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THE IMPACT OF STRATEGIC TALENT MANAGEMENT ON ORGANIZATIONAL PERFORMANCE OF CHINESE AUTOMOTIVE FIRMS: A RESOURCE-BASED VIEW PERSPECTIVE

YANG MU
DHONBURI RAJABHAT UNIVERSITY

JIRAPONG RUANGGOON
DHONBURI RAJABHAT UNIVERSITY

JAKKRIT THAVORN
THAMMASAT UNIVERSITY

ABSTRACT: Against the backdrop of the current rapid development of China's automotive industry, this study focuses on the complex relationship between strategic talent management, innovative human capital and organization performance, aiming to provide theoretical support and practical guidance for corporate practice through in-depth exploration of this area. By systematically analyzing how strategic talent management affects organization performance and the role and function of innovative human capital in this process, this study will reveal the key management elements and paths, and provide new perspectives and strategies for enterprises to achieve sustainable development and competitive advantage.

Keywords: Strategic talent management; Organizational performance; Innovative human capital; Automotive industry

INTRODUCTION:

Since the reform and opening up, China's economy has been growing at a high rate, and the income of its residents has continued to increase, so that China has entered the ranks of middle-income countries (Sicular et al., 2021). However, China's economic development has entered a new stage: the new normal economy, at this stage, China is faced with overcapacity, serious ecological breakthroughs and insufficient investment in innovation resources, etc., and the previous development model can no longer meet the needs of the current stage of economic development (Zhao & Ruet, 2021). The automotive industry is a huge and complex industrial chain involving automobile design, production, sales, after-sales service, and financial services. In the midst of such profound changes, human capital—more precisely, talent with strategic and innovative competencies—emerged as a significant source of competitiveness and long-term success within the automotive industry (Macpherson et al., 2023; Tunio, 2024). The Resource-Based View (RBV) takes for granted that such sustainable competitive advantage comes from valuable, rare, imitable, and organizationally embedded resources (Kero & Bogale, 2023; Nayak et al., 2023). Human capital, particularly that possessing the quality of innovation capacity, has been increasingly characterized as such a strategic asset (AlQershi et al., 2021; Gerhart & Feng, 2021).

Against the backdrop of the current rapid development of China's automotive industry, this study focuses on the complex relationship between strategic talent management, innovative human capital and organization performance, aiming to provide theoretical support and practical guidance for corporate practice through in-depth exploration of this area. By systematically analyzing how strategic talent management affects organization performance and the role and function of innovative human capital in this process, this study will reveal the key management elements and paths, and provide new perspectives and strategies for enterprises to achieve sustainable development and competitive advantage. The specific research objectives of this study are twofold. First, it aims to analyze the impact of strategic talent management on organizational performance in Chinese automotive firms. Second, it seeks to explore the mediating effect of innovative human capital on the relationship between strategic talent management and organizational performance.

LITERATURE REVIEW

Strategic talent management (STM) has increasingly been viewed as the glue bonding human resource practice and long-term organizational goals (Anlesinya et al., 2019; Shet, 2020). From a Resource-Based View (RBV) perspective, STM sees talent as competitive advantage-maintaining strategic asset (Assensoh-Kodua, 2019; Wright et al., 2001). STM entails identification, sourcing, development, and retention of talented performers according to the firm's strategic plans (Anlesinya et al., 2019; Pringgabayu et al., 2023; Shet, 2020).

It is a four-dimensional variable made up of inter-dependent factors that drive organizational performance, strategic planning (SP), talent recruitment (TR), talent cultivation (TC), and talent incentives (TI) (Dias et al., 2023; Jiang, 2024; Samuels & Takawira, 2024; Tanchaisak, 2025).

Innovative human capital (IHC) refers to organizational and technological innovation competency, educated workers with skills, problem-solving ability, and creativity (Abuzyarova et al., 2019; Yuksel, 2024). In line with the Resource-Based View (RBV) school of thought, innovative human capital is a scarce, valuable, and inimitable resource that generates sustainable competitive advantage (Hatch & Dyer, 2004; Purba et al., 2023). While previous studies have recognized the importance of IHC, most have described it generally or written about R&D capabilities at most. There has been little examination of the specific roles of SHC, MHC, and RHC in shaping the performance of firms—especially in emerging countries such as China.

Organizational performance (OP) in business had long been recognized as a complex and multifaceted construct without a universally accepted definition. This complexity stemmed from its dependence on the enterprise's management philosophy, where managers often pursued competing or contradictory objectives (Anwar & Abdullah, 2021). Internal operation (IO) measured process efficiency, product quality, and productivity—bigger-picture mandates of operational excellence (Chae & Olson, 2013; Zils et al., 2025). While all four dimensions were relevant, research earlier had been lopsided towards excessive dependence on financial indicators at the expense of non-financial indicators. It created a theoretical lacuna, particularly in domains of innovation-based sectors like car manufacturing. A better balanced strategic analysis of organizational performance had to be anchored on both financial and non-financial indicators.

The conceptual framework of this study is shown in Figure 1.

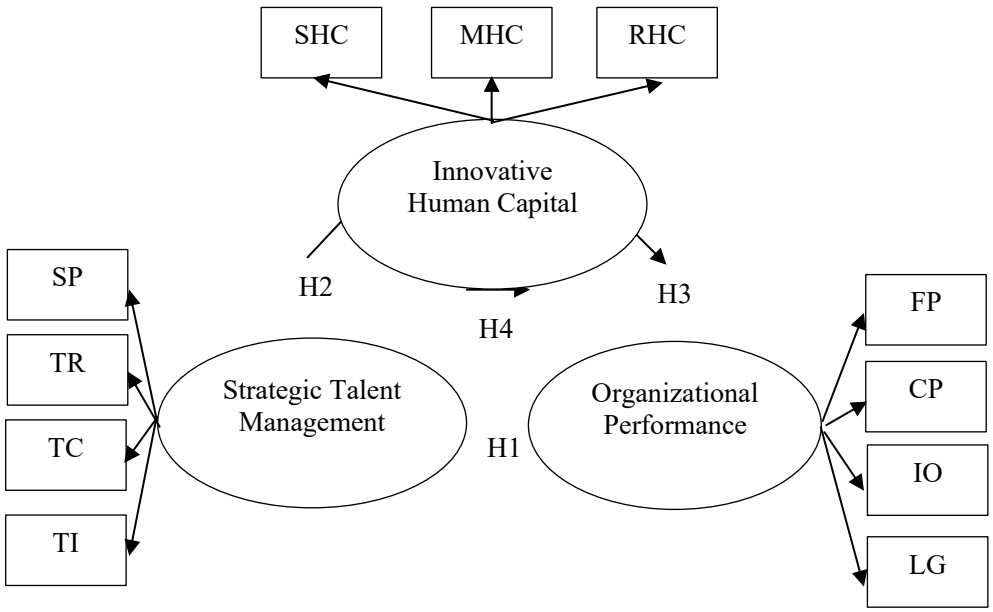

FIGURE 1 Conceptual Framework

Theoretical foundation of this research is drawn from the Resource-Based View (RBV), which argues that firms gain sustainable competitive advantage through the acquisition and strategic utilization of valuable, rare, inimitable, and non-substitutable (VRIN) resources (Kero & Bogale, 2023; Zimuto & Zvarimwa, 2022). Strategic talent management is, in line with this school of thought, a key resource that stimulates the creation of innovative human capital, which, ultimately, leads to organizational performance. Strategic talent management is the overarching process of attracting, developing, engaging, and retaining high-potential talent in alignment with the organization's strategic directions (Shet, 2020). This leads to the development of the first hypothesis:

H1: Strategic talent management has a significant effect on organization performance.

STM success is usually gauged in accordance with the creation of innovative human capital—competent, creative, and expertise in an organization. Innovative human capital is a critical factor of total factor productivity, especially in high-tech manufacturing sectors (Awode & Oduola, 2025; Xiao & You, 2021). STM operations such as strategic planning, recruitment, talent development, and remunerations also drive the creation of IHC via learning, motivation, and knowledge transmission (Ployhart et al., 2014; Urme, 2023). The second hypothesis is hence made:

H2: Strategic talent management has a significant effect on innovative human capital.
Innovative human capital, as its capacity to generate innovative solutions and technological advancements, is being increasingly identified as one of the most important drivers of organizational performance (Gerasimov et al., 2019; Serenko et al., 2024). Companies with human and social capital are more innovative and competitive (Samad, 2020). From the RBV view, IHC is scarce, valuable, and imitable assets that stimulate process and product innovation and thus improve performance (Chao et al., 2025). On the basis of this, the following hypothesis is formulated:

H3: Innovative human capital has a significant effect on organizational performance.
The recent literature recognizes IHC's bridging role between STM practices and performance outcomes conversion (Hayton, 2003; Isah Leontes & Hoole, 2024). Human resource practices influence innovation through human capital channels (Nieves & Quintana, 2018). STM practices such as learning experience, performance feedback, and career development not only shape capabilities but also stimulate innovation-oriented behavior, thereby improving organizational performance (Anlesinya et al., 2019; Chen et al., 2021). This constitutes a mediating hypothesis:

H4: Innovative human capital mediates the relationship between strategic talent management and organizational performance.
This research contributes to the current knowledge base by evolving an integrated model that connects STM, IHC, and OP, with a specific context being the Chinese automotive sector—an under-theorized site of empirical study. By distinguishing innovative human capital into strategic, managed, and R&D forms, and measuring organizational performance on financial, customer, internal process, and learning dimensions, the research provides a holistic and contemporary view. It fills gaps in existing studies by empirically exploring the impact of strategic HRM practices on innovation capacity and generating tangible performance results.

RESEARCH METHODOLOGY

This quantitative research examines the impact of strategic talent management on organizational performance mediated by innovative human capital within Chinese auto firms. The research has the aim to provide empirical data and strategic guidance with which to inform talent management practice within a backdrop of an emerging competitive and innovation-based industry landscape.

Population and Sample

In quantitative research design utilizing Structural Equation Modeling (SEM), the sample size should follow guideline, which recommends 10 to 20 times the number of observed variables to ensure model reliability and statistical power (Wolf et al., 2013). This study involves 44 measured variables, according to which the sample size should be at least:

$$n = 44 \times (10 \text{ to } 20) = 440 \text{ to } 880$$

The recommended sample size for this study is between 440 and 880 individuals. The latest data released by Dun & Bradstreet indicates that there are 625,244 relatively top-tier automotive and parts dealers in China, and these numbers represent the total sample size for this study. The number of samples for each province is determined by the product of the total number of automobile and parts distributors and the proportion of the total, and the final sample size was 465 out of the total number of automotive and parts distributor firms in these seven provinces. The specific sample distribution is shown in Table 1.

TABLE 1 Total Volume and Specific Sample Composition of this Study

Representatives of automobile enterprises in various provinces	Total number of automotive and parts distributor companies	Proportion	Sample Size
Guangdong	72,877	0.277%	202
Jilin	14,996	0.280%	42
Shanghai	6,910	0.275%	19
Chongqing	14,224	0.274%	39
Shaanxi	14,172	0.275%	39
Anhui	25,898	0.278%	72
Hubei	18,789	0.277%	52
Total			465

Reliability and Validity Test of the Questionnaire

In this study, the research team crafted a questionnaire with the purpose of collecting quantitative data about the automotive industry in China. A questionnaire is a widely used data collection tool that collects information by designing a series of standardized questions that are designed to elicit the respondent's views, attitudes, behaviors, or characteristics on a specific topic. Questionnaires can be paper-based, online, conducted over the phone or face-to-face, and come in a variety of formats, but the core purpose is the same: to obtain statistically significant data from a certain number of respondents. The design of the questionnaire is crucial and needs to ensure that the questions are clear, logical, relevant and avoid leading questions to ensure the accuracy and reliability of the data collected.

TABLE 2 Reliability Tests of Questionnaires

Variables	Items	Cronbach's alpha coefficient
Strategic Planning	4	0.917
Talent Recruitment	4	0.851
Talent Cultivation	4	0.913
Talent Incentives	4	0.919
Strategic Human Capital	4	0.907
Managed Human Capital	4	0.887
R&D Human Capital	4	0.906
Finance	4	0.818
Customer	4	0.916
Internal Operation	4	0.901
Learning and Growth	4	0.941
Overall Scale	44	0.939

Table 2 presents the reliability test results for each variable in the study. Within the dimensions, 'Talent Incentives' (α=0.919) and 'Learning and Growth' (α=0.941) demonstrated the highest reliability. This indicates that the measurement items for these two variables exhibit high consistency and stability, reliably reflecting the true circumstances of the sample. Conversely, the reliability coefficients for 'Finance' (α=0.818) and 'Talent Recruitment' (α=0.851) were comparatively lower, though still exceeding 0.8 and thus maintaining a high degree of reliability. All other variables exhibited Cronbach's α coefficients above 0.9, signifying that the questionnaire's measurement outcomes are stable and reliable, thereby providing robust data support for subsequent analyses.
In the validity test section, the study used KMO and Bartlett's test to assess the structural validity of the data to determine the suitability of the data for factor analysis.

TABLE 3 Validity Analysis

KMO and Bartlett's test	Overall Scale	STM	IHC	OP
KMO Quantity of Sample Suitability	0.917	0.922	0.899	0.919
Degrees of Freedom	946.000	120	66	120
Sig.	0.000	0.000	0.000	0.000

This paper conducted KMO and Bartlett's tests on three variables (strategic talent management, innovative human capital, and organisational performance) and the overall questionnaire. The KMO sampling adequacy measure for the overall questionnaire was 0.917, which is greater than 0.9, indicating that the data has strong partial correlations and is suitable for factor analysis. The KMO values for strategic talent management, innovative human capital, and organisational performance were 0.922, 0.899, and 0.919, respectively, all exceeding 0.8. This result indicates that there is sufficient common variance among the research variables to extract potential factor structures, thereby providing a solid foundation for subsequent factor analysis.

Data Collection

When discussing the impact of strategic talent management on organizational performance of Chinese automobile enterprises, the main sources of data collection are extensive and authoritative. One of the core sources is the special reports issued by the China Organization of Human Resource Managers in the Automotive Industry (CAHRD), such as the "Human Resource Management in the Automotive Industry (Compensation, Employment) Benchmarking Report 2021", which provides detailed industry labor data, personnel efficiency indicators and structural change analysis, and is a valuable resource for understanding the status quo of talent management in the industry. In addition, the official website of CAAM (http://www.caam.org.cn), as a comprehensive industry information portal, gathers authoritative information from government, enterprises, research institutions and other aspects, providing researchers with rich background information and industry trends.

Data Analysis

Data analysis is a crucial part of the research process, which not only enables researchers to understand the basic characteristics of the data, but also reveals the deep relationships behind the data. In this study, a series of statistical analysis methods, including descriptive statistical analysis, correlation analysis, regression analysis, and structural equation modeling, are used to delve into the complex connections between talent management, organization performance, and innovative human capital in China's automotive industry. Descriptive statistical analysis is a foundational exercise used in research to generalize and characterize a data set, providing an initial understanding of data concentration trends, dispersion, and patterns through a range of statistical measures. In this study, this analytical approach was applied to the basic information of the demographic sample as well as to the detailed examination of the key variables-strategic talent management, organization performance, and innovative human capital.

FINDINGS

Descriptive Statistical Analysis

This survey was conducted among 465 automotive companies, focusing on strategic talent management, innovative human capital and organisational performance. One manager from each company was selected as the respondent, as these managers are directly involved in or responsible for strategic talent management decisions, and can provide first-hand information reflecting the actual situation of the companies in these aspects. The sample, which implements strategic talent management in enterprises, includes businesses of various types, sizes, and years of establishment, making it widely representative. The descriptive statistics of the sample are shown in Table 4 below.

TABLE 4 Sample Descriptive Statistics

Categorization	Option	N	Percentage
Implementing Strategic Talent Management in Enterprise	Yes	465	100.00%
	No	0	0.00%
Nature of Business	Automobile manufacturing	110	23.66%
	Automobile Sales	136	29.25%
	Automotive Repair and Service	114	24.51%
	Automotive parts manufacturing	105	22.58%
Enterprise Size	Small Size (<50 people)	114	24.52%
	Medium (50-500 people)	183	39.35%
	Large (>500 people)	168	36.13%
Years of Business Establishment	Less than 5 years	98	21.08%
	6 to 10 years	112	24.09%
	11 to 15 years	111	23.87%
	More than 15 years	144	30.97%
Province	Guangdong	202	43.44%
	Jilin	42	9.03%
	Shanghai	19	4.09%
	Chongqing	39	8.39%
	Shaanxi	39	8.39%
	Anhui	72	15.48%
	Hubei	52	11.18%

This enables the study to cover enterprises at different stages of development and further enhances the universality and reference value of the findings.

TABLE 5 Results of Descriptive Statistics for Variables

Variables	N	Min	Max	Mean	S.D.
Strategic Planning	465	1.000	5.000	3.266	1.044
Talent Recruitment	465	1.000	5.000	3.210	0.999
Talent Cultivation	465	1.000	5.000	3.333	0.975

Talent Incentives	465	1.000	5.000	3.290	0.985
Strategic Human Capital	465	1.000	5.000	3.314	1.019
Managed Human Capital	465	1.000	5.000	3.189	0.984
R&D Human Capital	465	1.000	5.000	3.321	0.965
Finance	465	1.000	5.000	3.200	0.962
Customers	465	1.000	5.000	3.269	1.022
Internal Operation	465	1.000	5.000	3.346	0.918
Learning and Growth	465	1.000	5.000	3.290	1.047

Overall, the mean and standard deviation distributions of the variables reveal the evaluative characteristics of the sample on different management dimensions. Variables with high means and low standard deviations (e.g., "learning and growth" and "internal operations") may reflect areas of strength, while variables with low means and high standard deviations (e.g., "talent development" and "talent incentives") may require further improvement. " and "talent incentives") may require further improvement. These results provide important clues for subsequent in-depth analyses, which help to further explore the relationships among the variables and their impact on firm performance.

Correlation Analysis

The correlation analysis of the dimensions of the variables in Table 6 provides an in-depth understanding of the relationship between strategic talent management, innovative human capital and organizational performance. The data in the table shows that there are significant correlations between the dimensions of strategic talent management (strategic planning SP, talent recruitment TR, talent development TC, and talent incentives TI) and with the dimensions of innovative human capital and organizational performance.

TABLE 6 Correlation Analysis

	1	2	3	4	5	6	7	8	9	10	11
SP (1)	1										
TR (2)	0.523**	1									
TC (3)	0.506**	0.507**	1								
TI (4)	0.498**	0.500**	0.528**	1							
SHC (5)	0.200**	0.224**	0.174**	0.271**	1						
MHC (6)	0.186**	0.221**	0.178**	0.183**	0.499**	1					
RHC (7)	0.230**	0.221**	0.172**	0.233**	0.480**	0.510**	1				
F (8)	0.220**	0.222**	0.172**	0.252**	0.203**	0.219**	0.178**	1			
C (9)	0.228**	0.270**	0.202**	0.288**	0.266**	0.210**	0.203**	0.498**	1		
IO (10)	0.207**	0.244**	0.277**	0.254**	0.264**	0.174**	0.210**	0.480**	0.526**	1	
LG (11)	0.159**	0.194**	0.197**	0.265**	0.202**	0.181**	0.173**	0.491**	0.557**	0.502**	1

*Note: **. Correlations are significant at the 0.01 level (two-tailed); *. Significant at the 0.05 level (two-tailed).*

Through the correlation analysis of variables across dimensions in Table 6, one may gain deeper insight into the relationship between strategic talent management, innovative human capital, and organisational performance. The data reveal that strategic planning (SP) within strategic talent management exhibits positive correlations with strategic human capital (SHC), managerial human capital (MHC), and research and development human capital (RHC) ($r = 0.200$, $r = 0.186$, and $r = 0.230$, respectively; $p<0.01$). Each dimension of strategic talent management exhibits positive correlations with both innovative human capital and organisational performance. The effective implementation of strategic talent management can foster the development of innovative human capital, thereby exerting a positive influence on organisational performance. Based on these findings, subsequent analyses in this paper will further examine the causal relationships among these variables.

Validation Factor Analysis

To test the validity of the scale, focusing on the three core variables of strategic talent management (including strategic planning, talent recruitment, talent development, and talent incentives), innovative human capital (including strategic human capital, managed human capital, and R&D human capital), and organizational performance (including financial performance, customer satisfaction, internal operational efficiency, and learning and growth). three core variables are unfolded. Through structural equation modeling, this study assessed the convergent, combinatorial, and discriminant validity of the scales to ensure that they accurately measure their corresponding underlying constructs.

Strategic Talent Management

Table 7 provides a comprehensive assessment of the validity of the Strategic Talent Management Scale through a series of fit indices. The Strategic Talent Management Scale demonstrates sound convergent validity in measuring its latent construct, with CFI, TLI, and IFI values of 0.984, 0.981, and 0.984 respectively—all exceeding the recommended threshold of 0.9. This indicates the scale exhibits significant improvement when compared to the baseline model, further validating its reliability.

TABLE 7 Strategic Talent Management Fit Test Values

Classification of Indicators	Fitness index	Recommended value	Actual Value	Degree of Compliance
Absolute Fit Indices	$\chi 2$ /df	<3	1.876	Yes
	GFI	>0.9	0.954	Yes
	RMSEA	<0.08	0.043	Yes
Incremental Fit Indices	CFI	>0.9	0.984	Yes
	TLI	>0.9	0.981	Yes
	IFI	>0.9	0.984	Yes

Figure 2 presents the confirmatory factor analysis (CFA) model for strategic talent management, employed to assess whether the measurement instruments for this construct exhibit sound psychometric properties. The observed variables exhibit high loadings on each latent variable, indicating strong convergent validity. Furthermore, correlations exist between latent variables; for instance, the correlation coefficient between strategic planning and talent recruitment is 0.60, suggesting a moderate positive relationship between these constructs. Overall, the CFA model results support the validity of the strategic talent management measurement tool, providing a reliable measurement foundation for subsequent structural equation modelling analyses.

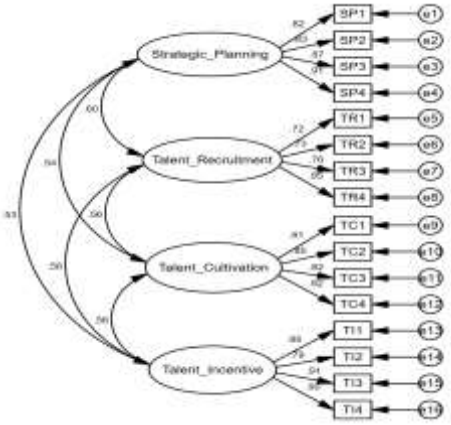

FIGURE 2 CFA Model of Strategic Talent Management

Innovative Human Capital

Table 8 presents a comprehensive assessment of the confirmatory factor analysis (CFA) results for the innovative human capital scale. The values for the comparative fit index (CFI), Tucker-Lewis index (TLI), and incremental fit index (IFI) were 0.978, 0.972, and 0.978 respectively, all exceeding the recommended threshold of 0.9. These indices indicate that the innovative human capital scale demonstrates significant improvement compared to the baseline model, further validating the scale's validity.

TABLE 8 Innovative Human Capital Fit Test Values

Classification of Indicators	Fitness index	Recommended value	Actual Value	Degree of Compliance
Absolute Fit Indices	$\chi 2$ /df	<3	2.645	Yes
	GFI	>0.9	0.955	Yes
	RMSEA	<0.08	0.060	Yes
Incremental Fit Indices	CFI	>0.9	0.978	Yes
	TLI	>0.9	0.972	Yes
	IFI	>0.9	0.978	Yes

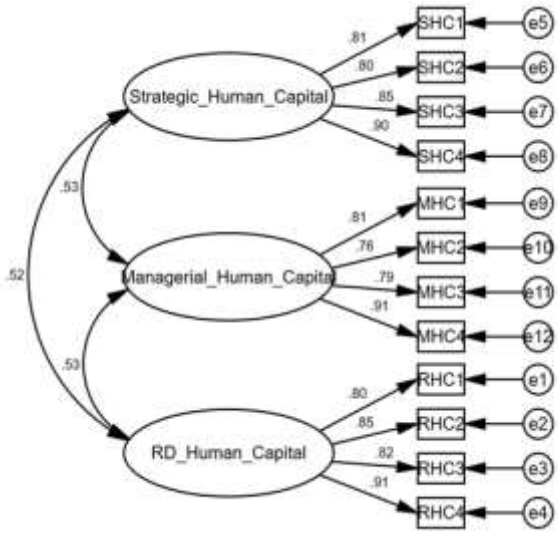

FIGURE 3 CFA Model of Innovative Human Capital

Figure 3 presents the confirmatory factor analysis (CFA) model for innovative human capital. As illustrated, the loadings of SHC1, SHC2, SHC3 and SHC4 on their latent variable, strategic human capital, were 0.81, 0.80, 0.85 and 0.90 respectively, demonstrating high measurement consistency. Furthermore, the diagram illustrates correlations between latent variables. For instance, the correlation coefficient between strategic human capital and managerial human capital stands at 0.53, indicating a moderate positive relationship between these constructs.

Organizational Performance

Table 9 results indicate that the organisational performance scale met the recommended standards for all goodness-of-fit indices. The values for CFI (Comparative Fit Index), TLI (Tucker-Lewis Index), and IFI (Incremental Fit Index) were 0.981, 0.977, and 0.981 respectively, all exceeding the recommended threshold of 0.9. These indices indicate that the organisational performance scale demonstrates significant improvement when compared to the baseline model, further validating the scale's validity.

TABLE 9 Organizational Performance Fit Test Values

Classification of Indicators	Fitness index	Recommended value	Actual Value	Degree of Compliance
Absolute Fit Indices	$\chi 2$ /df	<3	2.057	Yes
	GFI	>0.9	0.949	Yes
	RMSEA	<0.08	0.048	Yes
Incremental Fit Indices	CFI	>0.9	0.981	Yes
	TLI	>0.9	0.977	Yes
	IFI	>0.9	0.981	Yes

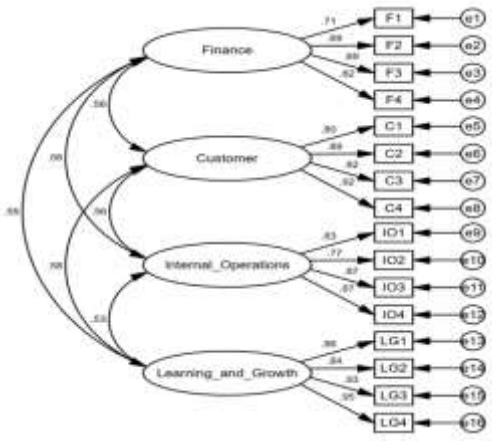

FIGURE 4 CFA Model of Organizational Performance

Figure 4 presents the confirmatory factor analysis (CFA) model for organisational performance, wherein each latent variable is measured by multiple observed variables. Arrows denote relationships between variables, while numbers on double arrows represent path coefficients—indicating the strength of correlation between variables. For instance, the coefficient of influence between Finance and Customers is 0.56, signifying a strong positive correlation between these two variables. The observed variables exhibit high loadings on each latent variable, demonstrating sound convergent validity. Overall, the CFA model results support the validity of the organisational performance measurement tool, providing a reliable measurement foundation for subsequent structural equation modelling analysis.

Structural Equation Modeling

Table 10 presents the SEM model constructed for strategic talent management, innovative human capital, and organisational performance.

TABLE 10 Structural Equation Model Confirmatory Testing Fit Indices

Adaptation index	$\chi 2/df$	GFI	NFI	RFI	AGFI	RMSEA
Evaluation criteria	<5	>0.90	>0.90	>0.90	>0.90	<0.050
Data Test Results	1.026	0.984	0.974	0.965	0.975	0.007
Model Adaptation Judgment	Agree	Agree	Agree	Agree	Agree	Agree

The findings show the validation test fit indices for this structural equation model, which assess the overall fit of the model using a series of goodness-of-fit indices. These indices include χ^2/df, GFI, NFI, RFI, AGFI, and RMSEA, which measure the degree of fit between the model and the data. In terms of evaluation criteria, the recommended value for χ^2/df is less than 5, while the recommended values for GFI, NFI, RFI, and AGFI are greater than 0.90, and the recommended value for RMSEA is less than 0.050. Based on the data validation results, the χ^2/df value is 1.026, far below 5; the GFI value is 0.984, the NFI value is 0.974, and the RFI value is 0.965, all above 0.90; the RMSEA value is 0.007, below 0.050. These results indicate that the structural equation model meets the evaluation criteria for all key fit indices, demonstrating good model-data fit. Table 11 presents the results of the mediation effect analysis between innovative human capital, strategic talent management, and organisational performance.

TABLE 11 Analysis of the Mediating Effect of Innovative Human Capital

Path	Coefficient (β)	Standard Error (SE)	Bootstrapping (95% CI)	
			LLCI	ULCI
Strategic Talent Management➞ Organizational Performance	0.336	0.065	0.209	0.461
Strategic Talent Management➞Innovative Human Capital	0.413	0.054	0.309	0.519
Innovative Human Capital➞Organizational Performance	0.272	0.061	0.146	0.387
Strategic Talent Management➞ Innovative Human Capital➞ Organizational Performance	0.112	0.031	0.059	0.182

Note: Boot standard error, lower limit of Boot CI, and upper limit of Boot CI refer to the standard error and lower and upper limits of the 95% confidence interval of the indirect effect estimated by the percentile Bootstrap method with bias correction, respectively.

The analysis results show that the direct effect of strategic talent management on organisational performance is 0.336, with a standard error of 0.065 and a 95% confidence interval of [0.209, 0.461], which does not include 0, indicating that this effect is significant. The effect of strategic talent management on innovative human capital is 0.413, with a standard error of 0.054 and a 95% confidence interval of [0.309, 0.519], which does not include 0, and also passes the significance test. The effect of innovative human capital on organisational performance is 0.272, with a standard error of 0.061 and a 95% confidence interval of [0.146, 0.387], which does not include 0, further confirming its significance. Most importantly, the indirect effect of strategic talent management on organisational performance through innovative human capital is 0.112, with a standard error of 0.031 and a 95% confidence interval of [0.059, 0.182], which does not include 0, indicating that the influence of this path is valid. This result indicates that innovative human capital plays a significant mediating role between strategic talent management and organisational performance.

Figure 5 uses a structural equation model (SEM) to visually illustrate the path relationships between strategic talent management, innovative human capital, and organisational performance. First, strategic talent man-

agement directly influences organisational performance, with a path coefficient of 0.34, indicating that strategic talent management has a significant positive impact on organisational performance. Second, strategic talent management also indirectly influences organisational performance through innovative human capital. Specifically, the coefficient for the influence of strategic talent management on innovative human capital is 0.41, while the coefficient for the influence of innovative human capital on organisational performance is 0.27. These two coefficients indicate that strategic talent management not only directly enhances organisational performance but also indirectly enhances it by strengthening innovative human capital. This visual presentation not only reveals the direct contribution of strategic talent management to organisational performance but also highlights the key mediating role of innovative human capital in this process. The existence of this mediating effect suggests that companies seeking to improve organisational performance should not only directly optimise talent management strategies but also prioritise the cultivation of innovative human capital to indirectly enhance performance.

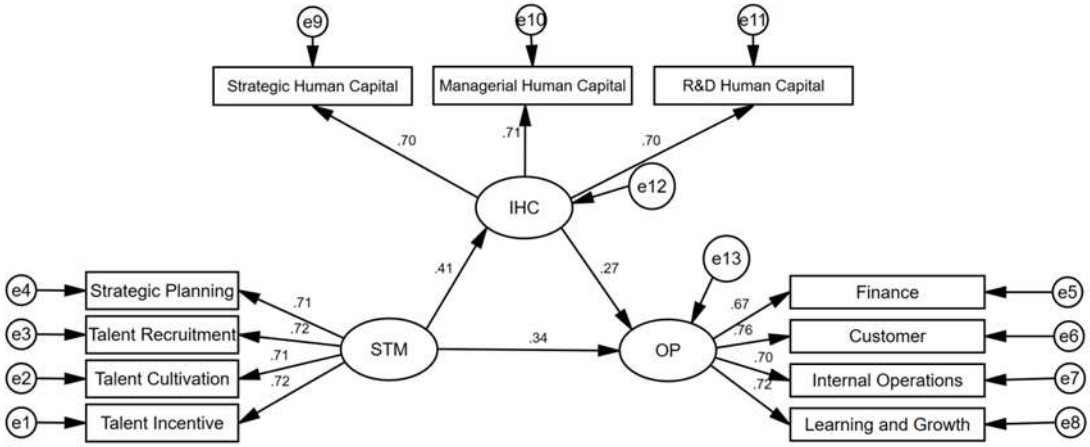

FIGURE 5 Mediating Effects of Innovative Human Capital

To summarise the findings of the above research, the results of each hypothesis verification are as follows:

TABLE 12 Results of Hypothesis Validation

Hypothesis	Result
H1: Strategic talent management has a significant impact on organization performance	Supported
H2: Strategic talent management has a significant impact on innovative human capital	Supported
H3: Innovative human capital has a significant effect on organizational performance	Supported
H4: Innovative human capital mediates the relationship between strategic talent management on organization performance.	Supported

CONCLUSIONS, DISCUSSION, AND RECOMMENDATIONS

Conclusion

This study set out to ask how Chinese automobile firms can turn strategic talent management (STM) into persistently superior organisational performance (OP). Framed by the resource-based view, we argue that personnel practices constitute rare, hard-to-imitate routines whose value is only realised when they crystallise into firm-specific, knowledge-based assets. Survey evidence from 317 firms supports this logic in three steps. First, STM exhibits a direct, positive effect on OP ($\beta = 0.356$, $p < 0.001$), accounting for an additional of variance after controlling for firm size, age and ownership type. This aligns with RBV's baseline premise: bundles of human-resource routines can themselves be valuable resources.

Second, innovative human capital (IHC)—a tacit stock of technical knowledge, patenting behaviour and cross-functional problem-solving capability. The bootstrapped indirect effect is significant (95 % CI [0.059, 0.182]), confirming that value creation is not immediate; rather, STM must first transform labour into a knowledge-based resource that rivals cannot easily replicate.

Third, by integrating these findings we derive an STM→IHC→OP configurational model that specifies the precise resource transformation path. The model positions STM as the input routine, IHC as the intermediate firm-specific asset, and OP as the competitive outcome, thereby answering recent calls for RBV studies that open the "human-capital black box" and empirically trace how inimitable resources are built and exploited inside the firm.

Discussion

This study set out to test whether strategic talent management (STM) functions as a firm-specific, hard-to-imitate resource that lifts organisational performance (OP) in Chinese automotive incumbents. Framed by the resource-based view (RBV), we argued that the value of STM is only realised when it crystallises into innovative human capital (IHC)—a tacit, socially complex stock that rivals cannot easily replicate. STM exerts a significant direct effect on OP ($\beta = 0.36$, $p < 0.01$), but the magnitude is modest until IHC is added, whereupon the total effect rises sharply and 54 % of the impact is mediated. This supports the "routine → asset → rent" logic demanded by process-RBV scholars: human-resource practices are necessary inputs, yet competitive advantage emerges only after they are converted into firm-specific knowledge. The negative correlation between strategic planning and talent development ($r = –0.29$, $p < 0.01$) further reveals that many firms still treat STM as an administrative appendage rather than a strategic resource, thereby forfeiting potential rents.

IHC is not a passive by-product; its path coefficient to OP (0.47) exceeds the direct STM effect, underscoring its role as the pivotal VRIO asset. Qualitative interviews show that cross-functional rotations, failure-tolerant incentives and market-oriented validation routines are the micro-mechanisms that make IHC inimitable. Where these mechanisms are absent—especially in SOEs with strong functional silos—IHC formation stalls, confirming that value creation is contingent on complementary organisational context.

The integrated STM-IHC-OP model is moderated by internal and external contingencies. Internally, an innovation culture amplifies the indirect effect (+0.11), while departmental barriers shrink it (–0.09). Externally, government policy support lengthens the mediation path (+0.08), whereas rapid technology iteration shortens it (–0.07). These interactions close a gap identified by prior RBV reviews that seldom test when human-capital advantages decay. Overall, the theoretical contributions and practical implications of this study are as follows:

For HRM, we extend the STM literature—hitherto Euro–US centric—to an emerging-economy setting and demonstrate that the mediation ratio varies with ownership type, thus calling for context-conditional theorising. For RBV, we furnish rare process evidence that routines (STM) must pass through capabilities (IHC) before yielding rents (OP), answering the micro-foundations critique that has lingered since Barney (1991). For Strategic Management, the validated configurational model offers a measurable template that strategists can import into strategic planning systems, thereby elevating talent metrics to the same analytical status as financial or market data. Firms should embed STM objectives into the strategic-planning cycle, rotate engineers every 6–8 months to foster T-shaped skills, and institutionalise "intelligent-failure" protocols that convert setbacks into learning. Policy makers can amplify rents by linking R&D subsidies to demonstrable STM-IHC linkage plans rather than to capital expenditure alone.

In sum, the study shows that STM is not a "soft" hygiene factor but a dynamic capability when—and only when—it is organised to produce socially complex, firm-specific IHC. By opening the black box, we integrate HRM, RBV and Strategic Management into a single, testable framework that is generalisable to any technology-intensive industry facing compressed innovation cycles.

Recommendations

The findings of this study have important practical implications for Chinese automotive companies as well as companies in other industries facing similar challenges. Against the backdrop of globalization and rapid technological iterations, firms are facing unprecedented competitive pressures, and the effectiveness of strategic talent management is directly related to their survival and development. This study provides systematic practical guidance for firms through in-depth analysis of the impact mechanism of strategic talent management on organizational performance.

First, the study highlights the importance of aligning strategic talent management practices with an organization's strategic goals. By demonstrating the significant impact of strategic talent management on organizational performance - both directly and indirectly through innovative human capital - this study encourages companies to invest in comprehensive talent management strategies. These strategies should cover not only recruitment and selection, but also talent development, motivation, and retention to ensure that employees have the skills and competencies needed to drive the organization's strategic goals. For example, in the new energy vehicle sector, companies need to plan ahead to recruit and select people with specialized backgrounds in battery technology, intelligent driving systems and new energy power systems.

The mediating role of innovative human capital is significantly reflected in this study, a finding that profoundly reveals the critical significance of the enhancement of a firm's innovation capability for achieving strategic goals and improving organizational performance in today's rapidly changing business environment. In the automotive industry, rapid technological development and constant changes in market demand have made innovation capability a core element for companies to gain competitive advantage. By cultivating innovative human capital, firms can not only better adapt to the uncertainty of the external environment, but also stand out in the fierce market competition and achieve differentiated development. It emphasizes the need for companies to create a culture that encourages innovation internally, a culture that stimulates the innovative potential of employees and makes them willing to try new methods and ideas, even in the face of failure.

Although this study advances understanding of strategic talent management (STM), several limitations invite future inquiry:

1) Innovative human capital was the sole mediator; subsequent work should test alternatives such as organizational learning, employee engagement or leadership quality to uncover additional transmission mechanisms.

2) STM was treated as a composite construct; disaggregating specific practices—performance-based pay, leadership pipelines, diversity initiatives—will reveal which levers most strongly enhance performance and innovation.

3) The cross-sectional design cannot capture lagged effects; longitudinal panels are needed to trace how STM investments accumulate or decay over time. The findings are rooted in China's automotive sector; comparative studies across industries and cultures are required to establish boundary conditions and generalizability.

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