

The Role of Leader's Talent Management Ability in Relations between Leadership Styles and Organizational Effectiveness

Choonghyun Kim¹, Jaeweon Lee¹ & Jaehoon Rhee¹

¹School of Business & Administration, Yeungnam University, Korea

Correspondence: Jaehoon Rhee, School of Business & Administration, Yeungnam University, Gyeongsan, Gyeongbuk 712-749, Korea. Tel: 82-053-810-2745. E-mail: jrhee@ynu.ac.kr

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Abstract

Currently, talent management has been considered as one of the most important responsibilities of leaders and HR departments in enterprises. This study aims to investigate the role of leader's talent management ability and the manners which leadership styles affect organizational effectiveness. A theoretical review and hypothesized research model are presented.

To test the hypotheses, SPSS program was performed on the data collected from 356 employees working at various firms in Daegu City and Kyongsang North Province. Then the results show several implications and provide many contributions. The first one is our study extends the research on talent management from a traditional human resource management point of view to a leadership perspective. Second, our research is the first attempt to identify a leader's talent management ability as affects the correlation between leadership and organizational effectiveness. Finally, this study reveals that a leader's talent management ability directly and indirectly influences organizational effectiveness.

Keywords: talent management, leader's talent management ability, leadership style, organizational effectiveness

1. Introduction

In 1997, McKinsey brings the view of "war for talent" forward and then prompts the success of some companies while managing their teams' enormous asset. Rapidly followed by this, the expression of "talent management" has attracted much attention in both the theoretical and practical practices (Scullion & Collings, 2010). For every organization who wants to gain much more advantages in current knowledge-based time, human capital have been regarded as the important than any other resources (Hitt & Ireland, 2002), and a determinant of organizational performance (Yukl, 2008). Accordingly, talent management has been viewed as critical success factor for any organization.

Although talent management has been seen as the basic function of human resource management, it cannot work well if the function alone (Whelan, Collings, & Donnellan, 2009). That is, all levels of management must be involved because of the importance of talent management strategies. Therefore, talent management is not just a function of the HR department, but a combination of requiring acknowledgment and supporting from all other departments of the enterprises.

Historically and commonly, great leaders have the ability to hire the most talented people in the best positions at the right time. Winning the war for talent, which includes recruiting and retaining talent and creating leadership opportunities, will be the predominant business challenge for this century (Hajim, 2007). Using the metaphor of a bus, Collins (2001) indicated that the executives who ignited business transformations from good to great first got the right people on the bus, and then figured out where to go. He stressed the importance of utilizing good people for companies' success.

Despite a great deal of researches on talent management in the past, majority of studies have focused on the strategic human resource management point of view. Consequently, there are few studies on talent management from the leadership perspective.

Our research questions are as follows:

1. Do leadership styles affect leaders' talent management ability?

2. Does a leader's talent management ability directly affect organizational effectiveness?

3. Does a leader's talent management ability and leadership style indirectly affect organizational effectiveness?

Based on a literature review and empirical analysis, the primary aim of this study is to identify the mediating effect of a leader's talent management ability on the relation between leadership styles and organizational effectiveness including organizational commitment, job satisfaction, and turnover intention.

2. Theoretical Background

2.1 Leadership Styles

After 1990s, transformational-transactional leadership theory is developed as a mainstream research gradually. This leadership theory was introduced by Burns in 1978 at first and then Avolio and Bass (1991) made it compiled.

2.1.1 Transformational Leadership

Bass (1999) defines the transformational leadership as “a process in which a leader tries to increase subordinates’ awareness of what is right and important and to encourage them to perform “beyond expectation””.

Transformational leaders generally incorporate the following four characteristics their behaviors: Charisma, or Idealized Influence (II) is “the degree to which the leader behaves in admirable means that cause subordinates to identify with the leader”. Inspirational Motivation (IM) is “the degree to which the leader articulates a vision that is attracting and motivating to subordinates”. Intellectual Stimulation (IS) is “the degree to which the leader challenges assumptions, takes risks, and solicits subordinates’ thinking”. Individualized Consideration (IC) is “the degree to which the leader attends to each subordinate’s needs, acts as a teacher or coach to the subordinate, and give audience to the subordinate’s concerns, needs and well-beings” (Muenjohn & Armstrong, 2008).

2.1.2 Transactional Leadership

Transactional leadership involves “an exchange relationship between leaders and subordinates such that subordinates receive rewards or prestige for complying with a leader’s expectations” (Rafferty & Griffin, 2004).

In details, there are two dimensions of transactional leadership. The first dimension is contingent reward (CR). That is the leader rewards subordinates is contingent on the subordinates’ effort expended and performance level achieved. The second dimension is management-by-exception (MBE). There are two types of MBE are active one and passive one. The difference between the two is that in the active form the leader searches for deviations, whereas in the passive form the leader waits for problems to materialize (Hater & Bass, 1988).

2.2 Talent Management

Based on the resource-based view (RBV), just the resources which are owned by a firm should be valuable, unique, and difficult to imitate, then it can help increase a firm's competitive advantages (Barney, 1991). Human capital has been seen as an intangible resources which are more likely to produce a competitive advantage because they often are rare and socially complex, thereby making them difficult to imitate (Black & Boal, 1994). Thus, as a key success factor to the firms, Hitt et al. (2001) observed that if a firm make a greater investment in and utilization of human capital, they will experience a higher levels of performance.

Talent in organizations is “the core employees or the core leaders who drive the business forward” (Hansen, 2007), and “the core competencies of the organization” (A. Berger & R. Berger, 2004). Talent is now a primary driver of organizational performance, and organizational ability to attract, employ, develop, and retain talent will determine the success and effectiveness of organizations in the future. In principle, talent is the vehicle that will help the organization going forward (Morton, 2005).

While thinking about the talent management, there are difficulties to give its precise meaning or concise definition (Ashton & Morton, 2005; Lewis & Heckman, 2006). The phrase of "talent management", "talent strategy", "succession management", and "human resource planning" are often interchangeable (Beheshtifar & Ziaadini, 2012). Talent management is about “appealing, recognizing, employing, developing, mentoring, promoting, and maintaining people who have a strong potential to succeed within an organization” (Laff, 2006).

There is at present a growing volume of research and literature on talent management. A recent survey conducted by the Boston Consulting Group highlighted that managing talent will continue to be the most key topic for executives (BCG, 2010). In today’s dynamic and uncertain environment, organizations worldwide are facing challenges in worldwide talent management (Schuler et al., 2011).

To effectively manage talent, leaders should choose the correct individuals for their positions, develop their pathways, empower them to be successful in their positions, and reward performance.

2.3 Organizational Effectiveness

2.3.1 Organizational Commitment

While studying organizational psychology, organizational commitment is viewed as the individual's psychological attachment to the organization. Organizational commitment is defined as "the relative strength of an individual's identification with and involvement in a particular organization" (Mowday et al., 1979). Luthans (2011) suggested that organizational commitment as an attitude reflecting employees' loyalty to their organization and is an ongoing process through which organizational participants express their concern for the organization and its continued success and well-being.

Organizational commitment is important for the organization because of its outcomes. Mathieu and Zajac (1990) find that higher productivity, higher performance, lower absenteeism, and lower turnover are important consequences of OC. Then Meyer and his colleagues (2002) supported these arguments.

2.3.2 Job SATISFACTION

As job satisfaction is a widely researched and its complexities, so there are numerous definitions of it. Locke (1969) defined job satisfaction as "a positive or pleasurable reaction resulting from the appraisal of one's job, job achievement or job expenses". Spector (1997) defined job satisfaction as "people's affective response to how individuals feel about their jobs and different aspects of their jobs". Luthans (2011) defined job satisfaction as "a pleasurable or positive emotional state resulting from the appraisal of one's job or job experience".

2.3.3 Turnover Intention

Turnover intention involves "an employee's personal estimated probability that he or she has a deliberate intent to leaving the organization in near future". Turnover can be categorized into voluntary one or involuntary one, as well as functional one or dysfunctional one (Watrous et al., 2006), and every type of turnover have varying effects on the organization.

3. Hypotheses and the Research Model

3.1 Leadership Styles and Leader's Talent Management Ability

As with the cognition of the importance on managing talents in a company, then the how to cultivating these management abilities become the topics to the top executive.

Transformational leaders try to increase subordinates' awareness of what is right and important and to motivate subordinates to perform beyond expectations. Conversely, transactional leaders create an exchange relationship between leaders and subordinates. We may assume that transformational leaderships influences a leader's talent management ability which encompasses identifying, attracting, integrating, developing, rewarding, motivating, and retaining talented people. But when leaders possess transactional leadership, they tend to build rewarding and transactional relationship with their subordinates. Thus, their experience, aptitude, ability, motivation are supposed to become wake. Based on previous theoretical research, we hypothesize as follows:

H1a: Transformational leadership is related with a leader's talent management ability positively.

H1b: Transactional leadership is related with a leader's talent management ability negatively.

3.2 A Leader's Talent Management Ability and Organizational Effectiveness

Today's organizations are all pursue the best strategic talent management because of talent is essential and has been regarded as a key strategy in maintaining a competitive advantage. Collings and Mellahi (2009) have noted that if an organization owes a strategic talent management system, then their firm performance will be higher than those organizations without strategic talent management systems.

To maximize the human capital values, the leadership in an organization should recognize the importance of talent management. That's because whichever the leaders' positions are, their competencies or cognitions are in essence the basis of making human capital values touching the maximum. The following hypotheses are derived from the above literature study:

H2a: A leader's talent management ability is related with organizational commitment positively.

H2b: A leader's talent management ability is related with job satisfaction positively.

H2c: A leader's talent management ability is related with turnover intentions negatively.

3.3 Leadership Styles and Organizational Effectiveness

3.3.1 Leadership and Organizational Commitment

A plethora of research has found that transformational leadership affects the organizational commitment positively with every different organizational settings and cultures (Bono & Judge, 2003).

Shamir and his colleagues (Shamir et al., 1998) suggested that transformational leaders are able to influence subordinates' organizational commitment by promoting higher levels of intrinsic value associated with goal accomplishment, emphasizing the link between subordinates effort and goal achievement, and by creating a higher level of personal commitment on the part of the leader and followers to a common vision, mission, and organizational goals. Thus, we hypothesized that:

H3a: Transformational leadership is positively associated with organizational commitment, whereas transactional leadership is negatively related with organizational commitment.

3.3.2 Leadership and Job Satisfaction

Many empirical studies across nearly every occupational field have shown that leadership behavior influences employees' job satisfaction. Studies by Rahim (1989), Yousef (2000), Loke (2001) and Griffith (2004) indicated that leadership behaviors are positively related to job satisfaction. Leaders who practice transformational leadership reportedly have more satisfied and committed followers than do leaders who practice a non-transformational style of leadership (Bass & Riggo, 2006). Thus, we hypothesized that

H3b: Transformational leadership is positively associated with job satisfaction, whereas transactional leadership is negatively related with job satisfaction.

3.3.3 Leadership and Turnover Intention

The relation between leadership and turnover intention has been studied by many scholars (Long & Thean, 2011). Their studies have generally suggested that transformational leadership is the key factor in decreasing turnover intention. Martin and Epitropaki (2001) observed that transformational leadership influenced turnover intentions negatively among employees for various commercial and profit oriented based businesses.

H3c: Transformational leadership is negatively related with turnover intention, whereas transactional leadership is positively related with turnover intention.

3.4 The Mediating Role of a Leader's Talent Management Ability

Plentiful researches intimated that transformational leadership affects organizational effectiveness positively, whereas transactional leadership negatively affects organizational effectiveness.

In many literatures, various mediators have been considered between leadership and organizational effectiveness, including development of trust (Goodwin et al., 2011), Leader-Member Exchange (LMX) (Wang et al., 2005), and empowerment (Aryee & Chen, 2006). However, in the area of leadership research, there is no study on addressing the leader's talent management ability as a mediator. Thus, we assumed that the leader's talent management ability may play the mediating role between the relationship of leadership style and organizational effectiveness. From the point view of above literature study and assumption, the following hypothesis was derived:

H4: A leader's talent management ability mediates the relationship between leadership styles and organizational effectiveness.

Thus, according to the above statements, Figure 1 shows the afore-mentioned relationships.

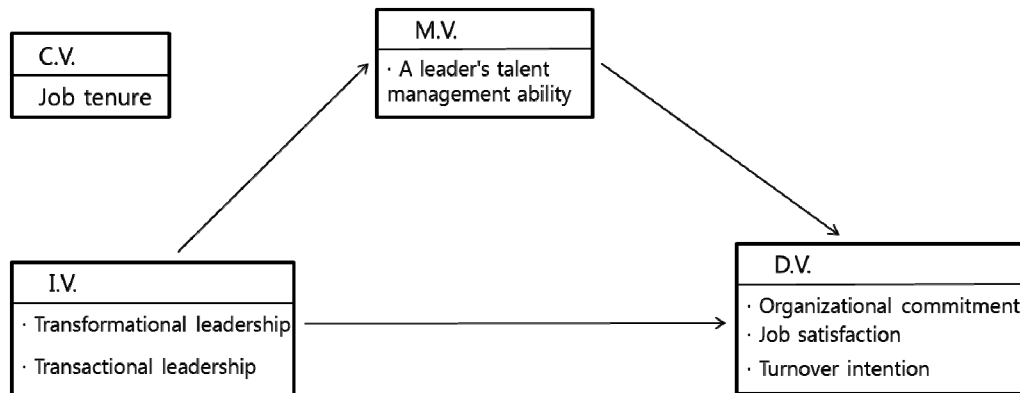


Figure 1. Research model

4. Methodology

4.1 Sample and Collection of Data

For this study, 750 structured questionnaires were distributed to employees of a variety of industries located in Daegu City and Kyongsang North Province, South Korea. Organizations from different sectors were selected to increase the generalizability of the results. The respondents rated their immediate team leader. Of 750 questionnaires, 384 completed were returned and the response rate of 51.2%. We excluded 28 respondents because of incomplete or missing data, leaving a useable sample of 356 respondents.

4.2 Measures

4.2.1 Leadership Styles

While measuring leadership styles, the Questionnaire of Multifactor Leadership (MLQ)-6S developed by Bass and Avolio (1992) was used. Respondents indicated the extent of agreement with each statement on a 5-point Likert scale (1 = “strongly disagree,” 5 = “strongly agree”).

4.2.2 Organizational Effectiveness

The 'organizational commitment' variable was measured by using the Organizational Commitment Questionnaire (OCQ; Mowday, Steers, & Porter, 1979). Survey items were completed on 5-point frequency scales ranging from 1 (“strongly disagree”) to 5 (“strongly agree”). The 'job satisfaction' variable was measured with seven items slightly modified from the Job Satisfaction scale of Quinn and Staines (1979). Respondents indicated the extent of agreement with each statement on a 5-point Likert scale (1 = “strongly disagree,” 5 = “strongly agree”). In addition, 4 items were taken from Ghiselli et al. (2001) to measure turnover intention. Subordinates were requested to rank their turnover intention using a five-point Likert scale (from 1= “strongly disagree” to 5= “strongly agree”).

4.2.3 Control Variables

In this study, the respondents' job tenure was controlled because it might exert a significant influence a mediating variable, the leader's talent management ability.

5. Results

5.1 Analysis

To analyze descriptive statistics and test hypotheses, the SPSS (22.0) programs were used for frequency analysis reliability analysis, exploratory factor analysis, correlation analysis, and regression analysis.

Table 1. Characteristics of the sample (n=356)

Characteristics		Frequency (%)
Gender	Male	246(69.1)
	Female	110(30.9%)
Age	20-29	83(23.3%)

Characteristics	Frequency (%)	
Position	30-39	211(59.3%)
	40-49	55(15.4%)
	Over 50	7(2.0%)
	Staff	171(48.0%)
	Junior chief	107(30.1%)
	Chief	52(14.6%)
	Junior manager	26(7.3%)
Job Tenure	1-5	225(63.2%)
	6-10	83(23.2%)
	11-20	39(11.0%)
	Over 21	9(2.7%)

5.2 Assessing Common Method Bias

The common method bias was assessed with a post-hoc analysis with Harman's single factor test on all the items (Podsakoff & Organ, 1986). As a result of exploratory factor analysis, 8 factors have been identified with all eigen values larger than 1. The most representative factor accounts for 17.1% of the variance; however, that "its absolute representative is much higher than other factors" cannot be concluded. These results provide additional evidence that common method bias is unlikely to account for any of the observed relations among the constructs.

5.3 Validity and Reliability Analysis

Before entering factor testing, the suitability of implementing factor analysis should be assessed. Kaiser-Meyer-Olkin's MSA (sample availability) and Bartlett test primarily are the means to present this suitability. The value of KMO indicates how well do the variables' correlation can interpret the other variables, the value (0~1) as much near 1, as perfect suitable as be wanted. The result of the KMO value is 0.948 implies a high suitability. Bartlett measure test refers to whether the variables are dependent, if Bartlett's significance level less than 0.05 the research model is available. The result of significance level is .000(=9142.053/d.f=351) suggests an available research model.

Principal component analysis was employed to identify the constructs from participants' responses to the survey items. As is shown in Table 3, this procedure extracted a total of six constructs of all.

As there is too much parameters, item parceling has been used in this study for simplifying the analysis. It is there are two sub-variables of leadership styles, and they are including many items, so in here, all items of the transformational leadership have been parceled as one parcel and parceling the transactional leadership's all items as one parcel. Then by using these parcels' average value to serve as a data analysis. Thus, 6 factors have been indicated by the exploratory factor analysis with all of the eigenvalues exceeding 1. The factors accounted for the variance range from 5.097 to 16.871. As all of the loadings exceeded 0.50, so all the items are viewed as significant ones. The highest Cronbach's alpha was 0.925 and others are all in accordance with normal distribution of exceeding 0.60, it implies a sufficient internal consistency.

Table 2. Results of exploratory analysis

Var. Items	1	2	3	4	5	6
I am proud to tell others that I am part of this organization	.770					
I would accept almost any type of job assignment in order to keep working for this organization.	.731					
I am extremely glad that i chose this organization	.729					
For me this is the best of all possible organization for which to work	.696					
I find that my values and the organization's value	.695					

Var. Items	1	2	3	4	5	6
similar.						
I talk up this organization to my friends as a great organization to work for.	.693					
This organization really inspires the very best in me in the way of job performance.	.688					
I really care about the fate of this organization.	.669					
I will choose my current job again if I have a chance to choose jobs in the future.		.745				
I would like to continue my current job		.745				
I am satisfied with my current job		.722				
I get plenty of information to deal with my current job.		.683				
I am satisfied with having opportunity to improve my ability while doing my job.		.671				
I will recommend my current job to other people.		.669				
I have sufficient authority to do my job		.615				
My leader trusts talents with expertise.			.803			
My leader keeps talented people with expertise in key positions as long as possible			.788			
My leader assigns people with talent and expertise to important positions.			.779			
My leader gives more authority and responsibility to people with talent and expertise.			.777			
My leader provides talents with special rewards.			.749			
My leader makes an effort to secure talents for the success of the organization.			.689			
I am preparing to change my current job.				.862		
I am trying to get information to get other jobs.				.852		
I hope to engage in other jobs.				.822		
I will quit this organization.				.797		
inspirational motivation					.797	
intellectual stimulation					.744	
individual consideration					.717	
idealized influence					.706	
management by exception						.865
contingent reward						.814
Eigen value	5.230	4.412	4.296	3.434	2.803	1.580
% of variance	16.871	14.231	13.859	11.076	9.040	5.097
Total of variance	-	31.102	44.961	56.037	65.077	70.175
Cronbach α	.925	.904	.890	.923	.893	.654

Note. 1: Organizational commitment, 2: Job satisfaction, 3: Talent management, 4: turnover intention, 5: transformational leadership, 6: transactional leadership.

5.4 Correlation Analysis and Assessing Multicollinearity

For correlation analysis, using the Pearson correlation r , which estimates the degree of linear association between two continuous constructs, correlation analyses were conducted. The correlations of 7 variables including control variables are presented in Table 3. The correlation value in theory ranges from -1.00 to +1.00 (Kline, 2005), results indicated that all of the correlation coefficients of the variables are accordant with the distribution norms and most of them are significant at the 0.01 level.

Multicollinearity was checked with variance inflation factor (VIF) values and tolerance using SPSS to assess the possibility of multicollinearity. The VIF values which are well below the common cut-off threshold of 10.00, indicate the absence of multicollinearity (Hair et al., 2006). The results revealed that in all cases, the VIF statistic was well below the cut-off of 10.00, ranging from 1.111 to 2.583. In addition, tolerance variance was below the standard of 0.1, ranging from 0.337 to 0.900. Multicollinearity is therefore unlikely to threaten the parameter estimates.

Table 3. Results of correlation analysis

variables	mean	s.d	1	2	3	4	5	6	7
1	8.92	7.38	1						
2	3.71	.556	.075	1					
3	2.63	.580	-.098*	-.207**	1				
4	3.93	.640	.166**	.621**	-.173**	1			
5	3.58	.723	.142**	.483**	-.113**	.382**	1		
6	3.46	.731	.095*	.532**	-.078	.379**	.735**	1	
7	2.13	.962	-.181**	-.341**	.201**	-.262**	-.566**	-.448**	1

Note. 1: job tenure; 2: transformational leadership; 3: transactional leadership; 4: Talent management; 5: Organizational commitment; 6: Job satisfaction; 7: Turnover intention; * $p < .05$, ** $p < .01$.

5.5 Hypothesis Testing

Multiple regression analyses are conducted to assess each component of the proposed mediation model. For the mediating effects, a four step approach proposed by Baron and Kenny (1986) was employed. Model 1 conduct a simple regression analysis with independent variables predicting dependent variables; the second one, conduct a simple regression analysis with independent variables predicting mediators; the third one is conducting a simple regression analysis with mediators predicting dependent variables; and the last model is conducting a multiple regression analysis with independent variables and mediators predicting dependent variables.

Table 4. Results of regression analysis (1)

	Model 1 DV: Organizational Commitment b(t)	Model 2 DV: Leader's talent management ability b(t)	Model 3 DV: Organizational Commitment b(t)	Model 4 DV: Organizational Commitment b(t)
<u><i>CV</i></u> Job tenure	.010(2.79)**	.010(3.47)**	.008(1.994)*	.009(2.41)*
<u><i>IV</i></u> Transformational leadership	.615(12.285)**	.695(17.64)**	-	.526(8.353)**
Transactional leadership	-.006(-.130)	-.040(-1.05)		-.001(-.021)
<u><i>MV</i></u>	-	-		

	Model 1	Model 2	Model 3	Model 4
	DV: Organizational Commitment	DV: Leader's talent management ability	DV: Organizational Commitment	DV: Organizational Commitment
	b(t)	b(t)	b(t)	b(t)
Leader's talent management ability			.416(9.125)**	.130(2.39)*
R ²	.244	.401	.152	.252
F value	57.386	119.364	47.975	44.849

Note. b: unstandardized coefficient, *p<.05, **p<.01.

According to the results, while testing the mediating effects of talent management on the relationship between leadership and organizational commitment, in model one, it was found that transformational leadership was positively associated with organizational commitment ($B = 0.615$, $t = 12.285$, $p < 0.01$). In model two, it was found that transformational leadership was positively related to leader's talent management ($B = 0.696$, $t = 17.64$, $p < 0.01$). In other words, hypothesis 1a was supported. Lastly, results indicated that the mediator, leader's talent management ability, was positively associated with organizational commitment ($B = 0.416$, $t = 9.125$, $p < 0.01$). At the same time, hypothesis 2a was supported too. As there are significant relationships from model 1 model 3, one proceeds to model 4. In the model four, results indicated that when leader's talent management ability is controlled, both transformational leadership ($B = 0.526$, $t = 8.353$, $p < 0.01$) and leader's talent management ability ($B = 0.130$, $t = 2.39$, $p < 0.05$) significantly predict organizational commitment, the finding supports partial mediating effects of talent management on the relationship between leadership and organizational commitment. Thus, hypothesis 3a was supported.

Table 5. Results of regression analysis (2)

	Model 1	Model 2	Model 3	Model 4
	DV: Job satisfaction	DV: Leader's talent management ability	DV: Job satisfaction	DV: Job satisfaction
	b(t)	b(t)	b(t)	b(t)
<u>CV</u>				
Job tenure	.006(1.58)	.010(3.47)**	.003(.808)	.005(1.344)
<u>IV</u>				
Transformational leadership	.704(14.31)**	.695(17.64)**		.647(10.47)**
Transactional leadership	.048(1.02)	-.040(-1.05)		.051(1.09)
<u>MV</u>				
Leader's talent management ability	-	-	.426(9.194)**	.081(1.51)
R ²	.288	.401	.144	.291
F value	71.77	119.36	20.71	54.52

Note. b: unstandardized coefficient, *p<.05, **p<.01.

Table 5 shows the mediating effects of talent management on the relationship between leadership and job satisfaction. Model one suggested a positive relationship between transformational leadership and job satisfaction with the coefficients were ($B = 0.704$, $t = 14.31$, $p < 0.01$). Thus hypothesis 3b was supported.

And then in model three, results indicated that the mediator, leader's talent management ability, was positively associated with job satisfaction ($B = 0.426$, $t = 9.194$, $p < 0.01$). Thus hypothesis 2b was supported. However, in

model four, while conducting a multiple regression analysis, the effect of leader's talent management ability on the job satisfaction became non-significant ($B = 0.426$, $t = 9.194$, $p > 0.01$), thus suggesting that the mediating effects of talent management is not possible.

Table 5. Results of regression analysis (3)

	Model 1	Model 2	Model 3	Model 4
	DV: Turnover intention	DV: Leader's management ability	DV: Turnover intention	DV: Turnover intention
	b(t)	b(t)	b(t)	b(t)
<u>CV</u>				
Job tenure	-.019(-3.63)**	.010(3.48)**	-.018(-3.37)**	-.018(-3.46)**
<u>IV</u>				
Transformational leadership	-.527(-7.47)**	.697(17.64)**	-	-.480(-5.40)**
Transactional leadership	.204(3.02)**	-.040(-1.05)		.202(2.97)**
<u>MV</u>				
Leader's talent management ability	-	-	-.358(-5.68)**	-.068(-.87)
R ²	.156	.401	.088	.156
F value	32.58	119.36	25.74	24.61

Table 6 shows the mediating effects of talent management on the relationship between leadership and turnover intention. Model one suggested a positive relationship between transformational leadership and turnover intention with the coefficients were ($B = -0.527$, $t = -7.47$, $p < 0.01$). Thus hypothesis 3c was supported.

And then in model three, results indicated that the mediator, leader's talent management ability, was positively associated turnover intention ($B = -0.358$, $t = -5.68$, $p < 0.01$). Thus hypothesis 2c was supported.

Also, in model four, while conducting a multiple regression analysis, the effect of leader's talent management ability on turnover intention became non-significant ($B = -0.480$, $t = -5.40$, $p > 0.01$), thus suggesting that the mediating effects of talent management is not possible on the relationship between leadership style and turnover intention.

Table 5. Results of indirect effect and Sobel's test

Independent V	Dependent V	Indirect effect	Z value(p)
Transformational leadership	Organizational commitment	.0912	2.365(.018)
	Job satisfaction	.0567	1.502(.133)
	Turnover intention	-.0472	-.8737(.382)
Transactional leadership	Organizational commitment	-.0052	-.9695(.332)
	Job satisfaction	-.0032	-.8771(.380)
	Turnover intention	.0027	.6759(.499)

To test the statistical significance of the indirect effects on the relations, the Sobel test statistic was calculated (Sobel, 1982; Baron & Kenny, 1986). This study results report the coefficients of the indirect effects among variables and their statistical significance determined by the Sobel test. According to the Sobel test, organizational commitment was positively associated with transformational via the leader's talent management (indirect effect = .0912, $z = 2.365 > 1.96$). In sum, the leader's talent management mediates transformational leadership with organizational commitment, but does not mediate other paths. Therefore, Hypothesis 4 was partially supported.

6. Discussion

6.1 Key Findings

The primary purpose of this study was to identify the mediating effect of a leader's talent management ability in the relations between leadership styles and organizational effectiveness, including organizational commitment, job satisfaction and turnover intention. We assumed that a leader's talent management ability mediates between transformational leadership styles and organizational effectiveness, but does not mediate between transactional leadership styles and organizational effectiveness. The results of the statistical analyses provide partial support for this hypothesis. That is, a leader's talent management ability mediates transformational leadership with organizational commitment, but does not mediate transactional leadership.

Findings of this study confirm that a leader's talent management ability is positively related to organizational commitment and the job satisfaction of subordinates, but negatively associated with turnover intention. This supports the idea that talent management influences job performance. Previous research showed a positive relationship between talent management and organizational performance (Collings & Mellahi, 2009).

Based on theory and assumption, we predicted that a transformational style of leadership is significantly related to a leader's talent management ability whereas transactional leadership is negatively associated with a leader's talent management ability. However, the hypothesis received mixed support.

6.2 Implications

The findings in this study have several implications theoretically and practically. First, we extended the research on talent management from the human resource management (HRM) point of view to a leadership perspective. Previously, there has been scant literature on this type of research despite the importance of a leader's role in attracting, developing, and retaining talented people in the organization. Second, we innovatively attempted to identify the mediating effect of a leader's talent management ability on leadership styles and organizational effectiveness. There have been few studies in the leadership research field that addressed a leader's talent management ability as a mediator between leadership style and organizational effectiveness. Third, the results of this study will aid all leaders in engaging with some of the issues they face regarding talent management. In addition, the organization must encourage the development of leadership skill, and talent management.

6.3 Limitations and Future Directions

Our study has several limitations that should be noted. The first limitation is the generalizability of our results because this research was conducted on firms located in limited regions. To increase generalizability, studies including more samples and other industries representing wider regions should be conducted.

Another limitation is that newly developed measurements do not encompass all components of a leader's talent management ability. Therefore, future researches must develop more comprehensive and accurate scales based on theoretical and statistical understanding.

7. Conclusion

Despite its importance and a significant degree of academic and practitioner interest, the topic of the talent management ability of leaders nevertheless remains underdeveloped. In the past, talent management was regarded as the main concern of HR function. Our research extends talent management from the HR point of view to a leadership perspective.

This research investigates the relations between leadership styles and organizational effectiveness with regard to the mediation effect of a leader's talent management ability. Our findings show that transformational leadership style exerts a positive effect on organizational commitment via the talent management ability of leaders. The results of this study imply that a leader's talent management ability is an extremely important factor increasing organizational effectiveness, including organizational commitment, job satisfaction, and turnover intention.

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