Abstract. Human Capital has received major attention in present era research. Talent can be any individual who is committed, motivated and performs effectively. The successful utilization of individual capabilities can contribute positively to performance and enhance organizational image. It is very challenging to retain talent within an organization and keep them motivated. Most importantly they are one of the sources of competitive advantage. Talent drain and executive theft is the major challenge faced by the HR managers throughout the corporate world. Therefore it is important to retain them by keeping them motivated and committed to the organization. This research studies the effect of commitment and motivation on individual and how that contributes towards organizational performance. If employees perceive that their efforts are recognized by the organization they feel motivated and level of commitment will rise. Paper is based on conceptual study. In future empirical study will be conducted to test the conceptualized model.

Keywords: commitment, individual performance, motivation, organizational performance, talent.

THE EFFECT OF COMMITMENT AND MOTIVATION ON HUMAN TALENT AND ITS CONTRIBUTION TO ORGANIZATIONAL PERFORMANCE

Waheed Akbar BHATTI
IQRA University Islamabad, Pakistan
5, Khayaban-e-Johar, H-9 Islamabad, Pakistan
e-mail: sarrsabz@gmail.com

Sidra WARIS
IQRA University Islamabad, Pakistan
5, Khayaban-e-Johar, H-9 Islamabad, Pakistan
e-mail: sidra_waris@live.com

Arshad ZAHEER
IQRA University Islamabad, Pakistan
5, Khayaban-e-Johar, H-9 Islamabad, Pakistan
e-mail: arshad_zz@yahoo.com

Kashif-Ur-REHMAN
IQRA University Islamabad, Pakistan
5, Khayaban-e-Johar, H-9 Islamabad, Pakistan
e-mail: kashif@iqraisb.edu.pk

Management & Marketing
Challenges for the Knowledge Society
(2011) Vol. 6, No. 3, pp. 471-482
1. Introduction

In the era of knowledge economy, human capital has gained prime importance (Malhotra, 2003). According to OECD, (2008) several individual factors play a significant role in individual performance, like commitment, motivation, loyalty to organization, nurturing and development of individual capabilities. In today’s management practice the term talent is considered as silver bullet (Oakes, 2001), management wants to retain talent as one of the sources of competitive advantage (Heinen & O’Neill, 2004). In late 1990s, McKinsey consultancy used a term talent war to highlight the importance of human resource in the top success stories (Michaels et al., 2001). Before that the term had not received such importance in the world of consultancy, the companies having some sort of international operations were indicated as success stories. It is the emerging field in strategic human resource management (SHRM), and is a global challenge faced by managers (Collings & Mellahi, 2009; Capelli, 2008; Boudreau & Ramstad, 2007; Ready & Conger, 2007; Huselid, Beattry & Becker, 2005).

Analyzing the need for human capital and the planning to fulfill that need is through talent management (Capelli, 2008). Human capital consists of intangible knowledge, skills and creative capabilities of human element of the organization (Stewart, 1997; Bontis et al., 2002). Talent is one of the facets of human capabilities. Economist Intelligence Unit (2006) suggests that top corporate leaders spend more than there 20% of their time on management of human capital. Although it is an area of critical importance, but many companies are least proficient in this area (Boston Consulting Group, 2007). In today’s economic environment hiring and retaining talent has become the key factor for decision makers (Beechler & Woodward, 2009).

It is evidenced from literature that talent and performance are associated with each other (Bjorkman et al., 2007; Camber et al., 1998). Talent has evaluated with performance (Daily et al., 2000), training (Adler & Bartholomew, 1992) and human resource development (Bartlet et al., 2002). Organizations are facing challenges of employee retention and more importantly talent drains due to competition in the industry. Presently, talent is taken as competitive weapon and used as a source of competitive advantage (Bjorkman et al., 2007; Lewis & Heckman, 2006; Camber et al., 1998). Therefore it is important to link talent with organizational performance. As organizations are spending resources for polishing talent.

This research would study effect of motivation and commitment on human talent and how his performance contributes to organization. Lang (2001) highlighted that human capital is the main element in knowledge economy. She insisted that, “knowledge is both produced and held collectively rather than individually in knit groups, or communities of practices.” Knowledge management
is a tripod of process, people, and methods (Malhotra, 2003). Human being is the
critical element in knowledge management. The strategies, processes and decision
making is done by humans and its effective usage will ensure minimization of risk
strategic and financial matters (Bhatti et al., 2011). The purpose of this research is
to develop a conceptual framework model and empirically test that model to study
the impact commitment and motivation have on human talent and how
organizational performance is affected by it.

2. Literature review

Management of human talent and international human resource is dynamic
field of research, faces many rapid changes, and research evolutions (Schuler &
Tarique, 2007; Sparrow & Brewster, 2006). Every organization involved in
international business is facing several challenges related to human resource
practices like global economic development, changing economic patterns,
evolution in social life and balance, disturbed work life balance and creation of
emotional disturbance and stress, concept of globalization, immigrations creating
competition in business world, talent hunt, technology development and easy
means of communications (De Cieri et al., 2007; Schuler & Tarique, 2007).

In recent years philosophy of management has changed which results in
derivation of new definition now, organizations are focused on competitive
advantage which cannot be replicated and can be sustained for longer period of
time. Now organizations are focused on utilizing talent as unique source of
competitive advantage (Scullion & Collings, 2006). Talent retention and
management is a real problem and an area of great interest (Budhwar et al., 2009;
Stahl et al., 2007).

Roberts et al. (1998) identify recruitment and selection of best suited
workforce is an international issue. Knowledge learning and sharing is a major
challenge in human management. Scullion & Collings, (2006) research found that
attraction and retention of talent are a challenging question in global business.
Stephenson & Pandit (2008) also agree and describe talent identification as a
challenge.

2.1. Talent and performance

In global markets talent is considered an asset of the organization, failure
of managers to successfully implement strategy damages the organizational
reputation and effects business growth (Schuler et al., 2002). For designing
performance standards organizations should keep in mind the external and internal
environment that affects performance (Black et al., 1999). Standards should be
clearly conveyed to the employees and objectives of evaluation should be elaborated in a understandable manner. Most importantly the trust of employee on evaluator is the prime factor for achieving better results (Collings et al., 2010). Organizations develop set of activities to ensure talent development to meet their future needs (Armstrong and Baron, 2007). In order to achieve high performance, flexibility in processes is important; to retain talent it is necessary to engage them in decision making and keep them motivated otherwise retention of talent is difficult (Martel, 2003). Employee’s engagement influences positively employee’s performance and talent retention (Bhatnagar, 2007). Work place environment should support employee engagement and supports them to perform their task according to their full potential (Branham, 2005).

Kamath (2010) observes that in many industries human capital is not considered equally important as physical and financial capital. Talent is a facet of human capital that brings change in organizational processes and contributes to performance of organization through his capabilities (Halim, 2010). Talent is considered as a tool of superior performance and source of competitive advantage (Bontis, 1998). It is supported in literature that there are different dimensions of talent affect performance (Wang & Chang, 2005; Pablos, 2004). One of the elements of high performance with connection to talent in organization is sharing, and transferring of knowledge that supports maintaining competitive advantage of the organization (Landeiro, 2003).

It is explored by the Burnes & O’Donnell (2011) that business leaders can learn a lot from sports as well particularly by coaches and athletes in fields of team building and reaction to the change. Thus performance in teams will increase in positive way. Managers’ attitudes and style of management helps them in achieving desired outcomes (Luke, 2011).

2.2. Performance and commitment

Wood (1999) found that high performance is driven by high commitment. Fundamentally organizations believe that employees are the assets of the organizations instead of excessive baggage to the organization (Wood & Wall, 2002). According to this approach it is assumed that if organization treats its employees with respect and employees have voice in organizational decision making it improves performance of the employees (Wood & Wall, 2002). Commitment has different types and dimensions experienced by different people in the organization at different levels, the intensity may vary as per the affiliation with the organization (Elizur & Koslowsky, 2001). Commitment can be affective, normative, and continuance. The research by (Elizur & Koslowsky, 2001) concluded that employee involvement and commitment to the organizational goals
and objectives are common in all high performance organizations. Organizational commitment refers to the emotional attachment to the organization due to socialization and environmental factors (Elizur & Koslowsky, 2001). It is believed that employees at individual levels have different levels of commitment (Stallworth, 2003).

According to Rego & Cunha (2008), the performance is not the only element leading to organizational commitment but there are also some other elements important for organizational growth and commitment, these elements are: spirituality at work place, team work approach and alignment of performance with the policies and goals of the organization. Lee et al. (2008) found that employee commitment will go up when they feel affiliation with the organization and also when organization recognizes them as a part of organization. Recognition as a part of organizational success story will increase the commitment level and also the individual and organizational productivity. Lee et al. (2008) further states that impression of the organization outside the borders of organization also boasts the level of commitment and affiliation with the organization. At this stage the role stakeholders cannot be denied because the perceptions of stakeholders can affect the performance and attitudes of the employees.

It is also realized from the observation that these highly educated employees are the talent for the organization and if organization handles them in a wrong way may leads to the lack of commitment and intension to leave the organization (Tromp et al., 2010). Kelloway et al. (2010) are of the views that commitment can be developed through creating love and interest for the job employees performing in the organization. They further state that passion for doing the job and completing the task improves the employee commitment for the organization. They are of the concept that employees’ commitment is also beneficial for the employees in their own interest, as it provides them the chance to establish in the organization.

2.3. Performance and motivation

In the light of literature it is believed that HR practices will help in developing the corporate image in the industry and also within the organization which will ultimately results in better performance leading to employee motivation and commitment. It is evidenced in organizations that employees have no idea for the performance standards but still they perform which will not meet the organizational requirements therefore it is recommended that employees should be told clearly about the requirements of the organization. Therefore unplanned and spontaneous evaluation of employees may demotivate them (Yeganeh & Zhan Su, 2008).
According to Kelly et al. (2008) clarity of the appraisal system indicates the fairness of the system and refers to the higher degree of satisfaction related to the performance. If performance standards are clearly explained to the employees it will help them in focusing on the main areas of task they are performing by keeping in view organizational requirements. Thus reducing stress of the employee and improving performance with higher job satisfaction and motivation. Consequently trust on management will be improved. Kulno (2008) stated that performance appraisal and compensation system will positively affect the motivational levels of the employees.

Predefined performance related requirements will improve performance and motivation and helps employees to make their position in the organization through their performance. It is concluded by Rondeau (2007) that acceptance of employee suggestions and appreciation of employee contribution in the organization will motivate employees more compared to incentive and pay plans given to employees to acknowledge their prestigious contribution in the organization.

It is explored in a research conducted by Choo & Bowley (2007) motivation in employees can be developed if they are satisfied by the job structure and job performance along with the working environments and peer support in the completion of task and responsibilities given them within the organization. Another research endorses that in employee motivation one cannot deny the role of organizational justices and trust on management practices with respect to the gain sharing in the organization. Employee perceptions related to procedural and distributive justices plays vital role in employee motivation and commitment with the organization as well as their describe roles (Kennedy et al., 2009). Research conducted on Australian managers via mailed survey explores that employees perceives fairness from non financial measures which results in employees’ clarity regarding goals and roles in organizational setup. Whereas trust is also there for the supervisors and management practices (Lau & Berry, 2010).

3. Contribution to literature

In the era of talent war, the opportunities are meant for proficient and efficient individuals (Bovis et al, 2009; Strack et al., 2009; Hitt et al., 2008). Role of motivation and commitment in this context is very significant (Stephenson & Pandit, 2008; Sirkin & Bhattacharya, 2008; IBM, 2008; Hill, 2007; Gupta & Govindarajan, 2001; Porter, 1985). The literature (Collings & Mellahi, 2009; Cappelli, 2008a, Boudreau & Ramstad, 2007, 2005; Lewis & Heckman, 2006) focused on the issues related to talent attraction, retention and development. The
The effect of commitment and motivation on human talent

ability to achieve competitive advantage in knowledge economy is dependent upon effective utilization of knowledge resources (Drucker, 1993).

Successful utilization of knowledge resources mainly relies upon human factors (Malhotra, 2003). A model is conceptualized on the future recommendations of Mitchel (2010) (Figure 1). Mitchell (2010) suggested studying whether organizations that effectively manage human capital find that motivation and commitment to individuals has increased their performance and hence improving performance of organization.

Figure 1. Conceptualized Model

4. Conclusions

Cheese et al. (2008) support the view that motivation and commitment is ensured when individuals feel alignment in self and organizational interests thus created retention of the potential employees within the organization. Linkage will be created in between rewards and performance as National Grid has implemented in their organization (National Grid, 2009). Literature on this subject put strong emphasis on the role of HR on TM and talent retention across the organization (Farndale et al., 2010; Kelly, 2001).

Senior management should realize the importance of talent as they give priority to other tools of success. Management should give time to employee development and alien developmental activities with employee performance (Zahra et al., 2000; Earley & Gibson, 2002). It is argued by (Hitt et al., 1997; Zahra et al., 2000) that MNCs are more benefited by the talent as compare to other local corporations. As they have access to global talent pool from all prestigious institutes of the world. That supports them in upgrading their knowledge base and initiates innovation. Retention and development of the talent is the factor of prime importance for organizational succession planning (Evans et al., 2002).

Talent is human resource which grooms itself with the changing requirements of the environment (Bhatti et al., 2011). The culture of the organization provides
source of motivation and commitment for employees. Secondly, verbal and timely appreciation is more effective than financial and late praise. Fairness and justices should be ensured in decision making. It is important to manage talent along with the existing approaches to organizational equality and justices. Special attention should be given to the transparency of procedures to motivate employees and enhance their commitment with the organization (Bhatti et al., 2011). It is also believed that organizations should define a crystal clear strategy which defines the organizational values and also link performance with the rewards and time. Identify the needs and develop the culture of talent development and learning supportive environment (Earley & Gibson, 2002; Baba et al., 2004).

In future this conceptualized model will be empirically tested on service industry in Pakistan. It is recommended to study and test the validity of model in other cultural economic and geographical settings.

References


Bhatnagar, J., “Talent management strategy of employee engagement of Indian ITES employees: key to retention”, *Employee Relations*, 29(6), 2007, pp. 640-663


The effect of commitment and motivation on human talent

Black, J.S., Gregersen, H.B., Mendenhall, M.E., Stroh, L.K. (1999), Globalizing People through International Assignment, Addison Wesley, Reading, MA
Boston Consulting Group (2007), The future of HR: Key challenges through 2015, Boston Consulting Group, Düsseldorf
Branham, L., “Planning to become an employer of choice”, Journal of Organizational Excellence, 24(3), 2005, pp. 57-68
Economist Intelligence Unit, “The CEO’s role in talent management: How top executives from ten countries are nurturing the leaders of tomorrow”, The Economist, London, 2006


Hitt, M., Ireland, D.H. (2008), Strategic Management, Cengage, Mason, Ohio


IBM (2008), The Enterprise of the Future, IBM, New York

Kelly, J., “The role of the personnel/HR function in multinational companies”, Employee Relations, 23, 2001, pp. 536-557


Kulno, T., “Performance appraisal and the compensation of academic staff in the University of Tartu”, Baltic Journal of Management, 3(1), 2008


Kennedy, F.A., Kohlmeyer, J.M., Parker, R.J., “The roles of organizational justice and trust in a gain-sharing control system”, Advances in Accounting Behavioral Research, 12, 2009


The effect of commitment and motivation on human talent


Rondeau, K.V., “The adoption of high involvement work practices in Canadian nursing homes”, Leadership in Health Services, 20 (1), 2007


Sirkin, H., Bhattacharya, A. (2008), Globality: Competing with Everyone from Everywhere for Everthing, BCG, Boston

Soo-Hoon, L., Thomas W.L., Choon-Fong, L., “The Effects of Employee Services on Organizational Commitment and Intentions to Quit”, Personnel Review, 37(2), 2008


Stallworth, H.L., “Mentoring, organizational commitment and intentions to leave public accounting”, Managerial Auditing Journal, 18(5), 2003, pp. 405-418


Tromp, D.M., Rheede, A., Blomme, R.J., “The relationships between psychological strain, organizational support, affective commitment and turnover intentions of highly educated hospitality employees”, Advances in Hospitality and Leisure, 6, 2010

