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## Talent and leadership development practices as drivers of intention to stay in Lebanese organisations: the mediating role of affective commitment

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This paper examines the relationships among investment in talent and leadership development practices in Lebanese organisations and two behavioural outcomes, affective commitment and intention to stay. Affective commitment is expected to mediate the relationship between talent and leadership development practices and intention to stay. We found that both talent and leadership development practices were positively related to intention to stay and affective commitment. We also found that affective commitment partially mediated the relationship between talent development and intention to stay and fully mediated the relationship between leadership development and intention to stay. The research and practice implications of the study findings are discussed.

**Keywords:** affective commitment; intention to stay; leadership development; Lebanon; talent development

### Introduction

The quality of an organisation's human resources is vital to competitiveness (Takeuchi, Lepak, Wang and Zakeuchi 2007; Ployhart, Weekley and Ramsey 2009). Human resources contribute skills, competencies, motivation, discretionary effort and other attitudes of benefit to an organisation (Carmeli and Schaubroeck 2005; Lopez-Cabrales, Valle and Herreo 2006). However, organisations do face decisions concerning human resource practices to achieve these outcomes. Proponents of high-performance work practices (Messersmith, Patel and Lepak 2011), for example, argue that it is the best configuration of human resource management (HRM) practices that is the key issue for organisations. Studies place emphasise on an entire bundle of HRM practices and how effectively they are aligned (Lepak, Liao, Chung and Harden 2006; Liao, Toya, Lepak and Hong 2009). Individual HRM practices may also enhance performance, motivation and contribution from employees. Development practices, for example, enable firms to achieve a variety of outcomes (Marescaux, DeWinne and Sels 2013). Firms will typically invest more heavily in employees who are of high value strategically and possess unique skills. HRM practices will also differ in order to generate appropriate behaviours (Huselid, Becker and Beally 2005). Collings and Mellahi (2009) have argued that firms should differentiate their talent pools and invest in the development of high-value talent in order to retain them.

This study investigates two high-performance HRM practices that are widely used by organisations, talent and leadership development practices (Datta, Guthrie and Wright

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2005; Zacharatos, Barling and Iverson 2005) and their relationship with both affective commitment and intention to stay of high-potential employees. Talent and leadership development practices are important HRM practices that contribute to competitive advantage (Schuler, Jackson and Tarique 2010; Garavan 2012). Talent development focuses on developing employees labelled as talented and those who hold critical and linchpin positions in organisations (Boudreau and Ramstad 2005a, b). It seeks to ensure that organisations have well-developed talent pools to meet future organisational needs (Cappelli 2008a, b; Garavan, Carbery and Rock 2012). Tansley, Stewart, Turner and Lynette (2006) found that development is a crucial component of talent management and it has a positive effect on the retention of high potentials. Dries, Vantillborgh and Pepermans (2012) have argued that the development of high potentials represents a major challenge for organisations but one that can have significant value in terms of positive behaviours. Leadership development practices enable leaders to acquire the skills and competences necessary to be effective in leadership roles (Younger, Smallwood and Ulrich 2004; Groves 2007). Leadership talent is highlighted as a critical element of organisational competitive advantage (Lado and Wilson 1994; Makela, Bjorkman and Ehrnrooth 2010). Leadership development practices typically include coaching, multi-source feedback, stretch assignments, mentoring, international job assignments and formal development programmes (Garavan, Hogan and Cahir-O'Donnell 2009). When used in a coordinated way, these practices enhance leadership capability (Benson 2006). Many organisations use a single leadership development practice rather than a bundle of practices and consequently may not gain the advantages of such investments (Amagoh 2009).

Organisations invest in talent and leadership development practices to achieve a multiplicity of outcomes such as enhanced competitiveness, job performance, talent retention, the internalisation of organisational values and attitudes and the development of talent pools (Collings and Mellahi 2009; De Meuse, Dan, Hallenbeck and Tang 2009). Employees will view talent and leadership development practices to be a benefit to their employability, career and promotion prospects, and organisations will expect employees to respond to these benefits with positive employee behaviours (Jackson, Schuler and Rivero 1989; Bartlett 2001). A central argument of the behavioural approach is that HRM practices explain organisational performance through their influence on the role behaviours of employees. However, the nature of these behaviours depends on the HRM practices implemented. Talent and leadership development practices may be described as performance-oriented practices rather than control-oriented practices and are more likely to be associated with important discretionary behaviours (Lado and Wilson 1994; Bowen and Ostroff 2004). These practices also perform symbolic or signalling roles in that they send messages to employees that they are valued by an organisation (Withey and Cooper 1989). This argument is consistent with a key proposition of social exchange theory (Takeuchi et al. 2007) to the effect that where employees perceive that their organisation provides well-designed and interconnected HRM practices, they will be more committed to the organisation and be more willing to demonstrate extra role behaviours such as intention to stay (Masterson, Lewis, Goldman and Taylor 2000).

We propose that talent and leadership development practices predict both affective commitment and intention to stay. We anticipate that these two sets of practices will directly impact both behaviours; however, there is also support for the proposition that affective commitment will mediate the relationship between both sets of practices and intention to stay (Ghosh, Reis and Haynes 2012). HRM practices are also associated with affective commitment (Applebaum, Bailey, Berg and Kallerberg 2000; Wright, Gardner and Moynihan 2003; Macky and Boxall 2007); however, affective commitment mediates a

multiplicity of relationships such as those between investment in HRM practices, work ethic and attitudes to change (Yousef 2000a); leadership behaviour and job satisfaction and job performance (Yousef 2000b); mentoring and organisational citizenship behaviours (Ghosh et al. 2012) and HRM practices and intention to stay (Chew and Chan 2008). Affective commitment is therefore a direct outcome of investment in HRM practices and it also acts as a mediator of the relationship between investment in HRM practices and other behavioural outcomes. These relationships have not been investigated in the context of talent and leadership development practices. The majority of research studies to date have investigated relationships between HRM practices and employee behaviour in a Western context; however, in this study we investigated these relationships using a sample of high-potential employees and leaders in nine Lebanese organisations.

Our study findings make several contributions to the IHRM literatures. First, we advance understanding of the importance of talent and leadership development practices in producing positive behaviours such as commitment and intention to stay. Second, we address calls for researchers to examine the role of mediator variables (Brouer, Harris and Kacmar 2011). A blind spot exists in the literature concerning the mediating mechanisms through which talent and leadership development may influence intention to stay. Third, we extend the literature by demonstrating that relationships found for IHRM practices influencing affective commitment and intention to stay in Western organisations also apply in a non-Western context.

### **Theoretical background and hypotheses development**

Resource-based theory argues that human resources that are valuable, rare, inimitable and non-substitutionable have the potential to confer competitive advantage on an organisation (Becker and Huselid 1998; Bartel 2004). Studies using a resource-based perspective demonstrate that HRM practices influence performance through the enhanced behaviours of employees. Takeuchi et al. (2007), for example, found that HRM practices were positively associated with the degree of social exchange by employees, which in turn were related to firm performance. In this study, we investigate two HRM practices that potentially help organisations retain high-value human resources who would otherwise be costly to replace should they choose to leave. Talent and leadership development practices enhance human capital through the development of knowledge, skills, abilities and potential (Harris, McMahon and Wright 2012). The human capital of pivotal or key talent is valuable and is very difficult to imitate. It is both difficult and costly to replace talented employees with other employees and sustain existing performance levels (Dries et al. 2012; Garavan 2012). Talent and leadership development practices in addition to enhancing human capital contribute to a variety of other positive behaviours that lead to enhanced firm performance.

The notion that talent and leadership development practices impact behaviours, such as intention to stay, has its origins in social exchange theory. This theory postulates that organisations will use a variety of HRM practices to create different forms of exchange relationships. Shaw, Dineen, Fang and Vellella (2009) argued that organisations use HRM practices to both enhance employee outcomes and elicit particular employee behavioural contributions. Therefore, HRM practices serve as both inducements or investments and expectation enhancing. Investments in talent and leadership development practices enhance human capital pools, the careers of employees and their employability, and help align behaviour (Stahl, Chua, Caligiurei, Cerdin and Taniguchi 2009). Hom, Tsui, Wa and Lee (2009) have argued, for example, that with significant investments by organisations in

talent and leadership development practices, employees feel obligated to develop specific human capital unique to a firm. These investments will also increase the affective commitment of employees to the organisation. HRM practices help reduce uncertainty (Hom and Griffeth 1995) and decrease the attractiveness of other jobs in the wider marketplace (Hom et al. 2009).

Investments in HRM practices may not lead to uniform effects for all employee categories. Doubts exist concerning whether the relationship between investment in HRM practices and employee behaviours is direct and unconditional. Kinicke, Carson and Boulander (1992) found positive relationships between actual HRM practices and general work attitudes; however, these relationships were mediated by perceptions of an organisation's commitment to such practices. Where employees perceive that organisational investments in talent and leadership development practices are motivated by a desire to attract and retain quality employees, these investments are more likely to influence behaviour. Figure 1 depicts the relationship among talent and leadership development practices, affective commitment and intention to stay and the mediating effect of affective commitment on intention to stay.

***Talent and leadership development practices, affective commitment and intention to stay***

Investment in talent and leadership development practices potentially realise a multiplicity of outcomes including enhancement of the human capital of pivotal employees (Cappelli 2008a); a alignment of human capital with firm strategy (Conger and Fulmer 2003; Collings and Mellahi 2009); careers advancement within the organisation (Hughes and Rog 2008) and increased value in the external labour market (Hess, Jepsen and Dries 2012). Affective commitment is both an outcome of investment in HRM practices and a

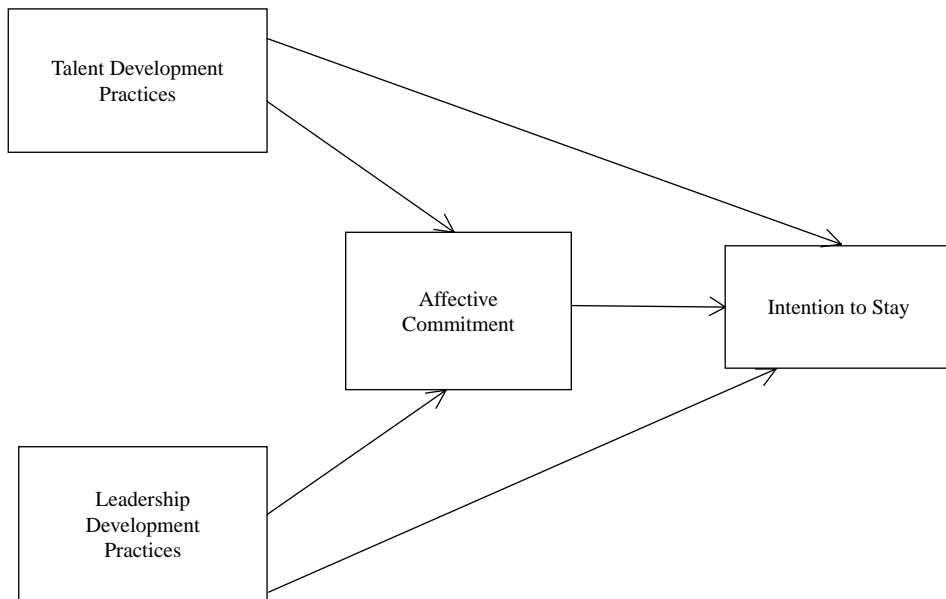


Figure 1. Relationships among talent and leadership development practices, affective commitment and intention to stay.

predictor or mediator of other employee behaviours (Applebaum et al. 2000; Wright and Bonnett 2002). Investment in development activities is associated with higher levels of employees' affective commitment (Tsui, Pearce, Porter and Tripoli 1997). Bartlett (2001) found a strong relationship between investment in training and organisational commitment. Iles, Mabey and Robertson (1990) found that where employees received training and development, it had an effect on their commitment. This relationship also holds for other HRM practices. Macky and Boxall (2007) found a positive relationship between investment in high-performance HRM practices and organisational commitment. Two other studies (Applebaum et al. 2000; Wright et al. 2003) investigated aspects of high-performance work practices and found positive relationships with organisational commitment. Therefore, employees who consider that the organisation is committed to their development will respond with higher levels of affective commitment.

Marescaux et al. (2013) suggest that cognitive appraisal theory can be used to explain the impact of HRM practices on affective commitment. This theory argues that employees make judgements about the favourability of outcomes. Perceptions of favourable outcomes lead to more positive emotions which in turn enhance the affective commitment of employees to the organisation. We envisage that investment by organisations in talent and leadership development practices will be positively associated with intention to stay. Furthermore, based on norms of reciprocity (Eisenberger, Jasolo and Davis-La Mastro 1994) we envisage that organisational investment in talent and leadership development practices will make employees feel obligated to care about the organisation and help it achieve its objectives. The effect will be to enhance their intention to stay. Therefore, we hypothesise that:

*Hypothesis 1a and 1b:* The greater employees perceive that their organisation invests in talent development practices, the greater will be (a) their affective commitment and (b) their intention to stay.

*Hypothesis 2a and 2b:* The greater employees perceive that their organisation invests in leadership development practices, the greater will be their (a) affective commitment and (b) their intention to stay.

### ***Affective commitment and the relationship between talent and leadership development practices and intention to stay***

Employees who experience strong affective commitment will report intention to stay. (Meyer, Stanley, Hersevoitch and Topolnylsky 2002; Luchak and Gellatly 2007). Where employees have organisational experiences that satisfy their needs to feel physically and psychologically comfortable, this will lead to intention to stay. High-potential employees who report strong affective commitment are valuable to an organisation (Gong, Law, Chang and Lin 2009). They confer significant benefits including greater promotability, higher performance and lower turnover intentions (Meyer et al. 2002). They will focus on internal career progression opportunities. Social exchange theory (Gould-Williams and Davies 2005) suggests that where high-potential employees perceive that talent and leadership development practices are supported by the organisation, then they will feel a greater emotional attachment to the organisation and therefore report intention to stay.

The relationship between talent and leadership development practices and intention to stay may not be a direct one but rather mediated by affective commitment. There is support for affective commitment as a mediator (Hess et al. 2012). Heffner and Rentsch (2001) argued that affective commitment was perhaps more significant in explaining variance

in a variety of behavioural outcomes such as performance, job satisfaction and intention to stay. Si and Li (2012) found that organisational commitment in general mediated the relationship between HRM practices and exit behaviours. Therefore, we hypothesise that:

*Hypothesis 3a:* There will be a positive relationship between affective commitment and intention to stay.

*Hypothesis 3b:* Affective commitment will mediate the relationship between talent development practices and intention to stay.

*Hypothesis 3c:* Affective commitment will mediate the relationship between leadership development practices and intention to stay.

## Method

### *Study context*

Investments in talent and leadership development practices are commonplace in Western organisations; however, in the Middle East and particularly in Lebanon, it is a more recent development (Budhwar and Mellahi 2007). Lebanon represents an interesting economic and cultural context in which to study the relationships proposed in this paper. Its main competitive advantage is in services. Lebanon has a strong educational system and has been labelled the 'Switzerland of the Middle East' due to its banking system and the support of a liberal government for private industry (Nakhle 2011). HRM practices are less strategic (Cerdin, Faddoul and Haddad 2002). Dirani (2006, 2009) highlights that talent is drained from Lebanon, resulting in a greater need to implement talent and leadership development practices. Culturally, Lebanon is patriarchal in nature (Sharabi 1998). Social norms place emphasis on conformity rather than creativity and innovation. The family is a central unit of society and influences attitudes to work. Lebanese workers are less focused on the need for advancement, they are slow to challenge traditional social values and career motivation is linked to family factors (Khalaf 1987). Lebanese culture is strong on openness, its willingness to accept external cultural and intellectual influences and its emphasis on pluralism.

### *Sample and data collection*

The data were obtained from nine Lebanese firms that had implemented talent management for high-potential employees. We obtained the respondents through a carefully planned procedure. First, all respondents had to meet a preset criterion of being labelled high potential. Second, we identified Lebanese firms that had a high-potential programme in place for a minimum of two years. The first author approached the HR professional within each firm and conducted a detailed 1–3 hour interview to identify the extent of talent and leadership development practices to generate data, to develop the two indices used as part of the study and to identify potential respondents for the study. We identified 250 potential respondents in the nine organisations. A sample of high-potential leaders and employees was selected in each organisation. The data were collected using a structured questionnaire. A cover letter explaining the purpose and scope of the study accompanied the questionnaire, ensuring respondents of anonymity and that participation in the study was voluntary.

Of the 250 survey mailed, 238 usable questionnaires were returned representing a response rate of 95%. This is an exceptionally high response rate and is not typical for survey-based studies. Two factors explain this very high response rate. First, HR professionals within each organisation actively encouraged employees to respond to the

survey. Second, the first researcher sent out several reminder letters to study participants to encourage them to respond to the questionnaire. Of the 238 respondents, 53% were female and almost two-thirds of the respondents had worked for the organisation for less than nine years. Thirty six percent of employees were aged between 20 and 30, 39.5% were aged between 31 and 40 and 11.3% were aged 41 years plus. The majority of respondents had a master's degree. Employees ranged from top management to ordinary employees and the breakdown was executives – 51%, managers – 28%, professional employees – 37% and salaried employees – 22%. Of the respondents who replied to our survey, 45% were from banking, 23% from manufacturing, 15% from telecommunications, 10% from retail and 7% from healthcare.

### *Measures*

All measures were obtained from a self-report questionnaire. Unless, otherwise stated, a response scale anchored by 1 – strongly agree and 5 – strongly disagree was used for all the measures included in the study.

#### *Talent development practices*

For the purpose of this study, we used an index construction process with formative indicators to create a measure of talent development practices suitable to Lebanon firms. Formative indicators are defined as ‘observed variables that are assumed to cause the latent variable’ (Diamantopoulos and Winklhofer 2001). In order to construct this index, the authors followed the guidelines for index construction proposed by Diamantopoulos and Winklhofer (2001). A key issue in index construction is to identify and specify the scope of the latent variable. In the context of creating a talent development practices index, we were concerned to capture the range of practices that indicate talent development in a Lebanese context. A consensus of indicators is required for formative specification. The indicators used in this study were based on an extensive review of the talent management literatures and detailed exploratory interviews conducted with nine HR professionals by the first author. In writing up the items, the authors followed the conventional procedure with regard to clarity, length and directionality. Each item in the index asked respondents to indicate the extent to which the talent development practice was used within each organisation. Sample items in the index were ‘I often design my own development plan where I describe my learning objectives and development activities to enhance my career development’ and ‘Employees in my organisation may move between one or more jobs to enhance their potential’. ‘The threshold VIP (which should be less than 10 to accept each item in the index)’ was very acceptable. With the highest level at 1.849% indicating low multi-linearity between the items included in the index. This low multi-linearity indicated that the seven items included in the index were relatively independent of each other and as a result they were retained for the analysis. We assessed the external validity of the index through a correlation of the index indicators with the global variable talent development practices. We found significant correlations for all of the items indicating the external validity of the index (Table 1).

#### *Leadership development practices*

We followed the same index construction procedures to create an index of leadership development practices suitable to Lebanese organisations. We included six indicators of leadership development practices in the index. Sampled items in the scale were



Table 1. Multi-linearity of talent development practices index.

	<i>Collinearity statistics</i>	
	<i>Tolerance</i>	<i>VIP</i>
(Constant)		
TD1-28: I often design my own development plan where I describe my learning objectives and activities to enhance my career development.	0.902	1.108
TD2-15: My organisation makes considerable efforts to familiarize new employees with their jobs.	0.593	1.685
TD3-16: Employees who need particular skill development have the chance to participate to seminars, workshops, conferences, education and training on new processes.	0.541	1.849
TD4-17: Learning and development programmes are available at least once a year.	0.591	1.692
TD5-18: Mentors or coaches are available to help me deal with work related issues.	0.615	1.625
TD6-20: E-learning is available to enhance employees' performance.	0.776	1.289
TD7-25: Employees in my organisation move between one or more jobs to enhance their skills.	0.773	1.294

'Executives in my organisation will undertake international roles as a development strategy' and 'My organisation develops high-potential employees to become leaders to ensure a strong talent pool'. The threshold VIP was acceptable with the highest level at 1.551 indicating a lack of multi-linearity. Therefore, the six items included in the index were relatively independent of each other and they were retained for the analysis. We found significant correlations for all items with the global variable leadership development practices indicating the external validity of the index (Table 2).

#### *Affective organisational commitment*

Affective commitment was measured using Allen and Meyer's (1990) eight-item measure. We used this measure because Allen and Meyer have argued that employees with strong affective commitment will have a greater intention to stay. Sample items in the scale were: 'I would be very happy to spend the rest of my career with this organisation' and 'I feel emotionally attached to this organisation'. The Cronbach  $\alpha$  for affective commitment in this study was 0.95.

Table 2. Multi-linearity of leadership development practices index.

	<i>Collinearity statistics</i>	
	<i>Tolerance</i>	<i>VIP</i>
(Constant)		
LD1-19: Coaches and mentors assist executive managers to develop their skills.	0.777	1.287
LD2-23: Managers implement important projects in order to develop their skills.	0.814	1.229
LD3-24: Executives in my organisation will undertake international roles as a development strategy.	0.753	1.329
LD4-27: Managers prepare development plans with each direct report.	0.645	1.551
LD5-33: Evaluations of employees' performance include evaluation by peers, boss, employees and oneself.	0.828	1.208
LD6-26: My organisation develops high potential employees to become leaders to ensure a strong talent pool.	0.708	1.413

### *Intention to stay*

We measured intention to stay using a single item. Some criticisms exist regarding the use of single-item measures; however, single-item measures have good reliability as well as face validity (Bergkvist and Rossiter 2007). They are also widely used in turnover research (Cho, Johanson and Guchait 2009; Ng and Butts 2009). We used a one-item scale 'I intend to stay working for this company for the next three years', adopted from an item developed by Ng and Butts (2009).

### *Control variables*

We controlled for gender, age, employee's job and education level because these have been shown to influence employee perceptions and behaviours. We did not control for firm size because the organisations included in this study were of a similar size; however, it is well established that firm size is associated with the use of more sophisticated HRM practices.

### *Analysis*

Hypotheses 1a and 1b and 2a and 2b stated that talent and leadership development practices would be positively related to affective commitment and intention to stay. These hypotheses were tested using regression analysis (Table 4). Both commitment and intention to stay were regressed on the independent variables controlling for demographic and human capital variables. Hypotheses 3(a)–(c) stated that affective commitment would be directly related to intention to stay and it would mediate the relationship between talent and development practices and intention to stay. We used the product coefficient strategy to assess mediation. This strategy, called the Sobel test, makes use of the multi-variate data method (Sobel 1982).

### **Results**

The means, standard deviations and inter-correlations among the study variables are reported in Table 3. The mean values for talent development and leadership development were 2.30 and 2.61 (on a five-point scale), suggesting that both practices existed among our sample firms. Both variables were strongly correlated with affective commitment and intention to stay (TD:  $r = 0.52$  and  $0.39$ , respectively; LD:  $r = 0.51$  and  $0.35$ , respectively). In addition, talent development had a significant and positive correlation with leadership development ( $r = 0.74$ ). The mean value for affective commitment was 1.45, suggesting that our sample of employees reported high levels of affective commitment. Our sample of employees also reported strong intention to stay ( $M = 1.21$ ). We found a significant and positive correlation between affective commitment and intention to stay ( $r = 0.61$ ).

In order to test our hypotheses, we used regression analysis. Table 4 reports the results of the regression analysis on both affective commitment and intention to stay. First, we included the control variables age, gender, education level and job level. Both talent development practices and leadership development practices were found to have significant and positive effect on both intention to stay (TD:  $\beta = 0.40$ ,  $p < 0.001$ ; LD:  $\beta = 0.13$ ,  $p < 0.05$ ) and affective commitment (TD:  $\beta = 0.33$ ,  $p < 0.001$ ; LD:  $\beta = 0.27$ ,  $p < 0.01$ ).

Table 3. Means, standard deviations and inter-correlations for the study variables.

Variable	Mean	SD	1	2	3	4	5	6	7	8
1. Age	33.14	7.463								
2. Gender			0.005							
3. Education level			-0.048	0.768*						
4. Job level			-0.095	0.615**	0.576**					
5. Talent development	2.30	0.6494	0.042	-0.088	0.001	0.047				
6. Leadership development	2.61	0.6593	0.030	-0.123*	0.050	-0.072	0.744**			
7. Affective commitment	1.45	0.2760	0.157*	0.070	0.022	0.042	0.526**	0.511**		
8. Intention to stay	0.21	0.2096	0.019	-0.164	0.122	0.015	0.398**	0.354**	.612**	

\*\*Significant at 0.01 level; \*significant at 0.05 level.

Table 4. Results of regression analysis.

<i>Variables</i>	<i>Intention to stay</i>	<i>Affective commitment</i>
Age	0.08	0.07
Gender	0.07	0.05
Education level	0.01	0.07
Job level	0.10	0.09
Talent development practices	0.40***	0.33***
Leadership development practices	0.13*	0.27**
$R^2$	0.39	0.55
Adjusted $R^2$	0.16	0.31
F	43.263**	52.410***
DF	1	2

\* $p \leq 0.05$  level; \*\* $p \leq 0.01$  level; \*\*\* $p \leq 0.001$  level.

Table 5 reports the results of the mediation analyses. Hypothesis 3a proposed that affective commitment would mediate the relationship between talent development practices and intention to stay. Our analysis indicates that affective commitment partially mediated the relationship between talent development and intention to stay. Our analysis found a direct relationship between talent development practices and affective commitment ( $p < 0.001$ ). We also found a direct relationship between talent development and affective commitment ( $p < 0.001$ ). The effects of the mediator (affective commitment) on the dependent variable (intention to stay), controlling for the independent variable (talent development practices), are also significant ( $p < 0.001$ ). Finally, when we controlled for the mediator (affective commitment) we found a marginally significant relationship between talent development practices and intention to stay. Therefore, in the presence of the mediator the relationship was marginally significant, indicating partial support for Hypothesis 3a.

Hypothesis 3b proposed that affective commitment would mediate the relationship between leadership development practices and intention to stay. Our analysis indicates a statistically significant relationship between leadership development and intention to stay ( $p < 0.001$ ). We found a significant relationship between leadership development practices and affective commitment ( $p < 0.001$ ). The effects of the mediator (affective commitment) on the dependent variable (intention to stay), controlling for the independent variable (leadership development), are also significant ( $p < 0.001$ ). Finally, when we controlled for the mediator (affective commitment), we found no relationship between leadership development and intention to stay. This indicates that affective commitment fully mediated the relationship ( $p < 0.001$ ;  $p = 0.2498$ ). This finding is consistent with Baron and Kenny's (1986) recommendation that perfect mediation occurs if the direct effect of the independent variable on the dependent variable becomes non-significant after controlling for the mediator. Therefore, Hypothesis 3b is fully supported.

## Discussion

In this study, we investigated the relationships among talent and leadership development practices, affective commitment and intention to stay. We proposed that talent and leadership development practices would be directly related to affective commitment and intention to stay. In addition, we also examined the mediating effect of affective commitment on the relationships between talent and leadership development practices and intention to stay. We found significant positive relationships between talent and leadership

Table 5. Mediation effects of affective commitment on the relationship between talent development, leadership development practices and intention to stay.

Affective commitment, talent development and intention to stay		Coef.	S.E.	T	Sig (Two)
Direct and total effects					
Intention to stay/talent development		0.1280	0.0200	6.4085	0.0000
Affective commitment/talent development		0.2156	0.0244	8.8239	0.0000
Intention to stay/affective commitment and talent development		0.4230	0.0472	8.9541	0.0000
Intention to stay/talent development and affective commitment		0.0367	0.0199	1.8446	0.0664
Indirect effect					
	Value	0.0912	S.E. 0.0146	Z 6.2652	Sig (Two) 0.0000
			LL95CI 0.0627	UL95CI 0.1197	
Affective commitment, leadership development and intention to stay					
Direct and total effects					
Intention to stay/leadership development		0.1133	S.E. 0.0203	T 5.5890	Sig (Two) 0.0000
Affective commitment/leadership development		0.2055	0.0247	8.3175	0.0000
Intention to stay/affective commitment and leadership development		0.4412	0.0468	9.4333	0.0000
Intention to stay/leadership development and affective commitment		0.0227	0.0197	1.1539	0.2498
Indirect effect					
	Value	0.0907	S.E. 0.0146	Z 6.2191	Sig (Two) 0.0000
			LL95CI 0.0621	UL95CI 0.1192	

development practices and both affective commitment and intention to stay. We also found that affective commitment partially mediated the relationship between talent and leadership development practices and intention to stay. We found that affective commitment fully mediated the relationship between leadership development practices and intention to stay.

Our study provides the first empirical investigation of the relationship between talent and leadership development practices and both affective commitment and intention to stay. Our findings lend support to the first part of the proposition advanced by Ostroff and Bowen (2000) that HRM practices shape the collective attitudes of employees and these attitudes impact firm performance. We did not measure the impact on firm performance. Our findings in respect of the mediating role of affective commitment suggest that this dimension of commitment is important in the context of high-potential employees. The study findings provide support for both social exchange theory and the resource-based view. Consistent with social exchange theory, our study findings suggest that the attitudes and behaviours of high-potential employees will be impacted by HRM practices and these attitudes will impact other behaviours. The effects of talent and leadership development, while directly impacting intention to stay, also operate through a path connecting affective commitment to intention to stay. We cannot however draw any causal inferences given to cross-sectional nature of our study.

Consistent with the resource-based view, our findings suggest that high-potential employees will return affective commitment and intention to stay on the basis of resources offered by organisations. Highly committed, high-potential employees represent a valuable resource that is rare and difficult to imitate. Affective commitment is context specific. Therefore, it makes sense for firms to use HRM practices such as talent and leadership development to enhance affective commitment because of its role in enhancing intention to stay. Where talented employees have high affective commitment, they will be more difficult for competitors to poach. Where employees as a group are committed to an organisation, it may also lead to complex and valuable collaborative and synergistic behaviours such as teamwork and innovation.

Our study contributes to a better understanding of the operation of international HRM practices. We studied the effects of talent and leadership development practices in Lebanese firms. Lebanon provides an interesting cultural context in which to study the impact of talent and leadership development practices. Lebanon is a moderately collectivist culture (Hofstede 1980). In collectivist cultures, organisations are expected to protect the interests of their members. We did not measure collectivism in this study; however, we can speculate that affective commitment will be an important work-related variable in this cultural context.

Our study contributes to a better understanding of the management of talent and leadership development practices in organisations. In particular, we shed light on how within organisations the use of talent and leadership development practices can lead to both high affective commitment and intention to stay. Furthermore, for any organisation wishing to enhance the effectiveness of specific HRM practices, it is important to identify the intervening variables that lie between the HRM practice and behavioural outcomes. Therefore, to enhance the behavioural outcomes of talent and leadership development practices, organisations need to generate affective commitment.

Our study findings have a number of limitations. The most important limitation has to do with the effects of common-method bias. All variables were measured from the same source, and it is possible that the results are contaminated by common-method bias. We tested for common-method bias, therefore our findings provide some confidence for the

conclusion that the results obtained were due to substantive relationships between the study variables. A second limitation concerns the cross-sectional nature of our study which makes it impossible to rule out reverse causality or to test causal relationships. Third, we selected two HRM practices and it may be more appropriate to investigate a bigger 'bundle' of practices. Fourth, while we controlled for age, gender, education and employee type, we did not investigate issues such as industry sector and ownership and how they may moderate the relationships found in this study. Our theoretical framework did not incorporate exogenous variables such as the possible impact of the external environment, in particular economic and cultural factors. Further research can address these limitations by measuring the independent, mediating and dependent variables at different time periods. Our study findings focused on an attitudinal-mediating variable. We did not investigate the quality of the practices implemented by these firms and we were not able to gain data on the performance levels of employees. We acknowledge that the talent and leadership development indices developed for this study may not have application outside of the Lebanese context.

## Conclusion

This article builds on work investigating the relationship among HRM practices and behavioural outcomes and the mediating role of affective commitment. Our study findings demonstrate a positive relationship between investment in talent and leadership development practices and two important outcomes, affective commitment and intention to stay. Furthermore, affective commitment is a particularly important mediating variable in explaining the impact of talent and leadership development practices on intention to stay. In conclusion, our study advances theoretical understanding of the linkages between talent and leadership development practices and both affective commitment and intention to stay, as well as the mediating effect of affective commitment.

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