Relationship between Talent Management Practices and Employee Performance

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ABSTRACT

This study examines the impact of talent management practices on employee performance in the Mongolian banking sector, addressing the growing need for evidence-based human resource strategies in emerging economies. The study focuses on four core components of talent management: Talent attraction, talent retention, training and development, and career planning. Data were collected through a structured questionnaire from 343 employees of the State Bank of Mongolia and analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM). Measurement model assessment confirmed adequate reliability, convergent validity, and discriminant validity of the constructs. The structural model results indicate that all four talent management components have a positive and statistically significant effect on employee performance ($p < 0.01$). Among these, talent attraction, retention, training and development, and career planning each contribute meaningfully to improving employee performance outcomes. The findings suggest that effective implementation of comprehensive talent management practices enhances employee performance within the banking context. This study contributes to the talent management literature by providing empirical evidence from a developing country context and extending the application of established theoretical frameworks, including the Resource-Based View, AMO model, and Social Exchange Theory, to the Mongolian banking sector.

Keywords: *Career planning, Employee performance, Talent attraction, Talent Management Practices, Talent retention, Training and development.*

1. INTRODUCTION

The success of modern organizations increasingly depends not only on financial capital, technology, and market resources, but also on the effective management of talented and highly skilled human resources. Factors such as global pandemics, geopolitical instability, climate change, legal reforms, sustainable development requirements, and the entry of new generations of labor into the market are bringing profound changes to the nature of work and organizational operations. These challenges are forcing organizations to develop adaptive strategies and further emphasize the need to consider human resources as a critical strategic resource that creates competitive advantage (Alfawaire & Atan, 2021). From the Resource-Based View perspective, valuable, scarce, and irreplaceable human resources play a key role in improving organizational performance and long-term competitiveness (Barney, 1991; Pahuja et al., 2024).

Therefore, researchers widely accept that employee performance is a key determinant of organizational efficiency, productivity, and sustainability. Organizations that are able to create high employee performance are more likely to survive in highly competitive and uncertain environments (Boxall & Purcell, 2016; Lukito et al., 2025).

Employee turnover is a significant cost and risk to organizations. Gallup research has shown that when an employee leaves, the organization spends more than half of their annual salary on recruiting, training, and onboarding new employees (Gallup, 2019). This includes lost productivity, human resource acquisition, selection, training, and development costs. Therefore, attracting, developing, and retaining talented employees has become a strategic priority for modern organizations.

Talent management is not limited to identifying "exceptional talent" employees, but rather refers to a comprehensive human resource strategy that seeks to identify, attract, develop, deploy, and retain employees with critical skills and competencies across the organization (Collings & Mellahi, 2009; Janošková, Ubrežiová, & Čulková, 2020; Lewis & Heckman, 2006). Research has shown that effective talent management practices improve employee motivation, engagement, and performance, which in turn has a positive impact on overall organizational performance (Al Ariss, Cascio, & Paauwe, 2014; Brahimaj, Alshiqi-Bekteshi, Ramaj, & Brahimaj-Rexhaj, 2025).

The banking sector has undergone profound changes in recent years due to the digital transformation, regulatory requirements, and market competition. The banking sector in Mongolia has shown steady growth and continues to increase its financial capacity. For example, systemically important banks have successfully traded their shares to the public in the past two years, increasing their total capital by 487 billion tugriks (MBA, 2024). This growth and expansion have created a need for highly knowledgeable, skilled, adaptable, and high-performing employees in the banking sector, further increasing the importance of talent management.

The performance of employees in the banking sector is particularly important because it is closely related to the knowledge-based nature of financial services, risk management, customer trust, and compliance with legal requirements. Researchers have emphasized the importance of strategic human resource management practices, including talent management, in improving employee performance in service and knowledge-based industries (Altındağ & Bilaloğlu Aktürk, 2020; Boselie, Paauwe, & Jansen, 2001; Jiang, Lepak, Hu, & Baer, 2012; Prifti, Vrusho, Toci, Prendi, & Gjuzi, 2025). Although many studies have been conducted on talent management in developed countries, empirical studies on developing economies, including Mongolia, are still relatively scarce. In some developing countries, such as Indonesia and Nepal, there are studies that have found that talent management has a positive impact on employee performance (Bhatnagar, 2007; Sopiah, Kurniawan, Nora, & Narmaditya, 2020; Subroto, Sudarmanto, & Sono, 2024; Yanping & Marcelo, 2024).

However, there is a paucity of empirical studies examining the relationship between talent management and employee performance in the Mongolian banking sector. Therefore, this research gap indicates the need for a scientifically sound study of this issue. Therefore, the purpose of this study is to empirically analyze how the implementation of talent management in the Mongolian banking sector affects employee performance. This study is important to enrich the theoretical understanding of talent management in the context of developing economies and to make a practical contribution to human resource policies and practices in the banking sector.

2. THEORETICAL BACKGROUND AND FRAMEWORK

2.1. Talent Management: Conceptualization and Theoretical Foundations

The concept of talent management is believed to have developed rapidly in theory and practice since the McKinsey & Company study "The War for Talent" conducted in the late 1990s. In the study, large US companies began to face a shortage of qualified employees at the executive level, and 75 percent of the executives who participated in the study responded that "our organization does not have enough talent." The results of the study show that the intensification of market competition, the increase in employee turnover, and changes in demographic structure are further deepening the shortage of talented human resources (Keller, 2017). In line with this, the conclusion that "talent is the most valuable asset of a business, and if an organization does not invest enough in it, it will lose out to the competition" laid the foundation for considering talent management at a strategic level (Michaels, Handfield-Jones, & Axelrod, 2001).

Researchers have interpreted the concept of talent in different ways. Gallardo-Gallardo (2018) identified two main approaches to understanding talent. First, the object approach, which views talent as an innate characteristic, ability, or potential of an individual. Second, the subject approach, which views talent as the individual and how the organization values and manages talented employees. In this regard, Tansley (2011) emphasizes that there is currently no universally accepted and unified definition of the concept of "talent" and describes talent as a combination of innate abilities and acquired skills. This suggests that talent is not only a natural trait, but also a dynamic concept that can be developed.

In the traditional Mongolian mindset, talent is understood as intellectual ability, learning, and creative ability that can be developed and improved, rather than just an innate ability. In the context of modern human resource management, this concept should be considered in conjunction with learning ability, attitude, and potential for continuous development, and "talent" is a concept that is inextricably linked to the process of continuous

development of human knowledge, skills, and abilities (Tsetsegmaa, Otganzaya, Altanchimeg, Tseren, & Oyunchimeg, 2025).

Newhouse, Lewis, and Jones (2004) define talent management as "the process of continuously providing the organization with the necessary talent to enhance its competitiveness, improve its performance, and maximize the creative potential of its talented people." Similarly, Pella and Inayati (2013) define talent management as a comprehensive process that involves the active participation of top management in developing high-potential employees within an organization, and emphasizes that this process is directly related to the identification, selection, development, and retention of talented employees.

Talent management is a strategic approach to building long-term competitive advantage by leveraging an organization's valuable human capital, including knowledge, skills, and experience (Krishnan & Scullion, 2017; Vaiman, Scullion, & Collings, 2012). Researchers have found that international organizations have implemented performance-based talent management systems that continuously develop the skills and talents of their employees and increase their ability to achieve organizational strategic goals (Scullion, Collings, & Caligiuri, 2010).

2.2. Employee Performance

Employee performance is a central concept that expresses the contribution of employees to the achievement of organizational goals and strategies, and occupies an important place in human resource management, organizational behavior, and strategic management research. Researchers define employee performance as the level, quality, and effectiveness of goal-oriented activities that are consistent with an employee's roles and responsibilities (Eshete, Debela, & Kebede, 2025; Motowidlo, 2003). In other words, performance is a broader concept that encompasses not only the final result, but also the behaviors and efforts that lead to that result (Korhonen, Jääskeläinen, Laine, & Saukkonen, 2023).

Campbell, McCloy, Oppler, and Sager (1993) considered employee performance as the sum of behaviors that are under the employee's control and directly related to organizational goals, which provided a basis for theoretically distinguishing performance from indicators such as productivity, profitability, and efficiency. Accordingly, Borman and Motowidlo (1997) categorized employee performance into two main dimensions: task performance and contextual performance. Task performance is related to the employee's fulfillment of their primary job responsibilities, while contextual performance involves behaviors such as fostering a team atmosphere, reinforcing organizational culture, and taking on additional responsibilities.

With the rapid changes in the modern work environment, the concept of employee performance has expanded to include a new dimension called adaptive performance. Pulakos, Arad, Donovan, and Plamondon (2000) highlighted that new technologies, work organization, and the ability to work in uncertain situations are important indicators of employee performance. This suggests that organizations need to consider not only current task performance but also the ability to adapt to change in performance appraisals.

In recent years, the concept of job performance has expanded to include the dimension of adaptive performance. Pulakos et al. (2000) have emphasized that the ability of employees to adapt to new situations in a dynamic and rapidly changing environment is an important component of performance. This creates a need to reflect factors such as technological advances, workplace changes, and the ability to work in uncertain environments in performance evaluations.

Empirical research also confirms that job performance directly affects organizational success, productivity, and competitiveness. Studies by Nzewi, Chiekezie, and Ogbeta (2015); Becker and Gerhart (1996); Kellner, Cafferkey, and Townsend (2019); Pahuja et al. (2024) and Prifti et al. (2025) have shown that strategic human resource management practices improve employee performance, which in turn has a positive impact on the financial and operational performance of the organization. Therefore, there is a theoretical and practical basis for considering employee performance as a key mechanism for ensuring sustainable growth and competitiveness of the organization.

Within the framework of the above theory, job performance is a central variable that expresses the results of organizational strategy, human resource policy, and management practices, and this study serves as a theoretical basis for empirically analyzing how talent management affects employee performance.

2.3. Theoretical and Empirical Link between Talent Management and Employee Performance

Talent management is widely interpreted in human resource management theory and practice as an important strategic mechanism for improving organizational and employee performance. This relationship can be explained in the context of theories such as the Resource-Based View, Strategic Human Resource Management, the AMO (Ability–Motivation–Opportunity) model, and the Social Exchange Theory (Becker & Gerhart, 1996; Prifti et al., 2025). From the perspective of the resource-based view, an organization's sustainable competitive advantage is based on valuable, rare, and non-imitative resources (Barney, 1991). In this sense, the knowledge, skills, experience, and competencies of talented employees are the organization's key strategic resources, and talent management plays an important role in improving employee and organizational performance by identifying, developing, and retaining these resources (Pahuja et al., 2024; Wright, McMahan, & McWilliams, 1994).

Strategic human resource management theory suggests that when an organization's strategy and human resource policies and practices are aligned, employee performance, and thus the organization's overall performance, improves (Arokiasamy, Fujikawa, Piaralal, & Arumugam, 2024; Boxall & Purcell, 2016). Talent management is a core component of strategic human resource management and supports employee performance by integrating talent attraction, development, and retention with performance appraisal, rewards, and career development systems.

Accordingly, according to the AMO model, employee performance depends on three main factors: Ability, Motivation, and Opportunity (Appelbaum, Bailey, Berg, & Kalleberg, 2000). Talent management comprehensively improves these three components by increasing employee capabilities through training and development, strengthening motivation through rewards and career opportunities, and providing a participatory culture and opportunities, thereby increasing employee performance (Kellner et al., 2019).

According to social exchange theory, when an organization provides opportunities, support, and fair evaluation to its talented employees, employees are more likely to respond by putting in more effort (Alnajim, 2021; Blau, 1964). This increases employee engagement, satisfaction, and organizational loyalty, which in turn positively impacts performance (Rajâa & Mekkaoui, 2025). Similarly, Person–Environment Fit Theory explains that performance is likely to be higher when an employee's abilities, values, and attitudes are in line with the organizational environment (van Zyl, Van Vuuren, Roll, & Stander, 2023).

The above theoretical explanations are supported by international empirical studies. Karuri and Nahashon (2015) found that talent management practices such as job rotation and training and development improve employee competencies and create conditions for high performance. Similarly, Sadeli (2012) and Nzewi et al. (2015) confirmed that there is a statistically significant and positive relationship between talent management and employee performance.

Recent studies have highlighted that talent management has a positive impact not only on performance, but also on employee retention and organizational loyalty. Ojo and Alli (2024) based their study on the Nigerian banking sector, using Social Exchange Theory and Person–Environment Fit Theory, found that talent management and organizational performance have a significant and positive impact on employee retention. Muzanenhamo and Rankhumise (2023) also confirmed that talent management is an effective strategy to enhance employee performance and retain valuable employees.

Empirical studies show that the following key components of talent management have a significant impact on employee performance. These include talent attraction and selection, training and development, and talent retention processes (Armstrong, 2006; Collings & Mellahi, 2009; Tarique & Schuler, 2010). Studies by (Putri & Sary, 2023) and Mensah (2015) have shown that when these components are implemented optimally, employee performance improves significantly, while Al Aina and Atan (2020) have emphasized the important role of talent management practices in increasing employee capabilities and leading to high performance.

Therefore, based on the above theoretical and empirical evidence, it is logical to conclude that talent management has a positive impact on employee performance. Therefore, based on the ideas of Collings and Mellahi (2009) and Luna–Arocas and Morley (2015) this study defines talent management as three main variables: Talent attraction and selection, talent development, and talent retention, and aims to empirically analyze how these affect employee performance in the banking sector.

Research model: Upon review of theoretical concepts we proposed the following research model supposing that the components of Talent Management are positively related to employee performance. A conceptual framework illustrating the connections between the factors and the hypotheses is presented in Figure 1.
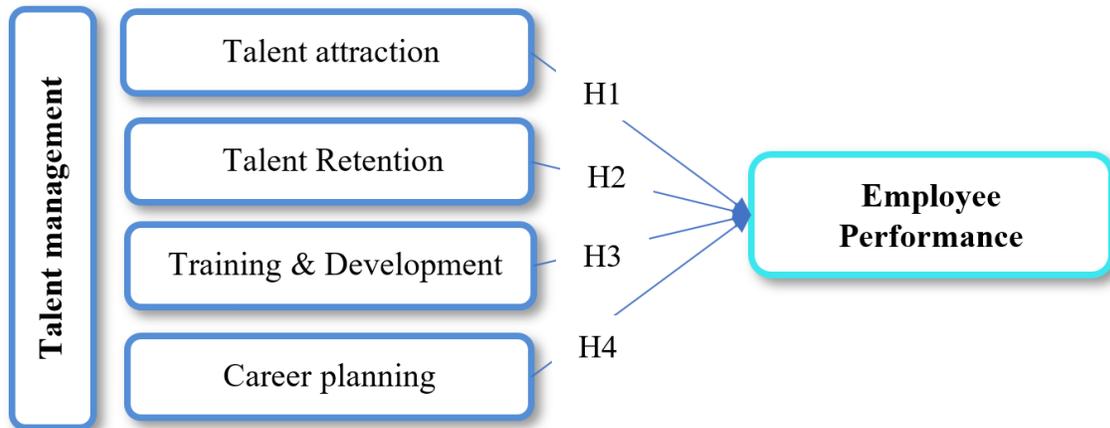

Figure 1. Conceptual framework.

Source: Author's work.

Research hypothesis: The following hypothesis is developed within the framework of the research model.
H_1: *There is a significant relationship between talent attraction and employee performance.*
H_2: *There is a significant relationship between talent retention and employee performance.*
H_3: *There is a significant relationship between training & development and employee performance.*
H_4: *There is a significant relationship between career planning and employee performance.*

3. MATERIAL AND METHODS

3.1. Data Collection and Sample Size

As of 2025, there are 1 state-owned and 11 private banks operating in Mongolia with a license to operate. A 95% confidence level (The lowest acceptable threshold) and a 5% confidence interval were used to determine the sample size. Based on 2,406 employees of 71 branches of the State Bank of Mongolia in UB, the required sample size was calculated as331 (Krejcie & Morgan, 1970). After obtaining official permission, data collection was conducted electronically and in hard copy from April 23 to May 10, 2025. Participants were selected from those who expressed their willingness to participate using a random sampling method. A total of 359 questionnaires were received from employees of 18 branches of the State Bank of Mongolia. Of these, 16 were excluded due to incompleteness or non-compliance, and 343 correct responses were used for analysis. Therefore, it was concluded that the study sample was representative of the population.

3.2. Measures

The study used a total of 36 questions on talent management developed by Lyria (2014). Of these, 8 questions were on talent attraction, 9 questions were on training and development, 10 questions were on career planning, and 9 questions were on talent retention. However, 6 questions developed by Pradhan and Jena (2017) were used to measure employee performance.

The data were collected using a self-administered questionnaire consisting of closed-ended questions based on a 5-point Likert scale, with response options ranging from 1 ("Strongly disagree") to 5 ("Strongly agree"). The questionnaire was translated into Mongolian using a back-translation procedure to ensure semantic equivalence. A pilot test with 30 employees confirmed comprehensibility of all items, and all participants in the main study reported understanding the questions without difficulty.

3.3. Data Analysis

Statistical methods were utilized to analyze the collected data, focusing on establishing relationships between talent management such as talent attraction, retention, training & development, employee performance and career planning and employee performance.

For data analysis, we utilized the Smart PLS 4.1.1.2 software packages from the Social Sciences statistical suite (Ringle, Sarstedt, & Straub, 2012).

All variables were first evaluated for reliability, discriminant validity and correlation analyses to ensure the robustness of the analysis. Subsequently, the relationships among the variables were analyzed using Partial least squares Structural Equation Modeling (PLS-SEM), and the proposed hypotheses were tested.

3.4. Research Ethics

This research adhered to international standards for ethical conduct in social research. All participants provided informed consent before completing the survey, which clearly explained the study's purpose, voluntary nature of participation, and use of data. The survey instrument collected no personally identifiable information, ensuring participant anonymity.

4. RESULTS

4.1. Participants' Demographics

The final analytical sample comprised 343 employees from State bank in Ulaanbaatar. Table 1 presents the demographic composition of the sample.

Table 1. Demographic characteristics of participants.

Characteristic	Category	N	%
Gender	Female	278	81.0
	Male	65	19.0
Age (Years)	18-24	46	13.4
	25-34	128	37.3
	35-44	108	31.5
	45-54	50	14.6
	55 above	11	3.2
Education	Bachelor's degree	235	68.5
	Master's degree or higher	108	31.5
Working experience	Up to 1 year	40	11.7
	1-3 years	61	17.8
	4-7 years	109	31.8
	8-15 years	96	28.0
	16 and more years	37	10.8
Positions	Executive manager	34	9.9
	Manager	81	23.6
	Employee	228	66.5

Source: Author's work.

The final sample included 343 employees from branches of the State Bank of Mongolia located in Ulaanbaatar. The demographic profile of the respondents showed that the majority were women (81.0%), reflecting the gender structure commonly observed in the Mongolian banking industry. Most of the respondents were aged 25-44 (68.8%), had a bachelor's degree (68.5%), and had 4-15 years of work experience (59.8%). The employees represented various organizational levels, including executive managers (9.9%), managers (23.6%), and non-managerial employees (66.5%). Overall, the demographic distribution suggests that the sample was sufficiently diverse and suitable for examining employees' perceptions of talent management practices and performance.

4.2. Measurement Model Assessment

4.2.1. Model Fit Analysis

It is crucial to determine whether the proposed model is a valid structural equation model before testing the study hypotheses. In other words, the discriminant validity of the three primary variables was assessed using the model fit index. The results of the model fit analysis are presented in Table 2.

Table 2. Result of model fit analysis.

	Saturated model	**Estimated model**
SRMR	0.058	0.068
d_ULS	1.076	1.080
d_G	0.609	0.611
Chi-square	360.151	360.351
NFI	0.802	0.808

Source: *Author's work.*

According to Henseler, Hubona, and Ray (2016) the model fit was assessed using the standardized root mean square residual (SRMR), with a value of less than 0.08 considered acceptable. Therefore, the SRMR value of 0.068 for the proposed model indicates its overall fit.

4.2.2. Reliability Analysis of Variables

In line with PLS-SEM guidelines, the measurement model was assessed in terms of indicator reliability, internal consistency reliability, convergent validity, and discriminant validity. Reliability and validity were evaluated using factor loadings, Cronbach's alpha, composite reliability (CR), and average variance extracted (AVE). The results of these assessments are presented in Table 3. All CR values exceeded the recommended threshold of 0.70, while AVE values were above 0.50, indicating satisfactory internal consistency and convergent validity (Chin, 2010). Indicator reliability was confirmed, as all factor loadings surpassed the recommended minimum of 0.70, ranging from 0.707 to 0.901. Internal consistency reliability was further supported by Cronbach's alpha values ranging from 0.869 to 0.902. Overall, the measurement model demonstrated adequate reliability and validity across all constructs.

Table 3. Results of variable's reliability analysis.

Variables	**Number of questions**	**Factor loading**	**Cronbach's α**	**CR**	**AVE**
Talent attraction (TA)	8	0.766-0.881	0.901	0.818	0.675
Talent retention (TR)	9	0.707-0.877	0.902	0.736	0.710
Training & development (TD)	9	0.783-0.894	0.869	0.855	0.708
Career planning (CD)	10	0.795-0.901	0.878	0.844	0.716
Employee performance (EP)	6	0.756-0.842	0.898	0.871	0.739

Source: Author's work.

Discriminant validity was evaluated using the Fornell–Larcker criterion, which compares the square root of each construct's AVE with its correlations with other constructs (Gujarati & Porter, 2003). As shown in Table 4 for all latent constructs, the diagonal values representing the square root of the AVEs exceeded the inter-construct correlations, indicating that each construct is empirically distinct. These results confirm that the measurement model exhibits adequate reliability and validity, supporting subsequent evaluation of the structural model.

Table 4. Result of Correlations and discriminant validity by Fornell–Larcker criterion.

	Mean	SD	TA	TR	TD	CP	EP
Talent attraction (TA)	3.652	0.630	**(0.821)**				
Talent retention (TR)	3.488	0.707	0.593**	**(0.843)**			
Training & development (TD)	3.813	0.645	0.545**	0.592**	**(0.841)**		
Career Planning (CP)	3.650	0.736	0.503**	0.639**	0.588**	**(0.846)**	
Employee performance (EP)	3.652	0.630	0.685**	0.615**	0.662**	0.636**	**(0.860)**

Note: ∗∗∗Significant at the 0.001 level; ∗∗significant at the 0.01 level; ∗ significant at the 0.05 level.
Diagonal elements (bold) in brackets are the square roots of AVEs. Below the diagonal elements are the correlations between the constructs.
Source: Authors' findings.

4.3. Hypothesis Testing

To test and validate the proposed hypotheses, Partial Least Squares Structural Equation Modeling (PLS-SEM) was employed to analyze the relationships between the independent and dependent variables. The structural model results indicate that all four hypotheses are supported, as all path coefficients are positive and statistically significant (p < 0.01). The detailed results are presented in Table 5.

Table 5. Research results in PLS-SEM.

Hypothesis	Path	Standardize Beta	Standard Error	t statistics	p-value	Remarks
H1	TA→EP	0.337***	0.091	3.70	0.000	Accepted
H2	TR→EP	0.645***	0.103	6.26	0.001	Accepted
H3	TD→EP	0.497***	0.120	4.14	0.001	Accepted
H4	CP→EP	0.517***	0.120	4.31	0.001	Accepted

Source: Authors' findings.

The analysis demonstrates that each dimension of talent management has a significant positive effect on employee performance. Specifically, talent attraction (β = 0.337, p < 0.001) exhibits a moderate positive influence on employee performance, thereby supporting Hypothesis H1. Talent retention shows the strongest effect (β = 0.645, p < 0.001), highlighting the critical role of retaining talented employees in enhancing performance outcomes and confirming Hypothesis H2. In addition, talent development (β = 0.497, p < 0.001) has a statistically significant positive impact on employee performance, providing support for Hypothesis H3. Similarly, career planning (β = 0.517, p < 0.001) is found to significantly enhance employee performance, thus supporting Hypothesis H4.

Overall, the findings underscore the substantial role of talent management practices in improving employee performance, with all hypothesized relationships empirically validated.

5. DISCUSSION

The purpose of this study was to empirically examine the impact of talent management implementation on employee performance in the Mongolian banking sector. The results of the study confirmed that all components of talent management, namely talent attraction, talent retention, training and development, and career planning, have a positive and statistically significant impact on employee performance. This finding supports all hypotheses put forward in the study and is consistent with the theoretical assumptions.

First, the strongest impact of talent retention on employee performance is closely related to the characteristics of the banking sector. Since banking institutions operate in an environment that requires high levels of knowledge, experience, and regulation, retaining experienced employees is essential to ensure the continuity of organizational knowledge and operational stability. This result is consistent with the studies of Ojo and Alli (2024) Muzanenhamo and Rankhumise (2023) reaffirms that talent management is a key strategic mechanism that not only improves performance but also ensures employee stability. From the perspective of the resource-based approach (Barney, 1991) retaining such valuable, rare, and difficult-to-replace human resources is the basis for creating an organization's long-term competitive advantage.

The strong positive impact of training and development and career planning on employee performance is explained by the AMO (Ability–Motivation–Opportunity) model. Training and development programs increase employee ability, while career planning strengthens motivation and future participation opportunities, creating

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conditions for employees to work more actively and efficiently. This is consistent with the findings of Kellner et al. (2019) and Al Aina and Atan (2020) which highlight the importance of continuous learning and professional development in the banking sector. The positive impact of talent attraction on employee performance is also consistent with the Person–Environment Fit Theory. This result confirms that selecting employees who are compatible with the values, culture, and job requirements of the organization increases their performance, adaptability, and long-term stability. This is consistent with the findings reported in studies by Mensah (2015) and Putri and Sary (2023).

The main theoretical contribution of this study is that it directly measures the impact of talent management on performance in the Mongolian banking sector, providing new data and empirical evidence in both theoretical and practical contexts. The study highlights how the four components of talent management, including talent attraction, retention, training and development, and career planning, influence performance within the framework of the Resource-Based View, the AMO Model, Social Exchange Theory, and Strategic Human Resource Management theories, generating new theoretical knowledge. It also offers theoretical validation of talent retention, training, and development as key mechanisms for enhancing performance, as well as the role of career planning in increasing motivation and engagement.

At a practical level, the results of the study indicate that banking sector managers need to implement talent management not as a discrete measure, but as a coherent, strategic and comprehensive system. This will create opportunities for sustainable improvement in employee performance, organizational efficiency, and competitiveness.

6. CONCLUSION

This study empirically examines the impact of talent management practices on employee performance in the Mongolian banking sector. The results of the analysis using PLS-SEM method on data collected from employees of branches of the State Bank of Mongolia in Ulaanbaatar city show that talent management is an important factor determining employee performance. Specifically, all components of talent attraction, talent retention, training and development, and career planning have a positive and statistically significant effect on employee performance, fully confirming the hypotheses put forward in the study. The results of the study show that the talent retention factor has the strongest effect on employee performance, highlighting the strategic importance of retaining experienced and skilled employees in the banking sector. It also shows that the positive effects of training and development and career planning increase the skills, motivation, and adaptability of employees, and play an important role in improving performance in a highly regulated and rapidly changing banking environment. In addition, the positive effects of the talent attraction process confirm the importance of selecting employees who are consistent with the needs, culture, and strategy of the organization.

Theoretically, this study empirically validates the Resource-Based Approach, Strategic Human Resource Management, AMO Model, and Social Exchange Theory in the Mongolian banking sector context, and enriches the research knowledge on talent management in a developing economic environment. At a practical level, the study results indicate that banking sector managers and policymakers need to implement talent management at an integrated and strategic level to enhance employee performance, organizational efficiency, and competitiveness.

6.1. Research Limitations and Future Directions

This study has limitations, including its focus on a single bank and its use of a cross-sectional design. Therefore, future research could explore the relationship between talent management and employee performance in more depth by conducting comparative studies across multiple banks, using longitudinal data, and including mediator and moderator variables such as employee engagement and job satisfaction.

INSTITUTIONAL REVIEW BOARD STATEMENT
The study for the manuscript was conducted consistent with the Ethical code of conduct for the faculty members and Students of the National University of Mongolia. Available at: https://www.num.edu.mn/Home/Content/399

TRANSPARENCY
The authors confirm that the manuscript is an honest, accurate, and transparent account of the study; that no vital features of the study have been omitted; and that any discrepancies from the study as planned have been explained. This study followed all ethical practices during writing.

COMPETING INTERESTS
The authors have no competing interests to declare that are relevant to the content of this article.

AUTHORS' CONTRIBUTIONS
All authors contributed equally to the conception and design of the study.

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