UNLOCKING PERFORMANCE THROUGH ENGAGEMENT: THE ROLE OF TALENT MANAGEMENT IN NEPALESE PRIVATE BANKING SECTOR

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Abstract
The study aims to examine the mediating role of employee engagement on talent management and employee performance in Nepalese private banks. Using a causal-comparative research design, this study purposively selected 257 commercial banking employees of Kathmandu Valley. Adopting a structured questionnaire, the collected data were analyzed by using a structural equation modelling (SEM) based on three constructs, i.e. talent management, employee performance and employee engagement, where employee engagement has been used as a mediating variable between talent management and employee performance, respectively. This study found that employee engagement mediates the relationship between talent management and employee performance, indicating that employee performance strategies require both efficient talent management practices and proper employee engagement strategies. This relationship further promotes a better understanding of the employee performance strategy based on resource-based view (RBV) theory. The practical implications are transparent for the practitioners in Nepalese private banks since the strategy helps to enhance employee performance of the talented and the most potential employees through employee engagement. The originality lies in the article claiming that in order to achieve successful employee performance strategies for talented workers, the implementation of good talent management must be complemented with sufficient employee engagement.
Keywords: *Talent Management, Employee Performance, Employee Engagement, Banking Sector, Strategy*

1. INTRODUCTION
In recent years, there has been an increasing focus on employee performance in the banking industry due to its impact on organizational success (Reig-Botella et al., 2024; Hill & Plimmer, 2024; Khan & Nasim, 2024; Yang, 2023). Since, the banking industry is a highly competitive and dynamic industry, it requires high levels of employee performance to achieve success (Reig-Botella et al., 2024). In such highly competitive environment, high-performing employees are often enlightened due to their unique competitive advantage through their knowledge, skills, and expertise (Reig-Botella et al., 2024; Wang et al., 2024; De Lange-Ros & Koelewijn, 2014). Furthermore, high-performing employees can contribute to a culture of innovation and continuous improvement, which can help the bank to adapt to changing

market conditions and stay ahead of the competition (Aboramadan et al., 2020).Employee performance (EP) in the banking industry refers to the extent to which employees accomplish their work tasks and achieve organizational goals within the banking sector (Reig-Botella et al., 2024) and is a critical factor in maintaining the reputation and image of the bank, which is crucial in the banking industry (Soomro & Shah, 2019; Yang, 2023; Reig-Botella et al., 2024). Most banking institutions emphasize hiring and training methods that have proven effective (Aycan et al., 2024; Hill & Plimmer, 2024; Yang, 2023). Talent management (TM) in the banking industry is used to attract, retain, and develop high-quality personnel who can fulfil the needs of the business (Hughes & Rog, 2008; Ali & Ullah, 2023). The banking industry actively seeks talented candidates to increase the probability of hiring the appropriate person at the right moment (Ozili & Outa, 2019). Identifying future leaders for the banking sector is made easier by efforts to attract, retain, and develop top talent. Talent management is a key component of this strategy (Monandi & Ombui, 2019). In order for banks to achieve optimal employee performance and profit maximization in the short term, talent management is crucial so that they can attract and retain the appropriate talent. Employee job performance is also enhanced by talent management strategies (Bayona et al., 2020; Abubakar et al., 2019). Similarly, employee performance relates to talent management (Abazeed, 2018).The Resource-Based View (RBV) theory proposes that organizations can achieve sustained competitive advantage by developing unique resources and capabilities that are valuable, rare, inimitable, and non-substitutable (Barney, 1991). Talent Management practices are a key resource enabling organizations to develop and retain highly talented employees, which can contribute to higher levels of employee engagement and performance, leading to sustained competitive advantage (Collings & Mellahi, 2009). Talent Management practices, such as recruitment, selection, training and development, reward management, and performance appraisal, can help organizations attract, develop, and retain highly talented employees who possess specialized skills and knowledge, which can contribute to higher levels of employee engagement (Schuler et al., 2011). Additionally, Talent Management practices can foster a culture of high performance, which can contribute to higher levels of employee engagement and performance (Boxall & Purcell, 2022). Moreover, highly talented employees can contribute to an organization's competitive advantage by developing unique capabilities that are difficult for competitors to replicate (Boxall & Purcell, 2022). For instance, by investing in employee training and development, organizations can create a workforce with specialized skills and knowledge that are difficult for competitors to imitate, contributing to higher levels of employee performance (Collings et al., 2019). Furthermore, employee engagement has been found to mediate the relationship between Talent Management practices and employee performance. For instance, Collings et al. (2019) found that Talent Management practices positively impact employee engagement, which in turn, leads to improved employee performance. Therefore, based on the RBV theory, it concludes that Talent Management practices are a key resource enabling organizations to develop and retain highly talented employees, leading to higher levels of employee engagement and performance, which can contribute to sustained competitive advantage. Scholars and practitioners have started giving much attention and recognition to talent management in the knowledge economy today (Vieira, Gomes da Costa, & Santos, 2024; Cho, Choi, & Choi, 2023; Mitosis, Lamnisos, & Talias, 2021; Andrade, & Petiz Lousā, 2021; Dries, 2013; Thunnissen, 2013; Gallardo-Gallardo, 2013; Boudreau & Ramstad, 2005; Collings & Mellahi, 2009; Transley, 2013; Manasrah, 2015; & Transley, 2011). Indeed, TM has gained much attention not only in the private and multinational sectors (Gallardo-Gallardo et al., 2015; Thunnissen et al., 2016; Sheehan & Anderson, 2015) but also in the field of public administration (Kock & Burke, 2008; Mensah & Bawole, 2018). Talent management practices have gained increasing attention in recent years due to their potential impact on employee performance (Ali & Mehreen, 2019; Johnson et al., 2018; Ali et al., 2019; Abdullah et al., 2022; Zb et al., 2018; Abdullahi et al., 2022). Organizations have come to recognize that their workforce is a critical asset that must be managed effectively to gain a competitive advantage in today's complex business environment. Research has shown that talent management practices, such as recruitment and selection, training and development, and performance management, positively impact employee performance (Collings et al., 2019; Huselid et al., 2006). For instance, effective recruitment and selection practices can help organizations attract high-performing employees with the required skills and competencies to perform their job roles effectively (Collings et al., 2019). Additionally, performance

management practices, such as goal-setting, feedback, and rewards, can motivate employees to improve their performance and achieve their goals (Huselid et al., 2006). Much research has shown that TM approaches relate to EP (Johnson et al., 2018; Collings et al., 2019; Schuler et al., 2011; Cummings & Cummings, 2014; Mello, 2014; Nam & Lee, 2018). But, no research was found that tested the mediation effect of EE on TM and EP relations among employees of Nepalese commercial banks. Therefore, this study relies on the gap to propose the mediating role of EE on TM practices and EP using mediation assumption (Zhao et al., 2010; Hayes, 2009; Rucker et al., 2011). This paper aims to contribute to the literature by providing a comprehensive review of the impact of talent management practices on employee performance through employee engagement in Nepalese commercial banks. This paper's findings will be valuable to organizations seeking to optimize their talent management practices and improve employee performance and researchers interested in talent management in Nepalese commercial banks. This study comprises of 4 sections: 1) Introduction 2) Literature Review and Hypotheses Development 3) Research Methodology 4) Results and Discussions, respectively.

2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Talent attraction and Employee performance

Collings and Mellahi (2009) indicated that attracting and retaining top talent through talent management practices positively influences employee performance. Another study supports this claim, showing a significant positive relationship between talent management practices and employee performance (Abdullahi et al., 2022). Moreover, the study of Iles et al. (2010), suggests that talent attraction leads to better job performance, resulting in positive organizational outcomes. Attracting high-quality employees can enhance employee commitment, job satisfaction, and performance, all contributing to the organization's overall success. Additionally, Collings et al. (2019) highlighted organizations that invest in talent attraction and management practices experience greater financial returns, including increased revenue and profitability. Therefore, based on the above research, it can be hypothesized as:

H1: Talent attraction positively impacts employee performance.

Training and development and employee performance

A growing body of research supports the idea that training and development programs positively impact employee performance (Guchait & Cho, 2010; Holton III, Bates, & Ruona, 2000; Tannenbaum & Yukl, 1992). Holton III et al. (2000) found that training and development programs can improve employee skills, knowledge, and attitudes, resulting in improved job performance. Similarly, Guchait and Cho (2010) suggested that effective training programs can enhance employee motivation and job satisfaction, leading to improved performance. Furthermore, Tannenbaum and Yukl (1992) depict that training and development programs can improve job performance by promoting acquiring new knowledge, skills, and abilities. Employee orientation and training and development are associated to higher levels of employee performance (Mehreen & Ali, 2022). Thus, it can be hypothesized as:

H2: Effective training and development programs positively impact employee performance.

Reward management and employee performance

Numerous studies have shown that reward management is critical in enhancing employee performance (Taba, 2018; Rohim & Budhiasa, 2019; Sun, Aryee, & Law, 2007; Lawler, 2005). Sun et al. (2007) argued that rewards play a crucial role in promoting employee motivation and engagement, which leads to improved performance. Likewise, Taba (2018) highlighted the landscape of rewards which positively correlate with employee performance, indicating that a well-designed reward system can improve employee productivity and commitment. Furthermore, Lawler (2005) suggested that reward systems must be aligned with organizational goals and objectives to effectively promote employee performance. This indicates that the reward system must be designed so that employees perceive it as fair and equitable to influence their behaviour positively. Additionally, the study of Rohim and Budhiasa (2019) indicate that reward management significantly impacts employee performance. In conclusion, it can be hypothesized:

H3: Effective reward management positively influences employee performance.

Performance appraisal and employee performance

A significant body of literature suggests that performance appraisal positively affects employee performance (Cleveland et al., 1989; DeNisi & Williams, 1988; Kan et al., 2018; Hasim et al., 2017). Performance appraisal is a critical tool for performance management, providing feedback to employees on their performance, identifying areas for improvement, and setting goals and targets for the future (Erdogan & Bauer, 2009). Research has also shown that performance appraisal can improve employee motivation and job satisfaction (Tjahjadi et al., 2019; Verbeeten, 2008). When employees receive feedback on their performance, they are more likely to feel that their work is valued and to have a sense of accomplishment, which can lead to increased motivation and engagement (Tjahjadi et al., 2019). Moreover, effective performance appraisal systems can help identify and develop the potential of high-performing employees, which can positively impact organizational performance (DeNisi & Williams, 1988; Kulik & Bainbridge, 2016). Thus, the more effective the performance appraisal system is, the more likely it is to improve employee performance. In conclusion, based on the available evidence, it can be hypothesized that performance appraisal positively affects employee performance. A large body of research (Cleveland et al., 1989; DeNisi & Williams, 1988; Kan et al., 2018; Hasim et al., 2017), among others, demonstrates that performance appraisals improve employee performance. Employees benefit greatly from performance appraisals because they can get constructive criticism on their work, learn where they can make changes, and chart a course for future success (Erdogan & Bauer, 2009). Tjahjadi, Soewarno, Astri, and Hariyati (2019) and Verbeeten (2008) found that performance appraisals increased employee motivation and work satisfaction. It has been found that providing workers with constructive criticism on how they're doing increases their enthusiasm and dedication to their jobs Tjahjadi, Soewarno, Astri, and Hariyati (2019). In addition, high-performing personnel can be identified and their potential further developed through performance appraisal systems (DeNisi & Williams, 1988; Verbeeten, 2008). Employee performance can only benefit from a performance appraisal system if it is effective. Thus, it can be hypothesized as follows:

H4: There is a significant impact of performance appraisal on employee performance.

H5: Employee engagement mediates the relationship between talent attraction and employee performance.

H6: Employee engagement mediates the relationship between training and development and employee performance.

H7: Employee engagement mediates the relationship between reward management and employee performance.

H8: Employee engagement mediates the relationship between performance appraisal and employee performance.

3. RESEARCH METHODOLOGY
Research Framework
The following research framework was developed based on the in-depth analysis of the literature, TM practices, EE, and EP. Figure 1 shows an optimal model connecting TM practices (Talent attraction, training and development, reward management, and performance appraisal) to EE and EP in Nepalese commercial banks. The model is adopted from different models (Abdullah et al., 2022; Mensah, 2015; EI et al., 2015; Abdullah et al., 2020). The study is an integration of RBV theory. From the RBV theory viewpoint, the Resource-Based View (RBV) theory is a strategic management framework that suggests that a company's internal resources and capabilities are more important than external factors in achieving and sustaining competitive advantage (Barney, 1991). In this theory, resources refer to tangible and intangible assets that a company controls, while capabilities refer to the skills, knowledge, and abilities that a company's employees possess (Barney, 1991). This essay will examine how RBV theory connects with talent management and employee performance. Talent management is a strategic approach that aims to attract, develop, retain, and deploy talent to achieve organizational objectives (Collings et al., 2021). According to RBV theory, a company's employees are a critical resource that can provide a sustained competitive advantage if they possess unique skills, knowledge, and abilities that competitors cannot imitate (Barney, 1991). Therefore, talent management is crucial in identifying, developing, and retaining talented employees who can contribute to the company's competitive advantage.One way to manage talent is through effective recruitment and selection practices that identify candidates with unique skills,

knowledge, and abilities that align with the company's strategy and objectives (Collings et al., 2021). In addition, companies can invest in developing their employees' skills and knowledge through training and development programs, which can enhance their capabilities and contribute to the company's competitive advantage (Collings et al., 2021).RBV theory also suggests that a company's resources and capabilities influence employee performance (Barney, 1991). Therefore, talent management practices that focus on developing employees' skills and knowledge can enhance their performance, leading to improved organizational outcomes (Collings et al., 2021). In addition, companies can design reward systems that recognize and incentivize high-performing employees, which can motivate them to continue performing at a high level and contribute to the company's competitive advantage (Collings et al., 2021).Empirical research has supported the link between RBV theory, talent management, and employee performance. For instance, a study by Chen, Wang, and Huang (2018) found that talent management practices positively influenced employee performance in Chinese firms. In conclusion, RBV theory suggests that a company's internal resources and capabilities, including its employees' skills, knowledge, and abilities, are critical for achieving and sustaining competitive advantage. Talent management practices, such as effective recruitment and selection, training and development, and reward systems, can contribute to developing and retaining talented employees who can enhance organizational performance. Empirical research provides evidence for the link between RBV theory, talent management, and employee performance, highlighting the importance of investing in employee development to achieve a competitive the advantage.

Figure 1: Conceptual Framework
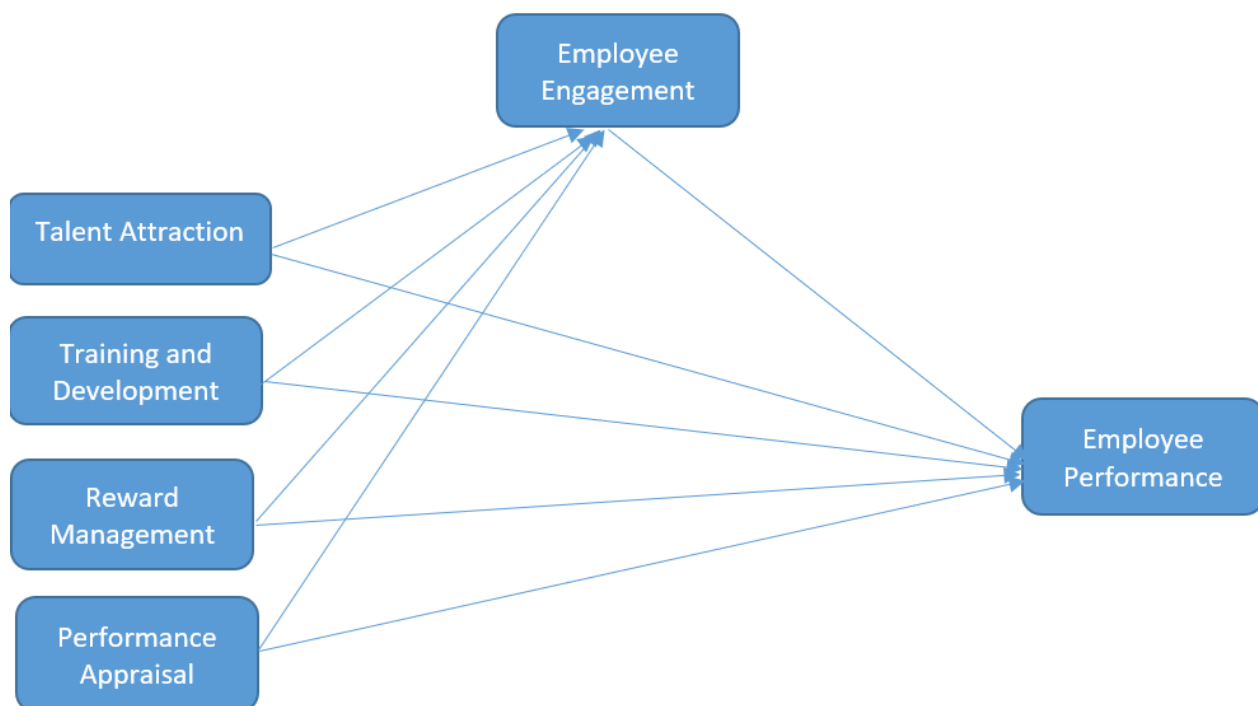
Source: Modified version of (Abdullahi et al., 2022)

Research Design

The study used a causal-comparative research design whereby all the study variables will be measured simultaneously (Sekaran and Bougie, 2016). The reason behind this is to investigate the relationship

between the predictor variables: talent management (talent attraction, training and development, reward management and performance appraisal) and employee performance.

Study Area and Population

The population of this present study is full-time employees who are presently working in the private commercial banks in Nepal. There are 22 commercial banks in Nepal. The reason for selecting these banks is that they are the top-rated private banks, among the oldest generation banks, they have a large number of full-time employees.

Sampling and Sample Size Determination

This study uses purposive sampling which is justified when a specific target group is needed to obtain the required information (Sekaran & Bougie, 2016). Therefore, the criteria for the respondents are as follows: The respondents are full-time employees of private commercial banks in the Nepalese banking industry. The respondents were employees who had worked at the bank for at least one year.The sample size of the study was 257. It was determined by the multivariate rule proposed by Hair et al. (2010) and Tabachnick & Fidell (2007), which advocate that sample must be equal to 5 or 10 times the number of items used in the research. This study consists of 45 items. Therefore, the sample size becomes 225 (45*5 = 225). The sample size is increased by 12.45 %, amounting to 257, to resolve the problem of sample size error (Hair et al., 2010; Bartlet et al., 2001). Meanwhile, the unit of analysis for the present study is at the individual level of employees working in Nepalese private commercial banks. They are also full-time employees and have worked in the banking industry for more than one year.

Measures

The questionnaire contains forty-five items to measure altogether six constructs. Because of this, EP was measured with eight items taken from Waheed (2011) and Fuentes et al. (2013). Eight questions from Lockwood (2007) and Gallup Inc. (2008) were used to measure EE. Eight items from Highhouse et al. (2003) and Lyria (2014) were used to judge TA. Eight items from Yarnall (2011) and Loganathan (2019) were used to measure TD. Seven things from Chen (2012) and Hung (2013) were used to judge RM. Seven items from Williams and Anderson (1991) were then used to measure PA. A five-point Likert scale was designed to measure the concept. It ranges from strongly agree = 5 to disagree =1 strongly.

Reliability and Validity Test

A pilot test was done to ensure the reliability and validity of the instrument. Five university professors were chosen to check the validity of the content, and five corporate experts were chosen to validate the instrument designed to collect information from employees of Nepalese commercial banks. This has established the validity of items used in the questionnaire (Struaub, 1989). This study has used 51 respondents for pilot test which meets the reliability criteria of minimum or a threshold of 30 respondents as suggested by Johnson and Brooks (2010). The chosen bankers with the same characteristics who were not part of the concern population. The Cronbach alpha's values of talent attraction, training and development, reward management, performance appraisal, employee engagement and employee performance were found to be 0.872, 0.785, 0.778, 0.0823, 0.883 and 0.875, respectively. These obtained values of Cronbach's alpha were recorded to be higher than 0.7, meaning that reliability has been met and instruments were accurate to measure the desired objectives (Hair et al., 2010; Tabachnick & Fidell, 2007). Thus, the questionnaire designed is accurate and reliable to measure the constructs.

Table 1 depicts different constructs, their respective sources and Cronbach alpha value.

Table 1: Measure of the Study

Constructs	Items	Cronbach's alpha	Sources
Talent attraction	8	0.77	Lyria (2014)
Talent development	7	0.92	Loganathan (2019)
Reward Management	8	0.89	Loganathan (2019)

Performance Appraisal	7	0.91	Williams and Anderson (1991)
Employee engagement	7	0.9	Schaufeli et al. (2017)
Employee Performance	8	0.785	Hameed and Waheed (2011)

4. RESULTS AND DISCUSSIONS

Common Method Bias

An exploratory factor analysis was conducted without rotation to assess the common method bias. Harman's single-factor method revealed that the single factor produced less than 50 per cent of the variance. The first indicator resulted in a 28.73 per cent variance, below 50 per cent. Therefore, it is confirmed that there is no common method bias. Besides, the common latent factor (CLF) was also introduced in the measurement model, along with the six factors of substantive interest in the study. The common latent factor (CLF) was specified to be uncorrelated with the other constructs and allowed to load each item on the common latent factor (Podsakoff, 2013, 2003). The standardized regression weights of the models without and with CLF were recorded and removed from those without CLF. The result revealed that the difference was less than 0.2, confirming no common method (Launce et al., 2010).

Data Analysis Strategy

This research has used structural equation modelling (SEM) to test the meditation effect of employee engagement on talent management and employee performance in Nepalese commercial banks. AMOS 22 has been deployed to diagnose data to meet the specific purpose of the study (Hair et al., 2012). The bootstrapping approach has been deployed to ensure the significance level of loadings, beat coefficients, and standardized weights.

Measurement model

Structural equation modeling has been used to analyze data collected to test the hypotheses derived in the study. This study examines the association between talent management and organizational performance in Nepalese commercial banks. The measure model refers to the implicit or explicit models that relate their indicators to the latent variables (Fornell, 1992). This research follows the guidelines prescribed by Hair et al. (2010) to examine the measurement model, whereby convergent and discriminant validity are investigated. The convergent and discriminant validity have been assessed below:

Convergent validity:

Anderson and Gerbeing (1998) employed a two-step data analysis process of structural equation modeling. The first step was to examine the scale validity using Confirmatory factor analysis (CFA), while the second step was developed to test the hypothesis using structural equation modeling. This study reveals the measurement model of talent management practices and employee performance. The model was found to be acceptable based on model fit indices (CMINDF = 3.716, SRMR = 0.058, CFI =0.943, and RMSEA = 0.051). The model is fit and supported (Hair et al., 2010, Hu and Bentler, 1988, & Henseler et al., 2010). Convergent validity (CV) is the degree to which different items can measure the same thing in the same way (Hair et al., 2010). Urbach and Ahlemann (2010) say that CV is a measure of how much a concept is shown by each indication. As suggested by Hair et al. (2010, 2013a, b), the CV is evaluated using factor loadings, composite reliability (CR), and average variance extracted (AVE). The basic criteria for ensuring CV is to meet three process: 1) AVE must be greater than 0.5, 2) Composite reliability (CR) must be greater than 0.7, and 3) CR must be greater than AVE. The findings in the Table 2 shows that the value of AVE is greater than 0.5. Likewise, the values of CR have also found to be greater than 0.7 and the values of CR are also higher than AVE. Thus, it can validate the criteria of convergent validity (Hair et al., 2010). Furthermore, other model fit indices are excellent. Even there are no cases of cross-loadings as. Therefore, there is a need for the second-order construct of talent management (TM) to overcome the problem of discriminant validity. Thus, the model is well-processed for further analysis based on the second-order construct of talent management. Table 2 shows the values of cronbach's alpha was also recorded to be ranging from 0.853 to 0.961 which are higher than 0.7. It means that the instrument developed was highly reliable (Nunnally, 1978).

Table 2: Items, loadings, CR and AVE

Items	Loadings	Cronbach's Alpha	CR	AVE
EP1	.889	0.943	0.946	0.816
EP4	.883			
EP5	.843			
EP7	.900			
TA1	.923	0.961	0.967	0.854
TA3	.947			
TA5	.849			
TA6	.929			
TA7	.960			
TD1	.943	0.972	0.972	0.897
TD2	.926			
TD4	.931			
TD6	.907			
EE1	.831	0.822	0.827	0.551
EE2	.695			
EE3	.874			
EE6	.626			
PA1	.733	0.853	0.861	0.614
PA2	.907			
PA4	.840			
PA7	.730			
RM1	.889	0.917	0.922	0.749
RM3	.863			
RM4	.866			
RM6	.932			

Note: EP = Employee performance, TA = Talent attraction, TD = Training and development, RM = Reward management, PA = Performance appraisal, EE = Employee engagement

Source: Authors'

Discriminant validity:

By analyzing the correlations between potentially overlapping measures, researchers can determine a predictor's discriminant validity, or how well it separates one construct from another or assesses a different notion (Ramayah et al., 2018). The ability of items to differentiate or measure between different notions is what is meant by "discriminant validity" (Hair et al., 2010). Fornel and Larcker's (1981) criteria was deployed to assess the discriminant validity, comparing the diagonal square root value of AVE with the remaining correlation coefficients of constructs below diagonal elements. The results show that the Square root values of each constructs of AVE are greater than remaining correlations value below diagonal elements. Thus, it confirms the discriminant validity.

Table 3: Results of discriminant validity (Fornell-Larcker Method) and VIF

Constructs	TA	TD	EP	RM	PA	EE
TA	0.924					
TD	0.267***	0.947				
EP	0.293***	0.388***	0.903			
RM	0.119*	0.062	0.280***	0.865		

PA	0.094†	0.222***	0.271***	0.160**	0.784	
EE	0.202***	0.310***	0.353***	0.150**	0.371***	0.742

*Note: **** = significant at 0.01 level, EP = Employee performance, TA = Talent attraction, TD = Training and development, RM = Reward management, PA = Performance appraisal, EE = Employee engagement,*

Source: Authors'

Table 3 reveals the results of discriminant validity and also correlation coefficient between independent and dependent constructs. The correlation coefficient between talent attraction and employee performance was recorded to be significant (r = 0.293, p < 0.001). Likewise, training and development is positively associated with employee performance ((r = 0.388, p < 0.001). Reward management and employee performance has found to have positive and significant relationship between them ((r = 0.280, p < 0.001). The result shows that there is a positive and significant relationship between performance appraisal and employee performance ((r = 0.271, p < 0.001) in Nepalese commercial banks. Employee engagement is positively correlated with the employee performance ((r = 0.353, p < 0.001) in banks.

Table 4: Results of structural path model of direct effect

Hypothesized paths			Estimate	S.E.	C.R.	P	Decision
TA	→	EP	0.174	0.048	3.812	***	Supported
TD	→	EP	0.294	0.043	6.285	***	Supported
RM	→	EP	0.217	0.052	4.745	***	Supported
PA	→	EP	0.154	0.053	3.293	***	Supported

Note: EP = Employee performance, TA = Talent attraction, TD = Training and development, RM = Reward management, PA = Performance appraisal, EE = Employee engagement,

Source: Authors'

Figure 2 deals with the influence of talent management practices on the employee performance of Nepalese private commercial banks. Further, the impact of talent management practices on employee performance (EP) has been examined. The result revealed that all rules significantly and positively impact employee performance out of four talent management practices. The result shows a significant impact of talent attraction on employee performance (TA → EP, β = 0.174, C.R. = 3.812, P < 0.01). Thus, H1 is accepted. Likewise, the result finds that training and development have a significant impact on employee performance (TD → EP, β = 0.294, C.R. = 6.285; P < 0.01). Thus, hypothesis H2 is accepted. Further, the finding depicts that reward management significantly impacts employee performance (RM → EP, β = 0.217, C.R. = 4.745; P < 0.01). Thus, hypothesis H3 is accepted. Finally, the result represents a significant impact of performance appraisal on employee performance (PA → EP, β = 0.154, C.R. = 3.293, P < 0.01). Therefore, hypothesis H4 is accepted. The model has been found to be an excellent fit for the data used in the study (CMINDF = 3.716, SRMR = 0.058, CFI =0.943, and RMSEA = 0.051) for talent management. The model fit is supported by (Hair et al., 2010, Hu and Bentler, 1988, & Henseler et al., 2010).

Figure 2: Structural model
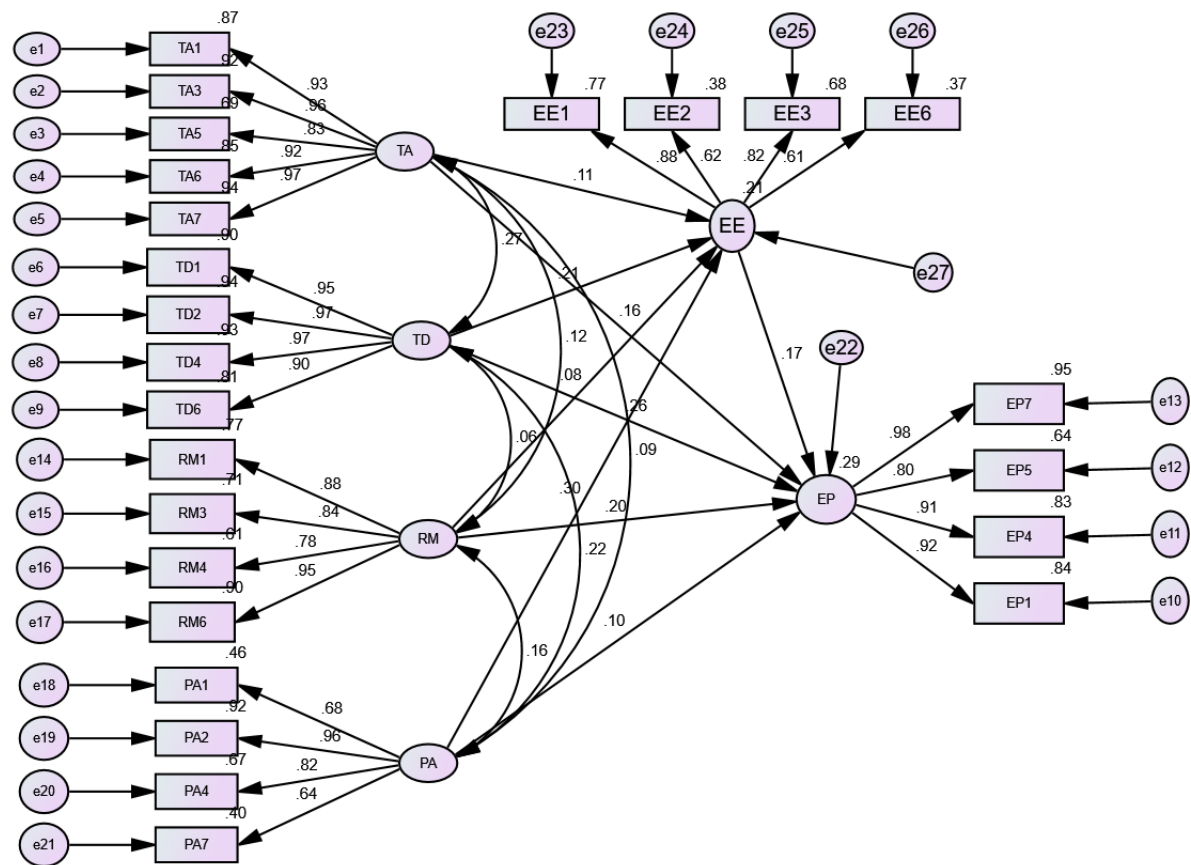
Source: Authors'

DISCUSSION

Employee involvement is a very important idea that describes how committed and motivated an employee is to his or her job and the organization. People have known for a long time that employee engagement acts as a bridge between talent management practices, like attracting new talent, training and development, reward management, and performance reviews, and employee success. Table 4 indicates that TA has its significant impact on EP in Nepalese commercial banks. Talent attraction is an important part of talent management. It is the process of finding and hiring the best people for a company. Studies have shown that a strong employer brand can have a big effect on how involved employees are, and employees who are engaged are more likely to stay with the company. This result is in line with what other researchers have found (Jimoh and Kee, 2022; Humaid, 2018; Cheaisi and Busolo, 2020; Collings and colleagues, 2019; Macey and Schneider, 2008; Abazeed, 2018). A positive work environment, supportive leadership, and a strong organisational culture are all important factors that can help increase employee engagement and, in turn, improve employee success.

Table 5: Results of Structural Path Model of Indirect Effect

Path	Estimate	LL	UL
TA →EE→EP	0.017	0.002	0.035
TD→EE→EP	0.024	0.006	0.074
RM→EE→EP	0.014	0.002	0.043
PA →EE→EP	0.021	0.004	0.013

Source: Authors'

H2 depicted that training and development has a significant influence on employee performance in Nepalese banks. Training and development programmes are another important part of talent

management that can help employees become more engaged and do a better job. Employees can improve their skills and knowledge with regular training opportunities, which can lead to better job performance and more work happiness. This finding is also in line with what other researchers have found (Jimoh, Kee, Huang, et al., Haryonna, et al., Jabbar, et al., 2020). Also, giving employees chances to grow and move up in their careers can make them more engaged, which can improve their work performance.H3 revealed that reward management has a substantial impact on employee performance. Reward management practises, such as pay based on success, bonuses, and promotions, can also help employees be more engaged and do a better job. Studies have shown that rewards can motivate workers and give them a feeling of accomplishment and worth (Kumar & Baisya, 2021). H4 found that performance appraisal has significant impact on employee performance in Neplaese commercial banks. This can lead to higher levels of engagement and better performance. Practices for evaluation reviews are another important part of talent management that can help employees become more engaged and improve their work (Abdullah et al., 2022; Khan et al., 2018; Biswakarma, 2017; Tizikara and Mugizi, 2017; Zed et al., 2018; Amin et al., 2014; Ilyas et al., 2016; Wanjala and Kimutai, 2015). The study is also based on the RBV theory, which says that when talented employees in banks get fair performance reviews, it encourages them to use their honest potential on the job, which leads to higher productivity, performance, and overall success for the organisation (Blau, 1994). The indirect TA on EP was tested using non-parametric bootstrapping method. There was positive and significant indirect effect of talent attraction through employee engagement on employee performance (β = 0.017, p < 0.01) at 95% confidence interval (0.002 – 0.035).The impact of talent attraction on employee performance after including employee engagement is significant. Thus, there is a partial mediation between talent attraction and employee performance through employee engagement. The indirect training and development on employee performance was tested using non-parametric bootstrapping method. There was positive and significant indirect effect of training and development through employee engagement on employee performance (β = 0.024, p < 0.01) at 95% confidence interval (0.006 – 0.074). The impact of training and development on employee performance after including employee engagement is significant. Thus, there is a partial mediation between training and development and employee performance through EE.The indirect reward management on employee performance was tested using a non-parametric bootstrapping method. There was a positive and significant indirect effect of reward management through employee engagement on employee performance (β = 0.021, p < 0.01) at 95% confidence interval (0.004 – 0.016). The impact of reward management on employee performance after including employee engagement is significant. Thus, there is partial mediation between reward management and employee performance through employee engagement and employee performance through EE. The indirect performance appraisal on employee performance was tested using a non-paramedic bootstrapping method. There was a positive and significant indirect effect of performance appraisal through employee engagement on employee performance (β = 0.021, p = 0.221) at 95% confidence interval (0.004 - 0.026). The impact of performance appraisal on employee performance after including employee engagement is significant. Thus, there is partial mediation between performance appraisal and employee performance through EE. In the end, employee engagement is a key part of the link between talent management practices and employee success. Attracting talent, teaching and developing employees, managing rewards, and evaluating employee performance are all important parts of talent management that can have a big effect on employee engagement and, in turn, lead to better employee performance. By putting talent management practices and employee engagement at the top of their priorities, organizations can create a good work environment that encourages employee engagement and, in the long run, a competitive edge that will last.

CONCLUSION

Nepalese commercial banks should pay special attention to employee engagement as a bridge between talent management practices and employee success. The studies we looked at for this talk show that how Nepalese commercial banks hire, train, develop, manage rewards, and evaluate employees' work greatly affects how well they do their jobs. This study showed that staff engagement is key to making this relationship work. When Nepalese commercial banks put talent management and employee engagement first, they are more likely to create a good work environment that encourages engagement and, in the

end, leads to better employee performance. Nepalese commercial banks can attract and keep talented employees by building a strong employer brand, offering regular training, giving rewards based on performance, and setting clear performance goals. This creates a workforce that is engaged and motivated to meet organizational goals. It is important to note that even though the studies show a link between talent management practices, employee engagement, and success in Nepalese commercial banks, more research is needed to understand the mechanisms at play fully. In the future, researchers could look at other things that might affect this link, such as leadership styles, organizational culture, and the effect of outside things like the economy. Thus, Nepalese commercial banks that prioritize talent management practices and employee engagement are likely to maintain a competitive advantage by creating a workforce that is motivated, committed, and able to reach organizational goals.

IMPLICATION

The link between talent management practices, employee performance, and employee engagement in Nepalese banks has important effects for businesses that want to stay competitive. The bank should invest in talent management practices if they want to find and keep talented workers. Nepalese banks should put employer branding, recruitment strategies, and selection processes at the top of their list of things to do to draw and hire the best people. Training and growth programs can help Nepalese bank employees do their jobs better. Banks should put money into employee development programs like technical training, management development programs, guidance, and coaching. These programs will help employees learn new skills and improve their knowledge and abilities. In Nepalese banks, performance-based pay, bonuses, and promotions can motivate workers and help them do better. Setting goals, getting feedback, and evaluating employee success can improve employee performance and engagement in Nepalese banks. The relationship between talent management practices and employee performance is mediated by employee engagement. So, Nepalese banks should put work-life balance, career growth, and employee recognition at the top of their list of employee engagement practices. This will improve employee engagement and, in the end, employee performance. In conclusion, Nepalese banks should invest in talent management practices, such as talent attraction, training and development, reward management, and performance evaluation, to improve employee performance and engagement. These practices make the workplace a better place to be and get employees more involved, making them work better. Nepalese banks can maintain a competitive edge by prioritising talent management practices and employee engagement.

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