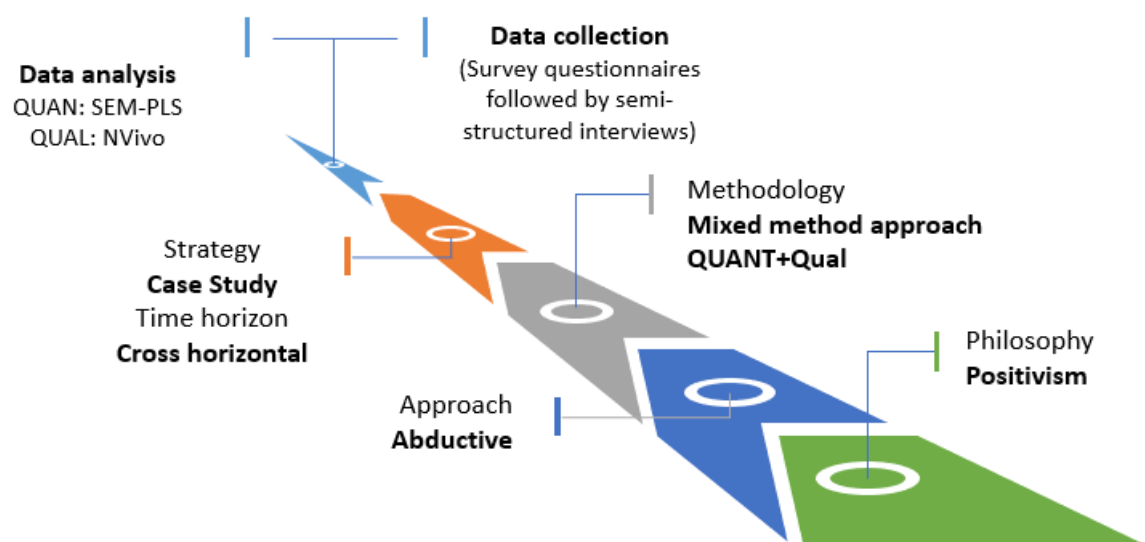
As was discussed earlier in this chapter, this research aims to develop a conceptual framework that combines national culture and institutional factors, TM processes and outcomes. Measuring and studying the impact of national culture in Jordan on TM processes entails further developing an existing conceptual framework on MTM (Collings et al. 2016) and testing hypotheses and relationships between social actors and TM processes and outcomes. This test is supported by exploring a phenomenon in order to develop theory by identifying and explaining patterns in an institutional context. Therefore, instead of moving from data to theory or from theory to data, the abductive approach can be justified by combining deduction and induction by observing a 'surprising fact'. The surprising fact that 'Wasta' has been thoroughly generated as national culture when identifying macro-level factors which affect the management of talent.

Looking at the institutional and corporate drivers of regional and global TM, identifies issues, which are unfamiliar to the much-researched Western world of how TM processes are shaped. For instance, a few empirical studies have been conducted to examine how TM practices in the MENA region are identified and deployed. This research seeks to develop a conceptual framework that will enhance a clear understanding of the theory and practice of talent management. The high level of contextualisation in this study, due to the economic and socio-cultural issues in Jordan, as well as the lack of a conceptual framework or theory, exploring critical factors that can affect TM at a country level can open up possibilities to build and develop a conceptual framework and theory which are currently lacking (Scullion and Collings 2011). Therefore, this research intends to use an abductive approach that incorporates testing and developing theory.

4.2 Research Design

Research design is an overall plan which shows how a researcher intends to answer the research questions by identifying data collection sources, data analysis techniques, ethical challenges and strategies to overcome those challenges (Saunders et al. 2016). The choice of adopting qualitative, quantitative or mixed method research design, is associated with the research philosophical assumptions, as well as the research approach and strategy in order to achieve coherence and consistency over the research methodology. The research questions which the researcher intends to answer should be aligned with the nature of the research project to determine the purpose of the research design whether it is exploratory, descriptive or explanatory (Saunders et al. 2016).

Figure 4.2 Research Design



Source: The researcher

4.2.1 Mixed Method Approach

Exploratory studies begin with answering the questions ‘What?’ and ‘How?’, which creates the opportunity to find new insights into, or develop a new understanding of a phenomenon (Saunders et al. 2016). Descriptive studies seek to obtain an accurate profile and detailed descriptions of situations, events or persons, while explanatory studies begin with the questions ‘Why?’ and ‘How?’ for studying a situation, problem or an issue to explain the relationships between variables (Saunders et al. 2016). However, this research is context-specific research which seeks to examine and explain “what” needs to be done and “how to do” it in respect of the shaping of TM processes in Jordan. Moreover, this research aims to examine the level of TM needed in a broader national context rather than exclusively focusing on organisational performance. Therefore, this is confirmatory explanatory research which will be designed to provide new insights and understanding of the concepts of TM in a national context, specifically in Jordan.

A quantitative method is any data collection technique such as a questionnaire, or data analysis procedure, such as statistics or graphs, that uses or generates numerical data (Saunders et al. 2016). Quantitative research is a highly structured method of data collection often associated with a positivist philosophy and a deductive approach for theory development. The emphasis of quantitative research is to examine relationships between variables to be numerically measured and analysed, using a set of graphical and statistical techniques. A qualitative method is any data collection techniques that generates non-numerical data such as interviews, or data analysis procedures such as categorisation (Saunders et al. 2016). Qualitative research is particularly associated with interpretivism (Denzin and Lincoln 2011). The emphasis here is to study the socially constructed and subjective meaning of the phenomenon within a natural setting or research context. Qualitative research generally incorporates an inductive approach where the researcher can use a wide variety of data collection techniques and analytical procedures to develop a conceptual framework and/or theoretical perspective.

However, the success of conducting research and the data collection process relies on establishing a rapport with participants, and maintaining confidentiality so as to gain physical and cognitive access to their data. Data collection in qualitative research is not standardised, considering that the questions and procedures may change during the research process. Although, many research designs in business and management use a mixed methodology,

combining quantitative and qualitative components such as using a questionnaire with some ‘open’ questions or conducting follow up interviews to explain the findings and gain a clearer theoretical understanding. A mixed methodology approach refers to the use of multiple methods that combine quantitative and qualitative data collection techniques and analytical procedures (Teddle and Tashakkori 2009). A mixed method approach “involves the collection or analysis of both quantitative and/or qualitative data in a single study in which the data is collected concurrently or sequentially, are given a priority, and involve the integration of the data at one or more stages in the research process” (Creswell et al. 2002: 212). Clearly, the key objective of using a mixed method approach is to enhance the strength and reduce the weakness of both methods in the same research study (Creswell 2003; Creswell and Plano- Clark 2007)

One of the key advantages of using a quantitative design is the generation of reliable and quantifiable data that can reach a large population (Eli 2009). A quantitative method is used to explain particular phenomenon by collecting numerical data that are analysed using statistics or mathematical based method. One of the most widely used quantitative methods is a survey. In addition, using a quantitative method such as a survey for data collection is quick and provides specific data that is related to the research project. Also, quantitative data analysis is less time-consuming where statistical software is often used. However, one of the key limitations of the quantitative method is that it does not answer the ‘why’ question, in explaining a phenomenon. In addition, the quantitative method often does not contextualise the role of human behaviour and therefore, such factors are left out of the statistical model. Hence, using a quantitative method does not deliver in-depth data and the knowledge generated is not specific.

On the other hand, qualitative methods are based on exploratory and/or explanatory objectives. Qualitative design investigates in-depth a phenomenon within its natural setting and research context (Denzin & Lincoln, 2008). It involves the use of case studies, interviews and life stories and it describes personal experience. One of the main advantages of using a qualitative method is that it answers the ‘why’ question, however, one of the main limitations, is that qualitative research is based on personal interpretations conducted by the researcher, and is subject to researcher bias, is difficult to generalise findings over a large group or population due to the limited number of participants involved in the study, and it is also time consuming for data collection and analysis.

Quantitative data play a dominant role in supporting the theoretical arguments that build into generalised conclusions (Howard and Borland 2001), but they do not permit a deeper and richer understanding of individual experiences. Qualitative data yields information beyond statistics, for examining in-depth the quality of TM processes and policies (Denzin and Lincoln 2005). Qualitative interviews can highlight the dynamics of TM within its real-life setting, understanding the research context that enables the evolution of more solid theory development. According to the third research question, this study seeks to investigate ‘how’ and ‘why’ talent management processes and practices at a micro and macro level affect strategic TM performance. According to the third research question, this study seeks to examine the influence of strategic TM processes and performance at a country level. Hence, mixed methods offer a rich understanding and complete picture of a phenomenon provided according to the perspectives of participants which is aligned with the positivist philosophy adopted in this research. In order to explore the impact of micro and macro level factors on TM performance and develop a conceptual framework, mixed methods were used. A quantitative method was adopted to conduct survey questionnaires, and a qualitative method was adopted to conduct in-depth interviews with HR directors and executive managers to examine all aspects of TM.

4.2.2 Sequential Research Design

Sequential confirmatory explanatory design is a two-phase design where quantitative data is collected first to confirm hypotheses and then followed by qualitative data collection to interpret the confirmed relationships. The purpose of using qualitative results is to interpret and explain the findings from the quantitative phase (Creswell 2016). In this research survey questionnaires were used first in a large group, then members of the large group were later selected for interviews. The overall purpose of this design is to use the qualitative data in order to explain in more detail the initial quantitative results. This conforms with the work of Saunders et al. (2016) who recommend the initial use and prioritisation of quantitative research before using qualitative research to explain particular findings. This research establishes causal relationships between variables where the qualitative research is intended to address the ‘Why’ or ‘How’ questions. This emphasis on explanatory research is to investigate a problem in order to explain the relationships between variables. One challenge in such design is to plan

adequately which particular results from the quantitative research need follow up, and which participants are needed to gather qualitative data in the second phase (Creswell and Clark 2007). Therefore, rigorous sampling is required for quantitative research in the first phase, together with purposeful sampling for qualitative research in the second phase.

In the stage of data analysis, the quantitative and the qualitative databases are separately analysed. One key advantage of this research design is that qualitative research, including sampling techniques and type of interview questions are well-informed and built on the quantitative research that follow what has been drawn from the quantitative results Creswell (2013). The use of quantitative survey questionnaire investigates organisational practices that enable examining relationships between variables (Saunders et al. 2016). In this research semi-structured interviews will be used to understand the relationships between variables. In the interpretation stage when using mixed methods with explanatory design, follow up results are further discussed in the discussion section by first reporting the quantitative results (first phase) and then reporting the qualitative results (second phase) building on the quantitative results.

However, there is a form of interpretation that addresses how the qualitative results help explain the quantitative findings (Creswell and Clark 2007). This is to have the qualitative data help provide a more in-depth understanding into the quantitative results, and expand or explain these results. As the qualitative questions determine the scope of the quantitative questions, a direct comparison between the two databases is considered as inadequate. However, as with all mixed methods studies, the validity of the sequential research design may give rise to concerns when establishing the scores from the quantitative measures as well as the qualitative findings. The overall findings may be compromised because of not considering all options for following up on the quantitative results. For instance, the emphasis may only consider personal demographics and neglect important explanations that extends further understanding. In addition, it may contribute to invalid results by drawing on different samples for each phase of the study, and so minimise the importance of building one phase on the other. However, this research has been established on a conceptual framework that involves the essential element of TM processes where one activity or practice (construct) is properly linked with the other.

4.2.3 Case Study Strategy

Research strategy is a plan that shows how a researcher intends to answer the research questions. It demonstrates the methodological approach and the level of coherence that needs to be achieved by linking the research philosophy with the choice of methods (Denzin and Lincoln 2011). The choice of research strategy is influenced by the research questions and objectives, the research purpose and approach, and the availability of resources and access to potential sources of data. Experiment and survey research strategies are principally linked to a quantitative research design, while ethnography, action research, grounded theory and narrative inquiry research strategies are linked to a qualitative research design. However, case study and archival and documentary research strategies involve quantitative, qualitative or mixed method research design. Given that the data source in archival and documentary research is secondary, some data may be missing or restricted due to availability or confidentiality. As a consequence, this can leave gaps in the data collection and analysis process, and so this research strategy may not be appropriate to adopt in this research. Case study strategy is an in-depth inquiry and investigation into a phenomenon within its real-life setting (Yin 2014). A case may refer to a person, organisation, association or an event, and so choosing the case that needs to be studied, identifying the boundaries of the study, is a critical factor in defining a case study (Flyvberg 2011).

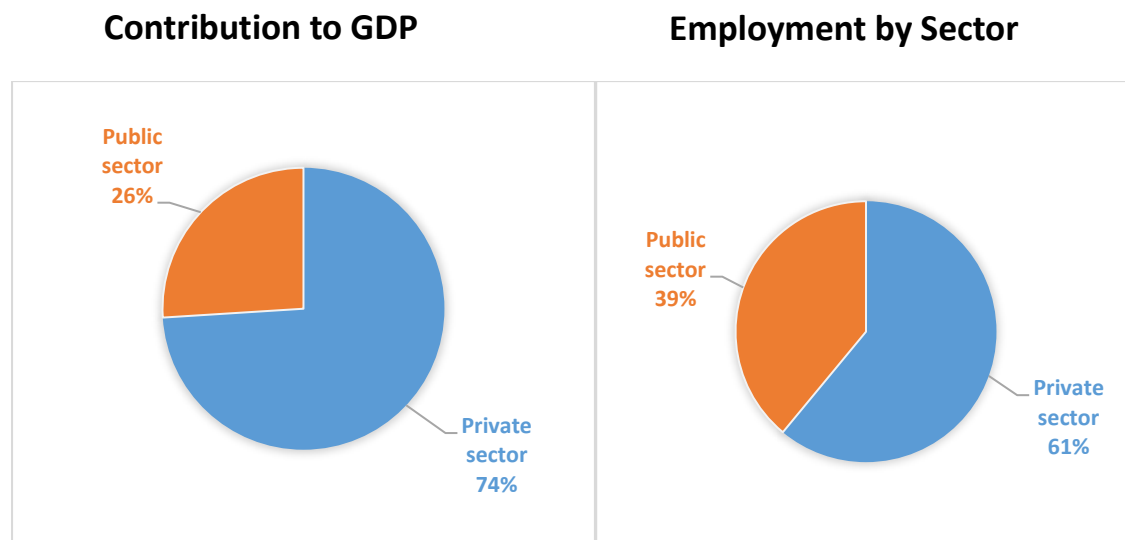
Case study strategy can highlight the dynamics of talent management within its context and real-life setting. Understanding the research context is fundamental and can lead to rich and empirical insights to aid theory development. In consideration of the research topic and context, this research seeks to study the interactions between the identification, formulation and implementation of the TM process and the contextual factors for SMEs in Jordan. Hence, this study will be best understood through case-studies conducted within a cross-sectional time horizon, examining the relationship between factors in different organisations at a particular time, rather than studying change and development trends over a period of time. Given, that this strategy is limited for producing generalisations, this research will target a large sample of SMEs across several industry sectors in Jordan in order to gain reliable results. A number of cases will be studied which will include organisations which differ in both size and life-cycle stage. However, the key challenge with this strategy will be obtaining information from these organisations due to issues of physical access and confidentiality.

4.3 Sampling Strategy

Sampling strategy is the process which involves identifying the target population, drawing the sampling frame, determining the sample size and selecting the most reasonable sampling technique. It would be impractical to collect data through survey questionnaire, observation or interviews from the entire workforce (Collis and Hussy 2009; Bryman and Bell 2011). Thus, sampling should significantly represent the full set of cases that can be justified (Becker 1998).

This study will be conducted over SMEs in the private sector across manufacturing and IT sectors in Jordan, targeting different managerial levels, including HR managers and executive directors. The private sector contributes by 74% to Jordan's GDP and generates 61% of total employment, and the largest driver of economic growth with 97% of total exports (The Royal Hashemite Court 2015). Most of the TM concepts and practices are predominantly established and developed within large firms, but uncritically applied within SMEs (Krishnan and Scullion 2016). In addition, SMEs offer more significant possibilities than MNEs for the generation and development of theoretical frameworks as the conceptualisation of TM, as previously proposed for large firms needs adaptation in the SME context. Because of their size and limited resources SMEs have limited ability to attract managerial talent from recruitment pools used by larger firms (Krishnan and Scullion 2016). Moreover, due to the SMEs dominant role in job creation and strategic importance in the world economy, they are central to the economic agenda of most governments. SMEs in developing countries contribute a more efficient allocation of resources, and support the building of productive capacity (Al-Mahrouq 2010). SMEs in developing countries account for 90% of businesses and provide on average 50-60% of employment and account for 85% of companies and 60% of the total employment in the MENA region (Krishnan and Scullion 2016). SMEs in Jordan account for 98% of enterprises and businesses, largely in the manufacturing and service sector, and contribute 80% of total employment and 97% of total exports. Thus, in order to face the central challenge of unemployment, it is critical to promote private sector investment and encourage the fast-growing SMEs as the most significant employment generator. The definition of an SME varies between countries according to the number of employees, but in Jordan, they are defined as a firm that has between 10 and 249 permanent workers with a registered capital above 30,000 JD.

Figure 4.3 Contribution by GDP/Sector Jordan

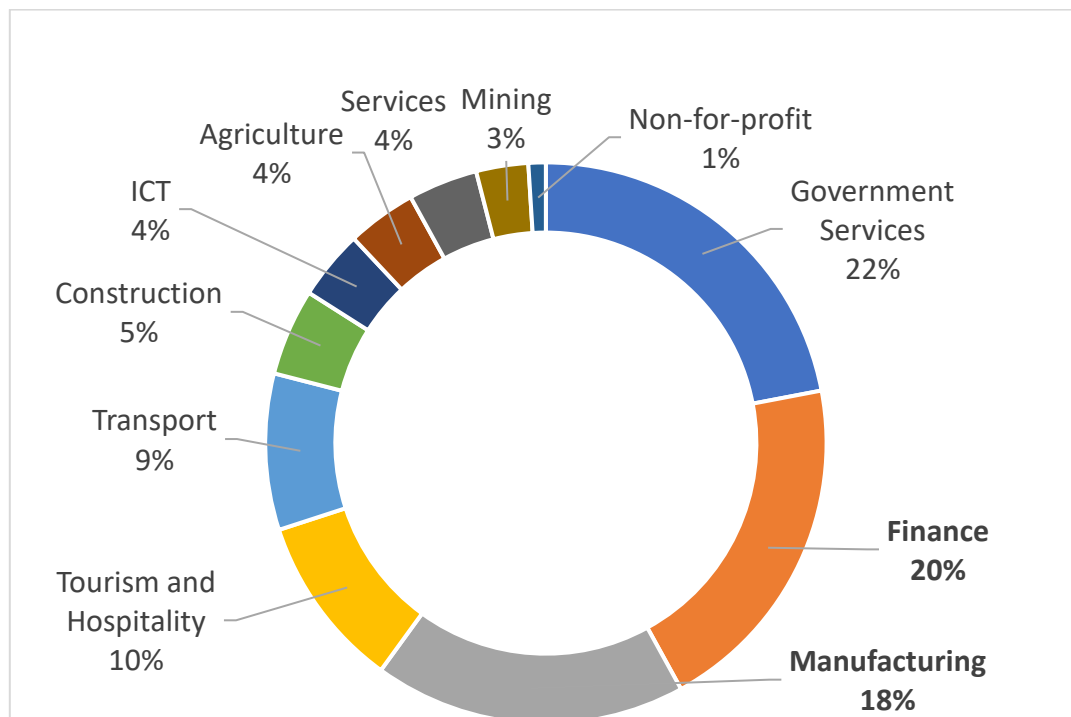


Source: (JEGP 2017)

Manufacturing at 8% and IT at 16% growth are two of the fastest growing industry sectors in Jordan that together contribute %55 of Jordan's GDP, and attract most of the highly skilled individuals (JEGP 2017). The context of the study was primarily conducted in Amman, the capital Aqaba as the largest urban and metropolitan cities located in the north, central and south of Jordan, respectively. Amman is the largest economic centres in Jordan, hosting the highest number of local and international organisations, the majority of the local companies being SMEs.

The key aspect in the sampling frame is to draw an accurate, up-to-date and valid list to avoid under-representing the target population. In addition, the sampling frame is an essential element in the sampling process, when using probability sampling, where statistics is used to select the sample. As this research will primarily conduct the study of TM practices on profit-based organisations in the private sector, the sampling frame excludes non-profit and public-sector organisations. The list of the organisations included in the research for Jordan were provided by Jordan Chambers of Industry, the Chamber of Trade, and the Ministry of Industry and Trade.

Figure 4.4 Sectoral Contribution to the Jordanian Economy



Source (JEGP 2017).

The two main techniques of sampling in research are probability sampling and non-probability sampling (Bryman and Bell 2011). The probability sampling technique will select a particular participant from the sampling frame according to probability thus reducing the degree of error. The basic form of probability sampling is the random sampling associated with a survey. In contrast, non-probability sampling is a sampling technique based on subjective judgment that does not offer the individuals in the population an equal chance to be selected. Due to the need for statistical analysis and generalisation of a large sample of participants to determine the degree of the TM development in SMEs, probability sampling will be used in this research. Convenience sampling is often used in management and business research studies (Bryman and Bell 2007).

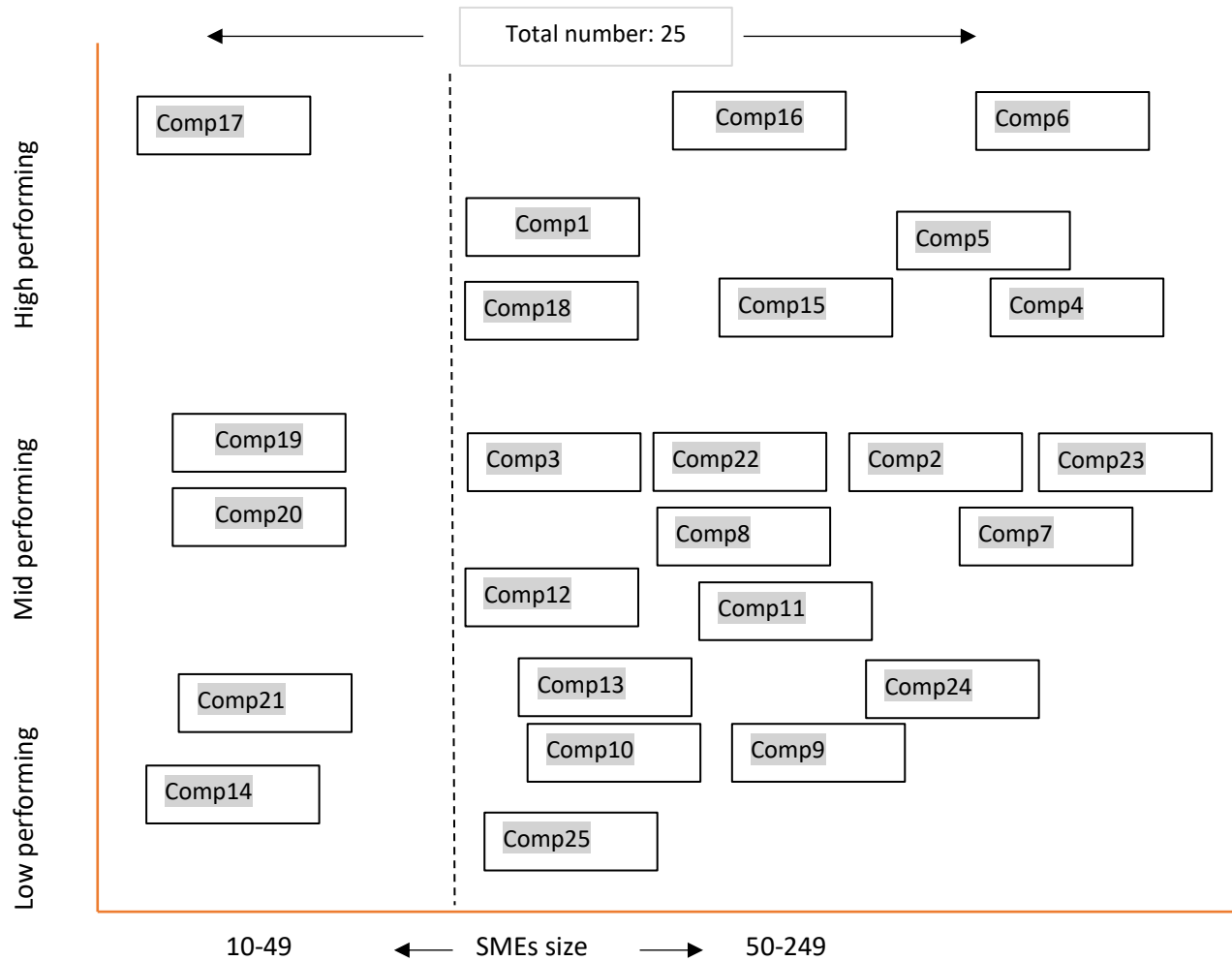
This technique of sampling involves selecting those SMEs with whom participants are easy to obtain from the sampling frame (Saunders, Lewis and Thornhill 2009). Due to several challenges with regard to data collection and poor response rate reported by local scholars in Jordan, convenience and snowball sampling were applied as the most appropriate sampling techniques in the quantitative phase. In addition, the researcher has already developed key connections with a HRD association in Jordan, that consist of HR professionals and experts in leading organisations in Jordan. The HRD association helped the researcher to provide

participants who are easier to reach to distribute the questionnaire, as well as facilitate the process of conducting interviews with key stakeholders.

The basic form of probability sampling is the random sampling that is classified into three categories: simple random sampling, systematic random sampling and stratified random sampling. Simple random sampling selects the sample using random number sampling, by numbering the cases within the sampling frame with a number (e.g. 0,1, 2...) and then selecting cases with a random number to reach the sample size. Systematic random sampling is selecting the sample in systematic intervals, by calculating the sampling fraction and selecting subsequent cases regularly using the sampling fraction to determine the frequency of selection. Moving beyond the individual organisation level, this research seeks to address the macro-level challenges of TM, targeting 30 small and medium sized enterprises across Amman as the largest economic centres in Jordan, hosting the highest number of private local and international organisations. Furthermore, the enterprises will be selected from the manufacturing and IT sectors, the largest two of the industrial sectors in Jordan.

Tymon et al. (2010) examined the critical challenges in attracting, managing and retaining talent, especially in the developing regions of the world where due to economic activities, talent shortage has become more critical. They developed and tested a theoretical model of TM across 28 Indian organisations involving 4811 senior-level employees adopting a stratified random sample, focusing on corporate social responsibility in the emerging countries to make an effective deployment of their talents (Vaiman et al. 2012). Stratified random sampling is a sampling technique that divides the target population into a series of relevant and significant strata based on a number of characteristics. When the sampling frame is divided into a number of subsets, simple or systematic random sampling is drawn. This will ensure each of the strata proportionally represent the sample by distinguishing the sample frame. Thus, the researcher stresses the importance to adopt stratified random sampling to better provide a representative sample which will support the generalisation of the results. Stratified sampling technique was used in the qualitative phase, based on the initial quantitative results. A purposive sampling technique was implemented for in-depth semi-structured interviews conducted with HR consultants, industrial bodies and senior officials at governmental level.

Figure 4.5 Sampling Criterion



Source: The Researcher

Industrial Sector

- Engineering, electrical and IT industries
- Textile and readymade garments
- Food industries
- Chemical industries
- Construction industry
- Plastic and rubber industries
- Wood and furniture industries
- Therapeutic industries and medical supplies
- Packaging industries
- Mining industries

ICT Sector

- Business-IT Transformation
- IT and Networking Infrastructure System Integrator and Business Solutions
- Software development
- Software and Hardware development
- Infrastructure Software PayOne Cloud
- Electronic payment POS
- Digital solution provider

4.4 Data Collection

The procedure for data collection enables a researcher to answer the research questions collecting data by the use of different methods, including: postal questionnaires, face-to-face interviews and telephone interviews. Survey questionnaires are sent to participants by using email, an online questionnaire software tool (e.g. BOS) and by post. (Saunders, Lewis and Thornhill 2012). Due to using a mixed method approach with multiple sources and techniques along with the large amount of data to test the theoretical model and hypothesis as well as building and developing a conceptual framework, using one method of data was not feasible. To meet the aim of this study, as well as to gain high quality and quantity in the sample, the main method used for data collection was an online questionnaire for quantitative data and face-to-face interviews for qualitative data. A link to the questionnaire was emailed to companies and the HRD association in the industrial sector and social media was used for the ICT sector (Telegram, Facebook and WhatsApp). The researcher also distributed paper-based questionnaires to targeted places in the main industrial cities.

The researcher has developed key connections with the HRD association in Jordan, including HR professionals and experts in the leading organisations in Jordan. The HRD association helped the researcher to provide participants and key contacts to distribute the questionnaire, as well as to conduct interviews with contacts, including participants and key stakeholders. Contact details of companies in the industrial sector, including company profiles, addresses and numbers were provided by the Jordan Chamber of Industry in an electronic format. All contacts detail of companies in the ICT sector were provided by The Information and Communications Technology Association of Jordan (int@j). The following two sections represent how data was collected in both quantitative research and qualitative research.

Quantitative Data Collection

The data collection procedure resulted in total of 250 questionnaires completed, with an overall response rate of 23%. In order to address participation bias and achieve high reliability, the researcher has developed key connections with a HRD association in Jordan, that consist of HR professionals and experts in leading organisations. The HRD association helped the researcher to provide participants who are easier to reach to distribute the questionnaire. A simple random sampling technique was used and 250 questionnaires were completed out of

1100 which were distributed which represented an overall response rate of 23%. Samples were collected online, by email and post. In the online sample 150 questionnaires were completed out of 400 distributed, which represents a response rate of 38%. Out of the 200 questionnaires sent by email, 30 questionnaires were received back which represented a response rate of 15%. Of the 100 Paper-based questionnaires sent by post, 70 were received back represented a response rate of 70%.

The average time taken to fill out and complete the questionnaire was about 20 minutes. The researcher sent 2-3 reminder notifications to the participants, after two weeks had passed from the initial distribution date. However, participants who did not respond after the third email or notification reminder were excluded from the study. Different data collection techniques were used for the questionnaire to obtain the highest response rate possible, using a snowballing technique to generate a large amount of data. For this technique, participants within the target population who had completed the questionnaire were asked to pass on the questionnaire to individuals they knew with the same characteristics. These techniques were used to save time, effort and money as the target population was spread all over the country. In order to avoid having missing data, technical mandatory setting was implemented, using online survey (BOS) that does not allow any participants to continue without answering all questionnaires. However, paper-based questionnaires that were received via email or post with missing data, were returned to the original participants to complete it.

Qualitative Data Collection

The HRD association facilitated the process of conducting interviews with key stakeholders based on a convenient sample for conducting semi-structured interviews with HR managers at targeted organisations as well as for conducting in-depth semi-structured interviews with key stakeholders. All interviews that did take place were conducted in face-to-face contact. To avoid participation bias, the researcher has already agreed with participants based on their consent to conduct the interview using audio recorder. However, with some critical parts and sensitive topic (i.e. Wasta) and based on the consent of few HR managers, industrial as well as governmental representative, the researcher conducted those interviews without using voice recorder in order to collect data that are not biased or incorrect. The researcher instead did

record the interview using pen and paper, writing down the participants answers, manually, next to each and every question. This was also supported by the participants who initiated the process and were more comfortable to provide more accurate answers that are close to their own opinion not affected by the factor of recording them.

On 1st of June 2018, one month after the initial exploratory survey questionnaires were collected, the interviews commenced. Interview data was collected from 1st of June to the 1st of July 2018. These semi-structured interviews were conducted using non-probability quota sampling technique which involved 30 participants from twenty-five companies. Furthermore, for the semi-structured interviews, data was collected from the 20th of June 2018 to the 30th of June 2018. The semi-structured interviews involved 10 participants, including Director Generals, HR professionals and consultants and senior officials within multiple industries and government departments as well as industry bodies and agencies.

All interview conducted were recorded and transcribed. The length of each interview for the semi-structured interviews was approximately 15-30 minutes, and 20-40 minutes for the semi-structured interviews. The interviews were conducted in Arabic and English, and therefore translation was required. Therefore, a certified translation agent who specialised in business and management was involved to transcribe interviews from Arabic to English whereas interviews conducted in English were manually transcribed by the researcher. In order to ensure a precise translation with minimal errors, data cleaning was carried out during translation. Each interview was transcribed and stored individually.

The country level factors and major macro-level challenges of TM need to be explored by collecting all sorts of data that may fall within the scope of the constructs which describe it and for establishing the boundaries of the phenomenon. The best strategy for exploration is to engage in a relatively unrestricted collection of primary data (e.g., interviews with different stakeholders including HR managers, line managers, middle managers, board members, CEOs, external consultants, headhunters, policy makers, employee representatives), complemented by secondary data (e.g., news reports, online resources, personnel records, policy documents, and trade publications). The purpose is to create a nomological network for TM that will serve as an efficient filter for data in the research stages. In order to obtain a greater accuracy and to avoid a mono-method bias, this research intends to use multiple-methods for gathering empirical information

4.4.1 Secondary Data

Secondary data involve both quantitative numerical and qualitative non-numerical data, and is used in this research as a partial source of data related to governmental economic plans, policies and national strategies including the National Strategy for Human Resource Development (2016-2025), and relevant published official statistical reports. Since this research targets the industrial and ICT sectors, relevant industrial indicators and statistics such as the industrial contribution to GDP are used to complement primary data when attempting to explore the country level factors influencing an effective implementation of talent management in Jordan. This research has used industrial maps together with governmental reports and lists of companies including small and medium sized enterprises operating in both sectors provided by governmental and non-governmental institutions. The Jordan Chamber of Industry and Chamber of Commerce and The Information and Communications Technology Association of Jordan (int@j) played a pivotal role in providing data for this research including a database of companies, as well as multiple sources of secondary data including governmental publications, industrial statistics and reports. Moreover, this research used journal articles and governmental reports provided by the Ministry of Labour such as labour market trends, as well as education strategies and policies provided by the Ministry of Education.

4.4.2 Survey Questionnaire

A questionnaire is a set of structured questions tested and developed for respondents to answer these questions (Saunders et al. 2012) and is one of the most widely used techniques in data collection, particularly in survey strategy. It is an efficient technique to collect and analyse a large data sample. However, it is unlikely that there will be more than one opportunity to collect data from the same respondents with another questionnaire (Saunders et al. 2012). Hence, the researcher should ensure the questionnaire is designed to collect the precise data to answer the research questions and address the research objectives. This is essential to ensure the validity and reliability of the data collected. This research will use a survey questionnaire to examine the cause-effect relationship between key variables to determine the extent to which SMEs have implemented TM as well as the extent to which these practices coincide with TM theories and philosophies. Moreover, this survey questionnaire will help achieve the research aim which

is to develop a conceptual framework of TM practices. The design of the questionnaire differs in accordance with the delivery, collection, and contact with respondents. Self-completed questionnaires are generally known as surveys and are often completed by the respondents. Delivery and collection of questionnaires can be via the internet, by mobile phone, post or email. Also, questionnaires can be completed by the interviewer for each respondent either by telephone or face-to-face. As the sample size is extremely large in this research, the survey questionnaire will implement self-completed questionnaires through the internet, and email, and interviewer-completed questionnaires by telephone and face-to-face to overcome some of the expected challenges with obtaining a low response rate.

A carefully constructed semi-structured questionnaires will be originally developed in English. Then, because the researcher is an Arab from Jordan and whose first language is Arabic, and due to possible English language barriers when conducting the study over indigenous firms, the researcher will translate the questionnaires from English to Arabic and then re-translate it into English. This process of ‘back translation’ is useful in identifying misinterpretations and misunderstandings before the questionnaire is processed. To further ensure the veracity of the translation, two bilingual translators were used in tandem to compare the back translated English and Arabic versions of the questionnaire and make any necessary changes. An Arabic version of the questionnaire and a covering letter will be posted to HR directors and executive managers at indigenous firms along with a cover letter requesting them to complete it.

4.4.2.1 Development of Survey Questionnaire

A survey questionnaire was designed and proposed for data collection in this research in order to identify the variability in different phenomena and to provide individual perceptions and organisational processes and practices (Baruch and Holtom 2008; Saunders, Lewis and Thornhill 2012). To obtain a clearer picture of practices and procedures, the positivist approach was applied in this research to examine the interrelationships between micro and macro level institutional factors and to understand their impact on TM. Thus, by understanding in-depth the practical and theoretical processes, the underlying causes and mechanisms of social and organisational structure can be identified.

4.4.2.2 Design of Questionnaire

The structure of a questionnaire has an impact on the response rate, validity and reliability of the data collection (Saunders, Lewis and Thornhill, 2009). The questionnaire should be designed in a way that can enable the researcher to obtain accurate data to be collected. In order to answer the research questions and objectives, the questionnaire should measure the constructs which are relevant to answer the research questions and objectives (Sekaran 2000; Bryman and Bell 2007). Also, to maximise response rates, validity and reliability, the researcher should have a clear purpose for the questionnaire, with primary focus on the layout and pilot testing when administering the execution (Saunders, Lewis and Thornhill, 2012). Therefore, a considerable effort was made in developing the questionnaire and selecting the appropriate measures for the constructs to collect data that meet the research aim and objectives. The final version of the questionnaire (which can be found in the Appendices) is in 6 pages, including the front and back covers, conforming with the view of Saunders, Lewis and Thornhill (2009), who recommend the accepted length of self-administered questionnaire to be from four to eight A4 pages. The questionnaire for this research starts with a covering letter that explains the purpose, which is to generate relevant data for a doctorate research, to understand how key macro-institutional factors impact Jordanian SMEs. The participant information sheet assures confidential treatment of the data generated and information gathered. It was explained to participants that their participation was voluntary and they are free to withdraw at any time without giving a reason. Participants were also provided with the contact information of the researcher to ask any further questions or add further comments.

The survey questionnaire consists of four main parts. In the first part the participants had to provide demographic data about themselves as well as about their companies. In the second part, they had to respond to questions regarding TM processes and practices, including talent acquisition, talent development and talent retention in their organisation. In the third part, they had to respond questions in respect of their TM performance, including succession planning and retention of high potential and high performing individuals. In the final part, participants had to respond to questions with regard to macro environmental factors, including Wasta and talent mobility. The design of the questionnaire divided into boxes for each construct with measurement scales by simplifying questions from the relevant concepts to clarify the TM practices used in the participant's organisation. This was to motivate participants to fill out the questionnaire within each box through the consistent flow and clarity of questions. In that way,

the researcher enabled participants to comprehend the questions, reducing their chances of misunderstanding and motivating them to complete the questionnaire.

4.4.2.3 Question Types and Format

According to Saunders, Lewis and Thornhill (2012) there the main types of questions generally used in questionnaires are open and closed questions. The advantage of open questions is that they enable respondents to provide personal opinion in their own words, but it presents difficulties when analysing data. However, closed questions are most commonly used which are convenient and easy to answer, compare and analyse, and require minimal writing when collecting data (Saunders, Lewis and Thornhill, 2012). Therefore, the researcher adopted closed-ended questions and scaled-response formats based on the nature of the research project in line with the aim and objectives of the study to encourage participation and avoid response bias. The closed-ended questions were essentially used to maintain the same context of the questions for all participants. However, a few open-ended questions were designed to answer demographic data questions in the form of “others (please specify)” at the end of some questions. The scaling of the questionnaire developed for this study was a Likert-style rating scale which used a scale measurement for respondents to indicate their agreement/disagreement with the questions (Saunders, Lewis and Thornhill 2012). A Likert scale with five scaling point was used across all the five categories in all rating questions in this study to obtain answers. The five-point Likert scale was adopted in this study due to its appropriateness for the nature of this study. This scale facilitated the answering of questions by respondents and allowed them to provide a numerical value to be given for an opinion (Collis and Hussey 2003). In addition, due to the context of this study in Jordan, questionnaire items were provided in two different languages (English and Arabic) with appropriate wording and response formatting in order to maximise participation by making it easy for participants to provide accurate answers.

4.4.2.4 Measurement Scales

In this study, independent and dependent variables were developed to measure the effectiveness of the implementation of TM practices within SMEs in Jordan. These variables were measured by exploring TM processes and practices, TM performance as well as the key environmental

factors affecting TM practices. TM process variables served as independent variables, TM performance variables served as dependent variables, while macro-environmental factors served as moderators. These scales were developed by the researcher from the literature as well as from interviews with HR professionals and experts in the field of TM. Table 4.1 presents all the items and constructs developed for the survey instrument adopted in this study. These measurement scales were tested by a pilot study from different managerial levels, including the key stakeholders of HR from the private sector. The purpose of conducting the pilot study was to identify unclear items and errors in the wording of questions and reduce the time taken to complete the survey. The theoretical constructs were operationalised using validated measurements from relevant prior research. According to Saunders et al. (2012) in order to obtain accurate estimates, researchers should use an available validated instrument rather than developing a new measure for efficiency reasons. Furthermore, for the purpose of this study some of the measurement items were validated and wording changes were made to tailor the instrument. A structured questionnaire was developed for all of the constructs measured, using five-point Likert scales.

Table 4.1 Constructs, reference, definitions and Measurement Scales

Constructs	Definition/Reference	Measurement scales
STM processes/practices (Independent variables):		
Strategic talent development (learning and development)	Is the process of designing and implementing development strategies to ensure continuous flow of talent in the future through succession planning and leadership development, creating development pathways (Garavan et al. 2012)	<ol style="list-style-type: none"> 1) Off-the-job training: instructor -led training and/or coaching by external practitioners 2) External conferences, seminars and workshops 3) External source of knowledge: Formal education courses, such as finance, operation and marketing disciplines 4) In-house development programmes; including leadership development programmes and personal growth development programmes, feedback-based development interventions

		5) E-learning methods, collaborative and social learning
Strategic retention management (Talent work environment)	The ability of an organization to retain its employees (Michaels et al. 2001)	1) Assigned work is exciting and interesting 2) Assigned work is challenging 3) Talents' work is supportive in this organisation 4) Frequent feedback enables to develop individual talents' potentials 5) Coaching and mentoring enables to reach individual talents' potentials 6) Talents' work is appreciated in this organisation
Operational retention management (Performance-based pay)	is a salary or wages paid system based on positioning the individual, or team, on their pay band according to how well they perform (Michaels et al. 2001)	1) Pay and reward system is fair 2) Pay and reward system is motivating 3) Pay and reward is based on position 4) Pay and reward is based on individual contribution/ performers
STM performance (Dependent variables)		
• Succession performance		1) HR department can easily find a replacement for a sudden leave of a talent

		<p>2) HR department in this organisation is able to find a required talent in emergency</p> <p>3) HR department can timely fill in vacancy of pivotal positions in this organisation</p>
<ul style="list-style-type: none"> Retention performance 	(Lewis and Heckman 2006)	<p>1) Perceived talent turnover rate</p> <p>2) Perceived talent satisfaction</p> <p>3) Perceived talent engagement</p> <p>4) Perceived talent work motivation</p>
Macro-environmental factors (moderators)		
Wasta	<p>Wasta is a concept that springs from tribalism; favouritism based on family and tribal relations (Ali et al. 2013). Wasta involves social networks of interpersonal connections rooted in family and kinship ties and implicating the exercise of power, influence, and information sharing through social and politico-business networks. It is intrinsic to the operation of many valuable social processes, central to</p>	<p>1) Vacancies are normally filled through connections and jobs are commonly offered to family members, relatives and friends with very little consideration of competence and achievements (Brainine and Analoui, 2006; 150).</p> <p>2) Middle Eastern organisations competing with MNC's are realising that in order to survive in today's highly competitive business environment, they have to recruit the most talented and utilise the skills and abilities of individuals regardless of their social connections (Arab Human Development Report 2005).</p> <p>3) Wasta diminishes any form of equality in this organisation by providing advantages to individuals who may not</p>

	<p>the transmission of knowledge and the creation of opportunity (Hutchings and Weir 2006: 143).</p>	<p>necessarily merit in their performance (Tlaiss and Kauser 2011: 478).</p> <p>4) Wasta plays a positive role in retaining and motivating talents and the ease of correcting undesirable behaviours of a family member in the organisation.</p> <p>5) Wasta also affects adversely talent retention as other employees may have a feeling of discrimination and unfairness advantage to the interests for who benefits from Wasta in promotion, pay and rewards. (Hofstede et al., 2010)</p>
<p>Talent mobility (national level) (Newly added)</p>	<p>WEF categorized talent mobility practices into four groups according to their levels of collaboration (World Economic Forum, 2012) (Koseeyaporn et al., 2017: 99) (Here we use the 2nd category, which is the collaboration across organisations within a country</p>	<p>1) Seconding employees to other organisations</p> <p>2) Partnerships between companies, governments or educators on training, developing and deploying talent</p> <p>3) Public sector initiatives on sharing information on labour supply and demand</p> <p>4) Programmes led by the public sector to mitigate brain drain and facilitate immigration.</p>

4.4.3 Semi-structured Interviews

The use of interviews and type of interviews should be consistent with the nature of the research project and the research questions and objectives. The interview is widely used in a way that helps generate new ideas and themes that could be further explored in the research (Holloway and Brown 2012). The interview method of data collection investigates the phenomena more in depth to support what has been found in the questionnaire. By informing participants about the topic clearly, interviews could minimise misinterpretations by rearranging and modifying the structure of the questions and conducting them in different ways using different approaches. In doing so, participants feel freely encouraged to answer questions and justify their point of view, as well as observing their physical behaviour to evaluate the validity of their answer (Seale 2004; Bailey 2008). The interview uses focused and structural techniques that allow the interviewer to interpret, explain and clarify beyond the answers. The semi-structured interview is a list of some key questions in which their use and order depends on the flow of the conversation. Additional questions are used to identify more contextual challenges and barriers with regard to the study to emphasise the importance of contextual factors when investigating the relationship between variables (Teddlie and Tashakkori 2009). Therefore, for this research, in line with the research aim and objectives, the primary purpose of the semi-structured interviews is explanatory to infer causal relationships between variables in the proposed model. This also offers the study the opportunity to explain and build on the responses of interviewees in order to add significance and depth to the data this research intends to obtain. In addition, due to the complexity of issues expected, as well as the possibility to change the order of interview questions to explore patterns and themes that may emerge from using and implementing questionnaires, this research will use semi-structured interviews.

The interviewee is given an introduction about the purpose of the interview with a brief opening about the nature of this project and how will be used, discussing TM practices within their organisation. Consistently, answers from the interviews can be added to the results of the survey questionnaire results to explore, explain or confirm insights and results of the study (Vuttanont 2010). The interviews were conducted face-to-face to minimise non-response and maximise the quality of the data collected. Face-to-face interviews were used due to the sensitive nature of the project which include discussing Wasta as a nepotism practice. However, one major limitation was the reliability of the information gathered by interviews due to the possibility of obtaining false answers in respect of Wasta. Thus, interviewing arrangements

and techniques of conducting questions were carefully planned. This research conducted semi-structured interviews among key organisational decision makers in SMEs, including HR directors and executive managers who shape HR practices based on their beliefs, values and norms or on their inherent philosophies (Boxall 2012). This research also used semi-structured interviews with key stakeholders, HR managers, and executive directors since it seeks to examine in depth the barriers and challenges of implementing TM processes within SMEs. Therefore, semi-structured interviews in this research are more likely, than structured or unstructured interviews, to open up possibilities to obtain significant data and ideas in areas that had not been previously considered. However, the lack of standardisation in semi-structured interviews can lead to concerns with regards to reliability and dependability, including interviewee and interviewer bias.

4.4.3.1 Design of Interview Questions

Semi-structured interview questions were designed to further support the answers in the survey from participants and justify a valid argument for the hypotheses. While survey questionnaire provides exploration of patterns and themes, interviews provide an in-depth enquiry into participants views and assumptions (Kendall 2008). In order to ask ‘what’ and ‘how’ questions it is vital to design an interview protocol. Hence, the interview contains 10 questions (see appendices D interview protocol 1) that were extracted from different sources including the literature review, previous studies and the survey. The interview questions contain seven stages starting with an introduction and ending with the finalising of the interview.

Stage 1 is an introduction to the nature of the research project and identifies the purpose of the study by stating ‘this study aims to investigate talent management practices in SMEs’. This stage also explains that this study will be used ‘for a PhD thesis, academic publications and conference papers’ as well as demonstrating that a high standard of confidentiality will be maintained with regard to responses and data extracted from the interview. This is to make participants feel safe in the knowledge that their recorded responses will be considered as highly confidential.

Stage 2 is ‘warming up’ to engage the participant and help them feel comfortable and encouraged to answer the question ‘what is your current position at this organisation?’ and ‘How long have you been working here?’.

Stage 3 comprises questions about the interviewee background of talent management ‘What is your understanding about talent management?’ taking account of the lack of a clear definition of talent management according to the literature review. Therefore, this stage can offer insights on the management (e.g. HR Managers) understanding of TM in Jordan. This could identify differences between Arab management styles and the styles observed in research in non-Arab countries.

Stage 4 comprise questions about the challenges facing HR managers in Jordanian organisation with retention performance, e.g ‘what are the challenges, difficulties and problems associated with talent retention performance in your organisation?’. This was developed by the survey to identify the micro and macro level factors and their interrelationships that influence the retention of high potential and high performing individuals.

Stage 5 encompasses questions on how TM explains performance issues, e.g. ‘why have the aforementioned problems and issues occurred in your organisation?’ to gain an in depth understanding how the internal TM operations affect the organisational TM performance.

Stage 6 involves questions that explain the impact of Wasta on strategic retention performance e.g. do talented employees who do not use Wasta for getting promoted feel inequality? ‘How does Wasta impact talented employees in your organisation? Do they feel engaged? Motivated and committed to their jobs and to work in this organisation? Why?’. This stage also involves questions about the ability of the organisation to resource and partner with governmental institutions for education, training and development institutions. This stage was crucially developed as an overall review of the entire research to explain the effect of national culture on strategic TM in Jordan, as well as identify the institutional factors that influence the implementation of strategic TM practices. This has been developed throughout this research by identifying the most distinctive feature of the national culture in Jordan and its effect on employee retention. Investigating strategic talent resourcing activities helps to explain and identify the institutional factors that influence TM at a macro-level.

Stage 7 finalises the interview with questions giving the opportunity for the participant to add any other comments together with a request for a future interview in case there are additional questions to be addressed, e.g. ‘Is there anything else you think is important that we have not discussed so far?’ and ‘Is it possible to have additional interview in the near future?’.

4.4.3.2 Semi-Structured Interview Protocol

The key to successful interview according to the maxim with five p's by Saunders et al. (2016) is 'prior planning prevents poor performance'. The interview arrangement process was designed by the researcher by following three steps.

In the first step, the interviewer contacted participants via phone to introduce the nature of the research project and explain about the purpose of the study. The researcher gained the background for the interview beforehand researching the company profile online and requesting the company annual report from the Chamber of Industry. By using this information, the researcher was able to demonstrate an interest in the company when inviting the participant for interview, making it more likely that the interview request would be accepted. At this stage, credentials were passed over affirming the status of the researcher as an academic with the backing of a higher education institution. Then the researcher discussed with participants when and where they were able to conduct the interview.

In the second step, the researcher provided participants with the participant information sheet (see appendices) and a list of the interview themes and confirmed attendance at the interview via phone one day before the agreed date/time of the event. According to Saunders et al. (2016) by informing the interviewee about the content beforehand, the validity and reliability of the interview could be better assured. Therefore, participants were informed why they were invited to the interview, the purpose of the project, the possible disadvantages and risks of taking part and other relevant information. Most importantly, participants were also informed about their right to withdraw their participation from the interview at any time up to two weeks after the interview.

In the third step, on the day and time of the interview, by using the appropriate business card, the researcher's identity and academic institution were confirmed to the interviewee to establish credibility and authority. The interviewer then begins the interview by emphasising the added value of the views of the participant and the opportunity to view the findings when the study is completed. The interviewee was then asked his/her preference as to whether the interview was conducted in Arabic or English to avoid language barriers. As most of HR managers invited for interviews were mutually members of the HRD association, the researcher was able to build trust and make the interviewee feel comfortable. The interviewee was asked to give their honest views and opinions to avoid participant bias.

4.4.3.3 Conduct of Semi-structured Interviews

The researcher provided the participants with the consent form (view appendices) for evidence that they agreed to agree to take part in this research project. The researcher then provided a clear set of instructions for the interviewees and explained the importance of using the digital voice recorder. Data obtained from in-depth interviews are often recorded and transcribed to offer evident themes (Al-Yateem 2012). Recording is obtained using audio or video techniques that can be later viewed or listened to during data analysis in order to provide reliable and valid data. Therefore, before starting recording the interview, the researcher explained the purpose of using the digital device by indicating that recording will be used for recollection purposes in order to present the results. The researcher then reassured the confidentiality of the interview by stating anything said will be treated as confidential and anonymous and that their personal data will not be passed on to anyone else.

4.4.4 In-Depth Semi-structured Interviews

In-depth semi-structured interviews were conducted to further investigate the findings raised from the survey and semi-structured interviews. Semi-structured interviews were used to explore themes in greater depth and challenges identified when explaining interrelationships between variables by addressing the question, ‘What now?’, in order to propose recommendations. At this level of research, this kind of interview significantly adds more rich and detailed information to the issue being explored (Boyce and Neale, 2006). In this regard, in-depth semi structured interviews add to the collected data by offering a clearer understanding of the effect of national culture and institutional factors on the strategic TM process.

4.4.4.1 Design of Interview Questions

Semi-structured interviews were utilised for the purpose of investigating issues arising from the findings in previous sections to better enhance the overall outcome of the research. Therefore, questions were designed to examine and clarify more key themes in the study. All

questions were developed based on the overall findings of the quantitative and qualitative analysis completed throughout the research. At this stage of progress, this research primarily focuses on Wasta and the institutional challenges raised when explaining interrelationships in the proposed model that affected the strategic TM processes and performance. As Wasta affected strategic talent retention performance, a further investigation was conducted to explain the associated challenges associated as well as discuss solutions. Institutional challenges faced organisations when resourcing partnerships for education, training and development programmes, thus, in order to conduct interviews and address Wasta and other challenges with the findings reported, this research requires an empirical investigation by interviewing HR consultants, key stakeholders and policy makers. Due to the fact that Wasta is prevalent in a form of national culture and linked with a micro-organisational level approach, experts and professionals from multiple industries and government departments as well as industry bodies and agencies were involved for conducting in-depth semi-structured interviews.

Following the introduction and warming up brief about the interviewee's expertise and TM field of study, the first key question according to previous outcomes identified by the survey and interviews was, 'To what extent do you agree that organisations in Jordan lack a talent mindset and/or formal approach to TM?'. This question was developed to address the lack of a strategic approach or integrated system for sophisticated HRM practices. The second question that was developed throughout this research 'Why are most companies, SMEs in particular not willing to invest in training and development opportunities? How can we tackle this issue?'. This question was developed to address societal norms resulting in poor implementation of TM practices found by the study. The third question was, 'How do you explain complex cultural issues (e.g. Wasta) and its impact on strategic retention performance in Jordan?'. This question was designed to understand the challenge in balancing favouritism (found in Wasta) with the western idea of fairness, equal opportunities and diversity. The fourth question was 'How does Wasta affect TM practices and how can we overcome this issue or mitigate the impact?'. This question was developed to understand more fully the socio-cultural relationships in workplaces in Jordan.

4.4.5 Pre-test and Pilot Study

A pre-test and pilot study were essential elements in this research to assess the validity and reliability of the investigative questions used in questionnaires and interviews prior to the data collection stage (Saunders et al. 2016). Hertzog (2008) stated that determining the number of pilot studies to be conducted depended on the type and size of the research project.

A pilot study enables the study to undertake the preliminary analysis to ensure that the data collected can address the research questions. In the pre-testing stage, and for survey pilot testing the survey, the questionnaires (which included four Arabic and four English questionnaires) were distributed to associate professors, scholars and researchers in the field of business and management to: review the validation of the measurement scales operationalised in the study, identify unclear items and errors in the wording of the questions, and the time taken to complete the survey. They had already been well informed about the aim of the research project and responded with positive feedback. Their feedback was beneficial to assure the clarity, sequence, wording and structure of the questionnaires, as well as the analytical procedures. For instance, one participant suggested a few changes in the structure and format of the survey questionnaire which were later reflected in the amendment of the survey format.

Another five survey questionnaires (Arabic and English versions) were distributed to HR experts in academia and practice, to test that the questions were both suitable and representative and to suggest any modifications needed in the structure and sequence of the questionnaires. This gave the survey questionnaires and interview questions a 'trial run' to examine the validity of the content so that amendments could be made. This was performed before pilot testing to a group of people who were similar to the final population in the targeted sample (Saunders et al. 2016: 473). The feedback of the second group, who were HR experts, identified problems with understanding the questions, which were later rephrased. Their relevant feedback on both the Arabic and English versions of the survey were reflected on the questionnaires.

The number of people and pilot tests that should be included are dependent on the research questions, the size of the research project, availability of resources and the design of the questionnaires (Dillman et al. 2014). As the data collection technique in this research relied heavily on large-scale surveys across numerous organisations in two major sectors, pilot testing the survey questionnaires was essential (Dillman et al. 2014). Pilot testing prior to the data collection stage provided beneficial feedback on whether the survey questionnaire addressed

the research questions. In the pilot analysis, a trial analysis was carried out that showed that the survey objectives generated valid data to the study. Thereafter, the final draft of each version was finalised and prepared for data collection, with division of survey launched online (online survey) and other division were printed out for paper-based survey.

Pilot studies are normally used for quantitative studies in order to assess the format and structure of the questionnaire as well as the analytical procedure to test whether the survey address the research questions (Holloway and Wheeler 2002). However, for qualitative studies pilot testing is not normally conducted but rather considered as a pre-exercise. This pre-exercise can help test the length of the questions and identify any errors in the questions (Simon and Goes 2011). Hence, the pilot study of interviews was conducted with four participants who met the selection criteria. These were an HR manager from a leading company in the manufacturing industry, an HR manager from a leading company in the ICT sector, a senior official from the manufacturing sector, and a senior official from the ICT sector two senior officials (one industrial representative in each sector). The face-to-face interviews were conducted with stakeholders, policymakers and key contacts. The interviews were recorded and had been played to check the clarity of the voice and highlight unclear questions and answers, focussing on the smooth flow of conversations, and the length of the interview. After reviewing three interviews it was found that the researcher should provide participants more time to express their thoughts.

4.5 Data collection and Analysis

4.5.1 Quantitative Data Analysis

The separate versions of the survey questionnaire, in both Arabic and English were distributed to the target sample on the 1st of May 2018. They included a paper-based questionnaire, an online questionnaire, and an electronic version questionnaire (e.g. to be sent via email). The target sample as previously discussed, primarily involved SMEs in the manufacturing and ICT sectors in Jordan. Participants were given the opportunity to select either an Arabic or English version of the questionnaire to complete. In total 250 questionnaire were completed, representing an overall response rate of 23%. Questionnaire data was imported using SmartPLS, a software application with a graphical user interface for variance-based structural equation modelling (SEM) using the partial least squares. SmartPLS is one of the most prominent software applications for Partial Least Squares Structural Equation Modelling (PLS-SEM). SEM was primarily used to examine the relationships between dependent and independent variables. It has the statistical ability to test empirically the causal relationships between variables with multiple measurement items, including theories and conceptual models of the study (Hair et al. 2011; Sarstedt et al. 2012; Lowry and Gaskin 2014; Noorazah and Juhana 2012). In addition, using SEM enables the researcher to identify whether the relationship between variables is significant. Furthermore, due to the existence of two mediators in the structural model, mediation analysis was deployed along with the evaluation of the inner structural model. SmartPLS was also used to assess and test the direct and indirect effects of multiple mediation, thus eliminating the overstatement of the correlation from one to another.

Prior to data analysis, grouping and coding responses to each question was necessary to facilitate data analysis. Quantitative coding refers to the process of categorising non-numerical data into groups and assigning numerical codes to these groups. For the survey questionnaire results, a Likert scale with ordinal coding was used requiring responses of: strongly disagree =1, disagree =2, Neither disagree nor agree =3, agree=4, and strongly agree=5. For questions with straight answers 'yes' and 'no' were coded 1 and 2. Each questionnaire was allocated with a number in case there was an error in the data. In addition, distinctive and brief variable names were given to the main constructs. For instance, strategic talent development was coded STD.

Descriptive statistical analysis was adopted to describe quantitatively and summarise specific features and characteristics of data. After coding and entering data in a spreadsheet, the data was assessed for any error or missing or misplaced value. Then, Cronbach's alpha and Composite Reliability were used to evaluate internal consistency and assess the consistency of the entire scale. The general threshold for Cronbach's alpha is 0.70, whereas in exploratory research it may decrease to 0.60.

4.5.2 Qualitative Data Analysis

Thematic analysis technique was then used to analyse the interview responses. Thematic analysis was described by Braun and Clarke (2006: 78) as a 'foundational method for qualitative analysis'. While the initial aim of this research was to explore patterns and interrelationships between variables by using SEM for quantitative data analysis, thematic analysis was used to develop and test explanations. The essential purpose of using thematic analysis in this research is to search and develop themes across a large dataset of interviews. Thematic analysis is a process which involves coding qualitative data to identify key themes and patterns related to the research questions (Saunders et al. 2016). Using thematic analysis offers a systematic and accessible approach to analyse small or large qualitative data sets. It also helps comprehend large volumes of qualitative data, which in this research will help to develop and test explanations, and to integrate related data drawn from different transcripts. In this research, thematic analysis was used to produce themes, sub-themes and codes according to their similarities by using NVivo software version 10.

This software package was applied to identify the different characteristics and profiles of respondents and organisations. The NVivo software system was used to analyse the large number of detailed interviews and provide facilities to store files and provide structure to all the research elements before coding. NVivo also has the ability to explore patterns that can be applied for explaining interrelationships between variables, to support coding and recoding of data, and enables the linking and grouping of the codes (Bryman 2012). In accordance with the research methodology and in relation to the research objective, qualitative analysis aims to explain relationships by grouping the coded data into relevant hypothetical themes. In doing so, NVivo, as an advanced package for qualitative analysis, has the ability to produce reports,

diagrams, charts and graphical representations that can help the researcher to develop relationships and map the themes obtained from the data (Bryman 2012).

Therefore, in this research the first stage for analysing the qualitative data was to import all the interview scripts into NVivo, and then coding them, guided by the conceptual framework, which had been developed from the research questions. Then, nodes and sub-nodes were created from the interview questions. For instance, 'How does Wasta affect retention performance? And why'. The responses from the questions were then coded to add to each node.

The second stage was the thematic development that include the essential themes and sub-themes (i.e. Strategic Talent Management >> Process Strategic Talent Development) aligned with the research objectives. Thus, themes and sub-themes were created for each node or sub-node, where nodes indicated different levels. Additional nodes were created for the purpose of recording relevant data and explanations for multi-variables (i.e. Challenges of TM resourcing). The preliminary analysis came up with 16 themes and sub-themes (node and sub-nodes). After a constant process of coding and decoding the interview data the themes were reduced to 10 that represented the essential aim and objectives of the research project.

4.6 Reliability and Validity

Reliability

Reliability refers to the production of consistent research findings when using the same data collection technique and analytic procedures under different conditions at different times. It also refers to consistency for internal reliability during a research project and replication for external reliability when obtaining replicable findings. The reliability of the research findings relies on repeating and obtaining the same results (Collis and Hussey 2009). In order to address external for any respondent, interviewee or participation bias within this research, participants from different managerial levels will be assured that the data collected will be confidently treated. Moreover, in order to address internal validity, internal consistency approach have been adopted using Cronbach's alpha to correlate the responses to the questions in the questionnaires with each other (Hussein et al. 2018). Cronbach's alpha is the most widely used measure for

the reliability coefficient to assess the consistency for the entire scale. However, one concern in assessing Cronbach's alpha is it identifies a positive relationship to the number of items in the scale when the reliability value increases with an increasing number of items even though they have the same degree of intercorrelation. According to Nunnally (1978), the reliability of measurement scales is normally assessed by evaluating the consistency between the respondent's answers and all the items in the measure. Therefore, Composite Reliability was used to measure the internal consistency of each measure.

In addition, to address participation bias and achieve high reliability of responses, the researcher has developed key connections with a HRD association in Jordan, that consist of HR professionals and experts in leading organisations. The HRD association helped the researcher to provide participants who are easier to reach to distribute the questionnaire. To avoid participation bias, the researcher has already agreed with participants based on their consent to conduct the interview using audio recorder. However, with some critical parts and sensitive topic (i.e. Wasta) and based on the consent of few HR managers, industrial as well as governmental representative, the researcher conducted those interviews without using voice recorder in order to collect data that are not biased or incorrect. The researcher instead did record the interview using pen and paper, writing down the participants answers, manually, next to each and every question. This was also supported by the participants who initiated the process and were more comfortable to provide more accurate answers that are close to their own opinion not affected by the factor of recording them.

Validity

Validity refers to how appropriate is the measurement used, how accurate is the analysis of the results and how generalisable are the findings. Measurement validity is one of the main aspects of validity that includes content validity, construct validity, face validity and predictive validity. Measurement validity refers to the extent to which research questionnaires measure what a researcher intends to measure. The content validity is highlighted in this research to refer to the extent to which the measurement of scale in questionnaires and interviews would cover the investigative questions. However, the validity of the measurement scale in the questionnaire have been assessed through research in the literature of HRM, previous studies within much similar relevance in terms of socio-cultural and institutional context (i.e. Saudi Arabia). For assessing the validity of the proposed model, discriminant validity was adopted to determine that the manifest variable in any construct is distinct from other constructs in the

path model. In other words, discriminant validity refers to the extent to which the assigned construct is actually differing from other constructs. The discriminant validity can be assessed by using the Fornell & Larcker criterion, the cross-loading of the indicator, and the Heterotrait-monotrait (HTMT) ratio of correlation.

This procedure has also involved pre-testing the questionnaire and interviews with PhD researchers and HR experts. In addition, a pilot study has been conducted with managers from different managerial levels within the target population of the study. Interpretive validation was used for the qualitative data collected in this research. This was achieved by interviewing experts, key stakeholders, policymakers and professionals from the necessary background and context required for the research, in order to obtain participant feedback, using ‘member checking’. Using interpretive validity is used to avoid dependency upon the researcher. Reflexivity is used for reducing researcher bias.

4.7 Research Ethics and Risks

Researchers should be guided by codes of ethics and guidelines so that the research undertaken is completed to the highest ethical standards to ensure quality and integrity (Saunders et al. 2016). This research followed the code of Research Ethics in Coventry University - CU ETHICS. According to the Ethics Policy Guidelines, research ethics application along with all related forms were completed to obtain ethical approval prior to the process of data collection. The Coventry University Ethics Application is available on the CU ETHICS website. This application was signed by the researcher and initially approved by the supervisor, and then was directed to the Research Support Unit and further approved by Research Referrer.

This research obtained medium to high risk ethical approval P51653 (see Appendices A) for multiple phases that was essentially based on secondary data for phase 1 and primary data for phase 2. The secondary data collection was carried out in phase 1 of this research with low risk. The secondary data collection involved the reviewing of academic literature for TM including journal articles and academic books. In phase 2 and more particularly to the data collection stage, primary data was collected by using interviews and survey questionnaire. The researcher had already ensured that all participants gave their consent to take part in this research prior to the process of data collection. Furthermore, a covering letter was placed in the introduction of

the survey questionnaire, the informed consent form and the participant information sheet headed with the CU logo about the purpose of this project to enhance academic professionalism and confidence. It was also mentioned in the aforementioned survey and forms that participants could withdraw their consent at any time and at any stage. In addition, participants were informed that their response will be automatically anonymous when filling the survey and will remain confidential when taking part in the interviews. It was also explained by the researcher that their responses will be only used for the academic study to strictly build trust and confidence with participants.

A major challenge to be considered in this research was to negotiate physical access when conducting interviews and delivering survey questionnaires. Further, with the large-sample of SMEs targeted it was necessary to obtain permission and formal approval before the commencement of data collection. To prevent the problems of cognitive access, the researcher has already built trust relationships with the participants to access the data that participants are able to provide. To this end, the researcher has already developed key connections with professional social media network of 300 members, that particularly consists of HR leaders and executive managers whom are to be considered as gatekeepers for more than 200 key organisations in the private sector in Jordan. These contacts were informed about the nature and the value of this research and the potential benefits to enable them to reflect on their TM processes and practices.

4.8 Chapter Summary

Based on a positivist approach, this study aims to examine the causal relationship between factors in the proposed model in which hypotheses were established and developed throughout this research. Therefore, this research intends to further develop existing theory by examining the relationship between environmental factors (i.e. Wasta), TM processes and outcomes (i.e. retention performance). As this study seeks to examine and explain “what” and “how” factors could affect talent retention performance in respect of TM processes followed in Jordan, this research adopts confirmatory explanatory sequential research design. This research adopts a mixed method approach by combining quantitative method and qualitative method to offer richer and deeper understanding of strategic TM processes followed by Jordanian SMEs and the influence of Wasta on talent retention performance. In doing so, this research has highlighted key talent management practices that influence retention performance of talented individuals.

In order to achieve high validity, the measurement scales of the constructs in the proposed theoretical model were developed from the literature of TM and previous empirical studies. Significantly, the measurement scale of ‘Wasta’ construct has been developed in the context of HRM through literature research, collection of interviews with HR experts, and empirical studies conducted in the region similar in its socio-cultural context to Jordan. The quantitative method plays a dominant role in this research in a sequence research design to confirm structural relationships, followed by qualitative data in order to explain in depth the initial quantitative results. Convenience sampling was adopted in the quantitative method phase due to serious challenges in data collection and poor response rate. Convenience sampling is a non-probability sampling technique involves selecting those SMEs with whom participants are easy to obtain from the sampling frame. However, stratified sampling technique was implemented in the qualitative phase of data collection by dividing the sample into strata based on organisation performance on the scale of each industry.

The sampling frame included a list of registered SMEs in both the manufacturing and ICT sectors as the most contributing sectors to the Jordanian economy which comprises the largest number of SMEs in Amman (the central hub for private organisations in Jordan). The data collection procedure resulted in total of 250 questionnaires completed, with an overall response rate of 23%. In order to address participation bias and achieve high reliability, the researcher

has developed key connections with a HRD association in Jordan, that consist of HR professionals and experts in leading organisations. The HRD association helped the researcher to provide participants who are easier to reach to distribute the questionnaire, as well as facilitate the process of conducting interviews with key stakeholders. Questionnaire data was imported using SmartPLS for variance-based structural equation modelling (SEM) and mediation analysis to examine the relationships between dependent and independent variables.

Following the initial findings in the quantitative phase, 35 interviews were conducted and data was collected to explain the initial results derived concluded in the hypotheses tested. Thematic analysis technique was implemented to analyse the interview responses. While the initial aim of this research was to explore patterns and interrelationships between variables by using SEM for quantitative data analysis, thematic analysis was used to develop explanations. The qualitative data was analysed using a thematic approach with the use of the NVivo version 11 software. The next chapter analyses the quantitative data and starts by presenting the demographic characteristics of the organisations involved in the study, and thereafter discusses the evaluation of the outer model. The chapter continues by evaluating the inner model and then analysing the mediators to assess all the relationships in the structural model.

Chapter 5 - Quantitative Analysis

5.1 Chapter Overview

This chapter describes the primary data management for the questionnaires used in this research. This is then followed by the demographic characteristics of the research participants and their STM experience. A detailed discussion is then given on the statistical models, techniques and procedures used to analyse the final data collected, presenting the results and findings related to the research objectives. A variety of statistical tests were employed to analyse the questionnaires. The data was then analysed and the final results were completed in three steps. The: the first step was the basic analysis of research constructs, including the mean, standard deviation, correlation and variance. The second step was testing the validity of the measurement scales by using exploratory and confirmatory factor analysis. The third step was an analysis of testing the theoretical model followed by the hypotheses relationships. Structural equation modelling was adopted and processed through SMART_PLS using tables, charts and graphs to show steps followed to improve the model's overall fit and preparing it for testing the hypotheses.

5.2 Data Management

The data collection for this survey was undertaken from May to June 2018 (see appendix A to view the questionnaire). As illustrated in the research methodology chapter, to examine talent management practices at a country level, targeting a large number of SMEs in the manufacturing and ICT sectors, this study used probability sampling. A simple random sampling technique was used and 250 questionnaires were completed out of 1100 which were distributed which represented an overall response rate of 23%. Samples were collected online, by email and post. In the online sample 150 questionnaires were completed out of 400 distributed, which represents a response rate of 38%. Out of the 200 questionnaires sent by email, 30 questionnaires were received back which represented a response rate of 15%. Of the 100 Paper-based questionnaires sent by post, 70 were received back represented a response rate of 70%.

A problematic issue for data analysis that may affect the result of the research objectives is that may accidentally miss questions. To avoid this problem, the researcher had set up a procedure to prevent participants proceeding to the next question unless they have completed the previous question. The researcher also checked when visiting sites or receiving paper-based questionnaires that all questions were completed. Incomplete questionnaires received were returned to the participants to complete them. SmartPLS is a widely used statistical software package that supports Structural Equation Modelling (SEM) using the Ordinary Least Square estimation techniques (Hair et al. 2014). According to Puteh and Ong (2017) if a research aims to examine causal and effect relationships between a number of independent and dependent variables, SEM is the most preferable statistical tool. Using SEM enables the researcher to examine the data gathered to determine the significance of relationships among the constructs in the research framework. PLS-SEM has the flexibility to process different types of data, including nominal, ordinal and interval data (Hair et al. 2012) and can handle a complex research model in an efficient and effective manner. According to Puteh and Ong (2017) PLS-SEM is an appropriate tool for theory testing and is more robust than traditional SPSS for testing all variables simultaneously. Although some researchers say it lacks rigor, its usage has become more popular for business research.

The advantage of using PLS-SEM is its distinctive features for handling small samples and produces more accurate and robust results than Covariance-based techniques. As well as its primary use for exploratory study, it has the advantage of theory prediction and development. This research attempts to explore the relationships between STM constructs and institutional factors and to develop a theoretical linkage between RBV and institutional theory. Moreover, PLS-SEM allows more complex analysis for: modelling latent variables, multiple moderation effects, testing the indirect effects, and assessing the overall goodness of the proposed model (Lowry and Gaskin 2014) and so was adopted for this research. A richer version of Smart-PLS was used, as traditional PLS does not deal with multivariate normal distributions, and uses traditional parametric-based techniques for testing significance which were inappropriate for this research. However, PLS did provide a resampling method which used bootstrapping, rather than analytical approaches, in order to estimate the standard errors, and so, the significance of the parametric estimate was assessed by one-sample t-test which assumed the normality of the parameter estimates. Additionally, PLS was recommended for handling non-normal data as it uses OLS regression analysis for parameter estimation.

5.3 Demographic Characteristics of Participants

This section provides the demographic characteristics of the participants for the main survey questionnaire. The minimum sample size for using SEM was 200 or above when using structural equation modelling (SEM) for analysing the relationships among the constructs (Hair et al. 2010) A total of 200 completed questionnaires were used for the final analysis which met this criterion. Prior to data analysis, data was pre-processed by first cleaned and then coded. The demographic characteristics of the sample are listed in the following sub-sections.

5.3.1 Profile of Respondents

The characteristics of the respondents such as age, gender, position (title), education level and years of experience were collected with the questionnaire. The demographic profile of participants showed that 56% (N=113) of the respondents were male, while 44% (N=87) of respondents were female. 45% of the respondents were between 31 and 40 years of age which were the majority and 26% were less than 30 years old. 71% (N=141) reported their highest education attainment as a bachelor degree and 15% (N=29) attained a master degree. The majority of the respondents were HR managers 35%, and 28% were executive managers from another discipline. Of all the respondents, 28% had work experience between 6 and 10 years, and 25% had less than 3 years.

Table 5.1 Profile of Respondents

Demographic	Category	Count	Percentage
Gender	1. Male	113	56%
	2. Female	87	44%
Age	1. Less than 30	52	26%
	2. 31 - 40	89	45%
	3. 41 - 50	33	17%
	4. More than 51	26	13%
Position	1. Manager-Owner	46	23%
	2. HR Manager	56	28%
	3. Line Manager	28	14%
	4. Supervisor	35	18%
	5. Other	35	18%
Yrs of exp	1. Diploma	50	25%
	2. Bachelor Degree	42	21%

Education	3. Master Degree	55	28%
	4. Doctorate Degree	31	16%
	5. Others	22	11%
	1. Diploma	22	11%
	2. Bachelor Degree	141	71%
	3. Master Degree	29	15%
	4. Doctorate Degree	4	2%
	5. Others	4	2%

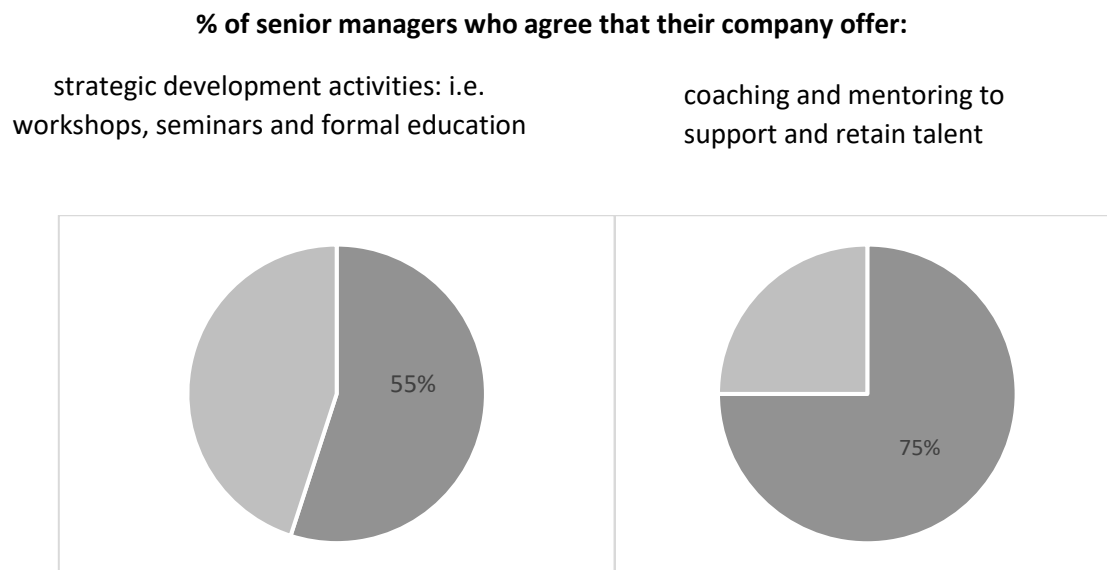
Source The Researcher

Respondents were asked in the questionnaire to indicate whether the company they worked for was in the manufacturing or IT industrial sectors in Jordan. Results showed that 55% (N=110) were in the manufacturing sector, and 45% (N=90) were in the ICT sector. Results also revealed that 97%, which were the majority, were located in Amman, while 3% were located in other places across the kingdom.

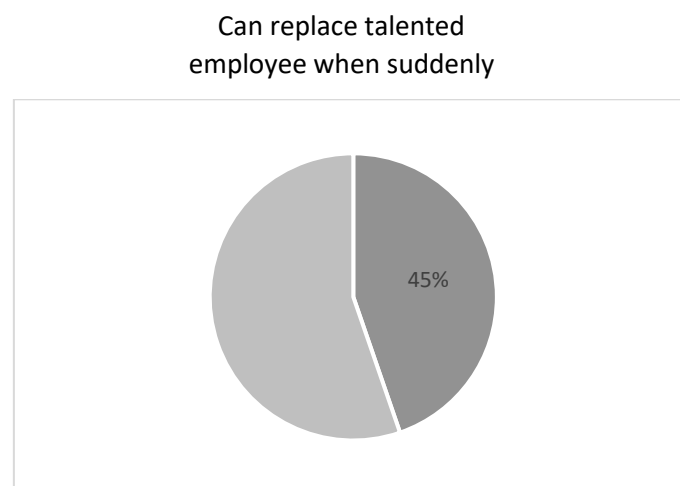
5.3.2 Strategic Talent Management Process

From the results collected regarding the strategic talent management process, 72% (N=144) of the respondents which was the majority, agreed that talent was supported in their organisations while 13% (N=26) disagreed. With regard to strategic talent development, 60% (N=120) of respondents stated that their organisations engaged their talented employees in external conferences, seminars and workshops, while 17% (N=34) disagreed. The results showed that among those organisations that provide career development opportunities, 70% reported that talented employees were generally engaged and motivated to work in these organisations. Moreover, 55% reported that their organisations encourage talented individuals to take formal education courses or courses for e-learning methods. These results show the importance of supporting, engaging and developing talented individuals in these organisations.

Figure 5.1 Percentage of Responses (Descriptive Statistics)



In terms of strategic retention performance, most of participants (65%) reported that talented individuals were generally engaged and committed to their work at their organisations. Among those organisations that provide coaching and mentoring for talent to enhance their potential, 70% reported that talented employees were generally motivated to perform their job. This shows how important it is to retain talented employees by motivating them in their jobs. Most of the participants (44%) in this survey stated that HR can easily find a replacement if a talented employee suddenly leaves, while 28% disagreed. Furthermore, 43% of participants reported that they can easily find a potential employee when skills, knowledge or competencies are urgently required while 25% disagreed.



Among organisations that have partnerships with agencies and governmental institutions for educating, training and developing their employees, nearly 65% of them were able to find successors for key positions, while 20% stated that they could not. In terms of perceived Wasta, 38% of participants stated that Wasta negatively affects talent retention because the other employees may have a feeling of discrimination and unfairness, while 48% of participants disagreed. Furthermore, 35% of participants reported that their organisations provided advantages to individuals who may not necessarily merit it according to their performance, while 43% disagreed. Approximately, half of the participants (N=100) responded that Wasta plays a positive role in correcting undesirable behaviours of family members in their organisations, while 50% disagreed.

5.4 Factor Analysis

Factor analysis is an independent technique to define the underlying structure of the variables used in the analysis. Factor analysis also plays also a key role in analysing the structure of the interrelationships (correlations) and defining sets of variables (factors) that are highly interrelated. This also helps to reduce the number of common factors or latent constructs among the large number of variables to explain the relationship between the observed variables (Hair et al. 2010). Factor analysis is an important step to prepare the data for multivariate analysis. The purpose of factor analysis to formulate the structure of a set of variables, to measure the underlying variables in survey constructs and to reduce the original set of data to a more exemplary size Field 2006). There are two fundamental perspectives of factor analysis which are exploratory or confirmatory. Essentially, this study applies exploratory factor analysis using the software package SmartPLS version 3. The results of the exploratory factor analysis will be confirmed by adopting the confirmatory factor analysis through hypothesis testing.

The purpose of applying factor analysis is to summarise the factors represented in the variables of the original information into a smaller set of new variate factors with a minimum loss of information in order to define the fundamental constructs. This helps the research with two distinct but interrelated outcomes, which are data summarisation and data reduction, reducing the data into a much smaller set of concepts than represented by the original variables. The functional objective of using data summarisation is to define the structure by viewing the

variables included at different levels of generalisation. Data reduction relies on the factor loadings for identifying the variables for subsequent analysis

5.4.1 Factor Loading

The factor analysis is applied in SmartPLS by evaluating the standardised outer loading of the observed variables. The observed variables with an outer loading equal to or greater than 0.7 are accepted, while those with an outer loading less than 0.7 will be discarded. This elimination of weak factor loading is more appropriate at the preliminary stage of analysis. However, for this study, the acceptable cut-off value for the outer loading was 0.7. From Table 5.2, it can be seen that the outer loadings ranged from 0.689 and 0.902. By assessing their outer loadings, 4 items were discarded because they were found to be less than 0.7 (Perceived Wasta (1) and Strategic Talent Performance), and so 21 items remained out of 25 items. Table 5.2 presents an overview of items eliminated from the previous stage.

5.4.2 Reliability and Internal Consistency

Cronbach's alpha and Construct Reliability (CR) were used for determining the internal consistency (Hussein et al. 2018). Cronbach's alpha is the most widely used measure for the reliability coefficient to assess the consistency of the entire scale. The general acceptable limit for Cronbach's alpha is 0.70, whereas in exploratory research this may decrease to 0.60. However, one concern in assessing Cronbach's alpha is it identifies a positive relationship to the number of items in the scale when the reliability value increases with an increasing number of items even though they have the same degree of intercorrelation. According to Nunnally (1978), the reliability of measurement scales is normally assessed by evaluating the consistency between the respondent's answers and all the items in the measure. Composite Reliability is used to measure the internal consistency of each measure.

Cronbach's alpha, CR and the Average Variance Extracted (AVE) were used to measure the reliability and the internal consistency of the constructs. Reliability with a value of 0.70 or more is considered acceptable (Hair et al. 2010). The AVE is greater than 0.50 for all constructs as suggested by Hair et al. (2014). From table 5.2 it can be seen that all values of the constructs

are well above the cut-off point. The composite reliabilities have met the criterion of 0.70 when the minimum CR is 0.875, indicating a strong reliability and high internal consistency for the relationship measurement of the model (Hair et al. 2010). Further, the AVE values are all well above 0.50. Hence, all constructs highlighted were found to have a higher reliability than the general acceptable limit of 0.70. Table 5.2 shows final results (Outer Loadings) Quality Criteria (Construct Reliability and Validity)

Table 5.2 Final Results (Outer Loadings) Quality Criteria (Construct Reliability and Validity)

	Factors and Related Items	Factor Loadings	Cronbach's Alpha	CR	AVE
PW1	Vacancies in this organisation are normally filled through connections and jobs are commonly offered to family members, relatives and friends with very little consideration of competence and achievements	0.869	0.881	0.910	0.671
PW3	This organisation provides advantages to individuals who may not necessarily merit in their performance	0.705			
PW4	Wasta plays a positive role in retaining and motivating talented employees	0.844			
PW5	Wasta plays a positive role in correcting undesirable behaviours of family members in the organisation.	0.876			
PW6	Wasta adversely affects talent retention as other employees may have a feeling of discrimination and unfairness (i.e. promotion, pay and rewards)	0.789			
SRM1	Assigned work is exciting and interesting in this organisation	0.804	0.881	0.910	0.628
SRM2	Assigned work is challenging in this organisation	0.740			
SRM3	Talented employees are supported in this organisation	0.870			
SRM4	Frequent feedback enables talented employees to reach their potential	0.759			
SRM5	Coaching and mentoring enable talented employees to reach their potential	0.775			
SRM6	Talented employees are recognised in this organisation	0.799			
SRP3	Talented employees are generally satisfied with their jobs at this organization	0.863	0.830	0.898	0.747
SRP4	Talented employees are generally engaged and committed to their work at this organization	0.825			
SRP5	Talented employees are generally motivated to perform their job.	0.902			
SSM1	If a talented employee suddenly leaves, the HR department can easily find a replacement	0.895	0.853	0.911	0.773
SSM2	If specific skills/knowledge/competencies are urgently required, the HR department can easily find potential employees who meet these requirements.	0.885			
SSM3	Key positions in this organisation can be replaced in a timely manner	0.857			
STD3	This organization supports staff to engage external conferences, seminars and workshops	0.738	0.810	0.875	0.638
STD4	This organization often holds internal knowledge-sharing event	0.804			
STD5	This organization encourages employees to take formal education course or e-learning methods	0.793			
STD6	This organization encourages collaborative and social learning.	0.852			
STR1	This organisation has seconded experts and professionals from other organisations	0.715	0.818	0.880	0.648
STR2	This organisation has partnerships with other organisations, governmental institutions or educators on training, developing and deploying talent	0.791			
STR3	This organisation engages with public sector initiatives in providing and sharing information on labour supply and demand	0.853			
STR4	This organisation is involved in programmes led by the public sector to mitigate brain drain and facilitate immigration.	0.852			

Note: CR = Construct Reliability = (square of summation of factor loadings)/ [(square of summation of factor loadings) + (summation of error)]. AVE = Average variance extracted = (summation of the square of factor loadings)/[(summation of the square of factor loadings) + (summation of error)].

PW=Perceived Wasta, SRP=Strategic Retention Performance, SSM=Strategic Succession Management, SRM=Strategic Retention Management, STD=Strategic Talent Development, STR=Strategic Talent Resourcing

5.4.3 Discriminant validity

Discriminant validity of the latent constructs determines that the manifest variable in any construct is distinct from other constructs in the path model, where the value of its cross-loading in the latent variable is higher than any other constructs. In other words, discriminant validity refers to the extent to which the assigned construct is actually differing from other constructs. The discriminant validity can be assessed by using the Fornell & Larcker criterion, the cross-loading of the indicator, and the Heterotrait-monotrait (HTMT) ratio of correlation. The Fornell and Larcker criterion and cross-loadings were used to evaluate the discriminant validity. The principal criterion is that a construct variance should not be the same as any other construct that is more than its AVE value. The Fornell and Larcker criterion (1981) has been broadly used to assess the degree of shared variance between all latent variables in the model.

Table 5.3 shows the Fornell and Larcker criterion test of the model by comparing the squared correlation with the correlations from other latent constructs. Table 5.3 shows that the square root of the average variance extracted along the diagonals (shown in yellow) is very much higher than all the correlations from the other constructs, implying a very satisfactory discriminant validity.

Table 5.3 Fornell-Larcker Criterion – Discriminant Validity

	PW	SRM	SRP	SSM	STD	STR
PW	0.819					
SRM	-0.316	0.792				
SRP	-0.182	0.638	0.864			
SSM	0.005	0.262	0.414	0.879		
STD	-0.168	0.627	0.500	0.374	0.798	
STR	0.190	0.194	0.300	0.319	0.376	0.805

PW=Perceived Wasta, SRP=Strategic Retention Performance, SSM=Strategic Succession Management, SRM=Strategic Retention Management, STD=Strategic Talent Development, STR=Strategic Talent Resourcing

Source: SmartPLS

When assessing the cross-loading indicator, the factor loading indicators on the assigned construct must be higher than the loading from all the other constructs, where the cut-off value of factor loading is 0.70 or greater. By looking at the cross-loading, the assigned constructs (shown in yellow) show a higher value than all other constructs in the model.

Table 5.4 Cross Loadings – Discriminant Validity

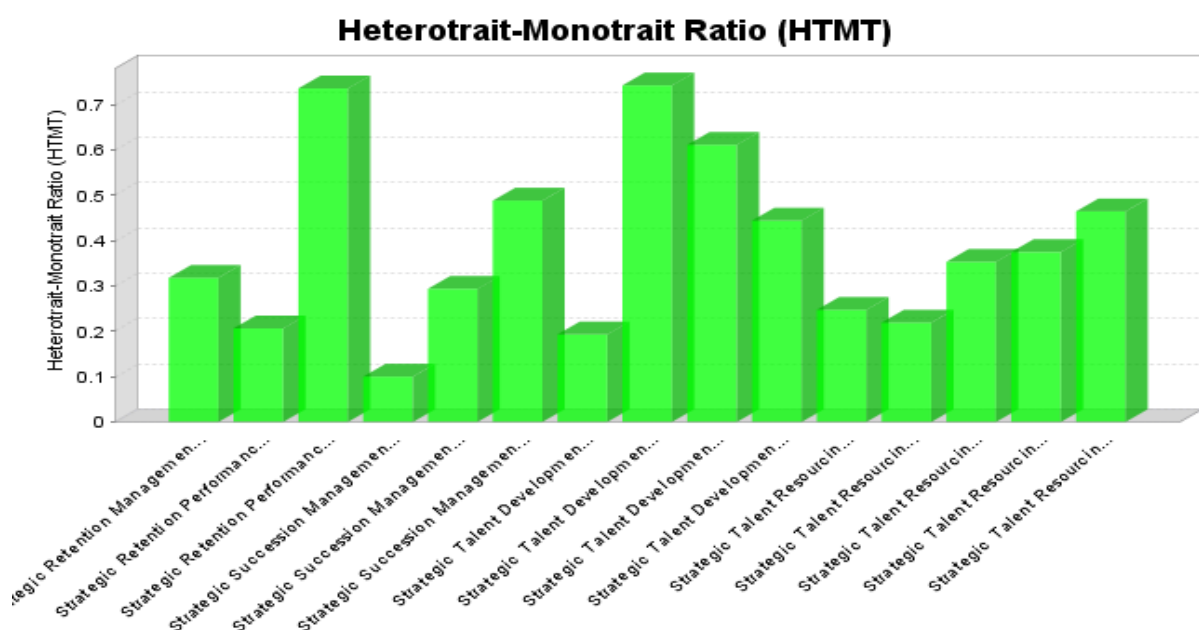
	PW	SRP	SSM	SRM	STD	STR
PW1	0.870	-0.378	-0.166	0.052	-0.146	0.173
PW3	0.705	-0.132	-0.086	0.065	0.000	0.222
PW4	0.844	-0.204	-0.181	0.000	-0.178	0.168
PW5	0.877	-0.245	-0.151	0.051	-0.152	0.132
PW6	0.789	-0.222	-0.140	-0.162	-0.163	0.116
SRM1	-0.315	0.804	0.490	0.223	0.511	0.194
SRM2	-0.141	0.740	0.398	0.083	0.416	0.163
SRM3	-0.223	0.870	0.572	0.273	0.566	0.188
SRM4	-0.296	0.759	0.457	0.232	0.565	0.142
SRM5	-0.207	0.775	0.512	0.202	0.490	0.089
SRM6	-0.293	0.799	0.572	0.199	0.426	0.149
SRP3	-0.166	0.586	0.863	0.326	0.440	0.206
SRP4	-0.161	0.485	0.825	0.320	0.402	0.259
SRP5	-0.147	0.577	0.902	0.420	0.453	0.311
SSM1	-0.018	0.209	0.377	0.895	0.355	0.219
SSM2	0.011	0.231	0.354	0.885	0.297	0.299
SSM3	0.019	0.249	0.361	0.857	0.334	0.320
STD3	-0.072	0.442	0.395	0.284	0.738	0.361
STD4	-0.159	0.473	0.384	0.320	0.804	0.321
STD5	-0.138	0.531	0.412	0.242	0.793	0.305
STD6	-0.159	0.557	0.411	0.334	0.852	0.227
STR1	0.322	0.090	0.182	0.210	0.227	0.715
STR2	0.084	0.145	0.217	0.255	0.381	0.791
STR3	0.105	0.124	0.209	0.236	0.296	0.853
STR4	0.134	0.238	0.330	0.309	0.298	0.852

Source: SmartPLS

This proved that the observed variables indicated that with every construct, the latent variables confirm the discriminant validity of the model. Table shows that the cross-loading of all the observed variables is higher than the inter-correlations of all the other observed variables in the model. Thus, these indicators confirmed the cross-loading assessment standards, and showed the discriminant validity of the measurement model to be acceptable. Therefore, these results show the conceptual model to be acceptable, with confirmation of reliability, convergent validity, discriminant validity and verification, of the measurement model.

The other measure of discriminant validity is the Heterotrait-monotrait (HTMT) ratio of correlation. HTMT is a new assessment method for evaluating determinant validity in partial least squares (PLS) regression, as one of the key building tools of model evaluation (Henseler et al. 2015). Henseler et al. (2015) confirmed the superior performance of this assessment method by conducting a simulation study in Monte Carlo and found that HTMT was a robust method which achieved higher sensitivity and specificity rates (97%-99%) than the Fornell-Lacker (20.82%) and cross-loadings criterion (0.00%). Henseler et al. (2015) stated that a value of HTMT which is close to 1 or greater indicates a lack of discriminant validity. However, Kline (2015) suggest a limit of 0.85 and Gold et al. (2001) proposed a value of 0.90. For a more accurate assessment of HTMT, this study applies a threshold of 0.86 which is the lowest of all the aforementioned limits. Figure 5.2 shows that all the assigned constructs have HTMT values of less than 0.85, where the highest is 0.742 and that indicates an acceptable validation of discriminant validity

Figure 5.2 Heterotrait – Monotrait Ratio – Discriminant Validity



5.5 Structural Equation Modelling

Structural equation modelling (SEM) is a family of statistical models determine the relationships between multiple variables. In doing so, SEM evaluates the structure of interrelationships of the inner model with a series of equations in a similar manner to multiple regression equations. SEM examines all of the relationships among constructs, primarily between the dependent and independent variables, where latent or unobservable variables are represented by multiple variables. SEM tests empirically the causal relationships between variables with multiple measurement items (Hair et al. 2011; Hair, Sarstedt et al. 2012; Lowry and Gaskin 2014; Noorazah and Juhana 2012). In addition, using SEM enables the researcher to identify whether the relationship between variables in the data collected is significant. The key foundation of SEM rests on two core multivariate techniques, which are factor analysis and multiple regression analysis.

Structural equation modelling (SEM) is an effective statistical method to examine the causal and effect relationship between a number of dependent and independent variables (Byrne 2010; Hair et al. 2010; Hair et al. 2014; Fan et al. 2016). Using SEM enables the researcher to test the causal and effect relationship among variables concurrently and so reduces the impact of a Type 1 error. There are two distinct theories of SEM statistical analysis: Covariance based SEM (CB-SEM), such as AMOS which is an extension module from SPSS, and Variance based SEM (VB-SEM) such as SmartPLS (Hair et al., 2014; Lowry & Gaskin, 2014; Richter et al., 2016; Sarstedt et al., 2016). AMOS is a software package used for Covariance based SEM whereas SmartPLS is a software package used for Partial Least Square (PLS-SEM). CB-SEM is commonly used for confirming or rejecting theories when testing hypotheses (Byrne 2010; Hair et al. 2010). This technique is widely used when the sample is large and data is generally normally distributed (Byrne 2010; Hair et al. 2010). The second technique, VB-SEM is more effective with the assumption of a normality distribution and the sample size, and is used when the appropriate model of the causal and effect relationship has not been explored.

According to studies by Hair et al. (2011), Ringle et al. (2013) and Hair et al. (2014), the Braojos-Gomez et al. (2015) VB-SEM technique was found to be more robust for exploring the relationship between variables, but. SEM is a widely used and effective method of analysis, for studying relationships among constructs. However, both techniques share some common techniques for measuring the validity of the variable items (Hair et al., 2011; Ringle et al.,

2013; Hair et al., 2014; Kaufmann and Gaeckler, 2015). Essentially, both techniques use convergent validity and discriminant validity for assessing the goodness or validity of measures, including the assessment of factor loading, AVE and CR as discussed in a previous section. These are the common assessment and measurements for both CB-SEM and VB-SEM (Byrne 2010; Hair et al. 2010; Hair et al. 2011; Ringle et al. 2013; Hair et al. 2014). In addition, the Fornell-Larcker Discriminant analysis is also another tool for accessing the discriminant validity for CBSEM and VB-SEM. However, in measuring whether causal and effect relationship is significant between variables, VB-SEM analysis uses the Ordinary Least Square (OLS) regression-based estimation technique, whereas CB-SEM uses the Maximum Likelihood (ML) technique (Hair et al. 2011; Ringle et al. 2013; Hair et al. 2014).

The current research trends are moving toward using PLS-SEM as the software for theoretical development to analyse quantitative data (Henseler et al. 2015). It is a powerful tool for data analysis to test the relationships between variables in the proposed research model. The proposed model is a theoretical development derived from several theoretical frameworks. Hence, the prediction in the proposed model between constructs requires using PLS-SEM (Hair et al. 2011; Hair et al. 2012), which is a more robust tool than CB-SEM due to its technical and statistical ability to handle complex research models effectively and efficiently. PLS-SEM is also used significantly for exploratory studies and offers flexibility to process different types of data, including nominal, ordinal, interval and ratio data (Hair et al. 2012). Table 5.5 presents the key features of CB-SDEM and PLS-SEM.

Table 5.5 Key Features of CB-SEM and PLS-SEM

CB-SEM	PLS-SEM
Theory testing and confirmation	Theory prediction and development
Requires large sample size	Able to operate with small sample size
Normality assumptions must be met (restrictive assumptions)	Normality assumptions need not be met (less restrictive assumptions)
Data are continuous (reflective)	Data could be formative
Confirmatory study	Exploratory study
Source: Hair et al. (2011); Hair et al. (2012)	

In addition, the focus of PLS-SEM is on prediction and theoretical development, and the advantage compared with CB-SEM is that it has less restrictive assumptions and that the normality assumption does not need to be met. PLS-SEM also offers flexibility of operation with a small sample size (e.g. > 100), when it is more preferable to use a large sample size (e.g.

≥ 300) to represent the population and yield more accurate results of the model estimation. Moreover, PLS-SEM is appropriate for theory testing and more robust than traditional SPSS with the ability to test all variables simultaneously even with a small sample size and with less restriction on the normality assumption. In addition to the above, PLS-SEM enables the analysis of complex latent variables, testing the indirect effect by using mediation and multiple moderation effects, as well as assessing the goodness of the proposed model (Lowry and Gaskin 2014).

5.6 Structural Modelling Analysis

5.6.1 Evaluation of the Inner Structural Model

Prior to the measurement evaluation of the Inner Structural Model outcomes, the evaluation of the measurement model of the Outer Structural Model was valid and reliable. This step starts with observing the model's predictive relevancy and the relationships between the constructs. In doing so, the key standards, which are; The coefficient of determination (R^2), Path coefficient (b value), T-statistic value, Effect size (f^2), the Predictive relevance of the model (Q^2), and the Goodness-of-Fit (GOF) index, need to be assessed and explained for evaluating the inner structural model.

The coefficient of determination measures the proportion of the variance in the dependent variable that is explained by the independent variables or predictor variables. If the regression model is properly applied and estimated, the coefficient (R^2) varies between 0 and 1 in which the higher the value the greater the explanatory power of the regression equation, therefore, the better the prediction of the dependent variable (Henseler et al. 2009; Hair et al. 2013). The coefficient of determination (R^2) measures the total effect and variance in the endogenous construct for the structural model and so measures the model's predictive accuracy. In this study, the inner path model (R^2) was 0.470 for the endogenous latent construct in the case of strategic talent-retention performance (SRP). This shows that the five independent constructs moderately explain 47% of the variance in the strategic talent retention performance, indicating that 47% of the change in the SRP was due to five latent constructs in the model.

5.6.1.1 Estimation of Path Coefficients (b) and T-statistics

Path coefficients vary between -1 and +1 where a higher absolute value indicates a stronger predictive relationship between the constructs. However, there are different types of effects between constructs, which are: direct effect, indirect effect and total effect. Direct effect is a relationship that links two constructs with a single arrow. Indirect effect is a sequence of relationships with at least one intervening process or construct involved. The Total effect is the effect of both the direct effect and all indirect effects linking two constructs. The estimated regression coefficient, termed the β coefficient defines whether the relationship between the dependent or independent variables in the proposed model is positive (+) or negative (-), and also the strength of the relationship (value) between them.

The value of coefficient denotes the change in the dependent variable when the independent variable changes by one unit. The b value indicates the expected variation in the dependent variable when the independent variable changes by one unit. Testing the significance of the hypotheses in the proposed model was tested through b values. The b values were computed in the hypothesised model, where the greater the b value the more substantial effect on the endogenous latent construct. The SmartPLS, bootstrapping procedure was applied to examine the significance of the hypothesis by using 5000 sub-samples.

5.6.1.2 Hypothesis testing

The key basis for using the SEM technique in this research was to examine the hypotheses to show the potential relationship between variables (Kline 2011). Testing the reliability, consistency and validation of the model indicates its suitability to represent the collected data. To this end, the analysis proceeds to examine the relationships between the dependent and independent variables in the proposed conceptual model to support or reject the statements made in the hypotheses. Based on testing the structural model using the bootstrapping procedure within SmartPLS producing results for path coefficients, T-values and P-values ($P < 0.05$). After testing, the research hypotheses were found to be either acceptable, or unacceptable, with the level of significance being indicated with each case.

Bootstrapping is an approach for validating a multivariate model by estimating models when drawing from a large number of subsamples (Sarstedt. et al. 2014). Bootstrapping estimates measures of accuracy in terms of the shape, spread and bias of the sample. By creating a large number of pre-specified samples where sampling happens every time the bootstrapping procedure is used, the same number of cases as the original sample will be analysed (Sarstedt. et al. 2014). Further, estimates are then combined from all the sub-samples and so provide profound estimated coefficients, together with their expected variability and are thus more likely to differ from zero. The results of testing the associated hypotheses are summarised in the Table 5.6

In the H1 hypothesis, developed in chapter 3, it was predicted that strategic talent retention management had a positive and significant influence on strategic retention performance ($b = 0.569$, $T = 10.522$, $p\text{-value} < 0.000$). Similarly, in H2 strategic talent succession management had a positive and significant impact on strategic retention performance ($b = 0.265$, $T = 4.414$, $p\text{-value} < 0.000$). The findings in Table 5.6 show empirical support for H3, where the influence of strategic talent development on strategic succession management was significant and positive ($b = 0.302$, $T = 4.046$, $p\text{-value} < 0.000$). H4 was significantly confirmed, where strategic talent resourcing affected positively strategic succession management ($b = 0.201$, $T = 2.598$, $p\text{-value} < 0.00$). It was also predicted that perceived Wasta would significantly and negatively influence strategic retention management.

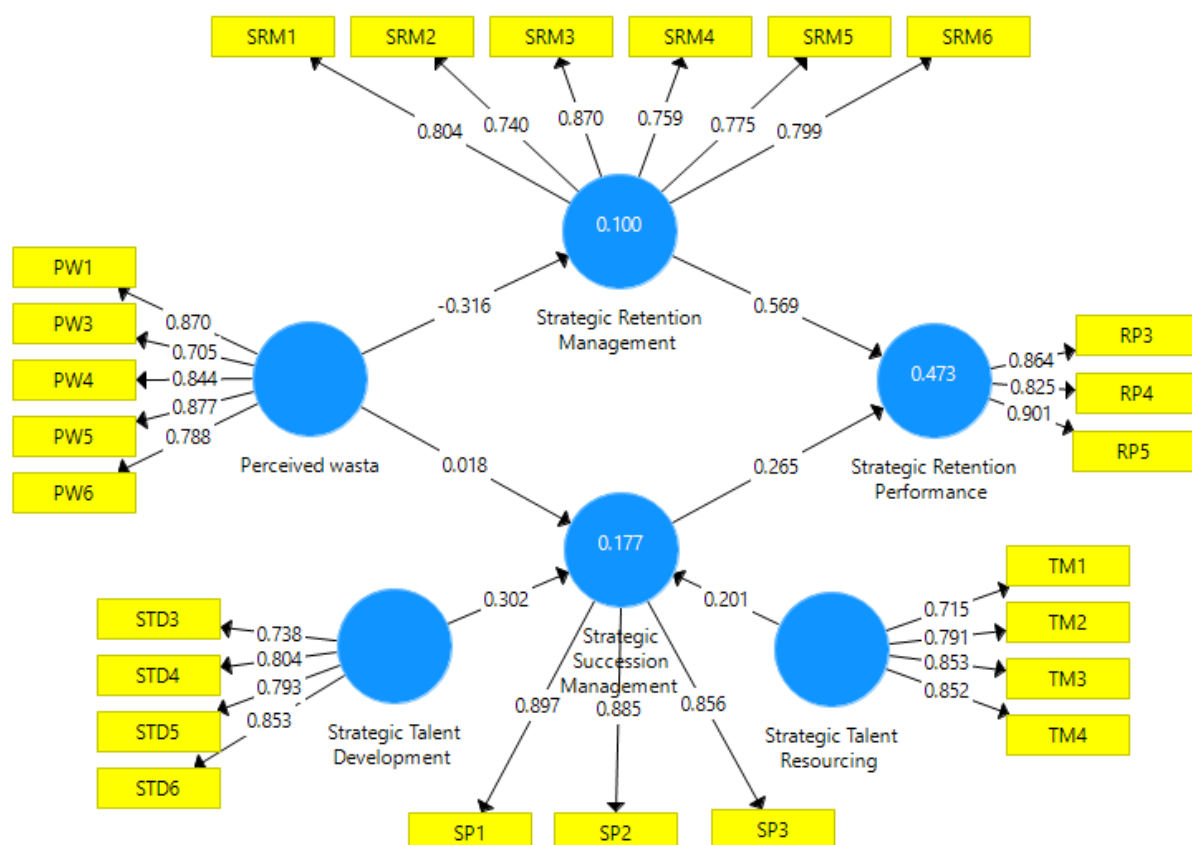
Table 5.6 Path Coefficients - Final Results

H	Hypothesised Path	B coefficient	T Statistics	P Values
H1	Strategic Retention Management > Strategic Retention Performance	0.569	10.522	0.000
H2	Strategic Succession Management > Strategic Retention Performance	0.265	4.414	0.000
H3	Strategic Talent Development > Strategic Succession Management	0.302	4.046	0.000
H4	Strategic Talent Resourcing > Strategic Succession Management	0.201	2.598	0.009
H5	Perceived Wasta > Strategic Retention Management	-0.316	4.429	0.000
H6	Perceived Wasta > Strategic Succession Management	0.018	0.193	0.847

Source: SmartPLS

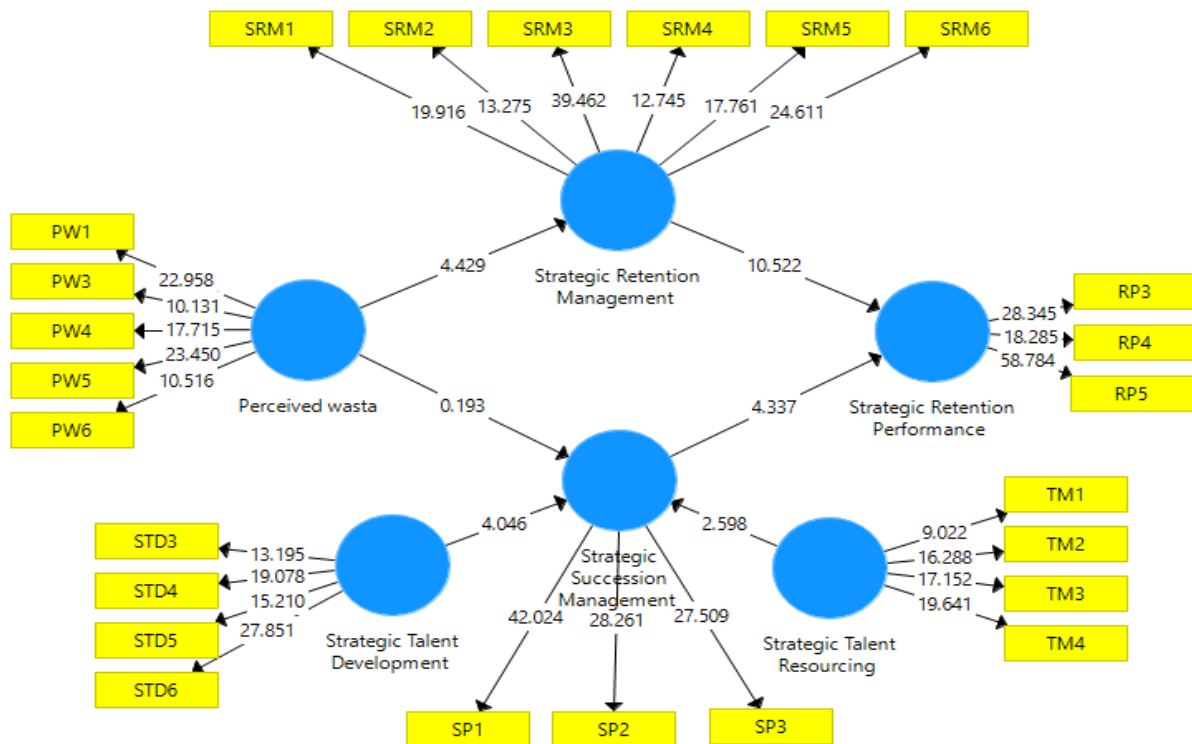
As predicted, the findings in Table 5.6 and Figure 5.3 show that perceived Wasta significantly and negatively influenced strategic retention management ($b = -0.316$, $T = 4.429$, $p\text{-value} < 0.000$). Thus, the H5 hypothesis was accepted. In the H6 hypothesis, it was predicted that perceived Wasta would significantly affect strategic succession management. However, the H2 hypothesis was found to be not significant ($b = 0.018$, $T = 0.193$, $p\text{-value} = 0.847$ (> 0.05)) so the effect of perceived Wasta on strategic succession management was not significant. The greater the B coefficient, the stronger the effect on the endogenous latent construct. The table also shows that strategic retention management effect on strategic retention performance of talent (endogenous latent construct) has the highest path coefficient value in the model ($b = 0.569$) when compared with other B values. Figure 5.5 shows the graphical representation of all the path coefficients of the model.

Figure 5.3 PLS-SEM Algorithm – Path Conceptual Model



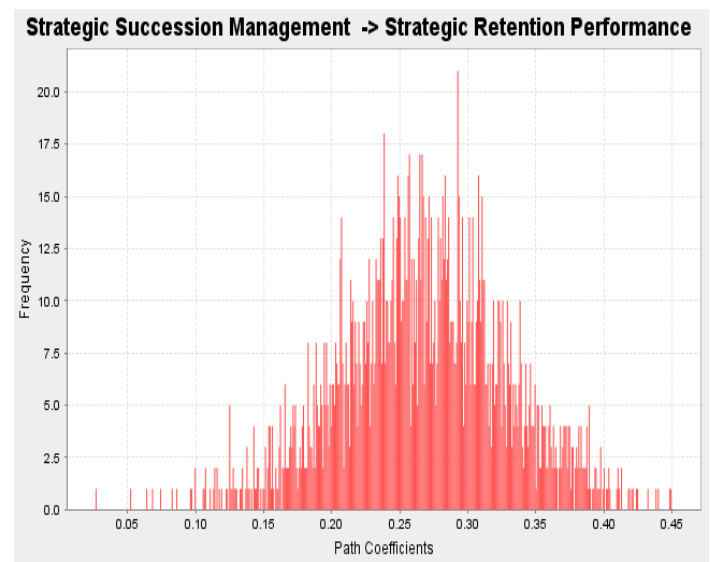
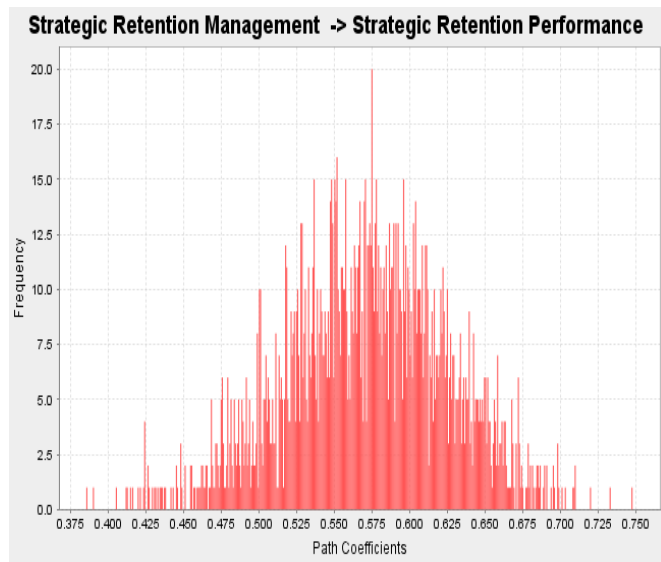
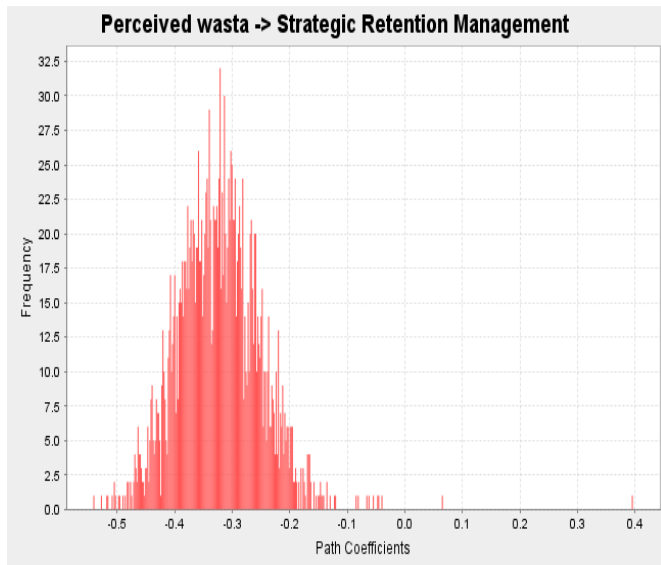
Source: SmartPLS

Figure 5.4 PLS-SEM Algorithm – Bootstrapping



Source: SmartPLS

Figure 5.5 Path Coefficients – SmartPLS Charts



Goodness-of-fit (GoF) is an index applied for the complete model fit to verify the model and explain empirically the data. GOF is a measure which includes the effect size together with the convergent validity (Tenenhaus et al. 2005). However, the use of GoF is disregarded due to several statistical shortcomings such as its unsuitability for model validation and its inability to addressing mis-specified models well (Hair et al. 2014). In addition, GoF is not computed as an output from SmartPLS, but must be manually computed. GoF is the geometric mean of the average R-squares for the inner model and the AVE (commonality) for the outer model.

GoF is computed by the square root of the AVE times R-square (coefficient of correlation). The GoF value varies between 0 and 1, where values of 0.10 (weak), 0.25 (moderate) and 0.36 (strong) are in line with the global validation of the path model. Henseler and Sarstedt (2012) stated that GoF may be useful in evaluating which datasets PLS-SEM explains and reflects better than others. The GoF of the model is calculated by the following equation:

$$GoF = \sqrt{R^2 * Average\ Communality}$$

Table 5.7 Construct Reliability and Validity

Construct	AVE	R²
<i>Perceived Wasta</i>	0.671	0.470
<i>Strategic Retention Management</i>	0.628	
<i>Strategic Retention Performance</i>	0.747	
<i>Strategic Succession Management</i>	0.774	
<i>Strategic Talent Development</i>	0.638	
<i>Strategic Talent Resourcing</i>	0.647	
Average Values	0.684	0.470
AVE * R²	0.322	
GoF=$\sqrt{R^2 * Average\ Communality}$	0.567	

Table 5.7 shows that the GoF index for this study and it can be seen that the GoF was measured as 0.567 which indicates a satisfactory fit of the model with the empirical data and substantial predictive power.

Model Fit Summary

There is no global goodness-of-fit measure in PLS-SEM as compared with covariance-based SEM. Such measures are based on how closely the model-implied covariance is, to the observed covariance matrix. Thereby, the focus is on reproducing the relationship between the variables. As a contrast, goodness of fit measures in PLS-SEM emphasise how close the predicted values are to the observed values and in so doing focus on prediction. Consistently as discussed above, this is the key difference between both theories where CB-SEM is most suitable for testing hypotheses and causal models, while PLS-SEM is most suitable for prediction.

The Standardized Root Mean Square Residual

Standard residuals are deviations with individual covariance terms which do not reflect the overall model fit. Therefore, two measures have emerged to handle an ‘overall’ residual value issue. First, the root mean square residual (RMR), which is the square root of the mean (average) of the squared residuals (Hair et al. 2014). However, RMR has the same issue as standard residuals in respect of the scale of the covariances. This standard value of RMR is useful for comparing fit across models. Although there is no statistical threshold established, the researcher can examine the practical significance of the standardised root mean square residual (SRMR) in line with the research objectives and the actual or observed covariances or correlations (Hair et al. 2014). The SRMR is an index of the average of the standardised residuals between the observed and hypothesis covariance matrices. The SRMR is a measure of estimated model fit, where When $SRMR = <0.08$, then the proposed model has a good fit. The SRMR for the proposed model in this study (see Table 5.8) is 0.07 which indicates that the model has a good fit.

Table 5.8 Model Fit

	Saturated Model	Estimated Model
SRMR	0.069	0.071
d_ULS	1.561	1.641
d_G	0.926	0.932
Chi-Square	664.067	663.089
NFI	0.744	0.744

Source: SmartPLS

Normed CHI-SQUARE

This GoF measure is a ration of X^2 to the degree of freedom for a model. Generally, $X^2:df$ on the order 3: The chi-square measure is the ratio of X^2 to the degree of freedom for a model. Generally, a ratio $X^2:df$ in the order of 3:1 or less is associated with better-fitting models, except when there is a high degree of model complexity or a large sample (higher than 750). In SmartPLS, Chi-square is provided (see Table 5.8) and it shows no great difference between the values for the proposed model and the estimated model. This indicates a good fit for the proposed model in this study.

Normed Fit Index (NFI)

The NFI is one of the original incremental indices. It is a ratio of the variance in the X^2 value between the fitted and the null model (divided by the X^2). The NFI ratio varies between 0 and 1, where a model with a perfect fit would bring about an NFI of 1. However, in more complex models it would produce higher index values and inflate artificially the estimate of the model fit. In the proposed model for this study (Table), the NFI I is 0.744 which indicates a good fit.

Correlation coefficient of latent variables

The Correlation Coefficient is often used to measure the linear relationship between two variables. In this study, Pearson's correlation was applied to test the relationships between variables. Table 5.9 shows the correlation matrix between all dependent and independent variables in the study and presents a fairly good correlations where most of the constructs are significant at 0.01 and 0.05. Finally, Table 5.9 shows the correlation coefficient among all constructs. Table shows a strong correlation between the latent exogenous constructs and the latent endogenous constructs.

Table 5.9 Latent Variable Correlations

	PW	SRM	SRP	SSM	STD	STR
Perceived Wasta	1.000					
Strategic Retention Management	-0.316	1.000				
Strategic Retention Performance	-0.182	0.638	1.000			
Strategic Succession Management	0.005	0.261	0.414	1.000		
Strategic Talent Development	-0.167	0.627	0.500	0.374	1.000	
Strategic Talent Resourcing	0.190	0.194	0.300	0.318	0.376	1.000

Source: SmartPLS

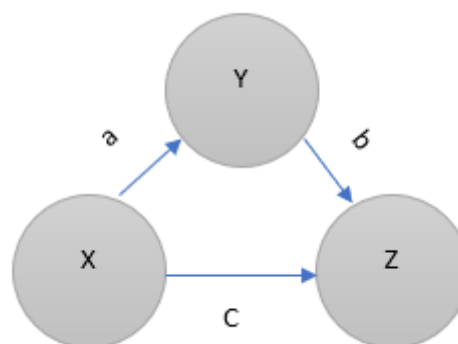
According to the above, the analysis of the inner and outer structural model shows significant support and confirmation between the measurement models and the structural model. All of the hypotheses were statistically significant and thus true. The results of this study show an accurate picture of how Wasta and STM processes and factors statistically affect strategic retention performance.

5.6.2 Mediation analysis

5.6.2.1 Mediation

The assessment of the structural model relationship does not only consider direct effects but also considers the total applicable effects (total effect= direct effect + indirect effect) between of the endogenous and exogenous constructs in the structural model. The importance of total effects is that they allow for the examination of an exogenous construct's effect on a key target construct by using all the mediating constructs, and so offers a richer understanding of the relationships in the structural model. Mediation is a relationship that occurs when a third variable (mediator) intervenes between two other related constructs. More specifically, a change in the exogenous construct causes a change in the mediating variable, which, in turn results in a change in the target endogenous construct in the structural model. As such, a mediator variable administers the underlying process of the relationship between two constructs. However, a strong theoretical (hypothetical) support is a key requirement to explore the mediating effects in the relationships between constructs. When a theoretical support is present, mediation can be a useful statistical analysis.

Figure 5.6 Mediation Analysis



Source (Hair et al. 2017)

The foundation for mediation is a well-established theoretical relationship (c) between an exogenous construct (X) and an endogenous construct (Z) as established in the work of Preacher and Hayes (2008). Testing for mediation requires an analytical procedure which starts with testing the significance of the indirect effect (a b) through the mediator variable (Y) (see Figure 5.6). Hence, if the indirect effect is not significant, then Y is not operating as a mediator in the relationship. However, if (a b) is significant then the next test is to check the direct effect in the model. If (c) is not significant, then full indirect mediation has been developed. This fully indirect mediation occurs when the indirect effect is significant and the direct effect is not significant. Further, if (c) is significant, then the mediation is partial. When $a-b * c$ is positive this indicates complementary mediation, but, when $a-b * c$ is negative, competitive mediation is indicated (Hair et al. 2017).

Mediation has been traditionally implemented using multiple regression. Baron and Kenny (1986) and Preacher and Hayes (2008) and more recently the PROCESS approach, all emphasise multiple regression and evaluate significance mediation by using the Sobel test. The Sobel test assumes that data is normally distributed. However, the advantage of using PLS-SEM is that bootstrapping makes no assumption about the shape and spread of data distribution. In addition, all mediating relationships are simultaneously, rather than separately tested, which reduces bias (Hair et al. 2014). In addition to this, mediation testing using PLS-SEM handles small sample sizes, obtaining higher levels of statistical analysis as compared to prior testing methods such as the parametric Sobel (1982) test. Thereby, path models that include mediating relationships are also required to meet the standard criteria of the measurement models.

The most widely used types in mediation are simple mediation analysis and multiple mediation analysis. Simple mediation analysis comprises one mediator variable in the structural model. However, exogenous constructs may influence endogenous constructs through more than one mediator requiring multiple mediation analysis (Hair et al. 2017). The mediator provides the actual relationship between the exogenous and endogenous constructs. Analysing all mediators simultaneously allows for a more comprehensive understanding of the overall effect. If each mediator was separately analysed in a simple mediation analysis, the indirect effect would likely be overstated as a result of the correlation of one mediator to another (Hair et al. 2017). Therefore, SmartPLS offers an advantage of testing multiple mediation, including direct and indirect effects, eliminating the overstatement of the correlation from one mediator to another.

Processing multiple mediation analysis follows the same steps as in the simple mediation analysis. The testing process starts with assessing the significance of each indirect effect and then assesses the direct effect between the exogenous and endogenous constructs. Using SmartPLS provides calculations of the standard error to show the total indirect effect through bootstrapping, as well as spreadsheets identifying each specific indirect effect with the t-value (Hair et al. 2017)

5.6.2.2 Mediation PLS-SEM

The analysis of the structural model focuses on the relationships between the exogenous constructs which are: perceived Wasta, strategic retention management, strategic succession management strategic talent development, and strategic talent resourcing) and the key target endogenous construct, which is strategic talent performance. Due to the existence of multiple mediators, mediating variables were introduced in the full PLS path along with the concurrent effects of two mediators. The PLS-SEM mediation analysis was constantly executed according to the general recommendations provided by Preacher and Hayes (2008); Hair et al. (2013); Helm et al. (2010), and Sattler et al. (2010). Table 5.6 shows the results of the PLS-SEM analysis. They illustrate the results of the structural model estimation and examination of the relationship between the aforementioned exogenous constructs and the key target endogenous construct (strategic talent performance).

The structural model PLS-SEM consists of two mediators, which are strategic retention management and strategic succession management. However, Table 5.6 show that perceived Wasta has a negative significant effect of -0.316 on strategic retention management ($t = 4.429$, $p < 0.05$) in line with a significant effect of strategic retention management of 0.569 on strategic retention performance ($t = 10.522$, $p < 0.05$). The indirect effect of perceived Wasta via the mediator strategic retention management, has a strong and significant effect of -0.179 on strategic retention performance ($p < 0.05$). However, the indirect effect of perceived Wasta via the mediator strategic succession management, was found to be insignificant (Perceived Wasta \rightarrow Strategic Succession Management, $P > 0.05$). The results from the analysis of the total effects (see Table 5.10) in respect to perceived Wasta indicate a significant and negative effect on strategic retention performance ($\beta = -0.175$, $T = 3.112$, $P < 0.05$). Thus, the mediator, strategic

retention management fully mediates the relationship between perceived Wasta and strategic retention performance.

Table 5.6 (Hypotheses Testing 5.6.1.2)

H	Hypothesised Path	B coefficient	T Statistics	P Values
H1	Strategic Retention Management > Strategic Retention Performance	0.569	10.522	0.000
H2	Strategic Succession Management > Strategic Retention Performance	0.265	4.414	0.000
H3	Strategic Talent Development > Strategic Succession Management	0.302	4.046	0.000
H4	Strategic Talent Resourcing > Strategic Succession Management	0.201	2.598	0.009
H5	Perceived Wasta > Strategic Retention Management	-0.316	4.429	0.000
H6	Perceived Wasta > Strategic Succession Management	0.018	0.193	0.847

Strategic talent development was found to have a positive and significant effect ($\beta = 0.302$) on strategic succession management ($T = 4.046$, $p < 0.05$) in line with a positive significant effect of strategic succession management ($\beta = 0.265$) on strategic retention performance ($t = 4.414$, $p < 0.05$). The total effect of strategic talent development via the mediator, strategic succession management ($\beta = 0.080$) is significant on strategic retention performance ($t = 2.913$, $p < 0.05$). Thus, the mediator, strategic succession management fully mediates the relationship between strategic talent development and strategic retention performance.

The same finding holds for the analysis of strategic succession management's mediation with strategic talent resourcing and strategic retention performance. The effect of strategic talent resourcing on strategic succession management was found to be positive and significant ($\beta = 0.201$, $T = 2.598$, $p < 0.05$) in line with a positive and significant effect of strategic succession management ($\beta = 0.265$, $t = 4.414$, $p < 0.05$) on strategic retention performance. The total effect of strategic talent resourcing via the mediator, strategic succession management ($\beta = 0.073$) is significant on strategic retention performance ($t = 1.998$, $p < 0.05$). Hence, strategic succession management fully mediates the relationship between strategic talent resourcing and strategic retention performance.

Table 5.10 Total effects – Final Results

	B	T	P
Total Indirect Effects	coefficient	Statistics	Values
Perceived Wasta -> Strategic Retention Performance	-0.175	3.112	0.002
Strategic Talent Development -> Strategic Retention Performance	0.080	2.913	0.004
Strategic Talent Resourcing -> Strategic Retention Performance	0.073	1.998	0.022

Source SmartPLS

The results of the full path model (see Table 5.10) were assessed including the presence of the two mediators, (PW>SRP, STD>SRP and STR>SRP) Table. These results also show that in the structural model, the total effect of perceived Wasta has the highest impact ($\beta=-0.175$) in the structural model. The coefficient of determination R^2 stands at a high value of 0.473 for the key target construct strategic retention performance as a moderately satisfactory value that substantiates the model's predictive validity (Hair et al. 2012). This finding is also supported by the Q^2 value of the predictive relevance (Garson 2016). Q^2 equal to 0.02 represents a small effect, 0.15 represents a medium effect and 0.35 represents a large effect. By running the blindfolding procedure with an omission distance of 7, the Q^2 value of strategic talent performance obtained was 0.35 which is well above zero, indicating the predictive relevance of the PLS path model. In addition, this finding also illustrates a high Q^2 value of 0.35 in the structural model.

5.7 Chapter Summary

This chapter has illustrated the statistical procedure of quantitative data analysis and provided the findings based on the hypotheses tested in the proposed conceptual model. The statistical procedure started with the descriptive analysis of the sample, demonstrating the demographic characteristics of participants. The first stage of data analysis started with data management where no missing data were found due to technical mandatory setting, using online survey (BOS) that does not allow any participants to continue without answering all questionnaires. However, paper-based questionnaires that were received via email or post with missing data, were returned to the original participants to complete it.

The first stage of data analysis was presenting the data through the demographic characteristics of participants and frequency quantitative of the main elements of STM processes in the conceptual framework. The chapter continued by evaluating the outer model through the measurement of the validity and reliability of the proposed model. In doing so, the factor analysis using SmartPLS was implemented in order to define the structure of the variables that are highly interrelated, the standardised outer loadings of the observed variables were evaluated. The factor analysis was assessed through the measurement and the assessment of factor loading, reliability and internal consistency, and discriminant validity.

The factor analysis is applied in SmartPLS by evaluating the standardised outer loading of the observed variables. By assessing the outer loadings, four items were discarded and 21 items remained out of 25 items which showed higher than the cut-off value (0.70). Cronbach's alpha, CR and the Average Variance Extracted (AVE) were used to measure the reliability and the internal consistency of the constructs. Cronbach's alpha was measured and then indicated high consistency of the entire scale where all figures were above the acceptable limit (0.70). The composite reliability and AVE assessment have indicated a strong reliability and high internal consistency of the constructs. Discriminant validity measurement was also implemented to determine the distinctiveness between all constructs in the path model by using the Fornell & Larcker criterion, the cross-loading of the indicator, and the Heterotrait-monotrait (HTMT) ratio of correlation. By comparing the squared correlation with the correlations of other latent constructs, the Fornell & Larcker - discriminant validity criterion indicates much stronger correlation (greater than 0.70) than other latent correlations. The cross-loading assessment of

the assigned constructs show a higher value than all other constructs in the model. The Heterotrait-monotrait (HTMT) ratio of correlation shows an acceptable validation of discriminant validity of the assigned constructs.

Following the evaluation of the outer model which indicated total validity and reliability of the structural model, the inner structural model was statistically evaluated. This step started with observing the model's predictive relevancy and the relationships between the constructs through the assessment of Path coefficient (B value), T-statistic value, and the Goodness-of-Fit (GOF) index. According to the final results of the path coefficient observing B value, T-statistics value, and P-values, the hypotheses tested show a confirmation of seven significant relationships out of the eight hypotheses. The GoF was measured and indicated a satisfactory fit of the model with the empirical data and substantial predictive power. The model fit summary shows the acceptable ratios of SRMR, chi-square measure (X^2) and NFI, which indicates a good fit. As a result of the analysis of the outer and inner structural model, the proposed model shows validity and reliability externally and also model fit where only hypothesis shows non-significance.

Due to the primary existence of multiple mediators (strategic succession management and strategic retention management) that represent the essence of the structural model, mediation analysis was applied, and mediators were introduced in the full PLS path to assess the total effects between the relationships in the structural model. The mediator, strategic succession management fully mediates the relationship between strategic talent development / strategic talent resourcing separately with the key endogenous outcome strategic retention performance. The mediator, strategic retention management fully mediates the relationship between perceived Wasta and strategic retention performance. However, the indirect effect of perceived Wasta via the mediator strategic succession management, was found to be insignificant (Perceived Wasta \rightarrow Strategic Succession Management, $P > 0.05$). Hence, the model showed a firm test of the hypothesised relationships between the constructs in the structural model. The results of qualitative analysis will be presented in the next chapter.

Chapter 6 - Qualitative Analysis

6.1 Chapter Overview

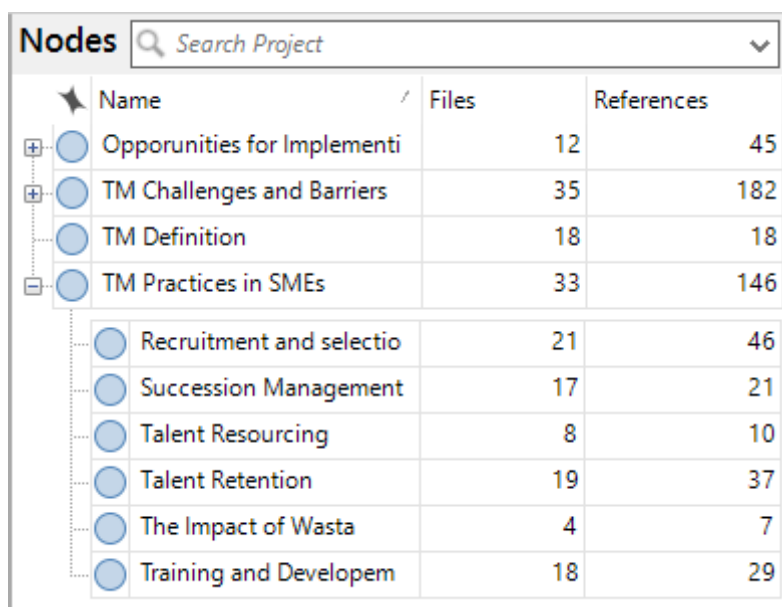
Following the quantitative analysis and the statistical and hypothetical results obtained in the first phase from the previous chapter, the aim of this chapter is to further explain in-depth the initial results, including the relationships between the variables. The key driver of using qualitative data, is to determine to what extent organisations, specifically SMEs in Jordan, apply STM practices, and the impact of these practices and Wasta on strategic talent retention performance. The questions that were used in the semi-structured interviews used for the qualitative analysis were well-informed having been drawn from the quantitative analysis results. The questions were directed at understanding both the negative effects of Wasta, and the positive effects of organisational best practice on talent retention performance. These interview questions were based on the conceptual model discussed in chapter 3. Furthermore, analysing qualitative data expands on the institutional context to highlight contributing factors and challenges, to achieve effective STM. This chapter provides a detailed analysis of talent management practices and critical challenges for implementing TM. The focus is on the country level rather than the organisational level, to highlight the macro level challenges that sustain or impede effective deployment of human capital in Jordan. The analysis chapter starts with TM as a concept defined by HR managers in Jordan and then moves to discussing the TM practices that are conducted by SMEs in Jordan. This is followed by discussing the challenges of Wasta and institutional barriers on STM performance. The macro-level challenges that affect the implementation of TM practices in SMEs are then discussed. Finally, the country level factors that influence an effective implementation in Jordan are considered. Thematic analysis, is used which seeks to explain the hypotheses from the previous chapter as well as expand on the micro and macro level challenges which impede the implementation of effective STM.

6.2 Explanatory Semi-structured Interviews

The quantitative analysis in chapter 5 examined the relationships between micro and macro level factors through strategic retention management and strategic succession management and their impact on strategic retention performance. However, this examination does not address the “How” and Why” questions but aims to further explain the relationship between the variables by using a round of semi-structured interviews with organisations targeted through stratified sampling. The qualitative data for this study was drawn from twenty-five interviews with HR managers from various organisations. However, for identifying and explaining the effect of Wasta in particular organisations, top performers were also interviewed to investigate talent retention performance in these organisations. Furthermore, another round of ten semi-structured interviews were conducted with key stakeholders, including HR consultants, and directors in industrial and governmental institutions, to identify challenges and opportunities at organisational level and macro level when implementing STM practices. In line with the initial findings of the quantitative analysis, a thematic approach was adopted and four main themes were identified, strategic retention management, strategic talent development, strategic talent resourcing and the impact of Wasta on talent retention.

Figure 6.1 Nodes Results

Source: Nvivo 11



Nodes		Search Project	
	Name	Files	References
+	Opportunities for Implementi	12	45
+	TM Challenges and Barriers	35	182
	TM Definition	18	18
-	TM Practices in SMEs	33	146
	Recruitment and selectio	21	46
	Succession Management	17	21
	Talent Resourcing	8	10
	Talent Retention	19	37
	The Impact of Wasta	4	7
	Training and Developem	18	29

Table 6.1 Participants Codes

Profile of Participants					Organisational Details			
Interviewee Code	Gender	Age/ years	Job Position	Working Experience	Education	Sector	Sub-sector	Size of firm
A-Comp1	Female	Less than 30	HR Supervisor	5 years	Bachelor Degree	Industrial	Construction industry	Medium
B-Comp2	Male	41 – 50	General Manager	10 years	Bachelor Degree	Industrial	Construction industry	Medium
A-Comp2	Male	31 – 40	HR Supervisor	10 years	Diploma	Industrial	Construction industry	Medium
A-Comp3	Male	More than 56	HR Manager	20 years	Diploma	Industrial	Construction industry	Medium
A-Comp4	Male	Less than 30	HR Manager	6 years	Bachelor Degree	Industrial	Food industries	Medium
A-Comp5	Male	Less than 30	HR Manager	7 years	Master Degree	Industrial	Medical industries	Medium
A-Comp6	Male	31 – 40	HR Manager	10 years	Master Degree	Industrial	Medical industries	Medium
A-Comp7	Female	41 – 50	HR Manager	12 years	Bachelor Degree	Industrial	Construction industry	Medium
B-Comp8	Male	31 – 40	General Manager	8 years	Bachelor Degree	Industrial	Plastic and rubber industries	Medium
A-Comp9	Female	31 – 40	HR Manager	7 years	Bachelor Degree	Industrial	Engineering and IT industries	Medium
A-Comp10	Male	More than 52	General Manager	25 years	Bachelor Degree	Industrial	Plastic and rubber industries	Medium
A-Comp11	Male	31 – 40	General Manager	9 years	Bachelor Degree	Industrial	Plastic and rubber industries	Medium
A-Comp12	Male	41 – 50	HR Manager	12 years	Bachelor Degree	Industrial	Wood and furniture industries	Medium
B-Comp13	Male	41 – 50	General Manager	20 years	Bachelor Degree	Industrial	Textile and garments	Medium
A-Comp14	Male	More than 52	HR Manager	18 years	Bachelor Degree	Industrial	Wood and furniture industries	Small
A-Comp15	Female	41 – 50	HR Manager	15 years	Bachelor Degree	Industrial	Oil and Gas Mining Industry	Medium
A-Comp16	Female	31 – 40	HR Manager	12 years	Bachelor Degree	ICT	Engineering and IT industries	Medium
B-Comp17	Male	41 – 50	Executive Manager	15 years	Bachelor Degree	ICT	Engineering and IT industries	Small
A-Comp18	Female	Less than 30	HR Manager	4 years	Bachelor Degree	ICT	ICT	Medium
A-Comp19	Female	31 – 40	HR Manager	10 years	Bachelor Degree	ICT	ICT	Small
A-Comp20	Female	Less than 30	HR Manager	6 years	Bachelor Degree	ICT	ICT	Small
A-Comp21	Female	31 – 40	HR Manager	5 years	Bachelor Degree	ICT	ICT	Small
A-Comp22	Female	Less than 30	HR Manager	7 years	Bachelor Degree	ICT	ICT	Medium
A-Comp23	Female	31 – 40	HR Manager	8 years	Bachelor Degree	ICT	ICT	Medium
A-Comp24	Female	Less than 30	HR Manager	7 years	Bachelor Degree	ICT	ICT	Medium
A-Comp25	Female	Less than 30	HR Manager	6 years	Bachelor Degree	ICT	ICT	Medium

Following the quantitative study and semi-structured interviews, in-depth semi-structured interviews were conducted to explain more in-depth certain organisational barriers and complex socio-cultural norms with regard to the development of human capital in Jordan. The following table present key stakeholders who were involved and interviewed in the study.

Interviewee Code	Job title	Qualification	Working Experience	Organisation / sector
C1	HR Consultant	Doctorate Degree	15 years or more	HR consultancy Agency
C2	HR Consultant	Doctorate Degree	15 years or more	HR consultancy Agency
C3	HR Consultant	Master Degree	15 years or more	HR consultancy Agency
C4	HR Consultant	Master Degree	15 years or more	HR consultancy Agency
C5	HR Consultant	Bachelor Degree	15 years or more	HR consultancy Agency
D1	Director	Doctorate Degree	15 years or more	Chamber of Industry
D2	Director	Master Degree	15 years or more	ICT Association
D3	Director	Doctorate Degree	15 years or more	Education
D4	Director	Doctorate Degree	15 years or more	Higher Education
D5	Director	Bachelor Degree	15 years or more	Vocational Training Corporation

6.3 Trends in Talent Management Practices

There is a general consensus amongst respondents that TM means the ability to recruit, develop, engage, motivate and retain key employees in their organisations. The majority of respondents stated that recruitment and selection, training and development, performance management, succession planning and retention initiatives are used for talent management in their organisations. However, perception of TM by the respondents was that it does not differ much from HRM practices. The respondents could not provide a coherent and comprehensive understanding of the meaning of TM. Nearly half of the respondents described the function of their departments as a ‘personnel’ function which meets the need of employees rather than a proper ‘HR’ function. In addition, most of the respondents placed high importance on the need

to retain key employees by creating the right environment for talent to grow and develop, as well as providing them with effective pay and reward schemes, as retaining talented individuals is more challenging than recruiting and developing them. The other focus of respondents was that organisations must provide learning and development opportunities for high potential individuals and key performers, addressing the skillsets needed in order for them to contribute to the success of organisations as well as prevent them from leaving.

Figure 6.2 Frequency Responses



Most of the HR managers stated that their organisations do not have a specific TM function in place. However, 40% of respondents reported that TM is carried out informally through their HRM policies and practices. Hence, according to the perspective of the respondents there is no differentiation between HRM and TM. Most of the interviewees indicated that recruitment, training and development, special pay and reward schemes, and performance management, for high potential and high-performing individuals, are HRM practices that are most widely used for TM. Most of the HR managers and executive managers indicated that learning and career-development opportunities through technical and personal development were adopted for recruiting and retaining talented individuals. Most of the companies seem to recognise the link between performance levels, and extrinsic rewards such as bonuses, increments and promotion. In addition, they stated that fast-track promotion was an effective tool for developing high potential and higher performing individuals. To summarise then, according to HR Managers,

HRM practices are used for TM for: recruitment and selection, training and development, performance management and succession planning.

Table 6.2 HRM practices in Jordanian SMEs

HRM practices (TM)	Main practices
Recruitment and selection	Referrals Social media (Facebook and LinkedIn) Recruitment agencies (i.e. Bayt.com)
Training and development	Tactical Training and development Ad hoc training (based on individual request) Relationship-based development
Performance management	Performance appraisal Fast track promotion for top performers Performance related pay
Succession planning	Ineffective due to size and resources of SMEs
Pay and Reward	Meeting the market Ineffective incentives for high performers
Improving talent work environment	Improve working environment to motivate, engage and retain employees
Retention initiatives	Learning and development opportunities Job enrichment, job enlargement and on-the-job training

Using the conceptual model developed for showing the relationship between strategic talent management practices and strategic talent performance in SMEs, the challenges across the manufacturing and ICT sectors were explored and are identified in the following section. This examination of practices was studied in order to explore the key practices and challenges for organisations to strategically retain talented individuals.

6.3.1 Strategic Retention Management

Most companies reported retention management as the most critical challenge. However, very few companies in this study were able to effectively maintain improved levels of talent retention and motivation by enabling and supporting talented individuals to reach their full potential. For example, as reported by an ICT company executive manager

‘We do not have serious retention problems we are trying to retain them by giving them a very good working environment. Most talented employees have been with us for quite a long time’ (B, Comp17).

Some companies were able to provide challenging tasks that help their high potential people to grow by encouraging them to apply their skills while performing their jobs, whereas other companies recommended open communication, flexibility and respect between employees and top management as contributors to a healthy environment.

‘Talented people here are satisfied and committed to do their jobs, because we have open door policy and staff-family style and a caring organisational culture’ (A, Comp22).

However, most of the interviewees expressed their difficulties in retaining their top performing staff when they reported that intrinsic rewards such as providing support, recognition and challenge in their work were more effective than extrinsic rewards. In most cases, because top management did not appreciate their high performance, staff were not motivated or committed in the performance of their jobs. It was also reported by an HR manager in the IT sector that most of the high performing employees who left were neither recognised as talented or supported by their organisations. Also, the manager indicated that the efforts of all employees, including high performers were not affirmed nor appreciated by top management.

‘if you don’t give me appreciation, compensation would be worthless. You don’t hear ‘thank you’. I have developed ‘employee of the month’ to motivate staff and giving them kind of appreciation, but it was rejected by the top management. Staff are not motivated and are not committed; we are losing talent’ (A, Comp21)

Most HR managers in this study who face major challenge with retaining talent, reported that a lack of appreciation and recognition are the main reason why talented individuals are disengaged and lack the motivation to perform. They also stated that in order to improve retention rates, companies must treat them with internal equity, fairness and justice.

'Talented individuals don't find internal equity, fairness and justice inside the organisation. They are not well recognised for what they do. Employees don't have learning and development opportunities. Thus, they are not satisfied at all. They are not motivated to perform their jobs' (A, Company10)

6.3.2 Strategic Succession Management

Strategic succession management was hardly found to be effective in managing succession up the hierarchy structure to provide career development opportunities. Only a few firms were able to utilise effective succession management to produce high potential people with the competences needed. Such organisations, therefore, were more effective in retaining high performing employees by developing career objectives to enable them reach their full potential. However, some struggled to retain them for very long due to the size of the company and limited opportunities for advancement.

'On succession management, in this organisation a competent employee stays long, quite long and hits his career objective and top career objective so he can reach high levels in the company'' (B, Comp17).

'an employee will reach a point where you cannot offer him high career levels or any better positions to prevent him looking for other jobs'' (B, Comp17).

Some other companies were not able to implement effective succession management as most of the staff, including competent employees were overloaded with tasks and performed multiple roles. As a result, these individuals did not have time for pursuing career progression plan to fill key positions at some point. One of the leading ICT companies faced critical challenges to enhance career development opportunities due to the size of the company, so, even high performing staff have to perform other roles which could affect their ability to move to a higher position. Their HR manager responded

'Every employee is handling so many roles which means he hasn't enough time to learn something new and we don't have replacement for the current positions. If I want to do something new, I have to hire more people'' (A, Comp18).

6.3.3 Strategic Talent Development

Some companies in this study that offer strategic development activities are more able to improve their skills of talented individuals as well as improve their retention performance.

“I can say that we have a sufficient talent pool. But still we have to work on their skills. For instance, some senior-level talent has the right technical skills for doing the job. However, they lack the skills to manage employees or their team members”.

However, some HR managers in this study reported their struggles to implement development programmes and therefore, the retention performance of their staff was negatively affected

“We have everything designed and formulated on paper but without effective implementation. Lately we are suffering from our financial situation This has forced us to cut cost from training and succession planning because you know if you activate succession planning for example, you have to prepare and invest in their training and development. So, I have issues to retain them” (A, Comp6).

High performing companies were able to strategically implement effective training and development activities for their highly talented individuals that have improved their technical skills and broadened their knowledge. In turn, these companies were able in a short scale of time (2-3 years) to prepare those talented employees to fulfil highly advanced roles and apply their advanced skills. This as a result has broadened their prospects within their organisation, and thus affects those with long-term career aspirations to fill key leadership roles.

“We develop our employees with a shorter time than any other company. We live in the technology era in a rapid changing environment and the new generation talented individuals have got a clear vision on creative and innovative solutions such as new applications that are effective and efficient” (A, Comp21)

6.3.4 Strategic Talent Resourcing

By sourcing talent, using agency partners, experts in resourcing, secondment, or training and development programmes, several organisations have adopted effective and strategic practices. The ICT sector have developed partnerships with the Ministry of Information Technology and

Communication (MITC), for training, development and deployment of experts and consultants. MICT has occasionally been used by the IT sector to attract ‘best in class’ or ‘best and brightest’ trainees from top universities in Jordan. Further, Comp6 launched and sponsored an innovative pharmacy programme with The University of Jordan by providing students industrial cases and problems to enhance their potential and creativity in solving problems. Due to a high level of industrial sophistication, Comp6 has an effective policy for resourcing talented individuals. They source and invest in highly talented scientists for product development and develop them in order to assure their retention and achieve a high return on their investment,

Some companies have proved that strategic talent resourcing plays a significant role in succession management as top performing companies activate their partnerships to find a replacement, if a talented employee suddenly leaves.

“Although we are small, we have built this into the structure. Because we are a regional office, I am using the reach that we have Mohammad. For example, in one division I had two resignations in a short period of time. This happened last month, I lost two senior people and I had a replacement assigned to me from out of the office in Europe” (A, Comp16).

However, some companies, especially those in the public sector, struggle to resource partnerships with agencies to bring in seconded experts and professionals from other organisations, As, a participant from a company that specialised in the oil shale industry, with a project in the planning stage to build up their organisational structure reported:

“ There is a lack of experts and professionals in this field in Jordan, the oil shale industry is very small and most of these experts are in the GCC countries. I can’t find qualified people to conduct training and development for our employees” (A, Comp15).

6.4 The impact of Wasta on Retention Performance

In order to explore the impact of Wasta on STM performance, two SMEs were selected from the target sample for conducting interviews with HR and/ or executive managers. The following two cases examine the impact of Wasta on retaining talented employees.

6.4.1 Wasta in a Family Owned Business

The first case study is a manufacturing company (Comp12) that specialised in furniture, established in 2002, and one of the first established and leading companies in the woodworking and furniture industry. They specialised in designing and manufacturing wooden doors with American specification standards. The company is a family owned business where the family members are in the top management positions. TM practices are evidently absent and ineffective due to the dominant family-owned business mindset.

The HR manager was interviewed to discuss and examine their TM practices and establish how the company invests in, develops and retains talented individuals. According to the HR manager, they do not recruit individuals based on their talent but because they were either relations or friends. The HR manager reported that top management hire people in critical positions using Wasta with little relevance to job qualifications and achievements. For instance, top management replaced a talented production manager by recruiting a friend of theirs. The HR manager (A, Comp12) stated that:

This production manager was recruited and he doesn't know how to deal with new machines has very poor English skills and very poor managerial and communication skills. He doesn't communicate clearly or respect his employees, and he doesn't have good work ethics.

Wasta here pushed a talented individual to leave this organisation. For instance, our production manager left because of senior managers who use Wasta to hire friends and family members and hire whoever suits them regardless of their qualifications.

Therefore, according to the HR manager, Wasta has been shown to influence motivation and cause employees even those with talent to seek other employment.

6.4.2 Wasta as a Tribal structure

The second case study, a firm that was established in 1996, provides local and international markets with high quality natural products from the Dead Sea at competitive prices. This company is fully owned by a mother company as a production department with a production plant located in Southern Jordan Valley. However, due to the centralised decision-making structure of the mother company, this company did not have formal recruitment and selection that is based on either qualifications, or an assessment of competency. The top management hire people and send them to this company with a general disregard of their competence or achievements. The executive manager (A, Comp10) stated:

“When I came to this company, I found 80 people from the same tribe. So, the mother company were sending us employees that were not well qualified and were hired through social connections. On average every manager employed hired 8 of their family. 70 employees, a high proportion of the workforce were from the same family and many of them graduates but they were illiterate”

Due to their strong social connections, it is difficult to terminate their employment. However, these employees are unqualified, and their behaviours cannot be easily controlled. In terms of advantages and benefits provided to employees, employees who are from the same tribe or family use Wasta to gain salary increments and bonuses.

Employees here write for themselves overtime hours that they didn't work. Also, employees were issuing for themselves travel expenses and their salaries were overpaid. When I came here and started my job, it turned out that the driver received 1,200 JD. When I checked his data and his profile here, I found out that he was appointed as Smith

This is unfair on talented individuals in key positions who are high performers and get lower salaries than unqualified people who took advantage of Wasta to gain their position. In addition, according to the executive manager, all of the key responsibilities were allocated to a few talented individuals because they were more capable and accomplished the tasks set them and achieved their objectives. As a result of the extra pressure on talented employees coupled with a lack of recognition, and all the benefits going to those who have used Wasta to gain their positions, they can feel discriminated against and that becomes a reason to seek employment elsewhere.

I give the talented guys them more than what they can handle, and this sometimes can hamper their creativity because they are overloaded, while others are not doing anything.

Therefore, when they have no social connections to help them gain benefits or promotion, talented individuals become disengaged with their work and demotivated. Also, as stated by the manager in the first case study, the major challenge of retaining talented individuals in key positions is that they struggle to manage the behaviour of staff who have used Wasta because they have no respect for their superiors. In addition, the knowledge or expertise of talented individuals may not be recognised, because those in the same family or tribe as the manager, because of their social connection, will be favoured over those with knowledge and expertise.

As shown in the previous examples, due to Wasta, some individuals who did not merit them gained career benefits because were socio-economically advantaged or well-connected. This is unfair to those individuals who do not have access to Wasta and so do not share the same advantages. This is supported with an interview conducted with TM consultant (C5) who stated that

‘The nature of social relationships is that those in positions who have been selected by Wasta are considered talented. However, if the company really wants to hire and develop real talent and make the process transparent that will create conflict with those who consider themselves talented. Therefore, companies make selection informal rather than formal, because transparency is hard to achieve within organisations in Jordan’.

6.5 Managerial and Leadership Challenges

6.5.1 Lack of Understanding HR as a Strategic Function

Throughout the interviews conducted with HR managers in more than 8 companies, it was obvious through responses that there was a lack of support and cooperation among executive managers to implement TM programmes and policies. Micromanagement, centralised decision-making and poor management were the most critical organisational challenges to the empowerment of talented individuals reported by respondents. In addition, a lack of understanding of the HR role as a strategic function prevented HR managers implementing TM practices and processes. This has affected talent retention, high performing employees were not given any incentives or rewards for their performance, tangible or otherwise, which resulted in their early loss to the companies. HR manager observed:

“Staff are not motivated and are not committed, because the company doesn’t appreciate them. So, how would they perform well. It is a catastrophe, we are losing talent, talent is leaving. I have tried doing ‘employee of the month’ to motivate staff and giving them some kind of appreciation through bonuses, but it was rejected by the top management. We are having the sharpest drop in talent and key performers. We are 17 employees. The turnover is extremely high” (A, Comp21)

HR managers in these companies agree that central decision-making leaves no space for HR to develop sophisticated practices to engage and help retain key performers. Executive managers block training and development opportunities and retention initiatives. This has left HR managers to run their HRM function as a tactical operational function with no strategic value focussing on traditional practices such as employee relations and giving priority to organisational rather than individual development needs. This has caused the work environment to become unhealthy and prevents talented individuals from reaching their potential due to lack of recognition and appreciation, lack of delegation of tasks, and centralised decision making.

6.5.2 Low Investment in Human Capital

Key stakeholders and professional experts in TM interviewed generally agreed that the mindset of managers in Jordan is that training and development is an expense rather than an investment in human capital. Their perception does not take into consideration that the relative contribution of a group of talented individuals justifies the investment in this select group. Therefore, most of managers did not consider their human capital as an asset to the company and that key performers and high potential individuals could contribute to the success of the organisation. Thus, accordingly the views of managers do not comply with the Resource-based View (RBV) that considers talent to be valuable, rare, inimitable and non-substitutable resources, that organisations seek to obtain, in order to gain sustainable competitive advantage. HR managers in these companies stated that there was no salary scale that differentiates on the basis of performance or effective performance management procedure built into their companies. This has resulted in the lack of provision of effective pay and reward schemes, or training and development initiatives. An HR consultant (C5) stated that:

“Unless people believe that HRM is an investment, they won’t invest in it. The difference between personnel and HRM is investment. SMEs in Jordan use personnel as administrative jobs for hiring and doing admin work such as leavers and social security relations”

6.5.3 Leadership Issues

HR managers interviewed in more than 16 companies stated that their top management does not adopt the concept of HR, and therefore they lack an appreciation of TM. Moreover, due to the lack of a proper HR function in some cases, executive managers and financial managers were interviewed instead. However, these executive managers were asked about their understanding of TM and their HRM practices, and their responses indicated no appreciation of TM. When interviewing HR experts and professionals in Jordan, they stated that there is a lack of leadership among managers that is of the main critical factors for implementing TM practices. HR professional (C3):

“I noticed recently an issue with leadership style. We don’t have motivational leaders in the country, maybe because of our culture leadership is more transactional. You can’t find very good flexible leaders”.

Throughout the interviews with HR managers, executive managers and HR consultants there was a strong indication of a lack of strategic vision among business leaders to strategically align business strategies with HR strategies. There was a lack of leadership with the will to change their HR procedures to attract and develop high potential individuals or to ensure high performing individuals are rewarded and retained. In addition, not one company has leadership that has adopted the concept of TM and supported the strategic vision of building and developing talent by the use of more sophisticated HR processes and practices., HR manager (A, Comp5) stated:

“ The change should be from family business to an environment that is much healthier and can host talent profiles to retain talented individuals. Those talented individuals should be identified and recognised not only by the HR department but also from their direct line managers and colleagues. This needs a systematic approach and very advanced system that can accurately assess potential and evaluate high performance ”

HR manager in one of the leading pharmaceutical companies (A, Comp5) stated HR are not fully informed of the technicalities coming from the pharmaceutical industry, indicating clashes between these technicalities and the implementation of TM. For example, job enrichment and changing the workflow for a high performing employee, may be rejected by top management as this employee has to work on a technical task that is more important than talent development needs. Therefore, as stated by most HR managers and HR experts the strategic vision of TM among leaders is critical to nurture and develop talent in line with business strategies.

6.6 HR Competence Problems

6.6.1 Lack of HR professionals

Eight HR managers interviewed in the organisations targeted, showed not only a lack of knowledge and understanding of TM, but also HR competence problems. Those HR managers call their personnel function an HR department where in fact they only deal with the day to day activities of employee relations such as administering attendance, leavers and social security. In most cases, formal training and development, performance management, training and development were not implemented. A CEO (A, Comp8) of a manufacturing plastic company where asked about their recruitment practices to attract, recruit and select high potential individuals stated that:

‘‘the HR guy I have here is very slow and is failing to perform his duties and responsibilities properly. It sometimes takes from 2 months up to a year until a job description to announce job post is produced to do screening and filtering and shortlisting people. For instance, we announced a vacancy of QA/QC Engineer and it has been a year and it still has not been filled’’.

Some HR managers hold no professional certificates or have long experience in the HR field as most of them are young with no expertise or working knowledge of HR. All HR professionals and experts in TM stated that in order to implement talent management, a proper HR management function has to be established. Hence, in order to build an HR function, HR people should be well trained and educated in how to develop effective HR processes and practices. Very few companies have proper HR functions due to a lack of HR staff who hold certificates from professional HR organisations. Therefore, they struggle to implement HR practices. HR consultant and expert in TM (C1) stated that

Those HR managers have not got a solid understanding of what the HR function is and what it does. They haven’t learnt yet what HR is all about.

HR managers agreed that TM needs a good decision maker who understands people management in order to recruit and retain talent and knows how to evaluate people with high potential, as this is part of the skillset that every professional HR should have.

6.6.2 Poor Strategic HR role

Throughout the interviews with most of HR managers, it was clear that knowledge of the strategic role of HR was absent. Most of HR managers indicated that their approach to TM was informal and their training and development practices were implemented based on tactical and operational objectives rather than strategic objectives. Talent was nurtured and cultivated by training and developing employees. The HR managers interviewed gave the impression that TM depends on ad hoc training, whereas most HR experts believed that in order to implement TM processes and practices, the HR role must be strategic. In order to be strategic, it must support long-term objectives that can align business goals and outcomes with a strategic framework based on competency development. HR consultant (C4) stated that:

“HR people in Jordan who do learn tend to be operational rather than strategic. You know and learn what is the labour law is and apply it. That is the operational side. Most of them do the same as HRD association that we have, who as a big network of HR people, spend a long time chatting on labour law and regulations and employer relations and cases”

6.7 Macro-level Challenges

6.7.1 Mismatch between Education Outputs and Labour Market

In most cases studied across both sectors, HR managers and executive managers reported poor soft skills and English skills among individuals and graduates as a result of the current education system. Respondents stated that the prevalent education system does not provide students with the 21st century fundamental skills needed by the labour market. The HR managers stated that graduates lack communication, presentation, interpersonal and analytical skills. HR manager at leading company in ICT sector (Comp16) stated that there is low quality of education output. HR managers at company6 stated that there is a huge gap in the skillsets produced between American/ Canadian universities and Jordanian universities.

“When I interviewed graduates from Canadian or American universities, they show excellent communication skills and excellent presentation skills. However, when first class students from our Jordanian universities come to an interview, they do not talk until you ask them to, they have poor communication skills”.

HR consultants and experts stated that regarding soft skills, schools, universities and companies don't teach or train students soft skills. They stated that a lack of soft skills is a barrier for these high potential people to grow and develop. HR consultant and expert in TM stated (C2):

‘‘If you go to the labour market, there is no teamworking abilities and there is no presentation or communications skills’’

HR managers and executive managers also stated that there is a lack of a work ethic and poor attitudes and behaviour. A management director (D2) in The Information and Communications Technology Association of Jordan (int@j) that serves as the collective voice of the industry, stated that every year universities produce 5,000 IT graduates, whereas only 2,000 graduates get hired a year. This leaves the market with 3,000 unemployed graduates. According to Int@j studies in the sector indicated by D2 the main reason highlighted was not only economic recession, but it is also the quality of graduates. These graduates as stated by HR managers and director in Int@j cannot be hired or trained, especially as most of the ICT sector's organisations are SMEs who don't have the budget, capabilities or resources to train and invest in talent. Therefore, the most critical challenges facing TM that have been identified is a big mismatch within four major areas;

- English language level of most graduates is poor, especially in IT, English is important.
- Lack of soft skills, including time management, communication skills, interpersonal skills and the right attitude
- Lack of non-technical skills including analytical and critical thinking
- A lack of Technical skills including programming and engineering

HR managers and consultants say that there is sufficient supply of talent in Jordan. However, in order to unlock the talent of graduates, they need to be more interactive and presentable. All respondents agree that the method of teaching is based on rote learning, and students are not taught presentation skills, or how to work in groups. In addition, there is a very big gap between the level of teaching in public and private schools.

However, due to a major lack of soft skills among workers, especially in the industrial sector, the Jordan Chamber of Industry has launched soft skills training for youth in the industrial sector. The Youths who participated in this programme graduated in Technical and Vocational Education and Training, diploma-based qualification, and university degrees in Jordan. Each

group of 4 people participated, 3 of them have progressed in their jobs and were still working with their companies. This meant that 75% of the people who participated in this soft skills training programme, progressed in their jobs. Soft skills are of high importance for youth to flourish, learn and interact, as well as grow and develop their skills and talent.

Due to the mismatch between education outputs and labour market requirements, key stakeholders, including policymakers and representative in both the Business and IT sectors concluded that training and development was critical in order to grow the technical and non-technical skills for talented individuals. HR experts stated that due to this large gap initiatives must be developed in coordination with universities in Jordan, to provide students with challenging problems in order to enhance creativity and problem solving. The issue of poor technical skills not currently provided by the education sector can be overcome through the initiatives adopted by sector representatives to help address the lack of technical skills.

Int@j doesn't provide training programmes for IT engineers and technicians. However, they have conducted initiatives that can enhance the technical skills of talented individuals. These initiatives aimed at young students through programmes such as Hello World Kids inspire and teach youngsters how to program computer and mobile applications. This is to support the Ministry of Education and schools so they can introduce quality materials and curriculum to the students. A director in (int@j) D2 stated:

“We performed an initiative called ‘Pioneers of Digital Content’ that targets 10th grade and 11th grade students to give them a fast track development in ICT”.

This was also to enhance student's technological and digital skills at an early age to keep them up-to-date with what is happening in the industry.

According to the views of HR managers, HR consultants and key stakeholders, one of the main challenges of the mismatch between education and the labour market is that the needs and requirements of human capital are changing within the 21st century. This change requires new sets of skills and knowledge being taught that can meet the needs of employers. Employers requirements include soft skills, analytical thinking and problem-solving. Senior official, Ministry of Higher Education and Scientific Research (D4) when asked about employer needs and requirements, said:

“we need to shift from traditional teaching to facilitated learning so we can produce: collaboration, digital literacy, critical thinking, and problem-solving”

The senior official (D4) concluded that it is easier to hire than to fire in SMEs in Jordan as one of the challenges is attracting and recruiting talented individuals. In addition, class activities cannot be implemented unless there is a proper infrastructure that allows public universities to conduct model-teaching activities. D4 concluded that the main difference between public and private universities was that the average class size in public universities was 500 students, while in the private universities it was 40 students. This can allow private universities to conduct class activities and facilitate more interactive teaching that can produce the skills needed and increase the talent pool of high potential individuals in the labour market. The education infrastructure is unhelpful in that it can partially cause disengagement. Rote learning is inactive learning and students don't participate in the teaching and learning experience. Therefore, students should go to conferences. They need ushers to conduct student activities and facilitate a learning environment between student and teacher.

However, when D4 was asked about that new disciplines needed in the market, he concluded that the Ministry of Higher Education and Scientific Research doesn't open a new field of study unless there is a need identified through research. There is a problem in the linkages between the labour market and technical fields and careers. Therefore, studying the market needs is critical to open up a new field of studies that are linked with the labour market. Thus, there needs to be a clear line of communication between the Chamber of Industry and Ministry of Higher Education to identify the competencies required, for example the skillsets needed by a future mechanical engineer. Therefore, it is necessary that sectors representatives to work on their long-term objectives with universities. There is a need for key stakeholders in industry to get involved with universities to make improvements to adapt their curriculums to the future needs of the labour market.

6.7.2 Lack of Training and Development institutions

Studies in Jordan stressed major challenges with the gap in training and development programmes for experts needed in companies and the government initiatives such as 'One Doctor for Each Plant'. Moreover, HR managers and executives stated that there is a lack of training and development programmes provided by the representatives of the sector. In some cases, HR managers concluded that there is a big mismatch between technical training and development, and some were seeking institutions that can provide training and development for technicians and technical specialists.

“When you announce a vacancy in a newspaper for a machine operator in production, we can’t find anyone who is considered a specialist. When we don’t find anyone, we train fresh with diploma.” (A, Comp3)

Other companies stressed major issues with a lack of institutions for training and development that have well-qualified trainers. The responses of participants indicated that the public sector lags behind the private sector in this regard. Companies have been trying to contact universities in Jordan, looking for a collaboration to provide them with industrial consultancy. However, HR managers and executive managers found out that professors and experts in the public sector have only theoretical rather than practical or industrial experience. An Executive manager stated that:

“One of the things that we are trying to do is to offer training courses to new graduates in the industrial sector teaching branch (vocational institutions). The issue is that you do not have support from the government. It is all plan and no action: they say yes good and then you go to meet them and drink coffee, and nobody answers their phones when you call and I am being very frank here” (B, Comp2)

Other companies located in Ma’an, south of Jordan stressed issues with finding training and development centres for their technicians and engineers. As a consequence, these companies are unable to meet training and development needs of their employees. A, Comp stated:

‘The issue here is to how can training be performed for employees in this organisation and who will provide it So, if these employees need training, I ask the production manager to conduct internal training. I cannot find technicians and vocational professionals to conduct training’.

‘I contacted the vocational training centre and they said that I have to take these trainers from Amman to Ma’an. Because I have to offer salary, transportation and accommodation to conduct this training.’

Companies studied who were located away from the capital could not find proper institutions and training centres to conduct training and development activities. These organisations had been struggling to find training centres and instructors to train labourers and technicians. The HR consultants interviewed highlighted that other governorates should be taken into consideration as the main focus and allocation of talented individuals must not be considered only in the capital due to cultural issues in other governorates as they sometimes close

community. Schools, education and environment were the most indicated challenge in most cases along with HR consultants as most lacking skills and attitude are fundamental that started with school and environment.

Due to the challenges in these organisations to find specialist in their industries, the researcher conducted an interview with Senior Official in the Vocational Training Corporation in Jordan (D5). The challenge was that the Vocational Training Corporation was linked with the Civil Service Bureau system of recruitment and selection for highly qualified and talented specialists and technicians. The Civil Service Bureau provides applicants who have been queuing for a long time and so often these people are not qualified or do not completely fulfil the market needs. D5 stated:

‘‘They don’t have the qualifications needed. So, what we do is we train and develop those applicants or individuals on the job. This takes a lot of financial resources, effort and time’’.

The major challenge in respect to technical staff is that the Vocational Training Corporation cannot attract and recruit qualified technicians from the labour market directly because they have to comply with the Civil Service Bureau system of recruitment and selection.

6.7.3 Socio-economic issues

Other major challenge is that there is an undersupply of qualified technicians. Also, according to the National Strategy for Human Resource Development (NCHRD) 2016 – 2025 there is a chronic shortage and undersupply of skilled technicians. Key stakeholders in the Ministry of Education and Ministry of Labour stated that this shortage in the labour market is related to the socio-cultural norms in Jordan when a person goes for Technical and Vocational Education and Training (TVET) it is usually their last career path option. As a consequence, this will lead to an undersupply of technicians and craftsmen, and then unemployment increases and problems start increasing. Then, this will lead to individuals feeling socially insecure and many high potential youths emigrate. Youths become unemployed because the labour market is saturated with graduates and there are not enough jobs for them in the private sector and even less in the public sector. The demand in the private sector is mostly for technical jobs and there is a chronic shortage of technicians which is increasing. The Civil Service Bureau indicates that unemployment among graduates and postgraduates is around 300,000. This number is increasing yearly by 50,000. When asked about the increasing unemployment situation the key

stakeholders in the Ministry of Labour identified one of the main challenges is the skill shortage in both quality and quantity especially for labourers and technicians. Organisations have had to attract and recruit foreign labourers to meet the demand. Senior official (D3) in the Ministry of Labour, stated,

‘‘If you look at the the countries with the lowest unemployment rate, you will see that 70% of students who graduate from primary school go to Vocational and Technical Education and Training (TVET), and 30% go to academia. Those 30% after they finish school, go to universities. The difference is that 77% of our students go to academia, while those who go to TVET are less than 23%.’’

Organisations offer labourers wages that go down as low as 220 JOD which is the minimum wage allowed by the labour law. This level of wages wouldn’t attract Jordanian labours. If you provide a Jordanian labour with good wages, good learning environment and good benefits with a work-life balance they would take the jobs. In Germany or in the US, labourers get good wages that can cover their individual or family needs. In Amman the cost of living is high. If wages covered at least a third of the living costs, then I believe that labourers would come here to work

6.7.4 Socio-cultural issues

Throughout the interviews with executive managers and HR managers, there were societal cultural issues identified. Several cases studies taken from this research show a weak governance structure and a prevalence of favouritism and nepotism among top management. In some cases, this has gone further to include the public sector and institutional level and has put pressure on managers in companies to hire people from the local community using social connections. This has been done with very little consideration of the competence and achievements of those hired and sometimes regardless of their qualifications. This has affected the ability of companies to build up and develop a talent pool consisting of high potential and high performing individuals. For instance, Comp10 has no formal recruitment and selection which is based on the qualifications held or the competency of individuals.

In three companies in the industrial sector, HR managers reported on their concerns about being under pressure from the local community to hire people regardless of qualifications. However, those who were hired were labourers and technicians, and they take up positions as managers

in key positions. Moreover, HR professional and experts stated that societal relationships in Jordan make it hard for companies to implement TM programmes due to the societal norms as those individuals who use Wasta are considered to have the necessary talent regardless of their qualifications and performance. Therefore, an approach that assesses people who have potential by a fairer formal means will cause open conflict between those people and other people in the organisation who consider themselves as having potential. For this reason, companies prefer to keep the process informal because transparency is hard to achieve within organisations in Jordan.

‘‘It is the schooling and education and the environment we grow up in. Breeding children is wrong. As parents and family, we rear our children on the basis that that you are a son or daughter of X and Y, and then you should hit anyone standing against you. We give our children a lot of money. Do you need a lot of money and an iPhone? We give our children cars once they get into university and they are still not satisfied. We rear children to disrespect their elders. we are the outputs of the environment, schools and universities that we grow up in and learn from’’ (D4).

The inputs from the education system govern your future. The education policy indicates that a student who gets the lowest grade in school goes to vocational training. Discussing this matter with Ministry of Education, Ministry of Labour and Ministry of Higher Education. Both of them indicated that our culture and mindset dictate that whoever goes to vocational training is unsuccessful and this is the last option for a career path. Therefore, this is one of the main reasons that has caused an oversupply of graduates and an undersupply of craftsmen and technicians. It is hard to overcome and to be addressed. As long as the economic conditions are poor people will put more pressure on the government to hire their children. The only solution is to achieve significant economic growth and development so as to absorb more people into the labour market, and then reduce unemployment. So, economic development is needed in Jordan to overcome those cultural issues.

6.8 Chapter Summary

This chapter has provided key themes on how SMEs in Jordan implement their TM practices and shows how these practices and Wasta influence strategic talent retention performance. The explanatory purpose of using qualitative data aimed to explain the preliminary findings conducted by the quantitative research in order to address “How” and Why” micro and macro relationships influence the key target construct, strategic retention performance. In doing so, a round of semi-structured interviews with organisations targeted through stratified sampling was conducted. The qualitative data for this study was drawn from twenty-five interviews with HR managers from various organisations. Following the quantitative study and semi-structured interviews, a round of 10 in-depth semi-structured interviews were conducted with key stakeholders, including HR consultants, industrial bodies and senior officials at governmental level. These in-depth semi-structured interviews were further conducted to explain more in-depth the institutional context to identify challenges and opportunities at organisational level and macro level when implementing STM practices. In line with the initial findings of the quantitative analysis, a thematic approach was used and four main themes were identified, strategic retention management, strategic talent development, strategic talent resourcing and the impact of Wasta on talent retention.

Most interviewees in SMEs generally indicated an informal approach to TM where in most cases, typical HRM practices, including training and development and succession management were implemented. However, many of SMEs were able to implement strategic practices, including learning and career-development opportunities. Under strategic retention management theme, the majority of SMEs struggled to maintain improved levels of retention, whereas very few companies were able to create an environment of appreciation and recognition. Effective succession management was hardly implemented and only few firms were able to offer career improvement to their talented employees, but with very limited scope of skill utilisation which in turn affected their retention performance. In addition, most companies faced challenges to implement training and development activities, as well as talent resourcing activities due to few and limited financial resources which affected the ability of these firms to help broaden their capabilities and career aspirations.

The negative impact of Wasta was well evidenced on talent retention performance in both cases. Due to unfairness and inequality of allocating resources to Wasta-related people as well

as overallocation of tasks and responsibilities to highly performing employees who had no social connections with decision makers, talented individuals intend to leave their organisations. As a result, the adverse influence of Wasta on motivation and commitment caused talent intended to leave their organisations and seek other employment. This in turn negatively affected talent retention performance at these organisations. The qualitative results also highlighted major managerial challenges and competence problems that prevented many firms in this study to implement strategic TM practices, including lack of understanding the strategic function of HR, low investment in human capital and leadership issues. Therefore, talented individuals became disillusioned as the application of their talents and skills were limited. Furthermore, the analysis of macro-level also pointed out socio-economic, socio-cultural and institutional challenges such as lack of training and development programmes provided by industrial representatives as well as lack of experts in particular field inhibited the ability of some organisations to implement strategic TM programmes.

Chapter 7 - Discussion and Findings

7.1 Overview of the Research Study

This chapter provides a critical discussion of the key findings empirically tested through systematic statistical procedures (chapter 5) and supported by the interpretation of the qualitative results (chapter 6) which are set against the existing literature. This research addresses the organisational and socio-cultural challenges that affect the ability of SMEs to develop and retain talented individuals in Jordan, a process described as talent management (TM). The researcher categorised factors affecting TM at the organisational level as micro-level factors and those that affect TM at an institutional or cultural level as macro-level factors. The overall aim of this study is to examine the impact of micro and macro level factors on strategic TM processes which ultimately affects the STM performance of SMEs in Jordan. By conducting sequential research design, quantitative research was used to confirm hypotheses and then this was followed by the analysis of qualitative data to interpret the confirmed relationships. By using structural equation modelling, the conceptual model showed significant relationships between the dependent and independent variables in the confirmed hypotheses. By using a thematic approach, key themes in the data collected, presented interpretations for the relationships in the data, which were expanded to present other interesting results. The findings supported the objectives of the study as well as helping to answer the research questions. This chapter starts with discussing the key relationships according to a sequential research design by presenting the hypotheses confirmed between strategic talent development, strategic succession management and strategic retention performance.

The literature review highlighted the TM practices in the MENA region, with a particular focus on organisational and country level challenges. A conceptual model was then developed incorporating TM activities and macro-level factors that focused on the management, development and retention of high potential and high performing individuals in an organisation (Vaiman et al. 2018).

An overview of the literature concluded that there was a conceptual gap between the micro and macro-level factors and STM performance. TM focusses more on the individual and organisational levels underlined by TM or global TM, and thereby minimises several macro or country factors which are also important. so macro level factors were identified that affected

TM practices in Jordan. Measurement scales were developed from the literature review and previous studies. Then to assess TM practices, hypotheses were proposed and data was collected using a mixed method approach, which included a survey questionnaire and interviews. The findings of the study were found to be valuable in examining and explaining factors that influence TM processes. The target sample was chosen from SMEs in the private sector across both the manufacturing and IT sectors, targeting different managerial levels, including HR managers and executive directors. According to the national and cultural context of Jordan, a theoretical model was developed to test the proposed hypotheses. At this level of analysis, the relationships between macro-level and micro TM factors, affecting STM performance were analysed. Further investigation through the use of semi-structured interviews were conducted to explain the relationships between variables. According to the principles of explanatory research, structural equation modelling was used to analyse the quantitative data and the qualitative data was analysed using a thematic approach. This chapter discusses the findings of the quantitative and qualitative analysis in the previous chapters and starts with the findings generated by descriptive statistics, hypotheses testing and mediation analysis. Thereafter, interpretations and explanations of the quantitative results are presented to support the hypotheses tested and explain more about the institutional context.

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7.2 Critical Discussion of the Findings

The results generated from testing the hypotheses developed in this research are discussed in this section. This section discusses the influence of the micro-level factors which include strategic talent development, strategic talent resourcing and strategic retention management and then discusses the macro-level factors (i.e. Wasta) and their influence on the existence of strategic talent-retention management. The discussion further continues as to how these factors affect strategic retention performance. This section presents a detailed discussion about the hypotheses developed in chapter three how they were tested and the results of the testing.

7.2.1 Strategic Retention Management and Retention Performance

Testing the first hypothesis as predicted showed that strategic talent retention positively affects strategic retention performance, and that strategic retention initiatives seek to maintain an environment where talented individuals are supported and recognised. In addition, such an environment enables competent employees to reach their potential by providing interesting and challenging work, together with coaching and mentoring to address their needs. According to recent studies strategic retention practices conducted by Alhmoud and Rjoub (2019); Taylor (2016); and Hosie et al (2013), empowerment recognition and affirmation are effective tools for retaining top performers. As stated by Alhmoud and Rjoub (2019), further research of retention management is needed to investigate the effect of retention management on retention performance. This finding helps not only to close this gap but also explains how such practices positively improve the high level of retention, especially among high performing and high potential individuals. The results of the investigation of strategic retention practices showed that a lack of recognition and affirmation were the most effective tools for retaining valued employees. Most of the HR managers interviewed maintained that a healthy work environment based on respect, communication and support provided high levels of skilled staff retention in their companies.

‘Talented people here are satisfied and committed to do their jobs, because we have an open door policy and family staff style and caring organisational culture’ (A, Comp22).

Therefore, this finding was consistent with the existing literature which stated that implementing strategic retention practices which provide a healthy work environment, where competent employees are recognised and supported, results in high levels of retention.

7.2.2 Strategic Succession Management and Retention Performance

Testing the second hypothesis as predicted indicated a significant effect of strategic succession management on strategic retention performance. The significance of succession management was indicated by Sebald et al. (2005); Tansley et al. (2007); DiRomualdo et al. (2009); and Yapp (2009), when they reported that well-developed succession management with effective

career development opportunities in firms leads to high satisfaction and motivation of their employees thus achieving a high retention rate. This then leads to them filling key roles that will motivate talented individuals to perform highly and as a result gain “fast track” promotion. As suggested by Sweeney (2013), this in turn increases loyalty and engagement among valuable employees that prevents dissatisfaction leading to the desire to leave the organisation. The results of the interviews showed that companies that were able to implement effective succession management, had low levels of turnover and they were more likely to achieve high satisfaction levels the career aspirations of their employees were at the heart of the aims and objectives of their organisations.

Some other companies were not able to offer career development opportunities, because their competent employees were handling multiple roles, which, in most cases were based on admin jobs that did not offer them the opportunity to develop their real skills. Thus, the finding here regarding the relationship between strategic succession management and retention performance is found to be consistent with existing literature. Hence, strategic succession management that can offer talented individuals fast track promotion and career development opportunities is a significant factor for assuring the retention of high performing and high potential employees.

7.2.3 Strategic Talent Development and Retention Performance

Testing the third hypothesis revealed that strategic talent development positively affects strategic succession management. The important role of strategic talent development has received a considerable amount of research (Tarquie and Schuler 2010; Hartmann et al. 2010; Grobler and Diedericks 2009; Cappelli 2008; Figliolini et al. 2008; Heinen and O’Neill, 2004). According to Allen and Bryant (2012), providing talented individuals with training and development opportunities lead to improved talent retention. As discussed in the conceptual development chapter, providing high-potential employees with learning opportunities and skill-development activities, including internal and external development-programmes expands their skillset. According to previous studies (Bapna et al. 2013; Hirsh 2009) this in turn, broadens the prospects of what they can achieve within their organisation, and thus affects those with long-term career aspirations to fill key leadership roles. This was also supported by the results of the interviews which show that in most companies who implemented effective

training and development programmes for employees or trainees with high potential, tended to fill key roles in a short space of time.

The previous section on the importance of succession management on retention performance, demonstrates the relationship between strategic talent development and retention performance is indirectly affected by succession management. According to the mediation analysis, strategic talent development significantly affects retention performance via the mediator strategic succession management. The mediation analysis also shows full mediation of succession management between the aforementioned constructs which entails that only talent development and succession management together can provide a positive retention performance.

The findings of the study show a significant indirect effect of strategic talent development on strategic retention performance. As the mediator administers the underlying process of a relationship, the mediating effect of succession management proves a significant full mediation between strategic talent development and strategic retention performance. This supported the second hypothesis which proposed the mediating effect of strategic succession management on the relationship between strategic talent development and strategic retention performance. Taylor (2019) stated that training and development opportunities should be provided together to improve talent retention. As was identified by the literature review, providing talent not only involved the creation of training and development opportunities, but also career development opportunities and leadership programmes through effective succession management to help reduce turnover of talented employees (Areiqat et al. 2010; Hartmann et al. 2010). Thus, a mediating effect of succession management has been demonstrated by the study.

In this study, according to the analysis show the significant indirect effect of strategic talent development is fully mediated and completely explained by strategic succession management. This supports the hypothesis and concludes that utilising an effective succession management play a significant role in mediating the effect of talent development on talent retention. This was also explained by the results of the interviews. According to research findings stated by Allen and Bryant (2012) providing training and development and career development opportunities together improve talent retention where providing training only may not influence talent retention. In fact, providing training only may negatively impact talent retention due to the increase in talent mobility. Thus, the full mediation role and the significant effect of succession management is well supported with career development opportunities generated by strategic succession-management. According to the Resource Based View

(RBV), training and development offered to talented individuals may enhance talent mobility and thus create an intention to leave the organisation (Aguinis and Kraiger 2009; Schuler and Tarique 2012). However, the role of succession management in this study explains how this training and development should be mediated by providing career development opportunities that lead to greater talent retention. This was also supported with Ambrosius (2016) who suggested that if talented individuals in an organisation are not offered sufficient career opportunities, then training and development may not positively impact strategic talent retention because it does not satisfy their current career aspirations and so lowers retention performance. In addition, training and development enhances the potential of talented employees which leads to increased talent mobility as their skills and competencies increase. Therefore, without effective succession management that offers career opportunities to improve the skills and abilities of high potential employees, strategic retention performance decreases. According to the findings of this research, strategic succession management has a significant effect on the development and retention of employees with high potential. The findings also show that training and development without succession management does not necessarily improve strategic retention performance.

The effective role of strategic succession management was also supported by the results of the interviews. Leading companies in the industrial and manufacturing and ICT sectors in Jordan have implemented strategic talent development activities that have improved the retention of talented employees. These organisations have achieved this by providing effective training and career development programmes that enhance their talent potential. The use of these career development programmes have enabled many talented individuals to reach their full potential. Some of the strategic development activities have led to these talented employees being promoted into senior roles in as few as 2-3 years. According to the participant Comp 21, providing training and career opportunities helped to make talented individuals satisfied, committed and motivated in their work for the company, so they were more likely to stay at the company. Most of the HR managers interviewed said that by applying sophisticated TM activities with effective succession management they were able to improve strategic retention performance. For instance, Comp17 said that high-potential engineers were provided with training activities and knowledge sharing events on new technology so that they have all the information and knowledge to perform the assigned tasks. This as a result, increased their expertise and helped broaden their capabilities and career aspirations.

On the other hand, some firms had difficulties offering training and development activities, therefore failed to utilise their talent potential and had more challenging retention problems. This was confirmed by Comp6 whose company as part of a cost cutting regime had failed to implement the required training and development activities for their talented individuals and had faced major challenges with retention as a result. In addition, although many companies in the study had succession plans, few of them were able to utilise training and development as well as develop succession management in their operations that affected their retention performance and caused high turnover rates. Some organisations were able to retain talent by providing high-potential employees with professional training certification by formal education courses or e-learning, to meet their needs. This allowed those organisations to provide training and development activities to achieve a higher strategic retention performance. It was also found that participants in the study reported a high level of training and development programmes in order to develop their skills and competencies which resulted in the improving of strategic retention performance. Thus, the findings of the study agreed with the literature that the positive effect of strategic talent development on retention performance was dependent on effective succession management.

7.2.4 Strategic Talent Resourcing and Retention Performance

The fourth hypothesis proposed the positive effect of strategic talent resourcing on strategic succession management and this was shown to be true by the testing in this research. Talent resourcing activities involve the establishment of secondment opportunities with training and development agencies through governmental agencies, private sub-contractors or third-party providers (Taylor 2019). Frank et al. (2008) stated that effective resourcing activities that are associated with development activities help improve key skills among high potential employees that leads to improved succession management. Barney (1991) extended the view of RBV to suggest that creating and exploiting investments through a bundle of high-performance work practices enables the firm to create sustainable competitive advantage. Therefore, as the fourth hypothesis was supported, this supports Barney's argument that high investment in talent, by implementing strategies that improve effectiveness and efficiency, help create and develop a unique competitive advantage. Therefore, conducting strategic resourcing activities facilitates the training, developing and deployment of talented individuals to meet the

needs of the firm for certain skills and competencies. This in turn, offers career development activities where high-potential employees or trainees can improve their skills and abilities, and helps talented individuals to reach their long-term career objectives, to fill key leadership positions at some point in the present or in the future.

As discussed in the section 7.2.4, the relationship between strategic talent resourcing and retention performance is indirectly affected by succession management. According to the mediation analysis, strategic talent resourcing significantly affects retention performance via the mediator strategic succession management. The mediation analysis also shows full mediation of succession management between the aforementioned constructs which entails that only when combined with succession management does strategic talent resourcing positively and significantly affect retention performance. As the mediator administers the underlying process of the relationship, the mediating effect of succession management proves significant full mediation between strategic talent resourcing and strategic retention performance.

According to the findings, strategic talent resourcing has a significant indirect effect on strategic retention performance. Similarly, the fourth hypothesis was supported by the second hypothesis in which the findings of testing showed that the effect of strategic talent resourcing on strategic retention performance is fully mediated by strategic succession management. As identified by the literature strategic TM resourcing is concerned with the need of organisations to acquire particular skills and competencies that will foster the progression of talented individuals so as to effectively perform their roles. Strategic TM resourcing involves engagement with public sector organisations, industrial institutions or training institutions. This establishes partnerships with governmental institutions and secondment programmes providing experts for educating, training and developing talented employees to enable them to reach their full potential. This construct was developed through this study in order to examine the ability of organisations to source strategic institutional resources that enable them to provide training and development programmes, as development opportunities for talented individuals. The findings of the statistical procedures regarding strategic resourcing management were consistent with the results of the interviews which showed that organisations which provided career development programmes were able to improve their talent retention. Also, organisations that provided industrial training and development programmes through the institutional support provided by governmental organisations were able to fulfil the career objectives of their talented employees. Strategic resourcing activities as a result play an effective part in fulfilling the training and development needs of talented employees to expand

their technical and organisational skills which improves their satisfaction and motivation to progress to more senior roles in the organisation. For instance, Comp6, as a member of one of the leading companies in the medical supplies industry launched and sponsored an innovative pharmacy programme with the University of Jordan to provide students with industrial cases to enhance their potential and creativity for solving problems. The company, being in a very competitive industry sources highly talented scientists for product development and provides development opportunities to assure their retention and achieve a high return on their that investment. Thus, the finding here is that the relationship between strategic talent resourcing and retention performance is indirectly affected by succession management which was consistent with the existing literature.

7.2.5 Perceived Wasta and Retention Performance

After testing the fifth hypothesis, the findings show a significant effect of perceived Wasta on strategic retention management. This study confirms that there is a significant negative effect of perceived Wasta on strategic retention performance. However, after testing the sixth hypothesis, the findings show that the effect of perceived Wasta on strategic succession management is non-significant. This in accordance with hypothesis 2 where mediation analysis shows that Wasta has a non-significant impact on strategic retention performance via the mediator strategic succession management. Thus, the hypothesis testing confirms hypothesis 5 and rejects hypothesis 6, and the mediation analysis in the conceptual model shows that the significant effect of perceived Wasta on retention performance is only explained through the mediator of strategic retention management. These final results also show that the significant effect of perceived Wasta on retention performance is fully mediated by strategic retention management.

7.2.5.1 Perceived Wasta and Retention Performance Via Retention Management

The significant effect of perceived Wasta on retention performance via strategic retention management was supported by confirming both the first and fifth hypothesis, as well as the significance of the indirect effect shown in the mediation analysis. Therefore, this study shows that the effect of Wasta is fully mediated by strategic retention management

As was highlighted in the literature, there have been a few studies conducted on the impact of Wasta in the Arab world (Tlaiss and Kauser 2011; Tarawneh and Naamneh 2011), very limited of these studies have been focussed on Jordan (Sa'ad et al. 2013). Most importantly, after an extensive review of the literature of TM, it was found that there were no studies which examined the effect of Wasta on strategic TM (Al-Enzi 2017; Sa'ad et al. 2013; Tlaiss and Kauser 2011; Tarawneh and Naamneh 2011; Abdalla et al. 1998). While the use of Wasta is based on social connections with little consideration for qualifications or achievements, this study shows that companies that implement STM practices find it difficult to retain talented individuals. While Sa'ad (2013) suggested that Wasta practices may have a positive effect on HRM practices, this empirical study shows a significant and negative impact on TM practices. Hofstede et al. (2010) indicated that hiring people from a family known by the workforce positively affects motivation, and employee retention by reducing turnover rates. However, according to the findings of the proposed model, Wasta contradicts this statement. This supports the study conducted by Abdalla et al. (1998) assessing the perceptions of HR managers toward nepotism in Jordan which found that companies that practice nepotism in their recruitment and employee development practices find it difficult to retain qualified employees who have no family connection to the management in the company. The mediating role of strategic retention management demonstrated that the use of these Wasta practices negatively affects talented employees causing dissatisfaction which leads to a lack of commitment to their jobs. As shown by the literature, employees become dissatisfied when they see other employees, who, because of family connections gain benefits and promotion (Ali et al. 2013), thus, diminishing any form of equality by providing advantages to a group of individuals who may not necessarily merit them (Tlaiss and Kauser 2011). Wasta adversely affects retention management when employees feel unsupported or their abilities are not recognised, demonstrating the mediating effect of strategic retention management. The dissatisfaction and lack of commitment this causes can then result in employees leaving the

organisation. This also demonstrates how Wasta can reduce strategic retention performance and increase turnover rates.

In order to explain further the mediating effect of Wasta on strategic retention performance, interviews were conducted and analysed through qualitative analysis. The results of these interviews showed that Wasta was problematic because it failed to meet the standards of justice and equality proposed by Branine and Analoui, 2006. According to the case studies analysed, those companies did not have formal recruitment and selection processes, but rather the hiring of employees was based on the practice of Wasta employing family, friends or members of the same tribe. As shown by the example of the family business in the first case study (see chapter 6, section 6.4.1), where an appointment was made to the position of production manager simply because of being a friend of one of the senior managers. The appointed production manager was said to have had poor English language, managerial and communication skills as well as a poor work ethic and no respect for fellow employees. This had caused talented individuals who worked for the manager to leave the company. The absence of an effective HR Function had allowed senior managers to employ friends and family members at will regardless of their qualifications. Therefore, according to one HR manager interviewed, high potential and high performing employees become dissatisfied, and uncommitted and likely to leave as soon as a suitable opportunity comes along.

In the second case study (see chapter 6, section 6.4.2), the hiring process was based on tribal relations where most of the employees were hired based on tribal connections by the parent company with almost total disregard of their qualifications, achievements or the technical competence to perform the role. According to the HR Manager, the company had around 80 people from the same tribe where most of them were unqualified, and received benefits, including salary increments, bonuses and promotions, that their performance did not merit. These inequalities and injustices caused those employees whose talent went unrecognised to feel dissatisfied with their senior management and unsupported by the organisation. Moreover, it was found that in companies where Wasta practices were used, talented individuals were overloaded because they were more capable than those who were employed because of family connections. This unfair allocation of tasks added to the pressures on talented employees, causing dissatisfaction making it difficult for companies to retain them. In addition, a company built on Wasta practices creates problems for those employees who do not have family or tribal connections who can influence their chances of progression. Thus, talented employees can become disengaged and dissatisfied and look for job opportunities in other companies.

7.2.5.2 Perceived Wasta and Retention Performance Via Succession Management

In hypothesis 6, the effect of perceived Wasta on strategic succession management was predicted to be negatively significant. Surprisingly, the effect of perceived Wasta on strategic succession management was not supported by the testing. As shown by the literature review, according to Brainine and Analoui (2006); Weir (2006) Wasta negatively influences decision making when attracting and retaining high potential individuals and high performing employees who have not established social connections with the employer. Wasta in the Arab world is perceived as a negative influence, as vacancies, especially in Jordan are normally filled through connections to family members and friends. Therefore, befriending influential people Wasta gives advantages not only for attaining a job but also to help gain promotions and benefits (Whiteoak et al. 2006). Thus, Wasta helps those employees who have attained their jobs through their interpersonal connections to progress up the organisation but hinders the progress of talented individuals. As a result, talented individuals feel less motivated and less committed to perform in their jobs, in knowing that they cannot be fast-tracked to higher positions in the organisation (Tlaiss and Kauser 2011). This as a result create an intention to leave their organisation, which in turn affect organisational performance.

According to the statistical procedure PLS-SEM for testing hypothesis 6, the effect of perceived Wasta on succession management was non-significant which indicated that according to the indirect effect stated in the mediation analysis there was no significant effect on retention performance. Therefore, based on the quantitative results, hypothesis 6 was rejected and showed that the effect of Wasta on retention performance was fully mediated by strategic retention management. A round of interviews was conducted with HR consultants, directors in industrial and governmental institutions, a senior official in the Ministry of Labour and senior officials in the Ministry of Higher Education. According to the qualitative results, Wasta only played a major role in the recruitment and selection process for low skilled jobs. However, Wasta was used for referrals, especially for skilled graduates, but it becomes unfair when other graduates who have social connection get a higher salary and benefits. High potential graduates then become dissatisfied, de-motivated, uncommitted and then leave.

The level of sophistication, knowledge and skills needed for leadership roles in some industries, especially for medical supplies was extremely high. In these industries these skills were unlikely to be found by organisations who use Wasta, which was mostly used to fill low-skilled

jobs. For instance, the pharmaceutical industry is one of the most sensitive industries, with very high standards and special policies and regulations. Therefore, office boys or cleaners would not require a high level of skills whereas safety officers would need to be educated and highly skilled. Thus, the level of sophistication of knowledge and skills needed in specific industries prevents companies from compromising in the recruitment and selection process, especially for critical roles in higher management. In addition, the skills needed in the ICT sector are extremely high and companies look only for talented individuals with the appropriate level of competence, and because of the economic conditions no company can afford to hire or promote someone who is not talented. This is the case in communities where companies hire drivers, cleaners and labours people from the local area because they are low skilled jobs that have fewer opportunities for promotion. In addition, companies adopt informal recruitment policies using Wasta rather than use transparent formal policies which could cause conflict between employees who think that they are talented and those that are not.

7.3 Institutional Factors

According to Meyer (2008) The institutional approach helps understand the impact of environmental models on the process and structure of organisational practices in modern systems. Accordingly, this research emphasised the development of strategic TM, so the challenges and factors have been developed in an institutional framework that addresses macro level factors and their influence on strategic TM performance.

Furthermore, the challenges found in sectors targeted by this study were at a macro level and concerned mainly with socio-economic and socio-cultural issues. The socio-economic issues were exemplified by the high percentage of talented individuals who emigrated to the GCC countries, where the economic condition were more favourable, to find jobs, This caused an a huge gap between entry-level and senior-level staff and companies struggled to replace them. This study also showed that when compared to large multinationals, SMEs had not got the financial resources to compete for talent in the labour market both nationally and regionally, The low perception of the HR function by senior management contributed to nepotism and favouritism which led to Wasta being the main tool for individuals to get hired or promoted which caused talented individuals to leave these organisations. These major challenges at a country level can reduce the talent pool of highly qualified individuals. Other challenges include a lack of technicians as individuals pursue academia, rather than going into the labour market and training and development institutions who struggle to find specialists to conduct training and development. According to NCHRD, cultural issues cause individuals to pursue academia rather than a technical and vocational path. This causes an imbalance in the market due to an oversupply of graduates and an undersupply of technicians.

This research highlighted societal-cultural issues due to the norms and behaviour of managers and individuals in Jordan which brought institutional challenges focussed on the mechanisms that affect TM practices in internal and external context. According to institutional theory, social legitimacy can address institutional pressures and key actors may thus influence corporate legitimacy. Institutional theory considers organisations as social entities that seek approval for their procedures and practices in social constructed environment. (Jackson and Schuler 1995). For instance, Large MNEs to obtain legitimacy may be held to legal standards and regulations when implementing HR practices to creates a necessary trustworthy and dependable image (De Kok and Uhlaner, 2001). This theory highlights the need to consider the

institutional context including the laws, regulations, social structure, norms, values and beliefs within the internal and external environment based on the social context. Due to the limited organisational resources and information available to job seekers, SMEs face a legitimacy disadvantage in the labour market along with additional challenge brought about by the embeddedness in a global competitive environment. This make it harder for SMEs to attract talent because some managers may consider the international dimension of a career to be only relevant to MNEs.

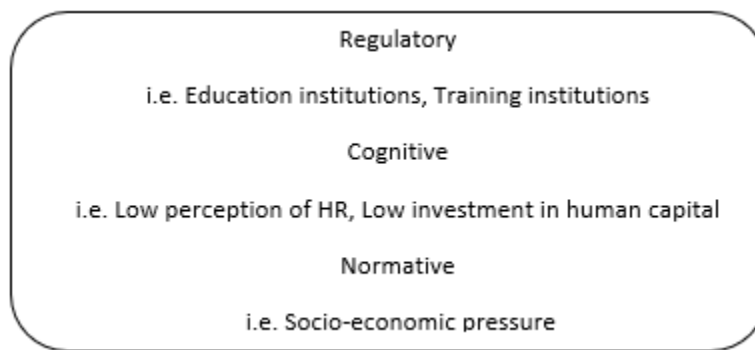
The institutional context highlighted some critical challenges, including the socio economic and socio-cultural issues that led to an insufficient institutional infrastructure, including low skilled graduates. The significance of this study is the focus on mechanisms in the internal and external environment that affect TM practices in Jordan. The key factors that affect SMEs are the corporate business structure, financial resources together with a lack of support from the government to provide training and development institutions. In some cases, the norms and behaviours of executive managers, who have used Wasta in the form of nepotism, has created a complex socio-cultural structure. Kostova (1999) conceptualises country-level effects as focusing on the institutional rather than the cultural context. However, this research highlighted country level, as well as cultural factors. Factors in the institutional context include laws, regulations, social knowledge, values, beliefs and norms. According to Hofstede, reflecting on its cultural dimensions, Jordan is a highly collectivistic community in which relationships are prioritised over tasks. This can explain why Wasta in the form of nepotism plays a vital role for individuals in Jordan to secure jobs based on social connections rather than qualifications. As a consequence, for some cases in this research, the cost has been inefficiency, not only in acquiring talented individuals but also in the structure of staffing in these organisations. In the case of the three companies studied in this research, many problems were caused by nepotism and favouritism in family owned businesses. There was an absence of a proper HR function which led to the recruitment of family members and friends to fulfil key positions, most of which were unqualified. This caused a lack of accountability and transparency in the performance management practices which should be favouring high potential and high performing individuals. As was discussed in the literature, SMEs face critical challenges in attracting, developing and retaining talented people. Krishnan and Scullion (2016) argued that SMEs tended to have informal approaches to the TM practices, adopting a more egalitarian culture, rather than the formal and exclusive approach implemented by large enterprises. As shown by the interviews with HR consultants and key stakeholders, in Jordan, the effect of

Wasta is that the family, friends or tribe members of the senior managers in organisations are all considered to be talented. This created critical as companies were inefficient in staffing and ineffective in acquiring individuals with real talent. Therefore, due to a centralised focus on resourcing in Amman with regards to education, training and development institutions as well as the resources needed in provincial areas like Karak and Ma'an, neo-institutional theory is applied in this research that can help explore the challenges in the local contexts in Karak, Ma'an and Um Rasas in the south of Jordan. In provincial areas, companies come under social pressures to hire people from local areas with little consideration of competence and achievements. C3 is a well-known HR consultant and economist stated:

‘‘As long as our economic conditions are poor, people would put more pressure on the government to hire their children. The only solution is to get significant economic growth and development to absorb more people, and then reduce unemployment. So, economic development is needed in Jordan to overcome those cultural issues.’’

Therefore, SMEs in local areas have a critical challenge in implementing TM practices as they are subject to institutional pressure. According to institutional theory, this can help explain local institutions and the way local human capital is employed as well as the basic national cultural patterns that influence the efficiency of groups and individuals. This is explored through collectivistic relationships within the community in Jordan that are more prioritised than individual contributions and achievements. This has created an even more critical challenge in local areas to implement TM practices for acquiring, developing and retaining talented individuals. Therefore, the challenges of implementing TM are more critical in provincial areas than in metropolitan areas. This also explain that in provincial areas, TM is more structural at the macro-level, while TM in metropolitan areas (the capital Amman) is more industrial based on business structure, management issues and a low perception of HR. However, the linkages between the micro and macro levels are based on issues with norms, behaviour and beliefs that impact human capital formation.

Figure 6.3 Institutions



7.3.1 Regulative Dimension

The role of the government in Jordan which has been highlighted in the literature and the national strategy for Human Resource Development (NCHRD) was to foster and promote the role of talent in economic growth. However, according to the results of semi-structured interviews with thirty companies in the manufacturing sector and ICT sector, national strategic TM has not been well aligned with the needs of SMEs in both sectors. After discussing the role of the public sector and government in resourcing the activities of organisations, it was found that TM was not well established in governmental institutions. According to Melham (2004); Afana (2004); Abu-Doleh (2000), HRM practices within Jordanian organisations require HR practitioners to understand the nature of their current applications. This was supported by most of the HR managers interviewed who showed a lack of clear understanding of TM but rather described it as a typical HR practice such as recruitment and selection or training and development, and implemented informal practices as a result.

Some companies were able to resource partnerships for their training and development needs and were able to provide coaching and mentoring and training by the use of external trainers were able to conduct coaching and mentoring by external practitioner, and training programmes by external trainers. However, most companies had to meet these needs their own business operations and resources. The technical and managerial assistant support provided by governmental institutions was not sufficient to implement TM activities which resulted in ineffective training and development programmes and led to retention problems with talented employees. Some companies in this study reported a lack of institutional support, including

training centres and industrial support. An executive manager in Comp13 stated that were not provided with the support needed to expand their plant with clear industrial map that best fit allocation of their business operation due to the impact of leather production on the environment and safety standards.

A, Comp13 indicated that their business is not well supported by government with providing proper infrastructure.

'As business regulations and rules prevent us from carrying out our business. This has affected our ability to attract and retain talented employees, because employees perceive that they have no stability in their job'

This as a result prevented the expansion of their business and thus affected the retention performance as talented employees wanting to broaden their careers were unsupported by the macro-environment. In addition, most of the HR managers interviewed stated that the training and development provided by government for technicians was inadequate. Most of the HR managers stated that when companies contact universities in Jordan for training and development needs, they found out that technical training and development in private sector organisations is superior to that of governmental institutions like the University of Jordan or the Chamber of Industry. There were companies located outside Amman who were struggling to find vocational training centres to conduct career development programmes. As a consequence, they were unable to meet the training and development needs of high potential employees. After interviewing HR managers in all organisations included in the study, it was found that most of them hold no professional HR certificates which had affected the training and development and allocation of resources to be carried out in their organisations. This had also affected the ability of the organisations to implement strategic TM programmes which in turn had a negative effect on retention performance.

7.3.2 Cognitive Dimension

As stated in the literature, Jordan is significantly influenced by its national culture and bureaucratic structure which is represented by tribalism and kinship relations. Tribe is one of the most distinctive characteristics of Jordanian culture (Branine and Analoui, 2006; Rowland 2009). This is reflected in the context of business and HRM as Wasta which creates social

networks based on family and kinship relations. The social ethos of Arab tribes does not provide a rigid hierarchical order but emphasises egalitarianism and consultation and participation (Ayubi 1995). This as a result causes nepotism to be acceptable in collectivist cultures and to be considered as highly ethical in organisations in collectivist cultures. Jordanian traditions and history have significantly shaped business and HRM policies and practices.

The social norms and behaviour of Arab management was deeply embedded in the way they perceive training and development activities. According to Nasr and Rostum's (2013) who examined the impact of skilled workers on the growth of SMEs, the lack of training was partly caused by the unwillingness of SMEs to engage employees in training and development programmes. Professional TM experts in Jordan were interviewed and they generally agreed that managers in Jordan considered training and development as an expense rather than an investment in human capital. Their perception does not take into consideration that significant investment in human capital contributes to sustainable competitive advantage. Therefore, most managers did not consider their human capital as an asset to the company, where high performing and high potential individuals could contribute to the success of the organisation. Brewster et al. (2018) stated that there was a lack of appreciation of talent which was demonstrated by their perception of training and development as a cost rather than an investment. According to HR consultants interviewed in this study who were in charge of training centres, only a few companies contacted them for training. Most managers in Jordanian organisations did not recognise the HR function as important in the organisational structure and so they did not value training and development.

This study also shows that Wasta has created an informal approach to implementing TM as the nature of socio-cultural relationships in Jordan enable employees with influential friends to use Wasta to attain jobs or promotion. This exclusive approach of TM together with the absence of a strategic HR function has encouraged organisations to use Wasta practices. The exclusive approach of TM is consistent with the collectivist nature of Jordan society. As the national culture of Jordan is based on tribalism and kinship relations this spawns the Wasta practices to employ and develop staff that has a negative effect on talent retention. Therefore, companies who implemented TM practices applied them informally so as to avoid conflicts as transparency is hard to achieve within organisations in Jordan where everybody is considered to be talented.

According to a study conducted by Deloitte (2015) over 300 HR managers concluded that training and development must be given high importance in an organisation. Brewster et al. (2018) this shows that Arab managers have the wrong mindset when they consider training and development to be a cost rather than an investment. Brewster et al. (2018) stated creating a strategic approach to the HRM function in the region is lagging behind other countries. There is a poor recognition of the strategic role of HRM in the organisation structure which together with the poor development of HRM managers is reflected in the absence of strategic HR practices such as succession management. Deloitte (2015) based on the views of 300 HR managers and executive directors concluded that training and development should be given high importance to meet the talent-related challenges reflected by education outputs,

7.3.3 Normative Dimension

The institutional normative pressure demonstrated by tribalism and kinship relations motivated by the poor economic conditions has pushed people in local communities to use these relations to secure employment and development opportunities. In collectivism as a cultural dimension, people tend to have a strong sense of group identity. The dominant group of the collectivist is based on family, tribe or religious subgroup. However, in this research some companies reported that they were under pressure from public sector organisations and people in local areas to hire people based on social connections rather than their qualifications. As long as economic conditions are poor people will put more pressure on the government to force organisations to hire their children. The solution will come, according to one participant from a leading organisation, when you get significant economic growth and development to absorb more people, and then reduce unemployment. So, economic development is needed in Jordan to overcome those cultural issues. The large presence of youth in the workforce and their high unemployment rate represents a major challenge to both government and business corporations. Although, huge investments have been made by governments in attracting and developing human capital through education, training and research programmes, the recent studies indicate a low return of positive results, which would otherwise empower management and improve the performance of talented individuals when they become employed.

7.4 Chapter Summary

This chapter discussed the key empirical findings of the quantitative analysis proceeded by the qualitative research explanatory findings in accordance with evaluating its consistency with the existing literature. This chapter started by highlighting the key themes developed which helped answering the research questions and address the research objectives by both quantitative and qualitative findings, and preceded by interpreting the impact of socio-economic and institutional factors (i.e. Wasta) within the institutional context on strategic TM performance.

The results of testing the first hypothesis (Strategic Retention Management >> Strategic Retention Performance) showed significant and positive relationship, supported by the qualitative results (i.e. strategic retention initiatives) and also consistent with the existing literature. The results of testing the second hypothesis (strategic succession management >> strategic retention performance) also indicated significant and positive relationship, supported by the qualitative results (i.e.) and also consistent with the existing literature. This was demonstrated by the findings in consistency with the existing literature in which firms that were able to provide well-developed succession management with effective career development opportunities had higher levels of satisfaction among talent and in turn lower levels of turnover.

By previously confirming the second hypothesis and in relation to the results of testing the third hypothesis, along with the significant indirect effect (Strategic Talent Development >> Strategic Retention Performance), strategic talent development had a positive and significant effect on retention performance. This was also supported by the qualitative results and consistent with the existing literature in which firms that were able to provide training and development opportunities along with long-term career aspirations, had higher levels of satisfaction and commitment to stay and fulfil leadership roles.

Similarly, the results of the fourth hypothesis along with the significant indirect effect of (Strategic Talent Development >> Strategic Succession Management >> Strategic Retention Performance), strategic talent resourcing had a positive and significant effect on retention performance. This was supported by the qualitative results and consistent with the existing literature in which firms that offer effective resourcing activities help improve succession management and in turn increase talent satisfaction and motivation to fulfil leadership roles and so talented individuals intend to stay at their organisations.

The impact of Wasta according to the results of testing the fifth hypothesis and the mediation analysis along with the qualitative results show significant but negative indirect impact on retention performance which is consistent with the existent literature. According to the qualitative results, the inequalities and injustices caused talented employees to feel dissatisfied with their senior management and unsupported by the organisation. Due to poor strategic retention management, talented employees were dissatisfied caused by unfairness and inequality and thus made it difficult for those firms to retain them. However, the results of testing the sixth hypothesis surprisingly show no significant relationship between Perceived Wasta and Strategic Succession Management which was inconsistent with the existing literature. Due to this results, in-depth semi-structured interview were conducted to explain the non-significant relationship. The interpretation highlighted that Wasta is widely used in the recruitment and selection process particularly for low skilled jobs, with few cases in high skilled jobs. In addition, the level of sophistication, knowledge and skills needed for leadership roles in particular industries (i.e. medical supplies) was high, and this had no chance of using personal connections with disregard to achievement and merit to succeed in leadership roles in such organisations.

The institutional context pointed out some critical challenges, including the socio economic and socio-cultural issues that led by means to lower STM performance according to this study. It was indicated that TM vision was not well-embedded in governmental institutions as HRM practices within Jordanian organisations require professional HR practioners to understand the nature of their current applications. This was supported by most of the HR managers interviewed who showed a lack of clear understanding of TM who generally described it as a typical HR practice such as recruitment and selection. In addition, there was lack of understanding HR as a key function and strategic role, but rather was more perceived as personnel than a HR.

As discussed, the social norms and behaviour of Arab management perceive strategic development activities as an expense rather than an investment in human capital. The cognitive dimension shows how Jordan is significantly influenced by its national culture and bureaucratic structure through tribalism and kinship relations which make it seem acceptable for individuals in a collective culture to use Wasta rather than education and qualification. Therefore, the normative dimension shows also how the public sector in some cases had more pressure on companies to hire people from local community in order to address critical economic challenges (i.e. high unemployment rate). The next chapter concludes this research with

overview of the key findings in relation to the research gap, along with theoretical and practical contribution, and finally with limitation of the study and further research.

Chapter 8 - Conclusion

8.1 Overview of the Research and Key findings

The intention of this study was to provide a holistic understanding of the key factors affecting strategic talent retention performance in small and medium size enterprises (SMEs) in Jordan. Therefore, the key micro and macro level factors were identified and analytically tested to confirm the hypotheses developed in this research. In this research, Wasta was identified as a macro factor derived from national culture that influences the retention of talented individuals. This study extended beyond the factors at the organisational level to consider those at a country-level. Thereafter, qualitative research took place to explain and interpret in more detail the initial results from the quantitative phase to further support the research findings and address the research questions. In doing so, the key measurement scales for all constructs in the conceptual model were developed.

8.1.1 Overview of the Research

This research started with an extensive review of the literature to examine the concepts and key theoretical frameworks for talent management (TM) with a primary focus on strategic processes, philosophies and practices. Due to the limited research on TM in Jordan, the literature review also focussed on the Middle East and included a critical discussion of strategic TM practices. Traditionally employees were recruited and developed into a particular role and the management of these processes was performed by the HR function at an individual level. However, this approach did not include processes for managing talented individuals and so those with potential moved on to other organisations where their talent would be recognised. This challenge motivated Middle Eastern organisations to shift their HR practices to a more strategic level in order to manage and retain talented individuals. The examination of the

literature showed that Arab countries, and especially Jordan faced a particularly critical challenge caused by the prevalence of nepotism or what is called Wasta.

Wasta as a type of nepotism and favouritism offers family members and friends priority over organisational benefits and resources (Budhwar et al. 2016). This diminishes any form of equality when advantages are only provided to a group of individuals who may not necessarily merit them (Tlaiss and Kauser, 2011). Thus, a consequence of companies using Wasta is that employees not part of the family are disadvantaged, and they leave the organisation and talented individuals can be lost. The literature showed that training and development, strategic succession management, effective retention management were effective initiatives for retaining talent.

This was thoroughly supported in the model development by applying the resourced based view which suggested that strategic talent management (STM) and the existence of a human-capital pool geared to the business objectives were necessary to give companies a sustainable competitive advantage. According to the RBV, human capital can provide a competitive advantage when it is valuable, rare, inimitable and non-substitutable. Therefore, by investing in their talented employees' companies are more likely to retain them and thus, sustained competitive advantage can be achieved.

A conceptual model was developed to address the gaps in the TM literature which consisted of a framework with six constructs. The constructs included Wasta, strategic retention management, strategic succession management, strategic talent development, strategic resourcing management, which were the exogenous variables, and talent retention performance, which was the endogenous variable). Based on this framework, six hypotheses were proposed to test the relationship between the exogenous and endogenous variables.

The research sample was drawn from SMEs in both the industrial and ICT sectors in Jordan. The industrial sector was chosen based on its high contribution to the GDP in Jordan, and the hub for the highest number of SMEs in Jordan. The ICT sector was chosen as one of the fastest growing and leading sectors in Jordan.

The first phase of data was the collection of the quantitative data for the research. This data was collected by questionnaire which was filled in by senior representatives of companies in the private sector and senior officials from governmental institutions drawn from the research sample. The participants were asked appropriate questions to determine the relationship between the variables in the hypotheses. A confirmatory and explanatory analysis

of the results from the questionnaire was then conducted in order to test the hypotheses. The test was performed using the structural equation modelling and mediation analysis procedures implemented in the SmartPLS software.

In the second phase qualitative data was collected by the use of semi-structured interviews conducted with the participants who had filled in the questionnaire. The interview data was then categorised into themes and thematic analysis was performed. The thematic analysis was used to provide an explanation and more detailed understanding of the relationships between the variables and the results of the hypothesis testing from the first phase.

The combined results of the questionnaires and the interviews identified the practices that were necessary for effective STM.

8.1.2 Summary of the Key Findings

Prior to discussing the contribution of this study, a summary of the key findings is presented. According to the statistical procedure five hypotheses were confirmed and one hypothesis was rejected. The findings of the study showed that strategic retention management, strategic succession management, strategic talent development and strategic resourcing management were key organisational factors for retaining talented individuals. Furthermore, the findings of the mediation analysis showed that strategic retention management and strategic retention management were the most critical factors and each had a direct impact on retention performance. However strategic talent development and strategic resourcing management both had an indirect effect on retention performance because the effect was mediated by succession management. Wasta was found to have a significant but negative effect on retention performance. However, Wasta had a significant negative indirect effect on retention performance through the full mediating role of retention management, as the impact of Wasta on succession management was found surprisingly to be non-significant. This also indicated that the findings with the confirmed hypotheses were consistent with previous parallel literature while the rejected hypothesis was inconsistent with existing literature. These findings are

discussed in more detail in the following confirmatory (quantitative) and explanatory (qualitative) results of the confirmed and rejected hypotheses.

- **Strategic Retention Management and Talent Retention Performance**

The results of the testing of hypothesis 1, showed that implementing strategic retention activities had a positive effect on the retention of high performing and high potential individuals. The results of the interviews showed that if organisations recognised and affirmed their talented individuals for their valuable and unique contribution it would help retain them and help to achieve sustainable competitive advantage. Providing this sort of organisational support enhances talent embeddedness within the company, increases the commitment of the talented employees and hence improves talent retention overall. By gaining the commitment of employees this then supports the organisation in reaching its goals and improves organisational performance.

- **Strategic Succession Management and Talent Retention Performance**

The results of the testing of hypothesis 2, showed that utilising effective succession management offers high performing and high potential individuals the opportunity to fill leadership roles which should have a positive effect on talent retention. This was supported by the results of the interviews which showed that strategic succession management which provides career development and promotional activities will expand the skillset of high potential employees which has a positive effect on employee satisfaction and should then improve talent retention. Therefore, succession management is important for the retention of talented individuals as they are career minded and will not stay in an organisation that does not provide opportunities for advancement. The hypothesis was thus confirmed.

- **Strategic Training Development and Talent Retention Performance**

The results of the testing of hypothesis 3 showed positive and significant effect of strategic development activities on strategic succession management. This was supported by the interview results which show that weaving effective training and development activities into the fabric of an organisation will broaden knowledge, increase effectiveness, increase motivation and satisfaction, encourage advancement, and lead their talented employees into critical jobs. The hypothesis was thus confirmed.

By confirming hypothesis 3 and 2, along with the significant mediating effect of strategic succession management, strategic talent development significantly affects talent retention performance. This also indicate that effective training and development programmes in line with strategic succession management offer talented individual achieve long-term career objectives to fill key leadership roles, and hence improve talent satisfaction and motivation through challenging and rewarding experience.

- **Strategic Talent Resourcing and Talent Retention Performance**

The results of the testing of Hypothesis 4 showed that strategic resourcing activities had a significant positive effect on strategic succession management. This was supported by the interview results which showed that by establishing secondment programmes and training with industrial and professional agencies, facilitated the development of talented individuals, offering them skills and competencies, which led to their effective deployment into critical roles in the organisation. The hypothesis was thus confirmed.

By confirming hypothesis 4 and 2, along with the significant mediating effect of strategic succession management (full mediation), strategic talent resourcing significantly affects talent retention performance. This also shows that partnering and engaging with sectoral or governmental institutions for providing training and development programmes together with the appropriate strategic succession management activities offers talented individuals advancement in the organisation the opportunity to reach higher career levels and advance

upward. This in turn improve talent satisfaction and motivation by providing them special development programmes that enhance their skills and competencies.

- **Perceived Wasta and Talent Retention Performance**

- **Perceived Wasta and Talent Retention Performance via Retention Management**

By confirming hypothesis 5, statistical support was found to confirm that the impact of Wasta is significant but negative on strategic retention management. In line with supporting hypothesis 1 as discussed above, along with the significant mediating effect of strategic retention management (full mediation), statistical support was found to show the significant effect of Wasta on talent retention performance. Consistently, with the qualitative results, the results of the testing of Hypothesis 5 showed that Wasta had a significant negative effect on strategic retention management. This was supported by the interview results which showed that employees were hired and promoted based on their kin, family, tribe or friendship relations with a total disregard of their qualifications or competence. This created a power structure based on social connections where well-connected employees were provided with more benefits and promotions. This in turn created an unfair allocation of tasks, where all key responsibilities were allocated to talented employees, who then became overloaded with total absence of recognition and support. This caused talented individuals to become dissatisfied, demotivated, and uncommitted. This lack of recognition or support increased the likelihood that they would leave the organisation. This was consistently validated by the existing literature (section 7.2.5.1), that showed the negative effect of perceived Wasta on the retention of talented individuals. The hypothesis was thus confirmed.

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▪ **Perceived Wasta and Talent Retention Performance via Succession Management**

The results of testing hypothesis 6, showed that Wasta did not have a significant effect on strategic succession management. Also, it was shown that Wasta did not have a significant indirect effect when mediated by strategic succession management

The results of the testing hypothesis 6, shows no statistical support nor significance was found to confirm the impact of Wasta on strategic succession management. Although hypothesis 2 was confirmed, the indirect effect of Wasta on talent retention performance, was found to be non-significant when mediated by succession management. This was found to be inconsistent with existing literature as was discussed (section 7.2.5.2). It was hypothesised and predicted that Wasta affect significantly and negatively succession management, as the use of Wasta foster the progress of Wasta relative employees to move up in the hierarchy structure and fill high managerial roles by befriending influential people. However, it was statistically found non-significant effect of perceived Wasta on succession management.

The results of the interviews showed that Wasta is widely used for hiring entry-level such as graduates who are given higher pay and rewards than non-family members which create negative incentives of unfairness and injustice that affect their motivation to do their work and then leave. However, in most cases Wasta is used to fill low skilled jobs such as labours, drivers and cleaners who do not possess the minimum skills and qualifications to move up in the hierarchy structure to fill mission-critical or leadership roles.

According to the statistical results of the two aforementioned hypotheses followed by further qualitative interpretations, the significant effect of Wasta on retention performance (indirect effect) is fully mediated by strategic retention management.

8.2 Theoretical Contribution

The significance of this study was to also examine the macro-view of TM at a country level in Jordan. Due to the cultural and institutional differences the practices of the West have yet to be validated for suitability in Jordan. This provides an opportunity to generate an original contribution as most of the theoretical concepts and models have emerged from the US and UK, but not from a country such as Jordan with scarce resources and a complex socio-cultural system. This chapter also determines the degree to which the culture, institutions and organisational practices contribute to the effectiveness of TM. Therefore, this study attempts to provide valuable insights into the design of TM practices and the impact of macro-level factors on those practices. Therefore, this chapter will discuss the theoretical contribution of this research to the theory of strategic TM.

The review of the literature highlighted that little consideration has been given to SMEs since TM issues may significantly vary in different types of organisations. In addition, according to the review of the literature the macro or country level view of TM has been largely ignored and the majority of TM literature focusses on the individual and organisational levels, or offers comparisons on how organisations adopt TM practices (Vaiman et al. 2019; McDonnell et al. 2017; Al Ariss 2014; Farndale et al. 2014). The review of the literature and peer review of published research (McDonnell et al. 2017) showed that there has been no investigation into TM practices and the impact on retention performance in Jordan. In addition, the effectiveness of TM at the organisational level when affected by country level factors (i.e. Wasta) also has not been examined. However, this study contributes to the existing TM literature and extends beyond the organisational level to the macro or country-level. Therefore, this study provides valuable insights on how environment, process and outcomes are interrelated by assessing the relationships between factors, such as Wasta and TM processes in Jordan. Also, reviewing the literature highlighted that although studies have been conducted in Jordan into HRM practices, few have been conducted into TM. Furthermore, there are a limited number of studies that examine and analyse the impact of Wasta on HRM practices. Therefore, this study aims to contribute to the literature of TM by addressing these gaps and add to the body of knowledge in the field.

This study makes several theoretical contributions to research on STM in Jordanian SMEs. These include talent retention, RBV and national culture (i.e. Wasta) and its institutional context as well as research on HRM. This study shows that RBV is an appropriate theoretical framework to explain the strategic importance of efficient STM. The key findings of this study show that human assets alone cannot be considered as a source of competitive advantage. The results indicate that companies must have both human capital and STM practices to manage them. In this research, strategic talent retention was the core focus of the analysis

8.2.1 Talent Management and the Resource-based View

The findings of the study show that strategic talent development and strategic TM resourcing are critical for improving strategic retention performance. Prior research has confounded the impact of training and development on retention performance (Taylor 2019). Several studies have addressed whether training and development affects retention performance. However, one of the main contributions in this study, is the demonstration of the full mediation of succession management between both strategic talent development and retention performance and between strategic TM resourcing and retention performance. The training and development of high potential employees enables them to acquire key skills and competencies that are essential to perform key roles and advance in their careers (Aguinis and Kraiger, 2009; Schuler and Tarique 2012). However, according to Kraimer et al. (2011); Taylor (2014) training and development activities may not necessarily have a positive influence on retention performance. Nevertheless, training and development programmes may have negative implications and create challenges for companies to retain talent as the enhancement of particular skills and competencies may increase talent mobility (Kraimer et al. 2011; Taylor 2014). Thus, talented individuals may leave their organisations looking for opportunities for career advancement and development in other companies as the higher their mobility, the more likely they are to be attracted by another company (Ambrosius 2016; Kraimer et al. 2011). Thus, the mediating effect of strategic succession management plays a significant, as well as, strategic role in facilitating career development opportunities. According to Gandossy and Kao (2004) effective succession management which offers career development opportunities helps improve the skills and abilities of high potential employees, and thus achieve higher retention rates overall and of talent in particular (Sebald et al. 2005; Tansley et al. 2007; DiRomualdo et al. 2009;

Yapp 2009). Therefore, the key effect of succession management by providing talented individuals by training and development programmes is to raise the potential of talented individuals to reach managerial positions, which should significantly improve retention performance.

8.2.2 Resource-based View and Wasta

The RBV refers to talent as valuable, rare, inimitable and non-substitutable resources that organisations seek to obtain in order to gain sustainable competitive advantage (Barney 1991). It is one of the most dominant theoretical frameworks in TM that explains how talented individuals can be a source of competitive advantage. In addition, organisations can only preserve the value of their talented resources by preventing them from being captured by rival firms to acquire and replicate their talents (Sparrow and Makram 2015). The essence of inimitability emphasises the role of strategic retention management for talent individuals, since human capital is not fully controlled or owned by the organisation. Thus, without effective retention management, human assets may leave, transferring valuable talent resources to other employers and hence a potential source of competitive advantage may be lost. The social structure where firms operate cannot be isolated, since an organisation is a social system that operates within the context of a particular society, it cannot be immune from broader socio-cultural forces. However, when a company fails to retain their talented employees, they lose their competitive advantage to other companies, and thus, it becomes easier for these companies to imitate those talents. As a consequence, organisations have to ensure that their STM practices are effectively implemented in order to reduce the likelihood of talented individual leaving.

The form of support given to talented individuals and recognising their unique talents shows that the company cares about their well-being and values their significant contribution. This encourages employees to be committed and motivated to perform their roles and contribute to the success of the company (Ambrosius 2016). This as a result enhance their feelings of embeddedness in the company and so improves the company's retention performance. However, according to the findings of this research Wasta practices have a negative effect on strategic retention management as talented individuals observe unfairness and inequality in the allocation of benefits like salary increases or job opportunities.

The RBV recommends that there needs to be a significant investment in talented individuals, if this does not happen it shows that the organisation does not value them. If the individual detects this then it could have a negative effect on their commitment to the organisation and make it more likely that they will leave.

8.3 Managerial Implications

This study also makes several recommendations to management for the effective deployment of human capital at both organisational and governmental levels.

8.3.1 Talent Management at Organisational Level

The research showed that the strategic role of the HR function was not recognised in many organisations. This was reflected by the absence of strategic HR practices such as strategic succession management. However, organisations that recognised the value of STM practices were more likely to retain their talented individuals. While SMEs face the liability of smallness with fewer resources and limited ability to compete or offer benefits in comparison to large firms, they should offer a range of training and development programmes and exposure to different experiences to provide career development opportunities to their talented employees so as to retain them. Due to their limited ability to offer salary increases and benefits, SMEs should consider STM practices that encourage the recognition, commitment and satisfaction of talented individuals. The results of this study reinforce the importance of strategic succession management as a key practice to increase retention performance. Effective talent retention should focus on strategic processes and practices that prevent talented individuals being attracted to another organisation. In order for SMEs to survive and grow in a highly competitive environment, retaining their talent must be a top priority to achieve a sustainable competitive advantage and stay ahead of rivals. This study specifically highlights the importance of retention management, training and development and succession management.

Embrace a Talent Mindset

According to this study Jordanian HR managers and executive managers were not convinced about the need to have proper procedures for the management of talent even showed a lack of understanding regarding the value of HR as a strategic function. This mindset has led to the poor development of the HR function in Jordan. Therefore, the need to change the mindset of top managers must be recognised by industrial, sectoral and governmental institutions. Unfortunately, this mindset extends beyond organisational level into the institutional and governmental levels as the problem is deeply rooted in the socio-cultural relations in Jordan and the widespread use of the traditional personnel function masquerading as a modern HR function.

The mindset of the family business is one of the major characteristics of small and medium enterprises in Jordan. In this characteristic, a one man show approach is dominant which allow the manager/owner to lower the status of HR as a ‘common sense’ function that does not need professional skills. Thus, as has been shown by this research, the HR role is ineffective in the recruitment and selection, training and development and reward processes. In order to implement STM practices that aim to sustain a competitive advantage by developing and retaining talented individuals, GM and CEOs, not only HR managers must be committed to embrace a talent management mindset.

According to the views of HR consultants interviewed on human capital trends and challenges, there is a need to focus on: (1) learning and development activities together with career development opportunities that nurture and enhance talent; (2) reinventing HRM to transform it into a true-partner of business; (3) the development of efficient leadership that will promote equality and fairness in recruitment and development of the workforce; (4) the development of organisational culture with the aim of engaging and retaining talented individuals.

Implement Strategic Development Opportunities

Jordanian SMEs should aim to further develop talented employees and provide career opportunities by open communication to establish their needs. Jordanian organisations must make development a permanent part of their effective retention management. Talented

individuals are inclined to leave their organisations if they feel they are not growing and being stretched. According to the results of this study, training and development in Jordan is still regarded as an unnecessary function and a costly waste of time rather than an investment in human capital. Jordanian managers did not consider that relative investment in a select group of high performers could contribute to the success of their organisations. However, in order to make training and development more effective, organisations and sectorial representative should shift from the typical training programmes such as workshops, seminars, formal education courses and class activities to E-learning to speed the adoption of new processes.

However, Jordanian organisations in collaboration with governmental institutions should change the way they develop people by shifting from typical training programmes, including workshop and seminar class activities to E-learning to make training and development more valuable, effective and efficient. Sectorial representative should work alongside Jordanian SMEs and non-governmental organisations to initiate E-learning by using online courses from anywhere with an internet connection. This in turn save time and effort and improve efficiency claimed by family business owners/managers. The implementation of E-learning speed on new operational processes and thus enable more strategic level of HRM and TM that improve cost and efficiency savings that contribute to organisational performance.

Recognise and Affirm Talent

Organisational support is crucial for all Jordanian employees, especially high potential and high performing employees. By affirming achievements and contributions by implementing systems that not only offer high pay and rewards but also give frequent feedback, effective coaching and mentoring, and challenging tasks. The more organisational support they can offer, the more they will be able to retain talented individuals. This support will encourage employee embeddedness within the company that can improve their commitment and help the company achieve its goals and thus improve organisational performance. Jordanian organisations facilitate open communication by adopting open door policies and encourage a staff family style by creating a caring organisational culture. These initiatives will enable talented individuals to reach their potential and help to assure their engagement, commitment and loyalty toward the organisation and thus improve talent retention.

HR policies should represent part of the normative structure which is important to initiate change, taking into consideration non-family members and their perceptions of equality and fairness. Effective mechanisms should be introduced that offer more transparent HR policies with regards to retention management, succession management and pay and reward systems in order to protect the interest of non-family members, including employees and managers. Non-family members accept succession management practices that ensure that the successful replacement of a member of staff has the leadership skills that are required by the role. In addition, the HRM policies should have clear job descriptions with a formal recruitment and selection process. These processes should verify that the successful candidate possesses the required skills, knowledge and experience as well as appropriate qualifications for the role, a practice that is not usually found in family owned businesses in Jordan.

8.3.2 Governmental Level Activities for Facilitating TM

Public efforts have been directed at overcoming the negative implications of Wasta by focusing on legislative reform and improving transparency. However, changing legislation often proves to be a lengthy process and Arab countries often face difficulties with implementation which reduces the chance of general compliance. Moreover, it is important to understand that Wasta is deeply rooted in society and is hard to prevent in countries with poor economic conditions where unemployment rates are as high as 20%. As discussed, in the normative dimension, economic growth and development is crucial in order to absorb more people and hence reduce the unemployment rate. Therefore, along with economic development, more innovative strategies to prevent Wasta must be adopted to attempt to reduce the negative impact on talent retention. These strategies should prevent talented individuals from moving to wealthy and more developed countries with equal HRM policies and less cultural issues.

Institutional Entrepreneurship

Institutional entrepreneurship is a method that can be used to mitigate the impact of nepotistic practices by establishing forums that aim to provide support by spreading awareness on key practices and responsibilities to both enhance organisational performance and achieve fairness and equality. The provision of a learning program for entrepreneurship will help to change the typical mindset of business owners and teach them how to effectively and efficiently manage

their business and to clarify the role of key business functions including HRM, finance and marketing.

It is important to change from a traditional bureaucratic management style to one that is more strategic in order to ensure the decision making reflects the bigger picture.

Institutional entrepreneurs are agents that advise on change strategies for the long term. They consist of family company owners and independent professional managers who work together alongside governmental institutions to bring about change and develop practices that bring equal opportunities and fair treatment of the workforce. These institutional entrepreneurs are having experience in education and training for entrepreneurs and can work with SMEs in each sector. The aim would be to implement practices that recognise the potential of talented individuals and acknowledge the part that they play in achieving competitive advantage for companies. They are also able to provide counselling with staff from all business functions to encourage them to adopt a more strategic perspective. There are several examples of SMEs in this study that have been able to leave behind the family business image and are now managed by local professional managers. These managers are able to resist the social pressure of hiring family members and close friends. The economic initiatives advised by IMF and the World Bank stressed the need to increase the number of well-educated managers, make changes at the political level, and spread awareness among the labour force to question nepotism and move away from nepotistic behaviours.

Undertaking other world experiences which operates at the cognitive cultural in legitimising best practices. For instance, in the same concept as in China, Guanxi was coped with by starting to show signs of confronting to Western norms. This research, highlighted a strong relationship between workplace diversity and employee retention that acts against Wasta. The Danish implementation is one of the important frameworks that mitigates the impact of nepotism by linking social responsibility with diversity management. It may seem challenging to implement such initiatives in the Arab world and integrate both 'kindness to family' and 'equality to all'. However, Islamic principles such as *Amana* (Honesty) and *Taqwa* (Conscientiousness) and *Birr* (caring justice) are well grounded in Arab/Islamic culture which can be translated in organisational practices by adopting, for instance, the 'Justice test'. There has to be fundamental changes at the macro-institutional level in order to have any effect on nepotism. This requires the long-term support of government institutions to work as social agents to facilitate change by establishing councils and forums to offer SMEs in Jordan advice and

support and by an active dialog between them design and implement codes of practice for other companies to follow.

National Human Resource Development

The National Strategy for Human Resource Development (NCHRD) in Jordan which was established in 2016 was intended to create an enabling environment that influences the capabilities of organisations and individuals through macro-level policies and social norms. However, according to the results of this study, it has not been successful as there is still a big gap between higher education and needs of employers which is reflected in an increasing unemployment rate that reached 20% as of 2018. However, many organisations in this study reported a poor regulatory regime and an infrastructure that does not support their operations, especially the provision of the necessary training and development institutions. In addition, the policies of NCHRD do not engage with TM at the organisational level in which the HR strategic role in most cases is absent. According to the resourcing activities conducted by SMEs within the public sector, there is a lack of collaboration between the public and private sector that has inhibited the development of sufficient workforce capacity.

In order to curb the rising unemployment in Jordan, they must generate jobs by empowering the creation of Small and Medium Enterprises (SMEs), providing the necessary technical training for unemployed talents to facilitate their integration into the workforce, and providing them with micro-finance loans to establish small businesses. Jordan through the NCHRD realises that investments in research and education are the key pillars for successful transition to the knowledge economy (Al Ariss 2014). Thus, they should compete to build the necessary infrastructure to train, nurture and form the local nationals. For instance, Qatar Foundation was established by the government to “support Qatar on its journey from a carbon economy to a knowledge economy by unlocking human potential”. Universities like Georgetown University, Carnegie Mellon, University College London in Qatar, and others to create a vibrant, competitive, and innovative culture of serious scholarship in Qatar (Al Ariss 2014). In Dubai, the Sheikh Mohammed Bin Rashid Al-Maktoum Foundation was established for the purpose of creating leaders that are equipped with the talent, knowledge, and training to make a difference in the region. The mission of the foundation is to “Provide Arabs with opportunities to guide the region towards a knowledge economy through promoting entrepreneurship,

research and innovation, enhancing access to quality education and professional development; and supporting the production, acquisition and dissemination of Arab knowledge sources.

Educational systems and policies have to be revisited and redesigned to align them with the job market needs. New educational systems that rely on critical thinking, quantitative methods, communication skills, problem solving, team work, and entrepreneurial skills need to be introduced to the schooling system in the region (Al Ariss 2014). Moreover, students need to be acclimatized to the working environment before they graduate through internships programs that have to be a mandatory component of their learning experience. Selecting a specific educational stream should emanate from the interest of the students, who should be supported by proper advising and guidance well before they reach high school to know what career path they want to take and what is the best academic program that can lead them there. Educational policies, on the other hand, need to stress introduction of international best practices while developing the curricula, implementing them, and training teachers to properly deliver them (Al Ariss 2014). Also, government policies need to indicate the importance of updating textbooks, teaching materials, and methodologies to cope with the dynamic and changing job market requirements. Continuous training and support for teachers should be emphasized through clear government policies that articulate the number of hours that they need to train and what aspects they should focus on.

8.4 Limitation of the study

This study is one of the few studies that addresses the relationship between the culture and STM practices of SMEs in Jordan and the effectiveness of TM, but there are a number of limitations that could be addressed in future research. They are as follows:

This study shows the impact of only one macro-environmental factor, in the form of Wasta and more macro-environmental factors could be added in the conceptual model including governmental policies and programmes, country competitiveness, and education. This could also help to examine MTM by evaluating the impact of governmental and non-governmental activities on TM outcomes and performance at the organisational level.

This study, to the best of the researcher's knowledge is the first empirical study to examine the impact of Wasta on TM. This has created challenges for the preliminary research design in establishing relationships between Wasta, TM processes and TM performance/ organisational performance. This as a result created difficulties when building and developing relationships in the proposed conceptual model.

The topic of Wasta is considered very sensitive and an important issue in Jordan. Therefore, it was difficult to conduct semi-structured interviews and record them with participants who face such issues in their organisation. Therefore, it was very challenging to avoid participation bias who were not willing to discuss such issues as they were more concerned with their interest with their top management where few case studies were included in this study. Hence, one technique that could be used when discussing the impact of Wasta is to not record their views and responses to obtain more in-depth new insights to this topic.

This study provides only one aspect of national culture which is related to nepotism in Jordan and disregards other dimensions of national culture such as Islamic and ethical principles, in particular trust and *Amana* (Honesty) The main focus was on Wasta and did not examine the influence of the Hofstede cultural dimension on TM practices and performance.

8.5 Further Research

This research has highlighted macro-level factors that affect TM processes and outcomes at the organisational level so further research could be concentrated on other factors including governmental policies and programmes, country competitiveness, and education. This could also help to examine MTM by evaluating the impact of governmental and non-governmental activities on TM outcomes and performance at the organisational level.

This research was limited to the culture of Jordan and thus further research could expand to a cross-cultural level that would provide a comparative study in different Arab countries on how Arab/Islamic cultural values and principles affect TM processes. The investigation of such research would help to support the validity of the findings and expand on the theoretical development generated from this research. There is a need to examine TM in sectors or contexts beyond SMEs, MNCS or the public sector that are not covered in the literature of TM. The review of the literature shows a central focus on the systems and processes of TM by managing a talent pool of highly talented individuals. In this study, talent refers to people with high potential and high performance. However, a key understanding of TM is what determines high potential and high performance which would benefit by further research. The following suggestions of other further research, highlighting interesting areas with regard to TM

- Comparable study of TM practices between SMEs and MNEs in a particular context to examine the impact of national culture on the transfer of TM practices of MNEs to SMEs.
- Examining country level management systems (i.e. education and HRD) and their impact on TM at organisational level
- A study of the impact of Wasta, Guanxi and Blat on TM practices, TM performance, and succession management performance, in a local context.
- Evaluating the talent identification process and the factors that influence talent decision-making.
- An evaluation of identification methods for high potential and high performing individuals in private sector organisations

- Examining TM practices in the public sector and the effect on fairness, equity and justice of decision making. The significance of this study is to expand beyond the context and scope of multinational and private organisations

8.6 Chapter Summary

TM presents a paradigm shift from typical HRM practices toward strategic practices that aim to help build and sustain firm's competitive advantage. TM comprises strategic activities that align organisational factors with external environmental factors that HRM has not yet engendered. According to the exiting literature, TM remains limited in scope over SMEs with uncritical application as the primary focus is based on MNEs. Due to the rapid growth of SMEs in recent years, the shortage of management and leadership talent has emerged as a key challenge facing SMEs for implementing their strategies. Therefore, SMEs have tended to develop talent internally and focus on retaining them. According to recent studies, including Alhmoud and Rjoub (2019) study, lack of internal development as well as lack of recognition and motivation demonstrated more strategic factors than extrinsic rewards that cause high turnover among highly competent employees. However, few studies have investigated relationships between talent retention and turnover, at both organisational level and macro level.

As turnover rates in the Middle East appear to be increasing in recent years where talented individuals intend to leave their organisations or even emigrate to other countries in search of equal access to labour market, this research aimed to examine organisational and external factors and their influence on retention performance. While RBV focuses on the development of human capital who are valuable, rare, inimitable and non-substitutable resources that organisations seek to obtain to gain sustainable competitive advantage, however human capital cannot be considered immune from broader socio-cultural forces. Due to bureaucratic management issue as well as major influence of Wasta in the business structure and the national culture in Jordan that prevent nurturing and developing talented individuals, Jordanian organisations faces major issues surrounding the development and retention of talent. Thus, this research aimed to examine the impact of micro organisational factors as well as macro (i.e. Wasta) factors on talent retention performance among SMEs. Based on micro and macro level approach, a conceptual framework was developed, along with formulating model hypotheses in order to examine relationships between organisational factors and external factors (Wasta) on talent retention performance.

This research has extended beyond organisations to involve the macro representation which has been largely ignored in the literature of TM, to offer more holistic view of the management of talent. This research also shed light on Jordan as a varying context where organisations operate under different socio-economic and institutional contexts than the very well-known western contexts, including US and UK. The mounting socio-economic issues have demonstrated an obstacle to retain highly valuable employees due to prevalence of Wasta in the specified context.

Through a mixed method approach, confirmatory and explanatory design were adopted to address the specified research questions. A quantitative method was employed to test and confirm the hypothesis developed throughout the study. A qualitative method was preceded to further support interpreting the relationships between variables and explain the institutional factors that affect the strategic talent management process. Due to serious challenges with data collection in Jordan, convenience and snowball sampling were applied, and data was collected from the manufacturing and ICT sectors as the sectors with the largest number of SMEs in Jordan as well as the two of the most contributing sectors to Jordan economy. By collecting a total of 250 surveys, followed by 25 semi-structured interview and 10 (in-depth) semi-structured interview, this research produced and found significant findings that were further explained and expanded to an institutional context by applying a regulatory, cognitive and normative framework. By using structural equation modelling (SmartPLS) to test proposed model along with mediation analysis based on quantitative data, as well as using a thematic approach (NVivo) based on qualitative data, this research produced significant findings that theoretically and empirically contribute to the literature of TM.

This research has found significant relationships that STM practices as organisational factors demonstrate to retain highly competent employees. With the effect of implementing strategic activities that involve strategic development, succession and retention initiatives, organisations are able to sustain their competitive advantage by retaining their talented individuals. The key findings that very few studies were empirically able to address, reveals that Wasta has an adverse influence on talent retention performance due to unfairness and unequal allocation of resources, as well as lack of recognition and support to talent contribution. This in turn has fuelled talented individuals' intention to leave their organisations and led organisations to lose their competitive advantages.

The key contribution of this research in line with the mediation analysis shows that without effective retention management Wasta may lead human assets to leave their organisations, and thus, transferring valuable talent resources to other employers where a potential source of competitive advantage may be lost.

This study made key recommendations to the management and the effective deployment of human capital at both organisational and governmental levels. Due to the liability of smallness and fewer resources as compared to MNCs, SMEs should implement strategic TM initiatives that aim to offer talent effective learning and development experiences, career development opportunities as well as recognition and affirmation to their contribution. Thus, this research recognises the importance of succession management and retention management for organisations to prevent valuable employees from leaving and losing their competitive advantage. According to this research, embracing a talent mindset through effective leadership that promote equity and fairness, implementing strategic development activities, and recognising and affirming talent are powerful tools to retain talented individuals.

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Appendices

Survey Questionnaires

Information to participants:

The purpose of this questionnaire is to generate relevant data for a doctorate research. The purpose of this doctorate research is to understand how key macro-institutional factors impact on Jordanian SMEs, in strategic talent management processes, which ultimately affect talent management performance of the SMEs. This is a kind request to all those completing this questionnaire to do so to your best knowledge and experiences.

Please note that this is anonymous survey. Any information that you provide in this survey will be treated in strict confidence. All information contained in this questionnaire will be used only for the academic study.

Part 1. Demographic profile of yourself and your company

Please respond to the following questions by placing a check mark (✓) in the answer box that corresponds to your response and/or fill in the blank where indicated

About yourself:

Q1. Your gender

- ☐ Male
- ☐ Female

Q2. Your age (unit: years old)

- ☐ Less than 30
- ☐ 31 – 40
- ☐ 41 – 50
- ☐ More than 51

Q3. Your position/ Job title

- ☐ Manager/Director
- ☐ Senior/Middle Manager
- ☐ Line manager/Team
- ☐ Leader/Supervisor
- ☐ Other (please specify here: _____)

Q4. Years of your experience in this company (firm)

- ☐ Less than 3 years
- ☐ 3 – 5 years
- ☐ 6 – 10 years
- ☐ 11 – 15 years
- ☐ More than 16 years

Q5. Highest education attainment

- ☐ Diploma
- ☐ Bachelor Degree
- ☐ Master Degree
- ☐ Doctorate Degree
- ☐ Others (Please specify here: _____)

About the company:

Q6. Sector/ industry (please select all that apply to your company)

- ☐ Manufacturing
 - ☐ Engineering, electrical and IT industries
 - ☐ Textile and readymade garments /
 - ☐ Food, agriculture and animal stock industries
 - ☐ Chemical industries and cosmetic preparations
 - ☐ Construction industry
 - ☐ Plastic and rubber industries
 - ☐ Wood and furniture industries
 - ☐ Therapeutic industries and medical supplies
 - ☐ Packaging, paper, carton, and office equipment's industries
 - ☐ Mining industries
- ☐ ICT sector (Please specify here the sub-sector/ industry: _____)

Q7. Location of the company

- ☐ Amman
- ☐ Irbid
- ☐ Zarqa
- ☐ Aqaba
- ☐ Others (please specify here: _____)

Q8. Age of firm

- ☐ Up to 3 years
- ☐ 4 – 10 years
- ☐ 11 – 20 years
- ☐ More than 20 years

Q9. Number of Employees at the Firm

- ☐ Less than 10 Employees
- ☐ 10-49 Employees
- ☐ 50-249 employees
- ☐ 250 and above (please specify here: _____)

Q10. Registered Capital at the Startup Stage

- ☐ Less than 10,000 JD
- ☐ 10,000 – 50,000 JD
- ☐ 50,000 – 100,000 JD
- ☐ More than 100,000 JD

Part 2. Strategic Talent Management Processes/ Practices

Instruction: For each of the following statements, tick the box that that applies to you (from strongly disagree to strongly agree).

Talent acquisition	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
This organisation attracts talent via various means, e.g. career fairs, job fairs, placements, advertising, media, and social media.					
This organisation identifies and evaluates talents' competences, skills, abilities, and experiences that fit the organisational requirements					
This organisation selects required talents by formal processes, e.g., interviews, assessment centre, or psychometric testing.					

Employer branding	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
This organisation has been identified as an employer of choice					
This organisation provides good career development opportunities					
This organisation has lots of learning and development opportunities					
This organisation ensures an equal access to learning and development opportunities					

Strategic talent development (learning and development)	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
Staff are coached by line managers					
Staff are coached by external practitioners					
This organization supports staff to engage external conferences, seminars and workshops					
This organization often holds internal knowledge-sharing events					
This organization encourages employees to take formal education course or e-learning methods					
This organization encourages collaborative and social learning.					

Operational talent development (on-the-job development)	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
This organization uses relationship-based development, such as development through peers, leaders, and customers.					
This organization uses job-based developmental practices such as jobs enlargement, enrichment, and job rotation.					
This organization uses informal and non-formal development activities such as experiential learning and incidental learning.					

Talent pool	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
This organisation has sufficient leadership talent such as CEOs and executives					
This organisation has sufficient key talent group (strategic) such as managers and directors					
This organisation has sufficient core talent (operational) such as young middle managers who perform the core business processes.					
This organisation has sufficient peripheral talent such as contractors and third-party providers who offer services that are essential but not necessarily core to the organisation.					

Strategic retention management (Talent work environment)	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
Assigned work is exciting and interesting in this organisation					
Assigned work is challenging in this organisation					
Talented employees are supported in this organisation					
Frequent feedback enables talented employees to reach their potential					
Coaching and mentoring enables talented employees to reach their potential					
Talented employees are recognised in this organisation					

Operational retention management (Performance-based pay)	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
Pay and reward system is fair in this organisation					
Pay and reward system is motivating in this organisation					
Pay and reward is based on position in this organisation					
Pay and reward is based on individual contribution/ performance in this organisation					

Part 3. Strategic Talent Management Performance

Instruction: For each of the following statements, tick the box that that applies to you (from strongly disagree to strongly agree).

Satisfactory talent performance	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
Talented employees in this organisation achieve their objectives?					
Talented employees in this organisation surpass their objectives and achieve superior performance.					
Overall, I am very satisfied with the performance of the talented employees within my organisation.					

Succession performance	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
If a talented employee suddenly leaves, the HR department can easily find a replacement					
If specific skills/knowledge/competencies are urgently required, the HR department can easily find potential employees who meet these requirements.					
Key positions in this organisation can be replaced in a timely manner					

Retention performance	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
Voluntary turnover rate is stable at this organization					
Voluntary turnover rate is low at this organization					
Talented employees are generally satisfied with their jobs at this organization					
Talented employees are generally engaged and committed to their work at this organization					
Talented employees are generally motivated to perform their job.					

Part 4. Macro-environmental factors

Instruction: For each of the following statements, tick the box that that applies to you (from strongly disagree to strongly agree).

Wasta (in this organisation)	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
Vacancies in this organisation are normally filled through connections and jobs are commonly offered to family members, relatives and friends with very little consideration of competence and achievements					
This organisation recruits the most talented and utilises the skills and abilities of individuals regardless of their social connections					
This organisation provides advantages to individuals who may not necessarily merit in their performance					
Wasta plays a positive role in retaining and motivating talented employees					
Wasta plays a positive role in correcting undesirable behaviours of family members in the organisation					
Wasta adversely affects talent retention as other employees may have a feeling of discrimination and unfairness (i.e. promotion, pay and rewards)					

Talent mobility (engagement)	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
This organisation has seconded experts and professionals from other organisations					
This organisation has partnerships with other organisations, governmental institutions or educators on training, developing and deploying talent					
This organisation engages with public sector initiatives in providing and sharing information on labour supply and demand					
This organisation is involved in programmes led by the public sector to mitigate brain drain and facilitate immigration					

Content removed on data protection grounds

Targeted Participants	Stages	Questions	Rational
HR Managers/ Directors	Introduction (2 min)	<p>Nature of research and how will be used</p> <p>Research study aims to investigate talent management practices in SMEs.</p> <p>Will be used in PhD thesis and also for academic publications and conference papers.</p> <p>Recording for recollection purposes / quotes.</p> <p>Anything said will be treated as confidential and anonymous/ your personal data will not be passed on to anyone else.</p> <p>Think of this as an informal chat. There are no right or wrong answers and I'm interested in your honest views and opinions about the topic. So, before we start, please fill in the consent form.</p>	<p>To provide a clear set of instructions for interviewers and interviewees.</p> <p>To get consent from interviewees.</p>
	Warming up (3 min)	<p>Now tell me a little bit about yourself,</p> <ul style="list-style-type: none"> Your current position at this organisation? How long? What do you do for your current role? 	To help the participant feel comfortable
	General information about talent management practices at your organisation (5 mins)	<ul style="list-style-type: none"> What is your understanding about talent management? How do you define talent? manage (attract, recruit, develop and retain talent) 	To collect basic and contextual information about talent management
	Issues/challenges (10 mins – or more if they are willing to talk!!)	<ul style="list-style-type: none"> How are you generally satisfied with the talent performance in your organisations? What are challenges, difficulties and problems with the talent success and with talent retention performance in your organisation? 	The purpose of this step is to generate an in-depth understanding of micro and more importantly macro-environment critical challenges of talent management.
	How the organisational TM operations	<ul style="list-style-type: none"> Why have the aforementioned problems and issues happened in your organisation? 	To gain in-depth understanding how the internal TM

	explain the performance issues (10 mins)	<ul style="list-style-type: none"> How are talent management responsible for the aforementioned problems and issues? 	operations affect the organisational TM performance
	How the macro environmental factors explain the performance issue and management issue (10 minutes)	<ul style="list-style-type: none"> How has wasta impacted talent management operations in your organisation? Do talented employees who do not use Wasta for getting promoted feel inequality? How does Wasta impact talented employees in your organisation? Do they feel engaged? Motivated and committed to their jobs and to work in this organisation? Why? How has wasta affected talent management performance in your organisation? How has talent mobility impacted management operations in your organisation? How has talent mobility affected talent management performance in your organisation? 	To gain in-depth understanding how macro level factors impact talent management and talent management performance
	Finalise interview (1 min)	<ul style="list-style-type: none"> Is there anything else you think is important that we have not discussed so far? Is it possible to have additional interview in the near future? <p>THANK YOU!!</p>	because this will help me to see the progress and how things change from time to time



Certificate of Ethical Approval

Applicant:

Mohammad Alzba'di

Project Title:

Examining talent management practices in Jordan: A macro level approach

This is to certify that the above named applicant has completed the Coventry University Ethical Approval process and their project has been confirmed and approved as Medium Risk

Date of approval:

24 May 2019

Project Reference Number:

P88463

