International Research Journal of MMC (IRJMMC)
ISSN 2717-4999 (Online) | 2717-4980 (Print)
Volume 7, Issue 1 | March 2026

Factors Affecting Talent Management on Organizational Performance: Evidence from Kathmandu Valley

Somi Shakya[1] | Majibur Rahman Siddique[2] | Devi Kumari Poudel[3]

[1]Quest International College, Pokhara University, Lalitpur, Nepal
Email: somi.20f8@quest.edu.np

[2]Quest International Collge, Pokhara University, Lalitpur, Nepal

[3]Quest International Collge, Pokhara University, Lalitpur, Nepal
Email: deviroy67@gmail.com

Corresponding Author
Majibur Rahman Siddique
Email: rahm846@gmail.com

To Cite this article: Shakya, S., Siddique, M. R., & Poudel, D. K. (2026). Factors affecting talent management on organizational performance: Evidence from Kathmandu valley. *International Research Journal of MMC, 7*(1), 51–69.
https://doi.org/10.3126/irjmmc.v7i1.92964

Submitted: 27 January 2026 **Accepted:** 10 February 2026 **Published:** 31 March 2026

Abstract

Background: Human Resource Management has evolved into a strategic function that enhances organizational performance through effective talent management. In competitive and dynamic environments, talent has become a critical asset. In the present time, organizations face talent shortages, mismatches, and retention challenges, yet empirical evidence on how talent management practices influence organizational performance remains limited.

Purpose: This study aims to examine the impact of talent management practices on private sector organizational performance within Kathmandu Valley. It further seeks to identify key challenges faced by such organizations and propose practical managerial solutions to improve talent management.

Design/methodology/approach: The study adopted both descriptive and explanatory research designs. Social Exchange Theory underpins the research, as it explains the reciprocal relationship between employers and employees in enhancing productivity. The study was conducted in the Kathmandu Valley. Data were collected using non-probability convenience sampling from 403 respondents through structured questionnaires. KOBO Toolbox, Excel, and SmartPLS 4 were used for data management and analysis. Both descriptive and inferential statistical analyses were employed.

Findings: The findings reveal that knowledge management, reward management, and training and development have significant positive effects on organizational performance, whereas personal attributes show no significant influence. The study further indicates that 94.54% of respondents perceive the existence of talent management challenges within their organizations,

with biased evaluation practices being the most frequently reported issue (59.06%). To address these challenges, respondents emphasized several improvement measures, particularly the need to foster a supportive and positive working environment (54.59%).

Conclusion: In conclusion, the study confirms that effective talent management practices significantly enhance organizational performance in private sector of Kathmandu Valley.

Keywords: talent management, organizational performance, smart PLS 4.0, Kathmandu valley, SEM model

***JEC Classification*:** J24, J81, L25, J11, J53

1. Introduction

Human Resource Management (HRM) has become an increasingly known strategic role that helps organizations to attain sustainable competitive advantage by the efficient management of human capital (Hamadamin & Atin, 2019). As stated by Kareska (2023), HRM is the process that involves acquisition, development, motivation, and maintenance of human resources. Nevertheless, in modern times, HRM is no longer just about this systematic process but about the creation of systems that can improve commitment, capability, and performance of the employees (Goswami, 2018; Kareska, 2023). This is due to the fact that HRM aligns the organizational goals with the employee competencies by focusing on the value created by employees, thus making employees an asset rather than a cost center (Meijerink et. al., 2018). This strategic approach enables HRM to contribute directly to organizational effectiveness and long-term performance (Otoo, 2019).

The concept of talent management within this strategic HRM concept has emerged as a major contributor to better organizational performance in a business environment that is continuously competitive and dynamic (Fajčikova et al., 2018; Simkhada, 2023). The concept of talent management can be described as an intricate and integrated group of practices, the purpose of which is to find, draw, disseminate, and preserve individuals who possess skills and competencies that are at the heart of an organization success (Cappelli, 2008; Alves et al., 2020). It is concerned with matching the competencies of individuals with the relevant job positions and optimizing their performance and value generation (Shahi et al., 2020). Talent management also entails human capital, or knowledge, skills, experiences, and capabilities of employees, so that the organization can keep growing and becoming competitive (Ugwu & Osisioma, 2017). Unlike the traditional HR practices, TM is an active and strategic one since it forecasts the future human capital requirements and aligns the talent potential to organizational strategies (Shahi et al., 2020). Consequently, an effective TM boosts the efficiency of the workforce, innovations, and the company flexibility.

The relevance of talent management has been amplified in the current business world that has become volatile, uncertain and highly competitive (Alves et al., 2020). The recent era of globalization, technological innovation, and a dynamic nature of the market have made talent a critical and limited strategic asset due to increased competition among skilled workers (Almohtaseb et al., 2020). Despite the rise in the number of jobseekers globally, it has been observed that there are still shortages and talent mismatches in many organizations especially in the specialized jobs (Hongal & Kinange, 2020). Talent management can be employed effectively to address these issues by responding proactively to them by making sure that there are capable employees who are able to improve productivity, innovation, and organizational performance (Almohtaseb et al., 2020).

Although it has been noted to be important, most organizations find it difficult to execute talent management practices. Past research shows that despite the organizations

spending lots of resources to recruit talented employees, they often do not strategically manage, develop, and retain them (Al Ariss et al., 2014). Problems with career advancement opportunities, the absence of transparent performance management systems, and feelings about favoritism or nepotism have a negative impact on employee motivation and turnover intentions (Gautam, 2023; Simkhada, 2023). These issues eventually compromise on performance in the organization especially in developing economies that are still developing formal systems of talent management.

Within the framework of Nepal, and especially, the Kathmandu Valley, the environment of private sector organizations is becoming more competitive and dynamic (Gautam et. al., 2023). Kathmandu Valley being the economic and business center in the country has a wide variety of organizations that compete over the scarce skilled human resource. Nevertheless, there is limited empirical evidence on the role of talent management practices as factors affecting organizational performance in this context. It is therefore important that the factors influencing the talent management in Nepalese organizations be understood to improve employee retention, performance and the attainment of sustainable competitive advantage. Thus, this paper is an investigation into the variables that influence talent management and how they impact on organizational performance in Kathmandu Valley.

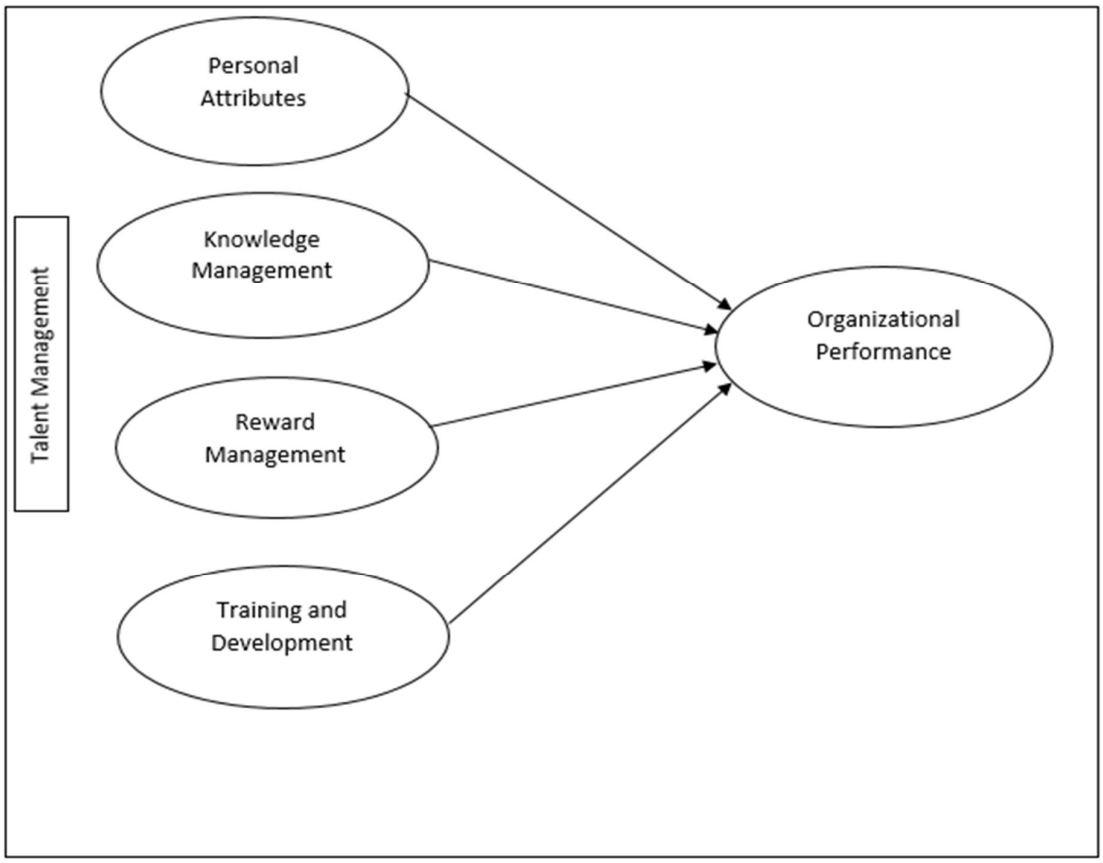
1.1 Literature Review

1.1.1 Theoretical Framework and Hypothesis

The theoretical review is the systematic study of the known theories which provide conceptual investigation to a research study and supports in deriving arguments, variables and relationships (Kivunja, 2018). Theories that were reviewed in this research were Integrated Talent Management Theory, Human Capital Theory, Resource-Based View, Expectancy Theory, Equity Theory, and Social Exchange Theory. The Integrated Talent Management Theory explains the potential of an organisation to attain workforce performance and overall performance via the integrated talent practices at organisational levels, particularly in a competitive environment (Nunhes et al., 2016). According to Human Capital Theory, organizations are encouraged to invest in the education and training of their employees and also in their skills development so that they can improve the productivity of their organization (Gelens et al., 2013). On the same note, the Resource-Based View Theory is founded on the premise that firms could gain long-term competitive advantage by acquiring and sustaining valuable, rare, inimitable, and organized (VRIO) human resources (Meyers, 2020). Similarly, Equity Theory is the theory, which implies that the attitude and behavior of the employees are conditioned by their sense of fairness in the procedure of the reward distribution and based on their contributions (Gelens et al., 2013). The Expectancy Theory states that motivation in employees is anchored on the perceived connection between the performance, effort, and rewards in the works of employees (Mathibe, 2008).

The theoretical framework of the provided study is the Social Exchange Theory (SET). As per this theory, the organizational relationships are governed by mutual exchange, based on which, positive attitudes and behaviors are reciprocated by employees as positive organizational practices (Cropanzano et al., 2017; Khoreva et. al., 2017). Employees feel that organizational support is offered to them through these practices when the organization engages in talent management, including equitable hiring of employees, promising their career growth, training, and reward systems, and the employees respond by becoming more committed, engaged, and performing better (Ciobanu et al., 2019). As such, the theory is suitable in the present study since it explains the behavioral mechanisms through which the management practices of talent management define organizational performance (Sonnenberg et al., 2014). Figure 1 illustrates the relationship that can be described using this theory.

Figure 1: Conceptual Framework



Personal Attributes and Organizational Performance

The personal attributes refer to the personal traits of abilities, competencies, resilience and motivation that determine the effectiveness of the employees in their job (Merga et. al., 2019). In contrast to technical skills, personal attributes are well-rooted in human beings and form their work-related behaviors and inclinations (Merga et al., 2019). In terms of talent management, workers with high personal attributes are in a better place to make a meaningful contribution towards organizational goals. The Ability Motivation Opportunity (AMO) model further elaborates that performance by employees is a product of personal capability, motivation, and organizational opportunities (Mbukanma & Strydom, 2022). Thus, whenever such attributes are identified and exploited by the organization, employees express higher performance and better organizational results, as noted by Mensah (2015).

H1: There is significant relationship between personal attribute and performance management.

Knowledge Management and Organizational Performance

Knowledge management (KM) is defined as an organized method of generating, distributing and applying knowledge to organizations to enhance decision making and performance (McInerney, 2002). KM in modern organizations is regarded as a prerequisite in increasing productivity, innovation and flexiveness according to the dynamic market demands (Mårtensson, 2000). Further, effective KM provides employees the ability to utilize their educational and practical experience to convert personal knowledge into the ability of an organization (Gao et al., 2008). In talent management, KM is a critical factor in competency building of employees and maintaining a competitive edge by investing in human capital

(Mohammed et al., 2017). As a result, knowledge-sharing practices are highly encouraged in an organization, which tends to enjoy better performance results.
H2: There is significant relationship between knowledge management and performance management.

Reward Management and Organizational Performance
Reward management is a process of developing and executing rewarding and recognition programmes that encourage workers and turn their energies into organizational objectives (Gallagher, 2021). Other than financial rewards, there are other types such as recognition, promotions and career opportunities that strengthen the desired performance and behaviors (Mehmood, 2013). A proper rewarding system improves organizational success by increasing employee motivation, commitment and retention (Karami et al., 2013). Moreover, rewards are an indication of organizational appreciation, which has a positive impact on the attitude of employees and their engagement at work (Pradhan, 2022). Thus, employees who feel that reward is just and based on performance will work harder hence leading to improved individual and organizational performance (Pradhan, 2022).
H3: There is significant relationship between reward management and performance management.

Training & Development and Organizational Performance
The core practices of talent management are training and development to enhance the skills, knowledge, and competencies of the employees to meet the present and forthcoming demands of the organization (Rodriguez & Walters, 2017). Training helps to improve efficiency and effectiveness of employees by filling performance gaps, which eventually leads to productivity of the organization (Khan et al., 2011). In a fast-evolving business world, employee development is an ongoing process which helps organizations to be competitive and flexible. Empirical results on Nepal show that the implementation of structured training programs positively affects the performance of employees and work biases, creating a favorable work environment (Simkhada, 2023). Subsequently, proper training and development programs will enhance the performance of the organization at large.
H4: There is significant relationship between training and development and performance management.

1.2 Variables and its Definition

Construct	Observed Variables	Indicators	Explanation	Citations
Personal Attributes	Right skill	PA1	Right skill for the job	(Ugwu & Osisioma, 2017)
	Self confidence in job	PA2	Self confidence in doing job	
	Future career	PA3	Continue career in current field	
	Self-motivation	PA4	Motivated to do job according to organizational standards	
	Team work	PA5	Team work affords the opportunity to develop interpersonal skills and social relationships with co-workers	
Knowledge	Aware about the	KM1	Responsibilities are clear	(Ugwu &

Management	responsibilities		and aware of what is expected	Osisioma, 2017)
	Future opportunity	KM2	Good future in the organization and have great opportunities	
	Feedback on performance	KM3	Good feedback on performance which gives an opportunity to learn from previous mistakes	
	Influencing behavior	KM4	The ability to influence people to behave in response to own beliefs preferences and desires	
	Technical skills	KM5	The technical skills require to perform my work	
Training and development	Training and development	TD1	Company conducts effective training and development on regular basis	(Wadhwa & Tripathi, 2018).
	Career growth opportunities	TD2	Company provides career growth and development opportunities	
	Individual development	TD3	Company gives importance to individual development	
	One to one discussions with employees	TD4	Supervisor gets into a one to one discussions with employees in order to improve my knowledge, skills and performance	
	Supports in decision making	TD5	Supervisor supports in decision making	
Reward management	Financial recognition	RM1	Company provides financial recognition like cash, bonus and incentives	(Fernandes et al., 2023).
	Competitive pay package	RM2	Company provides a competitive pay package	
	Medical retirement and pension benefit	RM3	Company provides medical, retirement and pension benefit	
	Rewarding system	RM4	Company has a fair rewarding system	
Organizational Performance	Performance appraisal	OP1	There is a proper performance appraisal in our organization	(Wadhwa & Tripathi,

	Employment engagement	OP2	Employees are involved actively in the review, development and implementation of the performance management system	2018)
	Defined career paths	OP3	Career paths for all employees will be defined, communicated and implemented as well as succession plan is in place	
	Support by senior management	OP4	Performance development plans are formal procedures for identifying potential leaders that are instituted for everybody and supported by senior management	

2. Research Methods

Research methods are the strategies used by researchers to carry out their investigations (Gounder, 2012). This study employs descriptive and explanatory research methodology to understand and examine the factors impacting talent management on organizational performance in Kathmandu Valley (Rajbhandari et al., 2022).

2.1 Study Area and Population

The study area of this study is Kathmandu Valley, which comprises three districts: Kathmandu, Bhaktapur, and Lalitpur (Shrestha, 2021). As per Ghimire (2008), Kathmandu Valley, which spans around 899 square kilometers, is located in the Bagmati region of Nepal in latitudes 27°32'13" and 27°49'10" north and longitudes 85°11'31" and 85°31'38" east. The rationale behind selecting this region for the study is that this area is the most populated and developed place in Nepal, with many national and international private companies operating here. Therefore, the target population of this study are the employees working in such private companies.

2.2 Sampling Technique

Since the population for this study is unknown, for instance, the total number of people in Kathmandu Valley, the research employed a non-probability sampling method. Specifically, convenience sampling was chosen due to its practicality in accessing respondents who are readily available (Lawaju et al., 2024). The sample size was determined using Cochran's formula

$n = \frac{Z^2PQ}{e^2}$ (Magar et al., 2023; Naing, 2003). Where n represents the required sample size, Z is the standard value at a 5% level of significance (1.96), P is the estimated proportion of employees working in private companies (0.5), q=1−p=0.5, and e is the acceptable margin of error (5%). Substituting these values, the initial sample size was calculated as n= (1.962·0.5·0.5)/0.052=384.16. Further, to account for a potential 5% non-response rate, 384.16

was multiplied by 0.05 (19.21), resulting in a total adjusted sample size of approximately 403 respondents.

2.3 Research Instrument, Data Collection and Data Analysis

The main research tool used to gather data is the structured questionnaire. A structured questionnaire was developed for the data gathering procedure through a survey to analyze talent management in private enterprises in the Kathmandu Valley (Devkota et al., 2018). The survey questionnaire created with KOBO Toolbox featured both closed-ended and open-ended items for reliable analysis. Additionally, in May 2023, a pilot survey with eleven responders was conducted. This pilot research was successful in detecting formatting and typing errors, which were fixed before the final field survey.

Data analysis for this study was conducted using structural equation modeling (SEM), along with descriptive and inferential analyses, focusing on various latent constructs. This study has utilized software like KOBO Toolbox, Microsoft Excel, and SMART PLS 4.0 for the collection and analysis of the data. Microsoft Excel was used for data entry followed by descriptive analysis through graphs and tabulation, while SMART PLS 4.0 was applied for inferential analysis to assess the impact of factors affecting talent management on organizational performance.

3. Results

3.1 Socio-demographic Characteristics

Table 1: *Socio Demographic Analysis*

Title	Category	Number	Percentage (%)
Gender	Male	56.08	226
	Female	43.92	177
Age	15-20	23	5.71
	20-25	125	31.02
	25-30	107	26.55
	30-35	83	20.6
	35 and above	65	16.13
Profession	Full-time	351	87.1
	Part-Time	24	5.96
	Intern	12	2.98
	Others	16	3.97
Experience	0-5	169	41.94
	5-10	145	35.98
	10-15	42	10.42
	15 years and above	47	4.1

Table 1 shows the sociodemographic traits of the workers in the private enterprises in the Kathmandu Valley. Over half (56.80%) of the 403 respondents surveyed for this study were male, while the remaining 43.92% were female. Additionally, it shows that the majority of respondents are under the 20–25 age group (31.02%), followed by the 25–30 age group (26.55%), the 30–35 age group (20.6%), and the 15–20 age group (5.71%). Further, the bulk of research participants are employed full-time (87.1%), part-time (5.96%), interns (2.98%), and others (3.97%). Lastly, the majority of respondents had worked for 0–5 years (41.94%), 5–10 years (35.98), 10–15 years (10.42%), and more than 15 years (4.1%).

3.2 General Understanding Regarding Talent Management

The results have shown that a significant percentage of workers in Kathmandu Valley have a knowledge of talent management. Out of 403 respondents, 189 identified knowledge management as a means of talent management, 268 as training and development, 159 as reward management, 130 as succession planning, 160 as performance management and 7 as other related approaches. Moreover, 155 employees said they are aware of the talent management practices in their organizations, and 248 employees said they do not know about the implementation of such activities. Moreover, 385 of the respondents affirmed that talent management assists in identifying organizational strengths and weaknesses and 18 were against this. These findings indicate that despite having conceptual awareness of talent management among employees of Kathmandu Valley organizations, there is less application of the concept practically.

3.3 Challenges and Managerial Solutions

Figure 2: *Challenges of Talent Management Enhancement*

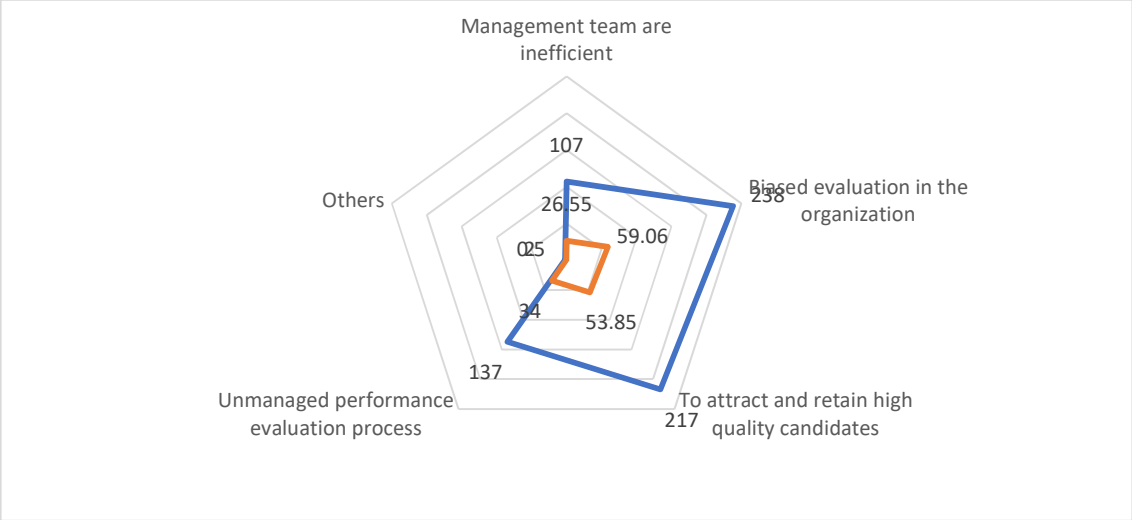


Figure 2 represents the major challenges which employees in the private sector face in Kathmandu valley. The study indicates that 94.54% of the participants believe that there are talent management challenges in their companies and only 5.46% of the respondents do not agree with the idea. The most mentioned problem is the biased evaluation practices, which was reported by 59.06% of the respondents. This is accompanied by the challenges in attracting and retaining quality candidates (53.85%). Also, 34 percent recognized a lack of control over performance appraisal and 26.55 percent cited ineffectiveness among the management team. Additional factors of influence were also observed, which means that talent management remains a feature that challenges the HR environment of Nepal.

Discussing potential solutions, the respondents identified several areas of improvement. Most of them put stress on the necessity to create a good working atmosphere (54.59%), to create a good organizational culture that promotes employee retention (54.34%). Almost half of the respondents (49.88%) emphasized that they need fair and systematized reviews of the employees, whereas 32.51% recommended the improvement of interactions with the management team. Moreover, 28.78% suggested closer orientation of the employees towards the mission and vision of the organization.

3.4 Inferential Analysis

Common Method Bias Test: The full collinearity test, which concurrently assesses lateral and vertical collinearity, was used to analyze common method bias. According to Kock (2015), a

model is deemed free from common method bias if every Variance Inflation Factor (VIF) value is 3.3 or below. All latent variables showed VIF values below the 3.3 threshold, as shown in Table 3. Thus, it can be concluded that the data quality is suitable for further examination as the model is unaffected by common method bias.

Table 3: *VIFs for Common Method Bias*

PA	KM	TD	RM	OP
1.599	1.623	1.391	1.126	1.228

Measurement Model: The measurement model refers to the part of the model that specifies how latent constructs are measured through their observed indicators. It evaluates the relationship between each construct and its associated items to ensure that the measurement is valid and reliable before assessing the structural model. According to Mia et al. (2021), the main tests that researchers use to analyze the measurement model include internal consistency, reliability, convergent validity, and discriminant validity. According to Mia et al. (2021), Cronbach's Alpha (CA) and Composite Reliability (CR) can be used to assess internal consistency. Additionally, the results of the CA test are deemed acceptable if they are higher than 0.6 (Hair et. al., 2021). Likewise, CA values between 0.6 and 0.7 are considered "acceptable," and those between 0.7 and 0.9 are considered "satisfactory to good" (Hair et. all., 2021). The CA and CR test findings for this study are shown in Table 4. All of the CA and CR standards had been met, according to the test. Consequently, the model employed in this research exhibits internal reliability.

Table 4: *Internal Consistency and Reliability*

Constructs	Cronbach's Alpha (CA)	Composite Reliability (CR)
Personal Attributes (PA)	0.773	0.833
Knowledge Management (KM)	0.75	0.835
Training And Development (TD)	0.879	0.911
Reward Management (RM)	0.773	0.853
Organizational Performance (OP)	0.867	0.909

This study assessed convergent validity using Average Variance Extracted (AVE) and factor loadings. According to Mohd Dzin and Lay (2021), an AVE value larger than 0.50 indicates satisfactory convergent validity (Lawaju et al., 2024), and the appropriate threshold for factor loadings is 0.70 or above (Mahato et al., 2023). Convergent validity has been satisfied, as shown by the results in Table 5, which show that all constructions obtained AVE values above the suggested threshold. Previous research recognizes that indicators loading between 0.50 and 0.69 may still be kept when the overall AVE criterion is met, even though higher factor loadings are desirable (Mohd Dzin & Lay, 2021). As a result, only items with factor loadings greater than 0.50 were kept in this study; those that fell below this limit, such as KM1, were eliminated from further investigation.

Table 5: *Convergent Validity*

Constructs	Items	Loadings	AVE
Personal Attributes	PA1	0.53	0.506
	PA2	0.628	
	PA3	0.783	
	PA4	0.866	
	PA5	0.701	
Knowledge Management	KM2	0.807	0.566
	KM3	0.816	
	KM4	0.731	
	KM5	0.642	
Training and Development	TD1	0.817	0.673
	TD2	0.849	
	TD3	0.871	
	TD4	0.826	
	TD5	0.734	
Reward Management	RM1	0.672	0.596
	RM2	0.863	
	RM3	0.665	
	RM4	0.863	
Organizational Performance	OP1	0.814	0.714
	OP2	0.868	
	OP3	0.873	
	OP4	0.823	

This study analyses discriminant validity using Fornell and Larcker criterion, Heterotrait-monotrait Ratio of Correlations (HTMT) criterion, and Cross-Loading. The Fornell and Larcker criterion determines whether a latent construct has a greater association with its own items than with other constructs in the model (Henseler et al., 2015). According to this criterion, the square root of the Average Variance Extracted (AVE) for a given construct must be greater than its correlations with any other construct. Table 6 shows that this research satisfies this condition, thereby confirming adequate discriminant validity. According to Henseler et al. (2015), the HTMT values should be below 0.85 for a strict criterion and below 0.90 for a moderate criterion. In this study, all HTMT values were below the more lenient threshold of 0.90. As presented in Table 7, these results indicate that there are no discriminant validity concerns in the model. Additionally, cross-loading analysis ensures that each indicator loads more strongly on its intended construct than on any other construct (Mohd Dzin & Lay, 2021). As presented in Table 8, all items exhibit higher loadings on their respective constructs compared to others, confirming adequate discriminant validity.

Table 6: *Fornell and Larcker Criterion*

	KM	OP	PA	RM	TD
KM	0.752				
OP	0.315	0.845			
PA	0.596	0.24	0.711		
RM	0.131	0.383	0.114	0.772	
TD	0.372	0.422	0.337	0.431	0.821

Table 7: *Heterotrait Monotrait Ratio (HTMT)*

	KM	OP	PA	RM	TD
KM					
OP	0.365				
PA	0.737	0.246			
RM	0.185	0.438	0.227		
TD	0.433	0.47	0.392	0.541	

Table 8: *Cross-Loading Analysis*

	KM	OP	PA	RM	TD
KM1	0.437	0.042	0.334	0.178	0.17
KM2	0.803	0.305	0.503	0.115	0.326
KM3	0.813	0.244	0.476	0.077	0.328
KM4	0.733	0.21	0.423	0.07	0.22
KM5	0.645	0.146	0.376	0.152	0.216
OP1	0.255	0.814	0.227	0.389	0.4
OP2	0.276	0.868	0.19	0.269	0.357
OP3	0.313	0.872	0.223	0.33	0.366
OP4	0.187	0.823	0.159	0.289	0.286
OP5	0.319	0.05	0.53	0.097	0.213
PA2	0.343	0.097	0.628	0.026	0.205
PA3	0.464	0.183	0.783	0.06	0.213
PA4	0.558	0.256	0.866	0.093	0.329
PA5	0.389	0.153	0.701	0.143	0.228
RM1	0.112	0.162	0.125	0.673	0.389
RM2	0.107	0.353	0.108	0.863	0.35
RM3	0.011	0.263	-0.073	0.665	0.2
RM4	0.186	0.346	0.18	0.863	0.414
TD1	0.287	0.306	0.283	0.377	0.817
TD2	0.37	0.404	0.329	0.346	0.849
TD3	0.397	0.381	0.322	0.336	0.871
TD4	0.258	0.344	0.27	0.316	0.826
TD5	0.176	0.273	0.145	0.422	0.734

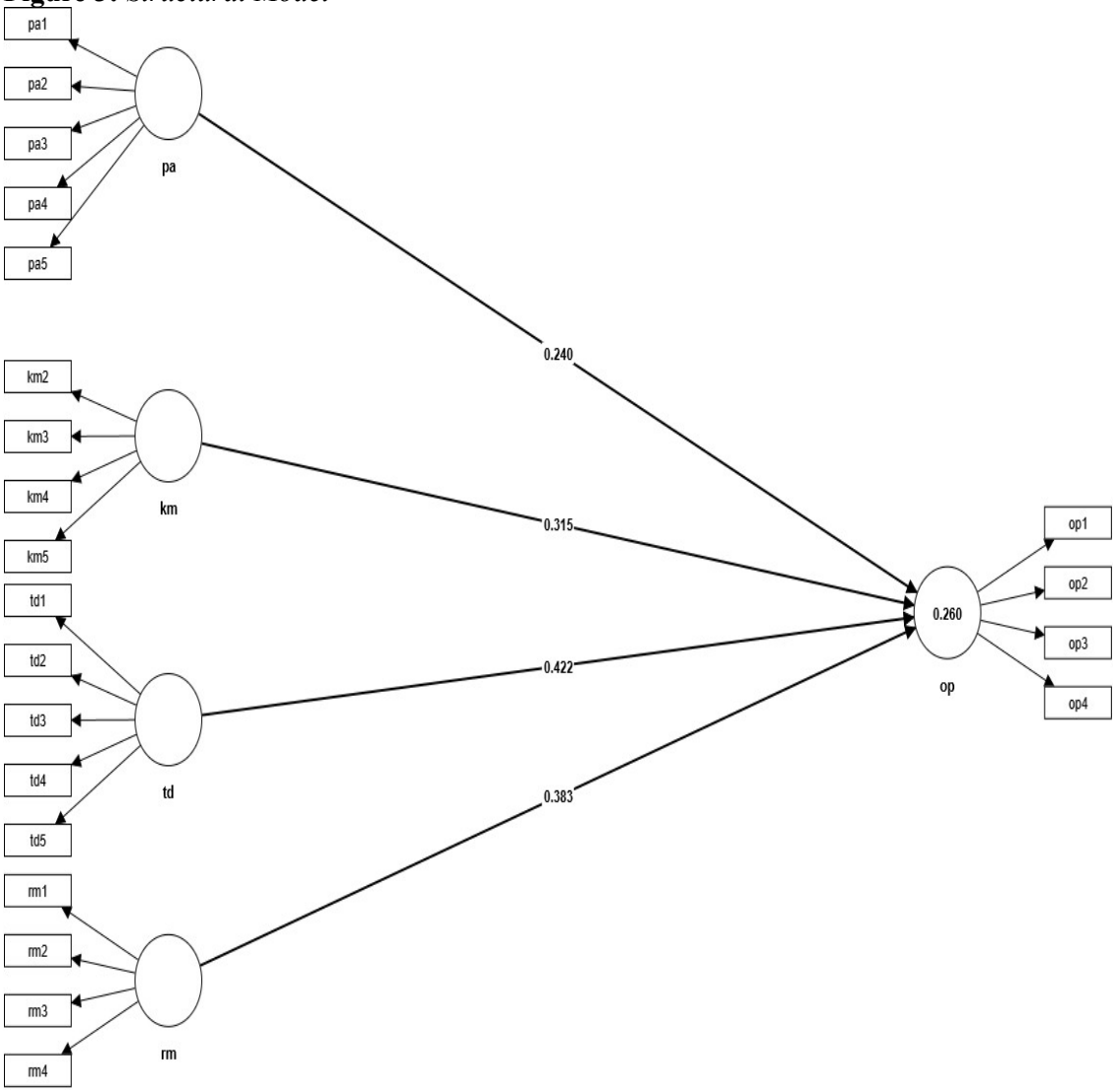
Goodness of Fit: A model is deemed appropriate for the data if the Standardized Root-Mean-Square Residual (SRMR) value is less than 0.08, according to Ravand & Baghaei (2016). Since

the study's model produced a result of 0.073, which is less than the 0.08 threshold, it is therefore considered to be fit.

3.5 Structural Model Analysis

In this study, the proposed hypotheses were examined through the structural model assessment. The main purpose of this assessment is to evaluate the hypothesized relationships between latent constructs, illustrating the strength and direction of causal effects between independent and dependent variables (Hair et al., 2021). Specifically, path coefficien**ts** and the coefficient of determination (R^2) are used to assess these relationships. According to Hair et al. (2021), an R^2 value above 0.20 is considered acceptable for ensuring the model's explanatory power. As depicted in Figure 3, the R^2 value for organizational performance in this study is 0.26, exceeding the recommended threshold. This suggests that 26% of the variance in organizational performance can be explained by the independent variables—Personal Attributes, Knowledge Management, Training and Development, and Reward Management—while the remaining 74% is attributed to other external factors.

Figure 3: *Structural Model*



3.6 Hypothesis Test

Table 9: *Hypothesis Test*

Hypothesis	Path	Beta	p-value	Confidence Interval		Result
				LL	UL	
H1	KM -> OP	0.178	0.000	0.058	0.307	Supported
H2	PA -> OP	0.024	0.076	-0.088	0.115	Not Supported
H3	RM -> OP	0.254	0.001	0.16	0.342	Supported
H4	TD -> OP	0.238	0.000	0.107	0.376	Supported

Table 9 indicates that all the hypotheses are supported at the 5% level of significance, except H2, implying that all the paths between the independent and dependent variables are significant. H1 ($\beta = 0.178$, $p < 0.000$) represents the path between Knowledge Management and Organizational Performance. H2 ($\beta = 0.024$, $p < 0.000$) illustrates the path between Personal Attributes and Organizational Performance, indicating a negative relationship between Personal Attributes and Organizational Performance. H3 ($\beta = 0.254$, $p < 0.001$) shows the path between Reward Management and Organizational Performance. H4 ($\beta = 0.238$, $p < 0.000$) reflects the path between Training and Development and Organizational Performance.

4. Discussion

The primary objective of this study was to examine the relationships between four key organizational factors—Knowledge Management, Personal Attributes, Reward Management, and Training and Development—and Organizational Performance. Specifically, the study aimed to test four hypotheses that posited the influence of each of these factors on the overall performance of an organization. The findings reveal that Knowledge Management, Reward Management, and Training and Development have a significant and positive impact on Organizational Performance, while Personal Attributes do not show any meaningful association with Organizational Performance.

The first hypothesis (H1) proposed that Knowledge Management has a significant relationship with Organizational Performance. The results support this hypothesis, with a beta coefficient of 0.178 and a p-value of 0.000, indicating a strong and statistically significant positive relationship. This finding is consistent with prior research by Sestri Goestjahjanti et al. (2020), which highlights that effective management of organizational knowledge, including the acquisition, sharing, and application of knowledge resources, contributes positively to enhancing organizational efficiency and overall performance. This demonstrates that organizations that prioritize knowledge management practices are more likely to achieve superior performance outcomes. The second hypothesis (H2) predicted a significant relationship between Personal Attributes and Organizational Performance. However, the results do not support this hypothesis, as indicated by a beta coefficient of 0.024 and a p-value of 0.076, which is not statistically significant. This suggests that individual personal traits, such as personality, attitudes, and behavioral tendencies, do not have a direct or measurable impact on the performance of the organization in this study. This finding may indicate that organizational outcomes are more influenced by systemic and structural factors, such as processes, policies, and resources, rather than individual characteristics alone.

The third hypothesis (H3) posited that Reward Management would be positively correlated with Organizational Performance. The results strongly support this hypothesis, with a beta coefficient of 0.254 and a p-value of 0.001, demonstrating a significant and positive effect. These results align with the studies conducted by Fernandes et al. (2023) and Alhajjar et al. (2019), which emphasize that effective reward management systems, including incentives, recognition programs, and performance-based compensation, can motivate employees, enhance productivity, and ultimately contribute to higher organizational performance. This highlights the crucial role of well-structured reward systems in driving employee engagement and organizational success. The fourth hypothesis (H4) examined the relationship between Training and Development and Organizational Performance. The findings confirm this hypothesis, with a beta coefficient of 0.238 and a p-value of 0.000, reflecting a significant positive association. These results are in line with Fernandes et al. (2023), indicating that training programs and professional development initiatives play a pivotal role in enhancing employee competencies, improving task efficiency, and fostering a culture of continuous learning. Consequently, organizations that invest in systematic training.

The study demonstrates that among the factors examined, Reward Management exhibits the strongest positive relationship with Organizational Performance, followed closely by Training and Development and Knowledge Management. In contrast, Personal Attributes were found to have no significant impact on Organizational Performance. These findings suggest that organizational performance is more strongly influenced by institutional practices, policies, and systems rather than the personal characteristics of individual employees. The results provide empirical evidence that prioritizing knowledge management, structured reward systems, and comprehensive training programs can significantly enhance organizational effectiveness and contribute to sustained competitive advantage.

5. Conclusion

In conclusion, this study has analyzed talent management in privately owned organizations with Knowledge Management, Personal Attributes, Reward Management, and Training and Development and how they impact the organizational performance. The results indicate that Knowledge Management, Reward Management and Training and Development have significant positive impacts on organizational performance and Personal Attributes have insignificant implications. Therefore, private organizations in Kathmandu Valley have substantial opportunities to improve talent management practices through strategic initiatives, structured training, and effective reward mechanisms.

Additionally, the findings bear significant consequences to the HR managers and policymakers. Key employees are important in ensuring stability in organizations, and good HRM practices may help towards achieving this goal. Knowledge sharing, reward systems, and training programs should be prioritized by the HR departments to improve employee performance and retention. Talent management practices that are evidence-based can be enabled through training of the HR professionals by the government and organizational authorities. Moreover, this research is only able to explain 26 percent of the variation in organizational performance, which means that future studies must involve more variables. Similarly, generalizability could be enhanced by increasing the sample to include the government organizations, non-government organizations, international non-government organizations, and other areas in Nepal.

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