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Research Article

Agile Talent Management and Organizational Performance: The Mediating Role of Strategic Agility

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ABSTRACT

This study introduces agile talent management and examines its link with organizational performance through mediation of strategic agility. A cross-sectional research design was employed to collect data from 335 employees working in the multinational companies in Pakistan. The study used a 5-point Likert scale questionnaire to collect data. Purposive sampling technique was chosen for sampling. The analyses were conducted in SPSS and Smart PLS 4. The results confirm effect of agile talent management on organizational performance. Strategic agility partially mediates the relationship. The study adopts the lens of resource-based view and dynamic capabilities theory. The study guides both theory and practice through novel framework and findings. The study carries implications for policymakers and managers to create agile organizations in the turbulent and volatile environments.

KEYWORDS

Agile Talent Management, Strategic Human Resource Management, Strategic Agility, Organizational Performance, Dynamic Capabilities Theory, Resource-Based View

1 | INTRODUCTION

The modern business environment is characterized by volatility, uncertainty, complexity, and ambiguity (VUCA) (Rožman, et al., 2023). The business world is abuzz with technological disruptions and changing working arrangements. Recent studies on talent management (TM) and human resource management (HRM) have used terms like disruption, turbulence, volatility, and uncertainty for business environments in which firms operate (Jooss et al., 2024; Nigam & Chavla, 2024; Minbaeva, 2021; Harney & Collings, 2021). Firms are experiencing relentless changes in demographics, human capital, and technology. These challenges compel organizations to develop adaptability and responsiveness for survival in such VUCA conditions (Harney & Collings, 2021). The role of HRM function is critical for a firm striving to survive the waves of turbulence and disruptions (Ulrich & Yeung, 2019). However, HR has always been criticised for playing an anti-agility role, because of operational and bureaucratic orientation, and lack of ability to respond to change (Azizsafaei, 2019; Lengnick-Hall and Lengnick-Hall, 2002). Recent studies criticize the inability of the TM function to deal with VUCA conditions and the lack of empirical research to upgrade for becoming agile (Jooss et al., 2024). These studies criticize the HRM and TM literature for confining to dogmatic and rigid assumptions (Claus, 2019; Harney & Collings, 2021). The pandemic triggered this change and the need for revisiting human capital strategies). Most of the firms now use software like Zoom and Microsoft Teams for virtual meetings since their emergence during the pandemic. The recent trend of AI has further amplified this phenomenon, and more researchers are now focusing on agility. Firms with adequate financial resources can imitate their rival in technology, products, and equipment. However, they cannot imitate the unique value that talent resources bring for a firm (Pfeffer, 1994). A firm creates value and gains competitive advantage through its human capital (Ferris, et al., 1999; Huselid, et al., 1997). Talent management practices are critical in fostering strategic agility (Jooss et al., 2023). The link between HRM and organizational performance has

always been a grey area in management research. It is often referred to as the 'black box' phenomenon by researchers. Numerous studies have tried to open this black box and unpack the relationship of HRM and organizational performance. However, scholars contend that more empirical support is required to establish this relationship. Some recent research studies advocate the role of talent management in fostering strategic agility and improving organizational performance (Nigam & Chavla, 2024). Scholars argue that this relationship can be unpacked by examining the potential mediators between the two constructs (Boxall et al., 2011). Due to failure of the existing studies to provide a comprehensive framework for explaining the HRM-performance link, the 'black box' issue persists in the literature. This study examines the role of strategic agility as the mediating mechanism that translates agile TM practices into enhanced organizational performance. TM practices such as rapid deployment and skills-based allocation improve strategic sensitivity and resource fluidity of the firm, which ultimately enhance performance (Jooss et al., 2024). This study holds significance in terms of both theory and practice. Theoretically, the study examines the phenomena with the lens of the dynamic capabilities theory (DCT) and resource-based view (RBV). RBV posits that a firm can use its internal resources to its advantage, given that the resources are unique, valuable, and inimitable (Barney, 1991). This theory has since dominated scholarly literature. However, it has been criticized for its vulnerability in VUCA conditions (Teece et al., 1997; Eisenhardt & Martin, 2000). Static and rigid assumptions of RBV regarding resources limit its effectiveness in volatile environments. To overcome these limitations, the DCT contends that a firm should continuously reconfigure its resources to thrive in such volatile conditions (Teece et al., 1997). We provide a comprehensive framework in this study based on the synergy of both theories. Talent resources serve as a dynamic capability of a firm that enables it to develop strategic agility and deliver high performance (Wright, Dunford, & Snell, 2001; Collings & Mellahi, 2009).

There has been a clear divergence in research and practice regarding agile TM and strategic agility (Cappelli & Tavis, 2018). This study fills this void with a comprehensive framework and empirical findings. The study offers significant actionable insights for managers and firms regarding agile TM practices and strategic agility. Traditional TM practices have been exposed by relentless changes and disruptions in the business environment (Claus, 2019; McMackin & Heffernan, 2021). The mediation framework of this study and empirical examination of the study constructs offer valuable findings for the managers. The findings are particularly salient for the MNCs. Because MNCs exist in highly competitive, diverse, volatile environments. The study aims to assist the MNCs in developing resilience and responsiveness through agile workforce and strategic agility. More specifically, the study targets the MNCs operating in Pakistan. Studies on agile TM and agile HRM have been mostly conducted in the Western contexts. Whereas there are scarce inquiries in the in the developing or underdeveloped countries like Pakistan. The MNCs in this context face more uncertainty and volatility. Hence, they need to develop agility to navigate such conditions.

2 | LITERATURE REVIEW

As change has been a concern in strategic management, the increasing pace of change fueled by technological advancements, globalization, and disruptive working arrangements have triggered the quest for alternative strategic approaches (McMackin et al., 2021; Weber & Tarba, 2014). Because conventional approaches such as the adaptive fit approach proposed by Chakravarthy (1982), are insufficient to provide desired results in the VUCA world. HR has been criticized for its anti-agility role due to its static and dogmatic orientation. Firms have been striving to adopt new management approaches to develop the necessary capabilities to navigate such disruptive conditions (Azizsafaei, 2019). Therefore, scholars have proposed alternative strategic approaches such as strategic agility (Doz, 2020; Doz and Kosonen, 2007), dynamic capabilities (Teece et al., 1997; Eisenhardt & Martin, 2000), and agile TM (Jooss et al., 2023; Harsch & Festing, 2020) which us the focus of this study. Teece et al. (1997) define the dynamic capabilities as capabilities of the firm that help in integrating, building, and reconfiguring its resources for rapidly responding to changes in the environment. This is the difference that makes dynamic capabilities distinct from ordinary capabilities, which are only used by firms for management of routine operations (Teece, 2018). A range of agility-oriented practices have been identified and discussed. For instance, practices related to customers' needs, intellectual problem solving, collaboration, learning and knowledge diffusion, transparency, and empowerment (Christofi et al., 2024). These are actualy the characteristics of agile firms. Firms can use these capabilities to ensure rapid decision-making and rapid deployment of talent resources (Doz, 2020). Doz and Kosonen (2007) argue that strategic agility is formed by three meta-capabilities i.e., strategic sensitivity, resource fluidity, and collective commitment with leadership unity. Strategic sensitivity denotes the ability of a firm to sense opportunities and threats proactively.

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2.1 | Hypotheses Development and Theoretical Framework

RBV theory (Barney, 1989) enhances the understanding of HRM-performance relationship by explaining VRIN resources that give competitive advantage. However, the utility of RBV is often questioned in VUCA business conditions. Therefore, this study augments the assumptions of the RBV with the integration of the dynamic capabilities theory (DCT). Using our theoretical framework, this study offers essential insights related to the phenomena of agile TM and strategic agility in relationship with organizational performance in the context of the MNCs.

2.2 | The link between Agile Talent Management and Organizational Performance

Business environment is abuzz with technological advancements and other disruptions. Therefore, organizations need agility to outperform their competitors in such turbulent conditions (Harsch & Festing, 2020). Human capital is considered as one of the most critical factors for an organization seeking to develop agility (Jooss et al., 2024; Collings et al., 2019). Barney (1991) argues that workforce of a firm should be utilized as a strategic resource. Agile TM overcomes the loopholes of conventional TM, which is criticized for its rigid and static approach (Jooss et al., 2024; Collings et al., 2019). Organizations seeking to gain competitive advantage rely on alignment of their TM with organizational strategy. Recent studies advocate that agile TM serves as a dynamic capability through which a firm can respond to rapid changes in the environment (Jooss et al., 2024; Collings et al., 2019). Agile TM fosters strategic agility in the firms through agility-oriented practices such as rapid deployment, cross-functional collaboration, continuous learning and development, and real-time feedback and performance management (Jooss et al., 2024; Collings et al., 2019; Harsch & Festing, 2020). MNCs are the organizations that face VUCA conditions the most. Agile TM helps them navigate such conditions through fluid and resilient talent resources (Cascio & Boudreau, 2016; Collings et al., 2019). MNCs with agile TM systems can econfigure their human capital and adapt to environmental changes better than firms using conventional TM systems (Harsch & Festing, 2020; Lepak et al., 2012). Dyer and Ericksen (2007) conclude that the firms with agility-oriented talent management practices improved their product development efficiency by 30-40% more compared to their rivals. Scholars have called for more inquiries to establish the role of talent management in improving organizational performance. Knowledge-based theory posits that a firm can improve its performance through integration of its knowledge resources (Grant, 1966). Agile TM facilitates integration of knowledge resources including tacit knowledge through knowledge sharing, silos-free environment, cross-functional collaboration, continuous learning and development, and real-time feedback (Chukwunweike & Aro, 2024; Cappelli et al., 2018). World's biggest business giants like Google, P&G, etc. have adopted agile TM systems and enhance their performance through agile practices such as people analytics and flexible working arrangements (Davenport, Harris, & Shapiro, 2010). Agile TM leads to higher engament in employees by providing them with autonomy over work, different skill sets, and career development. Agility-oriented practices help MNCs perform better in volatile and disruptive business conditions (Fourné et al., 2014). Consequently, we expect that:
Hypothesis 1: Agile Talent Management will lead to higher Organizational Performance.

2.3 | Relationship between Agile Talent Management and Strategic Agility

Talent management is an important function of strategic HRM and plays a prominent role in the overall HR strategy (Cascio & Boudreau, 2016; Collings et al., 2019). Talent management aligns management of workforce from acquisition to development, and retention with the organizational strategic goals (Azizsafaei, 2019). Talent management uses this strategic approach to create talent pipelines and enable organizations to utilize them when needed (Collings & Mellahi, 2009). It not only creates productive talent pipelines for the firm but also result in building careers of individuals (Harsch & Festing, 2020). HR and TM have been criticized for their anti-agility approaches (Azizsafaei, 2019) and no contribution in fostering strategic agility that is must for an organization operating in disruptive environment (Harsch & Festing, 2020; Farndale et al., 2021). Strategic agility is a dynamic capability that enables a firm to adapt its strategic direction in accordance with the change in the environment through agile practices (Weber & Tarba, 2014). Thus, scholars have called for agile TM strategies to foster strategic agility through dynamic allocation of talent resources (Jooss et al., 2024: Harsch & Festing, 2020; Cappelli & Tavis, 2018). This enables the firm to reconfigure resources in a timely manner, which fosters strategic agility (Lepak et al., 2012; Harsch & Festing, 2020). Strategic agility has three main dimensions i.e. strategic sensitivity, leadership unity and collective commitment, and resource fluidity. These three meta-capabilities form

strategic agility of the firm (Doz & Kosonen, 2010; Doz & Kosonen, 2007; Ivory & Brooks, 2018). Talent management all of these three meta-capabilities of strategic agility through agile practices (Doz, 2020). Agile TM enhances strategic sensitivity through knowledge management (Christofi et al., 2024). Agile TM fosters resource fluidity through rapid deployment, cross-functional teams, flexible working arrangements, and mobility (Jooss et al., 2023; Harsch & Festing, 2020). Finally, agile TM enhances collective commitment and leadership unity by creating an atmosphere of openness, trust, and autonomy (Jooss et al., 2023; Gieles, & van der Meer, 2017; Cappelli, 2018). Consequently, we hypothesize that:

Hypothesis 2: Agile talent management will have a positive and significant effect on Strategic Agility.

2.4 | Relationship between Strategic Agility and Organizational Performance

The goal of any firm is that all of its functions, especially HR, achieve high performance. However, the turbulent and volatile business conditions make it harder for the firms to achieve desired performance with conventional practices (Jooss et al., 2023; Cappelli, 2018). This is the reason why recent literature has emphasized the role of strategic agility in achieving desired performance in the rapidly changing conditions (Jooss et al., 2024; Cappelli, 2018; Weber & Tarba, 2014; Doz & Kosonen, 2007). Scholars argue that to thrive in such turbulent and volatile business conditions, firms need to adopt flexibility and responsiveness (Dove, 2001). A firm's sensitivity towards changes in the environment is crucial in the VUCA conditions. This enables the firm to anticipate opportunities and threats and develop capabilities to seize opportunities and mitigate threats (Cappelli, 2018). Thus, the firm achieves high performance through strategic agility. The relentless change in the business environment is fueled by technological developments and global competition (Jooss et al., 2023; Harsch & Festing, 2020). Strategic agility. Doz and Kosonen (2010) argue that strategic agility enables the firms to achieve competitive advantage amidst change through core meta-capabilities i.e. strategic sensitivity, collective commitment and leadership unity, and resource fluidity. It enables the firm to prepare for the expected as well as the unexpected changes and respond proactively (Weber & Tarba, 2014). Morgan and Page (2008) argue that strategic agility enables the firms to overcome organizational inertia and develop flexibility and responsiveness. The core capabilities of strategic agility improve the firm's performance through adaptability and resilience. A study on strategic agility in Korean firms concluded that strategic agility enhanced firms' performance and helped them gain competitive advantage. Weber and Tarba (2014) argue that strategic agility is one of the one of the major factors of an organization's success. Consequently, we hypothesize that:

Hypothesis 3: Strategic Agility will have a positive and significant effect on Organizational Performance.

2.5 | The Mediating Role of Strategic Agility

Weber and Tarba (2014) define strategic agility as the capability of management of a firm to continually and promptly sense and respond to changes in the environment through configuration of organizational resources and strategic moves. Dayioglu et al. (2024) in their study on 410 Turkish companies and concluded that strategic agility act as a dynamic capability that helps firms to overcome rigidity and achieve high organizational performance amidst the changing conditions. Harsch and Festing (2020) argue that agile TM system contributes to fostering such strategic agility in the firm. Battour et al. (2021) examined the role of strategic agility as a mediator between HRM strategies and sustained competitive advantage. The study concludes that strategic agility plays a positive mediating role in the relationship. Previous studies have advocated the role of HRM practices in enhancing organizational outcomes like firm performance (Delery & Roumpi, 2017). However, this multifaceted relationship is yet to be properly established through more empirical inquiries. Scholars have called this tension as the 'black box' phenomenon due to the ambiguity about the mechanism through which HRM practices lead to organizational performance and called for the need to include mediators in this investigation (Boxall & Purcell, 2022). Boxall et al. (2011) argue that HRM practices inevitably result in organizational performance, but this relationship is affected by mediating variables. Thus, the TM practices are not directly linked to organizational performance; rather they are indirectly linked (Dyer, & Reeves, 1995Guest, 1997). Agile TM practices are assumed to enable the firms to achieve high organizational performance. Strategic agility can translate such practices into enhanced organizational performance. Jooss et al. (2024) argue that agile TM fosters strategic agility in the firm, which enables the firm to respond to change and achieve competitive advantage. Similarly, Azizsafaei (2019) argue that agility-oriented talent management practices foster strategic agility and lead to enhanced organizational performance. Consequently, we assume that:

Hypothesis 4: Strategic agility will positively mediate the relationship between agile talent management and organizational performance.

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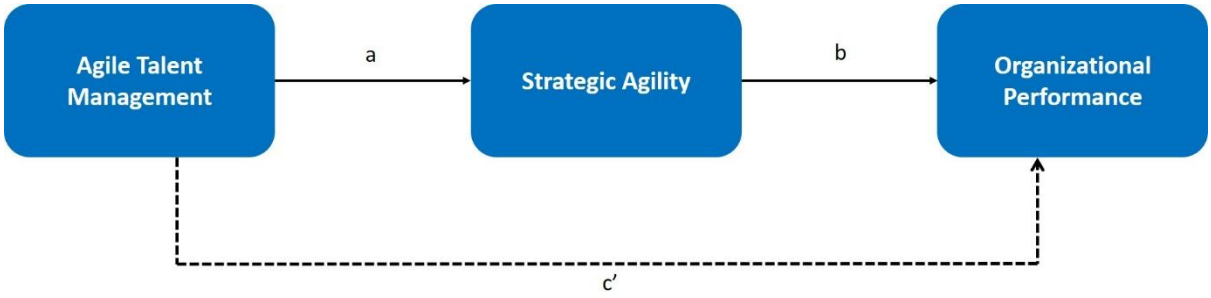
The relationships discussed are presented in the theoretical framework (Figure 1)

Figure 1. Theoretical Framework



3 | METHODS

To test these hypotheses, data were collected through a Likert scale questionnaire and analysed via statistical tools. The aim was to examine the perceptions of managers working in the MNCs regarding agile TM practices and strategic agility in relationship with organizational performance.

3.1 | Sample and Procedure

Data were collected from employees working on managerial roles in the seven MNCs in Pakistan. The organizations were purposively selected based on their MNC status and adoption of agile TM practices. The MNCs included in the study belonged to three important sectors i.e. Fast-Moving Consumer Goods (FMCG), Food & Beverage, and Pharmaceuticals. Purposive sampling technique was employed to select the respondents of the study. Four hundred fifty questionnaires were distributed among the managers working in the selected MNCs. A total number of 335 usable questionnaires were returned. The response rate of 74% was achieved, which is considered a good response rate as per the norm of academic research (Dillman et al., 2014). The demographics statistics indicate that majority of the respondents are male employees with designation of assistant managers and managers, belong to 31-40 age group, and have more than 5-9 years of experience. This distribution represents the population of the study.

3.2 | Measurement

The survey collected data for the three constructs of the study, which include agile talent management, strategic agility, and organizational performance. A 5-point Likert scale questionnaire consisting of 39 items was used to measure these constructs. The scale ranged from 1=strongly disagree to 5=strongly agree. The value of KMO & Bartlett's test was conducted to assess the sampling adequacy (Hair et al., 2017). KMO measure was 0.965, which is well above the acceptable threshold of 0.80 (Kaiser, 1974). All the factors had the eigenvalue above 1, suggestive of strong statistical power (Kaiser 1960). A three-factor solution was obtained with a clean pattern matrix through principle component analysis.

3.3 | Measuring Agile Talent Management

Twelve items were used to measure agile talent management (ATM). ATM items were borrowed from Vázquez-Bustelo, et al. (2007). The respondents rated the items on a five-point Likert scale (1 = strongly disagree, 5 = strongly agree). Twelve items were initially adopted; Ten were retained for final analyses after the EFA and CFA. Two items (ATM8 and ATM12) were removed after low loadings in the EFA and CFA. Rest of the items were retained due to higher scores than the acceptable threshold of 0.5 (Hair et al., 2019).

3.4 | Measuring Strategic Agility

To measure Strategic agility, nine items were borrowed from (de Diego Ruiz et al., 2024). The respondents rated the items on a five-point Likert scale (1 = strongly disagree, 5 = strongly agree). All the items were retained for final analyses after EFA and CFA.

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3.5 | Measuring Organizational Performance

To measure organizational, eleven items were borrowed from the scale developed by Delaney and Huselid (1996). The scale comprised items for non-financial performance and financial/market performance. The respondents rated the items on a five-point Likert scale (1 = strongly disagree, 5 = strongly agree). One item (OP3) was removed after low loadings in the EFA and CFA. Ten items were retained due to higher scores than the acceptable threshold of 0.5 (Hair et al., 2019).

3.6 | Confirmatory Factor Analysis (CFA)

Confirmatory factor analysis (CFA) was conducted via SmartPLS 4. The first step was to check for the factor loadings for all the constructs. Out of the pool of 39 items, just 3 items exhibited loadings lower than the threshold of 0.708, recommended by Hair et al. (2019). Rest of the items showed satisfactory loadings. The three items with low loadings (ATM 8, ATM 12, and OP3) were removed from the further analyses. The model fit indices were evaluated to assess the goodness of fit. The four-factor model of the study showed excellent fit. The ChiSqr value was 1.178, which is below the threshold value of 2. NFI value was 0.94, which is above the threshold of 0.90. CFI measure was 0.99, GFI was 0.903, and the value of TLI was 0.99, which were also above 0.90 threshold (Bentler & Bonett, 1980; Bagozzi & Yi, 1988; Hair et al., 2010; Bentler, 1990). The value of SRMR was 0.032 and the value of RMSEA was 0.023. Both of these measures did not exceed 0.08, indicating a good fit.

3.7 | Reliability and Validity

Reliability of the model was assessed to evaluate the internal consistency of the constructs (Hair et al., 2019). Measures of Cronbach's alpha and Composite Reliability (CR) were used to evaluate reliability. The measures of Convergent Validity and Discriminant Validity were used to assess the validity. Cronbach's alpha values were greater than the threshold of 0.70 (Nunnally & Bernstein, 1994). CR values were also above the threshold of 0.70 (Gefen et al., 2000). The Average Variance Extracted (AVE) values ranged from 0.72 to 0.79. The AVE values were greater than the threshold of 0.50. This confirmed convergent validity. Table 3 shows the values for reliability and convergent validity.

Table 1
Reliability and Convergent Validity

Construct	Alpha	CR	AVE
ATM	0.970	0.973	0.787
OP	0.957	0.959	0.724
SA	0.954	0.955	0.730

The results confirmed the discriminant validity of the constructs. The Fornell-Larcker criterion results showed that the square root of each construct's AVE was greater than its correlations with other constructs (Fornell & Larcker, 1981). The HTMT values were below 0.85, which is satisfactory (Henseler, Ringle, & Sarstedt, 2015). Thus, discriminant validity was established.

4.1 | Structural Model Assessment

The assessment of the structural model indicated good explanatory and predictive power. The value of R^2 for OP was 0.184 ($t = 5.265$, $p < 0.001$), which means that ATM and SA explained 18.4% of the variance in OP. The value of R^2 for SA was 0.208 ($t = 5.314$, $p < 0.001$), which means that ATM explained 20.8% variance in SA. The f^2 values were also significant. The PLS Predict algorithm indicated that the Q^2 values were positive (Hair et al., 2019).

4.2 | Hypotheses Testing

The results revealed that agile TM had a positive significant effect on Organizational Performance. The impact of agile TM on strategic agility was also positive significant. Finally, the effect of strategic agility on organizational performance was also positive significant. Thus, hypotheses 1, 2, 3 were supported. Table 6 presents the results of hypothesis testing for direct effects.

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Table 2
Direct Effects

Relationships	β	SD	T statistics	P values	Decision
ATM→ OP	0.245	0.048	5.112	0	Supported
ATM→ SA	0.206	0.05	4.076	0	Supported
SA→OP	0.303	0.043	7.039	0	Supported

4.3 | Mediation Analysis (ATM→SA→OP)

Mediation analysis was conducted via process model in SmartPLS 4. The results of revealed that in the presence of SA, indirect effect of ATM on OP was significant (β = 0.062, t = 3.662, p < 0.001). The results also indicated that direct effect of ATM on OP was also found significant (p <0.05). Hence, strategic agility partially mediates the relationship between ATM and OP. The fourth hypothesis of the study was also supported. Table 7 shows the total, direct, and specific indirect effects. Table 8 presents the specific indirect effects.

Table 3
Mediation Analysis

Total Effect		Direct Effect		Specific Indirect Effect						
B	P	B	P	H4: ATM →SA→OP	B	t	UL	LL	P	Results
0.307	0.000	0.245	0.000		0.062	3.662	0.037	0.093	0.000	Partial Mediation

Table 4
Specific Indirect Effects

Relationship	Coefficient	Standard deviation	T statistics	P values	Decision
ATM→SA→OP	0.062	0.017	3.662	0	Supported

5 | DISCUSSION

This paper expands our understanding of agile talent management in multinational companies. It explains how agile talent management acts as a dynamic capability to foster strategic agility and ultimately lead to organizational Performance. Agile TM foster agility through agility-oriented practices such as rapid deployment, cross-functional collaboration, flexible working arrangements, frequent feedback loops, and continuous learning and development (Azizsafaei, 2019; McMackin & Heffernan, 2021; Harsch & Festing, 2020). Agile TM overcomes the loopholes of conventional TM, which was criticized for static and rigid orientation (Harney & Collings, 2021). Agile TM fosters strategic agility in the MNCs by aligning human capital with the organizational strategy through agility-oriented workforce practices (Jooss et al., 2024; Azizsafaei, 2019). The study adopted the lens of RBV and DCT to conceptualize and examine constructs (Barney, 1991; Teece et al., 1997). The findings of this study indicate that human capital resources should be dealt with as unique and valuable resources (Barney, 1991) and they should be continuously reconfigured to adapt to change (Teece et al., 1997). The participants in this study were the managers working in the MNCs. The analyses were carried out in SPSS and SmartPLS. The results show that agile TM has significant impact on organizational performance. This supports hypothesis 1 of the study. This finding is aligned with the arguments in the existing studies on agile TM (McMackin & Heffernan, 2021; Azizsafaei, 2019; Harsch & Festing, 2020; Cappelli & Tavis, 2018). The finding also has significance in the context of the 'black box' phenomenon of HRM-Performance linkage in the extant literature (Boxall & Purcell, 2022). The results also reveal that agile TM has significant impact on strategic agility. This means that H2 was also supported.

This finding responds to calls in the recent studies to examine the link between agile TM and strategic agility (Jooss et al., 2024). It reaffirms the notion that the workforce of a firm is key to developing strategic agility (Alavi et al., 2014). The findings also confirm the significant impact of strategic agility on organizational performance. Finally, the results confirmed the role of strategic as a mediator. There was partial mediation in the relationships. Hence, all

four hypotheses were accepted. The results of this article contribute to fill the gap in the literature by examining the direct link between agile TM and strategic agility (Jooss et al., 2024). The study also examines the role of mediator to investigate the link between TM practices and organizational performance to address the 'black box' issue (Becker & Huselid, 2006). The findings endorse the view of Doz and Kosonen (2010) that strategic agility enhances a firm's sensitivity and responsiveness to change. Strategic agility is crucial for a firm's success in the turbulent environment (Doz, 2020). This shows that agile TM serves as a dynamic capability in the MNCs that fosters strategic agility and enhances organizational performance. The holistic framework of this study contributes to theory as well as practice.

5.1 | IMPLICATIONS

Agile TM and agile HR have captured the attention of scholars in recent years. However, most of the studies have been conceptual (Jooss et al., 2024; McMackin & Heffernan, 2021; Azizsafaei, 2019; Harsch & Festing, 2020; Cappelli & Tavis, 2018). There is a significant gap in existing literature because of limited empirical evidence. This study advances the concept of RBV and DCT via empirical examination of the holistic framework. The study explains the mechanism through which agile TM improves organizational performance. It assumes agile TM as a dynamic capability that builds on the assumptions of RBV and as unique and valuable resource. The study further explains the needs for continuous reconfiguration of these resources. Thus, this study responds to calls for developing dynamic resources (Teece, Pisano, & Shuen, 1997; Eisenhardt, & Martin, 2000), by augmenting the view of RBV with DCT (Teece, 1997). This study advances our knowledge of talent management and SHRM, which were criticized for their 'stock perspective' and little contribution towards agility (Lepak et al., 2012; Jooss et al., 2024; Azizsafaei, 2019). This study conceptualizes talent management as a critical dynamic capability of a firm that enables it to navigate turbulence. It establishes the alignment of talent management with the organizational strategy. It provides empirical justification for the arguments of exploration works by scholars regarding agile TM (Cappelli & Tavis, 2018; Harsch & Festing, 2020). The results of this indicate that agile TM agile TM enhance organizational performance through agility-oriented practices and help organizations like MNCs thrive in the volatile and competitive environments (Alavi et al., 2014). The findings of this research contributes to establishing the role of talent management in competitive advantage of the firm (Gallardo-Gallardo & Thunnissen, 2016). The results of this study carry practical significance as well. This study empirically examines the role of agile TM in the firm. The results have practical implications for managers. The results are expected to enable MNCs to devise strategies fostering adaptability and resilience in VUCA business environment. The results indicate that firms should reconfigure their static TM resources and adopt agility-oriented TM practices. The managers should focus on aligning TM practices with strategic goals of the firm and design them to foster strategic agility. Employees should receive regular training to adapt to emerging changes. Managers should ensure cross-functional collaboration and fluid deployment of workforce. Essentially, the study has significant implications for policymakers and managers.

5.2 | FUTURE RESEARCH DIRECTIONS

This study examined agile TM in the MNCs operating in Pakistan. Future studies should examine this phenomenon in different cultures as well as other types of organizations to increase generalizability. The study is cross sectional and provides a holistic framework of agile TM, strategic agility, and organizational performance. Future studies can build on this and adopt longitudinal approach to examine the phenomena over time.

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