The Seybold Report

ISSN 1533-9211

DOI 10.17605/OSF.IO/TMAFS

THE MEDIATING ROLE OF INNOVATIVE WORK BEHAVIOR BETWEEN TALENT MANAGEMENT AND ORGANIZATIONAL PERFORMANCE OF SMEs IN CHINA

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Abstract

The purpose of this paper was to explore the mediating role of innovative work behavior and the impact of talent management on innovative work behavior and organizational performance. A total of 378 practitioners participated in a questionnaire survey from a sample of small and medium-sized catering enterprises in Zhengzhou City, and structural equation modeling was used to analyze the relationship between talent management, innovative work behavior, and organizational performance. The results show that talent management has a strong positive effect on organizational performance and innovative work behavior; innovative work behavior has a strong positive effect on organizational performance, and innovative work behavior mediates the relationship between talent management and organizational performance. This study empirically tests the mediating role of innovative work behavior (IWB), adds to the literature support of IWB, and fills the population gap in the study of innovative work behavior and organizational performance, and the mediating role of innovative work behavior provides a new basis and supplement, provides a new pathway for talent management to motivate IWB to influence organizational performance, and verifies the relevance of this pathway for subsequent related research provide the basis for subsequent related research.

Keywords: Organizational performance, talent management, innovative work behavior, business growth

1. INTRODUCTION

The COVID-19 epidemic has had a substantial negative impact on the Chinese economy, and the impact on the organizational performance of SMEs has been particularly pronounced. SMEs have low or even no performance (Zhu & Zhang, 2020). SMEs must improve their organizational performance to overcome difficulties as soon as possible (Zeng, 2020). Under the new economic situation, the Chinese government has proposed a new development strategy of building domestic circulation as the mainstay and a dual domestic and international circulation structure to promote the high-quality transformation of the Chinese economy (Yang & Zhang, 2021). Innovation is the driving force of China's high-quality development and a key component of economic transformation (Chen, 2018). As SMEs are an essential force in the development of the national economy, focusing on the impact of innovation on organizational performance is both a response to China's new development strategy and a new way of thinking about organizational performance development for SMEs. SMEs have not fared well, and many have gone bankrupt (Zhu & Zhang, 2020). The reasons for the poor organizational performance are:

Firstly, companies usually adopt inherent or single motivation methods that cannot meet the growing material and cultural needs of employees, and the shift in the needs of employees to

The Seybold Report
ISSN 1533-9211
DOI 10.17605/OSF.IO/TMAFS

be less satisfied with the motivation methods or motivation policies will inevitably affect their work enthusiasm, and individual performance cannot be guaranteed, which is crucial to the achievement of individual performance and organizational performance (Rehman et al., 2019); Secondly, SME managers lack talent management knowledge and skills and base their assessment on subjective opinions, lacking professionalism (Li, 2018) and lacking effective talent management measures, resulting in companies failing to recruit, manage and retain talent (Liu & Tang, 2021). Insufficient attention to talent management, 45% of SMEs do not have a human resources department (Li & Jiang, 2021) and talent loss has become a significant problem for SMEs that cannot sustain their operations (Li & Jiang, 2021) Thirdly, as the development model, business methods, technologies and work processes of enterprises are updated and iterated, the lack of innovation ability will definitely be eliminated by the times, which is also one of the reasons for lower performance (Jie, 2019).

Muar et al. (2016) argue that innovation is reflected in creativity and is achieved through IWB (Mura et al., 2016). The innovative behavior of employees in the workplace provides the basis for organizational creativity and innovation. IWB has been shown to have a significant effect on improving organizational performance, helping to promote the effectiveness of teamwork, and positively impacting organizational growth and development (Ding er al., 2016; Zheng et al., 2009). IWB is defined as employees' efforts and behaviors to introduce, produce or apply ideas, products, processes, or applications designed to significantly enable the stakeholder unit to gain new units (West & Farr, 1989). However, employees' innovative work behavior is considered discretionary and not included in the prescribed job description (Janssen, 2000). Ramamoorthy et al. (2005) argue that the organization does not formally reward and recognize these discretionary behaviors. Managers must sufficiently recognize and acknowledge innovative work behaviors' critical role (Shanker et al., 2017).

Research on organizational performance and IWB is more often found in countries other than China, such as Malaysia, Pakistan, Indonesia, Thailand, and a few others (Kim & Park, 2017; Örnek & Ayas, 2015a; Sheeba & Christopher, 2020; Stoffers & Van der Heijden, 2009; van Zyl et al., 2019; Waheed et al., 2017). In addition, research on IWB in China is more often focused on large enterprises, technology, and education sectors (Hu et al., 2019; Huang, 2020; Yi, 2021; Yuan, 2020), while SMEs and the food and beverage industry are rarely addressed. Studies are often qualitative or comparative case studies, lacking quantitative research and data support (Li & Zhao, 2022; Zhu, 2022). This study will fill the demographic gap of previous studies. Not only that, Shanker et al. (2017) argue that the mediating role of IWB is not sufficient and that the mediating role is still underestimated and needs to be verified by more research (Shanker et al., 2017). The current study adds to this.

2. LITERATURE REVIEW

Based on the review and theoretical support of previous researches on talent management, innovative work behavior and organizational performance, the reasonable hypothesis and research framework of this study are put forward.

The Seybold Report
ISSN 1533-9211
DOI 10.17605/OSF.IO/TMAFS

2.1 Talent Management and Organizational Performance

In the previous studies on talent management and organizational performance, it is not difficult to find that many researchers believe that there is a positive correlation between talent management and organizational performance and that talent management has a positive impact on organizational performance (Alaaldin et al., 2018; Almaaitah et al., 2020; Almohtaseb et al., 2020; Bade et al., 2019; Garavan et al., 2021; Khateeb & Louzi, 2020). Elvir and Azra (2021) believe that talent management has a positive statistical impact on organizational performance in developing countries in Bosnia and Herzegovina. It is also recommended that developing country companies develop effective talent management strategies to continuously improve organizational performance (Elvir & Azra, 2021).

However, some researchers believe talent management is a double-edged sword, which also negatively or partially impacts organizational performance. Jooyeon et al. (2018) found that talent management has a dual impact on organizational performance, including innovation and voluntary turnover rate. The influence of the organizational environment will change the effect of talent management. Talent management has a dual direct and situational effect; that is, talent management has both positive and negative effects on organizational performance and is also influenced by the organizational environment (Jooyeon et al., 2018). Based on the conclusion of previous studies on the positive impact of talent management on organizational performance, the hypothesis of this study is as follows:

H1: The relationship between talent management and organizational performance is significant.

2.2 Talent Management and Innovative Work Behavior

According to the previous studies on talent management and innovative work behavior, the conclusions of Chinese researchers are almost the same. They all believe that talent management has a positive impact on innovative work behavior, talent management helps to stimulate employees' innovative work behavior, and the development of innovative work behavior is also conducive to the innovation of talent management. This point has been proved equally in the Chinese research literature (Appau et al., 2021; Li, 2014; Wang, 2007; Wang et al., 2013; Zhu & Hu, 2014). Researchers believe talent management is an integral part of enterprise development, which needs to be managed through talent selection, training, incentive, development, and evaluation, and efficient talent management will accelerate the progress of innovative work behavior (Wang et al., 2013).

However, in recent years, foreign studies have come to different conclusions. Some researchers recognize that talent management impacts innovative work behavior, and talent management significantly impacts innovative work (Khaki et al., 2017; Khan, 2019). Other researchers believe that talent management has no significant influence on innovative work behavior (Appau et al., 2021) or that there is no influence between talent management and innovative work behavior (Dzimbiri & Molefakgotla, 2021). Based on the previous research conclusions, the reasonable assumptions of talent management and innovation work behavior are as follows:

H2: The relationship between talent management and innovative work behavior is significant.

The Seybold Report
ISSN 1533-9211
DOI 10.17605/OSF.IO/TMAFS

2.3 Innovative Work Behavior and Organizational Performance

Aryee et al. (2012) believe that employees can create new ways to improve their work to find more straightforward and efficient ways to complete tasks and seek new business opportunities. These new ways, methods, and processes will lead to higher organizational performance. Therefore, innovative work behavior positively impacts organizational performance (Aryee et al., 2012). In addition, Mura et al. (2012) believe that innovation is a different kind of work from the past, regarded as the work concept of enterprise innovation. More and more enterprises realize that innovative work concepts create wealth for enterprises, which is reflected in creativity and realized through innovative work behaviors (Mura et al., 2012). In the same view, Khaki, Khanzadeh, and Rad (2017) believe that innovation in management and organization is a process; the result of innovation is to create new things; the time and history of innovation can be traced to human life, people are always trying to find new methods and skills to improve work skills. Innovation is improving performance (Khaki et al., 2017).

In addition, researchers found that innovative work behavior positively impacts objective and subjective performance (Stoffers & Van der Heijden, 2009). Therefore, organizations increasingly need to maximize the innovation potential of employees in order to maintain or gain a competitive advantage (Hanif & Bukhari, 2015). In recent years, many researchers have also believed that innovative work behavior is crucial in all walks of life because it directly affects organizational performance (Abdul Waheed, 2017; Nasifoglu Elidemir et al., 2020; Sheeba & Christopher, 2020). Therefore, based on the above views, the relationship between innovative work behavior and organizational performance is assumed as follows:

H3: The relationship between innovative work behavior and organizational performance is significant.

2.4 The Mediating Role of IWB

IWB refers to the initiative of employees to introduce new processes, products, markets, or combinations into the organization. Such innovative work behavior can help enterprises improve the overall performance level and service quality, and it is also considered the key to the company's competitiveness, survival, and success (Nasifoglu Elidemir et al., 2020). In recent years, due to the change in the social environment and the development of new industries and sales forms, research on IWB has attracted more and more attention from researchers (Afsar et al., 2014; AlEssa & Durugbo, 2021; Anwar & Niode, 2017; Kim & Park, 2017; Siregar et al., 2019). The mediating role of IWB has been verified in many studies, especially the influence of IWB on organizational performance (Al Wali et al., 2022; Masduki Asbari, 2020; Musneh & Roslin, 2021; Nasifoglu Elidemir et al., 2020; Sheeba & Christopher, 2020; van Zyl et al., 2019).

IWB is mediating between factors affecting organizational performance and organizational performance (Keerativutisest, 2020; Waheed et al., 2017). Based on the above research, we can reasonably assume that the relationship between innovative work behavior and talent management, and organizational performance is as follows:

The Seybold Report
ISSN 1533-9211
DOI 10.17605/OSF.IO/TMAFS

H4: Innovative work behavior mediates talent management and organizational performance.

A new research model based on endogenous development theory, Herzberg's incentive theory, Porter and Lawler's comprehensive incentive theory, and creativity theory. Researchers believe that resource management is a critical factor for enterprises to carry out professional production, and small and medium-sized enterprises need to tap the infinite dynamic change of new resource management ability to help enterprises grow (Luo, 2010). The endogenous growth theory of an enterprise studies the growth of an enterprise from the perspective of its internal factors (including resources, abilities, and knowledge), which determine the degree and scope of an enterprise's implementation and are the active factors that determine the growth of an enterprise (Li, 2014). Herzberg factor incentive theory supports talent management as an independent variable to support innovative organizational work behavior and organizational performance from the perspective of incentive factors. According to Herzberg (1957), motivators are factors that lead to a positive attitude toward work, and their purpose is to increase and improve job satisfaction and employees' work enthusiasm (Herzberg et al., 1957).

Creativity theory provides support and theoretical justification for mediating innovative work. Creativity is an outcome, i.e., a novel and valuable idea, product, service, or process (Amabile, 1997). Team creativity is the novel and valuable ideas about products, services, processes, and procedures generated by the team members working together (Farh et al., 2010; Shin & Zhou, 2007). Employee creativity is the foundation of team creativity. With the widespread adoption of the teamwork approach in organizations, research that integrates employee and organizational creativity is more theoretically and practically relevant than research that only considers team or employee creativity and is reflected in much of the relevant research (Zhu et al., 2018; Liu, 2019). Integrated motivation theory provides path support for the model. Portor and Lawler (1968) put forward the integrated motivation theory, which argues that motivation comes first, motivation leads to the effort, effort produces performance, and performance leads to satisfaction. It thus appears that motivational conditions contribute to employee satisfaction, stimulating the intrinsic energy and innovation of the firm or employees, which translates into the generation of innovative work behaviors reflected in organizational performance. Accordingly, the conceptual framework of the model was developed.

2.5 Conceptual Framework

Based on the above assumptions and underlying theoretical underpinnings, Figure 1 illustrates the conceptual framework of this study, i.e., the model relationship between talent management as the independent variable, innovative work behavior as the mediating variable, and organizational performance as the dependent variable. The aim is to improve the understanding and prediction of innovative work behaviors between talent management and organizational performance.

ISSN 1533-9211

DOI 10.17605/OSF.IO/TMAFS

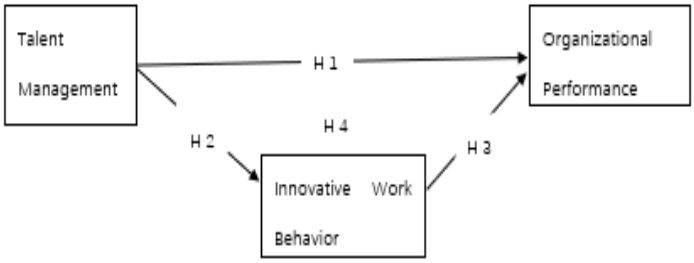

Figure 1: Conceptual Framework

3. METHODOLOGY

The study was exploratory and used a cross-sectional quantitative study to collect data from the staff of SMEs in Zhengzhou, China. A random proportional sampling was used to select 378 valid questionnaires from the final questionnaire based on the Chinese industry size classification criteria, removing micro-enterprises and passing the pilot study's reliability test before model testing. The pilot study used N=47. The validity test will be based on two experts assessing and confirming the questionnaire. The reliability testing results are shown in Table 1: all items with Cronbach Alpha coefficients above 0.9, indicating that the questionnaire has good reliability.

Table 1: Reliability Statistics

Variables	Cronbach's Alpha	N of Items
Talent Management	0.909	12
Innovative Work Behavior	0.914	17
Organizational Performance	0.921	8

The talent management dimension in this study refers to Shrm (2007) and Detuncq and Schmidt (2013) containing, talent planning, recruitment and retention, and talent development; the innovative work behavior dimension refers to Jong and Hartog (2008) four dimensions containing opportunity exploration, idea generation, advocacy, and application behavior. Performance was measured using subjective measures, referring to Chandler and Hanks (1993) and Zhou Yu-Liang (2010) maturity questionnaire, using two dimensions growth and profitability. A five-point Likert scale was used for evaluation. The specific questionnaire is referenced in Appendix A. The study used partial least squares (PLS) structural equation modeling to analyze the data, test hypotheses, and model evaluation.

4. DATA ANALYSIS

PLS-SEM is divided into evaluation measurement and structural model, two-step method (Anderson & Gerbing, 1988). It can prove the robustness of the study by illustrating the measured variables and the mediating variables in the study. In this study, PLS is superior to covariance-based SEM (CB-SEM) in estimating the formation hierarchy model, and avoids various limitations of CB-SEM (Rigdon et al., 2017). In addition, PLS is suitable for models with higher order structures and is often the optimal choice for estimating the capability of

The Seybold Report
ISSN 1533-9211
DOI 10.17605/OSF.IO/TMAFS

complex models (Chin, 1998)

4.1 Measurement Model

The measurement model assessment needed to meet the following points: composite reliability, which is the internal consistency of the individual items in the scale; CR above 0.70; factor loadings above 0.70, average variance extracted, which is a measure of the amount of variance contained in a scale, AVE above 0.5; and discriminant validity (Hair et al., 2017). According to the results shown in Table 2, all latent variables had factor loadings above 0.7, CR above 0.7, and AVE above 0.5 and therefore met the requirements (Hair et al., 2017).

Table 2: Measurement model

Latent Variable	Items	Factor Loading	Cronbach's alpha	CR	AVE
Application Behavior	AB1	0.886	0.899	0.901	0.768
	AB2	0.851			
	AB3	0.913			
	AB4	0.854			
Championing	C1	0.886	0.895	0.897	0.762
	C2	0.838			
	C3	0.908			
	C4	0.858			
Growth	G1	0.828	0.812	0.819	0.640
	G2	0.809			
	G3	0.726			
	G4	0.834			
Idea Generation	IG1	0.872	0.888	0.889	0.749
	IG2	0.820			
	IG3	0.882			
	IG4	0.886			
Opportunity Exploration	OE1	0.882	0.911	0.912	0.738
	OE2	0.801			
	OE3	0.826			
	OE4	0.911			
	OE5	0.871			
Profitability	P1	0.855	0.881	0.883	0.738
	P2	0.836			
	P3	0.843			
	P4	0.900			
Talent Development	TD1	0.811	0.864	0.870	0.712
	TD2	0.878			
	TD3	0.780			
	TD4	0.900			
Talent Planning	TP1	0.827	0.856	0.858	0.701
	TP2	0.785			
	TP3	0.816			
	TP4	0.916			
Talent Recruitment and Retention	TRR1	0.780	0.821	0.823	0.650
	TRR2	0.822			
	TRR3	0.828			
	TRR4	0.795			

The Seybold Report
ISSN 1533-9211
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Discriminant validity refers to the degree to which a construct differs from other constructs in the study (Garver & Mentzer, 1999). According to the Fornell-Larcher standard, a latent variable must share more variance with its specified standard than any other latent variable. That is, the AVE of each latent variable should be greater than the highest correlation square of that latent variable with any other latent variable (Fornell & Larcker, 1981). The results shown in Table 3, each square root of the mean variance obtained exceeds the underlying structure's correlation and meets the discriminant validity requirement.

Table 3: Discriminant validity

	AB	C	G	IG	OE	P	TD	TP	TRR
AB	0.876								
C	0.432	0.873							
G	0.287	0.375	0.800						
IG	0.455	0.493	0.304	0.866					
OE	0.519	0.568	0.343	0.525	0.859				
P	0.324	0.194	0.271	0.291	0.296	0.859			
TD	0.257	0.308	0.302	0.326	0.286	0.200	0.844		
TP	0.202	0.279	0.226	0.718	0.222	0.258	0.299	0.837	
TRR	0.203	0.683	0.292	0.296	0.286	0.178	0.326	0.314	0.806

In addition to using Fornell-Larcker judgments, the Heterotrait-monotrait (HTMT) ratio of correlation (HTMT) is provided to verify the discriminant validity. Based on the findings of Henseler et al. (2015), researchers believe that 'HTMT is able to achieve higher specificity and sensitivity rates (97% to 99%). Compared to the cross-loadings criterion (0.00%) and Fornell-Lacker (20.82%) (Ab Hamid et al., 2017， p.3; Henseler et al., 2015). Table 4 shows all HTMT ratios below 0.85, indicating no discriminant validity challenge.

Table 4: Discriminant validity

	AB	C	G	IG	OE	P	TD	TP	TRR
AB									
C	0.480								
G	0.336	0.441							
IG	0.508	0.552	0.356						
OE	0.573	0.627	0.398	0.584					
P	0.364	0.218	0.317	0.329	0.330				
TD	0.289	0.351	0.359	0.367	0.322	0.230			
TP	0.230	0.320	0.274	0.825	0.253	0.297	0.346		
TRR	0.235	0.795	0.361	0.347	0.331	0.209	0.384	0.375	

4.2 Structural Model

After evaluating the measurement model, the structural model was tested by bootstrap for 5000 replicates to assess the significance of the path coefficient significance (Hair et al., 2017). Structural model evaluation evaluates the relationships between underlying constructs and validates conceptual models (Hair et al., 2014). As shown in Table 5: Hypotheses 1, 2, and 3

The Seybold Report
ISSN 1533-9211
DOI 10.17605/OSF.IO/TMAFS

are fully supported.

Table 5: Direct Effect

Hypothesis	Path	Path Coefficient	T statistics	P values
H1	TM -> OP	0.204	3.195	0.001
H2	TM -> IWB	0.577	11.896	0.000
H3	IWB -> OP	0.358	5.647	0.000

4.3 Mediator Analysis

A mediator is the presence of an intermediate variable or mechanism that transmits the impact of the independent variable to the outcome (Aguinis et al., 2017). Between the above studies, Hypothesis 4 was supported through indirect influence, i.e., talent management influences organizational performance through the mediating variable innovation work behavior, as shown in Table 6. It means there is a moderating role of innovative work behavior between talent management and organizational performance.

Table 6: Indirect Effect

Hypothesis	Path	Path Coefficient	T statistics	P values
H4	TM -> OP	0.206	4.659	0.000

4.4 Model evaluation

Based on Hair et al. 2017 suggested that R-square explains the strength of the structural model, indicating the explained variance of the exogenous variables in the endogenous variables (Hair et al., 2017). Based on the results, the combined effect of the variables on the OP of the endogenous latent variables was 0.255, indicating that the total effect of the variables was correlated. Furthermore, based on Falk and Miller (1992), an R-square value greater than or equal to 0.10 would be considered adequate for explaining the variance of the particular endogenous structure, therefore endorsing the model as adequate. Furthermore, the Q^2 value exceeded 0, and therefore predicted correlation was established (Fornell & Cha, 1994), and the results are shown in the table below.

Table 7: Model explanatory power（Q^2 and R-square）

	Q^2predict	R-square
AB	0.069	0.551
C	0.307	0.620
IG	0.343	0.602
OE	0.107	0.723
IWB	0.327	0.333
OP	0.161	0.255
P	0.076	0.680
G	0.129	0.590
TD	0.538	0.540
TP	0.541	0.544
TRR	0.532	0.536

The Seybold Report
ISSN 1533-9211
DOI 10.17605/OSF.IO/TMAFS

5. DISCUSSION

As the mediating role of innovative work behavior is underestimated (Shanker et al., 2017), few studies empirically test the link between talent management, innovative work behavior, and organizational performance. By constructing this model, this study empirically tests the link between the three while confirming the mediating role of innovative work behaviors between talent management and organizational performance. This study aims to fill this gap. Also, the study uses a population sample of Chinese SMEs to fill the demographic gap in this area of research. The findings revealed that the relationship between talent management and organisational performance was significant ($\beta = 0.204$, $p < 0.001$) therefore hypothesis 1 was supported and the findings of this study were consistent with the predictions and supported by previous literature that talent management has a positive impact on organisational performance (Alaaldin et al., 2018; Almaaitah et al. 2020; Almohtaseb et al., 2020; Bade et al., 2019; Garavan et al., 2021; Khateeb & Louzi, 2020); the relationship between talent management and innovative work behaviour is significant ($\beta = 0.577$, $p < 0.000$), therefore hypothesis 2 is supported and this finding is consistent with the predictions, providing additional support for the same previous findings (Appau et al., 2021; Li, 2014; Wang, 2007; Wang et al., 2013; Zhu & Hu, 2014);

The relationship between innovative work behavior and organizational performance is significant, ($\beta=0.358$, $p<0.000$), thus hypothesis 3 is supported, providing additional support for new support for the same previous view (Abdul Waheed, 2017; Nasifoglu Elidemir et al., 2020; Sheeba & Christopher, 2020); furthermore, the study confirmed that innovative work behavior mediates the relationship between talent management and organizational performance ($\beta = 0.206$, $p < 0.000$) which is consistent with predictions and assesses the mediating role of innovative work behaviours while providing additional support to previous related views (Keerativutisest, 2020; Waheed et al., 2017) broadening the scope of the mediating role of innovative work behaviours in influencing organisational performance factors and organizational performance.

This study starts from the theory of endogenous development of firms. It adds the addition of innovative work behavior to stimulate and improve the performance development of SMEs through the perspective of improving firms' capabilities, both in response to China's national conditions and national development plan and to provide SMEs with innovative work behavior development ideas and solutions for low performance, to achieve the reality of alleviating the low or even non-performance of SMEs' organizational performance (Sun et al., 2022; Zhu et al., 2020). In addition, it is true that SMEs do not pay attention to talent management in their actual operations and that talent management that is not used correctly is quite common (Liu & Tang, 2021; Li & Jiang, 2021), and it is confirmed through this study that talent management has a positive impact on both organizational performance and innovative work behavior, as well as innovative work behavior on organizational performance.

The Seybold Report
ISSN 1533-9211
DOI 10.17605/OSF.IO/TMAFS

6. CONCLUSION

The impact of innovative work behavior on organizational performance has received increasing attention from researchers, and the mediating role of innovative work behavior has been a popular trend in research and a focus of society in recent years (van Zyl et al., 2019). As a result, more and more researchers recognize the mediating role of innovative work behaviors in influencing the relationship between organizational performance factors and organizational performance (Shanker et al., 2017). The current study provides additional support and an empirical test of the field from a group of Chinese SMEs. The study provides a new model and research base for future related research by constructing talent management, innovative work behavior, and organizational performance as a model and validating the predictive and relevance of the model through quantitative research.

It provides a new perspective on the endogenous development theory of the firm - the firm's capabilities - in terms of improving organizational performance and innovative work behavior and provides a new development path for healthy development and organizational performance by improving the firm's talent management capabilities, motivating employees to work hard and translating that effort into innovative work behavior practices, which is in line with the Chinese government's development transformation policy for the next decade to encourage the rapid functioning of China's domestic economy This is also in line with the Chinese government's policy of transforming its development over the next decade to encourage the rapid functioning of China's domestic economy as the primary economic development objective (Yang & Zhang, 2021). SMEs are essential in driving China's economic and social development, transformation, and upgrading (He, 2021; Li & Lou, 2022). Therefore, a focus on organizational performance development and innovative work behavior in SMEs must be addressed.

The findings also confirm that talent management has a positive impact on innovative work behaviors and organizational performance; innovative work behaviors have a positive impact on organizational performance; and the impact of talent management on organizational performance through innovative work behaviors is significant. It suggests that there is a mediating role for innovative work behaviors between talent management and organizational performance, providing an adequate assessment of the mediating role of innovative work behaviors while providing additional support for previous research on related perspectives and, at the same time, filling a research population gap, and a theory and knowledge gap for SME managers.

7. IMPLICATIONS

The study provides new support and practical experience on the relationship between talent management, innovative work behavior, and organizational performance research. Confirming the mediating role of innovative work behavior between talent management and organizational performance provides new scope for applying innovative work behavior, and organizational and motivational factors on employee behavior are extended and validated. In addition, the study bridges the demographic gap in previous research on the impact of innovative work

The Seybold Report
ISSN 1533-9211
DOI 10.17605/OSF.IO/TMAFS

behavior and organizational performance, providing an empirical test of Chinese SMEs. In addition, the assessment of the model confirms the relevance of talent management, innovative work behavior, and organizational performance, providing new pathways and methods to improve organizational performance and innovative work behavior. Empirical and theoretical evidence is provided for SME managers and helps to bridge the practice and theory gap for managers.

The study is based on the enterprise perspective. It provides methods to improve organizational performance based on the internal needs of the enterprise, providing a practical basis for government talent attraction policies for the internal needs of the enterprise, policy development towards talent attraction, innovation rewards, and innovation platforms to provide a reasonable basis; providing favorable evidence for the performance development of the industry from the perspective of employee motivation. The service sector needs to provide a platform for training and assessment of talent management capabilities to improve SME talent management capabilities and motivate staff to create new products, processes, and services. Promote innovation activities in the industry and drive overall performance development through innovative behaviors; SMEs and management should fully recognize the importance of talent management for innovative work behaviors and organizational performance, bridge the gap between theory and practice, focus on the importance of talent management, improve talent management capabilities through talent planning, talent recruitment and attraction, talent development, and by encouraging opportunity exploration, idea generation embracing and applying behaviors (e.g., innovative services, products, processes, communications) to the practical goal of improving organizational performance.

8. LIMITATIONS AND RECOMMENDATION

Several limitations in this study need to be identified, which may provide opportunities for future research. Firstly, the data for this study was sourced from small and medium-sized restaurant companies, which helps maintain a slight unexplained variance in the model estimation and enhances the power of hypothesis testing; it may also reduce the generalization of the findings. Therefore, the generalizability of the results could be enhanced in the future by replicating the model and trying it out for more industries or countries (Balabanis et al., 2006). Secondly, a limitation of the study is the use of subjective organizational performance measures. It is pretty challenging to obtain the absolute financial performance of firms in most Asian countries, and obtaining the objective performance of SMEs remains a limitation. In the future, a combination of subjective and objective measures can reduce the bias caused by people's subjective perceptions. Finally, this is cross-sectional data. Future longitudinal studies to assess causality could provide more possibilities for this study.

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Appendix A

Talent Management	
TP1	My organization has policies that encourage career growth and developmental opportunities of talent employees
TP2	My organization identifies vacancies that will be created as the company advances and expands
TP3	My organization builds a deep reservoir of successors at every level
TP4	My organisation implements different strategies for recruiting talented individuals.
TRR1	My organization places the right people in the right jobs
TRR2	My organisation has developed programs for retaining high-potential employees
TRR3	Process of selection in my organisation is focused on candidates with high development potential
TRR4	My organisation makes efforts to engage individuals capable of creative thinking.
TD1	My organization identifies gaps in current employee and candidate competency level
TD2	My organization provides current employees with adequate training that allows them to do their jobs well
TD3	My organisation has career development programs for talented individuals
TD4	In my organization, trainings activities are focused on developing specific competences and skills that the organisation needs
Innovative Work Behavior	
OE1	You pay attention to issues that are no part of his daily work
OE2	You look for opportunities to improve things
OE3	You consider innovative opportunities
OE4	You wonder how things can be improved
OE5	You explore new products or services

ISSN 1533-9211

DOI 10.17605/OSF.IO/TMAFS

IG1	You search out new working methods, techniques or instruments?
IG2	You generate original solutions for problems
IG3	You create new ideas
IG4	You find new approaches to execute tasks
C1	You mobilize support for innovative ideas
C2	You acquire approval for innovative ideas
C3	You make important organizational members enthusiastic for innovative ideas
C4	You attempt to convince people to support an innovative idea
AB1	You transform innovative ideas into useful applications
AB2	You systematically introduce innovative ideas into work practices
AB3	You contribute to the implementation of new ideas
AB4	You put effort in the development of new things
Organizational Performance	
G1	The company's sales are growing rapidly compared to competitors
G2	The number of our employees is growing rapidly compared to our competitors
G3	The Company's market share of its main business products/services is growing rapidly compared to competitors
G4	The Company has consistently maintained a strong cash flow
P1	The Company is highly profitable compared to its competitors
P2	The Company is expected to continue to expand in size
P3	The Company consistently maintains high asset margins
P4	The Company has consistently maintained high profit margins