



The Impact of Talent Management and Strategic Intelligence on Sustainable Competitive Advantage in the Egyptian Banking Sector

Mahaba Osama Abu Talib¹, Hassanein Taha² and Wessam Mohsen³

¹Media Management Department, International Academy for Engineering and Media Science, Giza, Cairo, Egypt.

²Business Administration, Faculty of Commerce, Sadat City University.

³Business Administration, Faculty of Commerce, Damamhur University.

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Abstract

This study scrutinizes how Strategic Intelligence (*SI*) and Talent Management (*TM*) disturb Sustainable Competitive Advantage (*SCA*) in the Egyptian banking industry. A quantitative method was used to gather information from 220 workers at four main Egyptian banks. The findings display that both *TM* and *SI* significantly advance *SCA*, with *SI* acting as a moderator to advance the connotation between *TM* and *SCA*. The study also appearances at the *TM* and *SI* features and accomplishes that the most significant ones are motivation and talent development. The results designate that in order to get continued competitive advantages, Egyptian banks had to distillate on refining their *TM* and *SI* events. The research adds to the body of knowledge by giving empirical data regarding the relationship between *TM*, *SI*, and *SCA* in an emerging economy context.

Keywords: Human resource management, talent management, strategic intelligence, sustainable competitive advantage, and the Egyptian banking industry.)

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Introduction

Organizations are continually under pressure to maintain a Sustainable Competitive Advantage (*SCA*) in a business climate that is becoming more international and competitive. *SCA* is the capacity of an organization to usage special resources, skills, and tactics to outperform its rivals over an extended period of time (*Azizi et al 2020*). Achieving *SCA* in the banking industry is particularly difficult because of the quick changes in technology, altering consumer demands, and fierce competition. These problems are not unique to the Egyptian banking industry, which has seen tremendous growth and change in recent years. Egyptian banks must not only draw in and keep brilliant workers, but also foresee shifts in the market and make wise strategic choices if they want to stay inexpensive.

In order to achieve *SCA*, talent management (*TM*) and strategic intelligence (*SI*) have become indispensable components. Rendering to *Ballesteros and Inmaculada (2010)*, talent management (*TM*) is the methodical process of luring, development, and keeping skilled workers who can deliver value to the company. Structure a staff in the banking industry that can regulate to new technology, developing regulations, and altering consumer needs requires *TM*. It has been established that well-organized *TM* techniques, such as talent development and retention plans, recover competitive advantage, organizational presentation, and innovation (*Collings and Mellahi 2009*). However, a lack of strategic arrangement, bureaucratic restrictions, and a lack of resources make it problematic for many banks in Egypt to accept inclusive *TM* initiatives.

Equally, Strategic Intelligence (*SI*) refers to the volume to collect, evaluate, and apply data in order to make well-informed strategic selections. Foresight, System Thinking, Vision, Incentive, and Partnership are some of the aspects that *SI* contains (*Damilano, 2018*). *SI* is vital to the banking industry for sighted new trends, regulatory risks, and creating cutting-edge financial solutions. Strong *SI* skills, for example, allow banks to stay ahead of the competition by forestalling shifts in market conditions, controlling needs, and client favorites. In Egyptian banks, where decision-making is usually sensitive rather than proactive, *SI* is usually deserted despite its meaning.

Even while both *TM* and *SI* are essential for attainment *SCA*, little is known about how they work together, particularly in developing nations like Egypt. The majority of current research distillates on either *SI* or *TM* distinctly, paying little attention to the ways in which these two variables syndicate to affect *SCA*. By investigative the separate and mutual effects of *TM* and *SI* on *SCA* in the Egyptian

banking industry, this study pursues to close this gap. The study exactly answers the following research questions:

1. Does *TM* have a promising influence on *SCA* in the Egyptian banking industry?
2. Does *SI* have a promising influence on *SCA* in the banking industry in Egypt?
3. Does *SCA* in the Egyptian banking industry advantage from the relationship among *TM* and *SI*?

In conclusion, by examining the effects of *TM* and *SI* on *SCA* in the Egyptian banking industry, this study aims to fill an important vacuum in the literature. By doing this, it pursues to give a better sympathetic of how banks may use their strategic visions and human resources to gain long-term competitive compensations in a scenery that is varying rapidly.

2. Literature Review:

2.1 Talent Management (*TM*):

Talent acquisition, growth, and retention are the main goals of *TM*, a planned approach to human resource organization. Talent Magnetism, Talent Development, and Talent Retention are significant aspects of *TM*. Actual *TM* practices have been related to amplified competitive advantage, innovation, and organizational performance, according to research (*Engelschalk et al, 2016*). *TM* is essential for generating a trained staff in the banking industry that can adjust to vicissitudes in the market and in technology.

2.2 Strategic Intelligence (*SI*):

In order to make strategic decisions, *SI* need the volume to collect, appraise, and apply information. It contains elements like partnership, inspiration, vision, system thinking, and foresight. Organizations may foresee variations in the market, adjust to new difficulties, and save a competitive edge with the assistance of *SI* (*Farrukh and Waheed, 2015*). *SI* is crucial to the banking industry for sighted new trends, controlling risks, and generating cutting-edge financial solutions.

2.3 Sustainable Competitive Advantage (*SCA*):

SCA is the capacity of an organization to use unusual resources and capabilities to sustain a competitive edge over time. Superior quality, novelty, customer happiness, and cost efficiency are the

keys to realizing SCA (Fayyazia, et al (2015), Hair, et al (2009)). SCA is indispensable to the banking industry for retentive clients, drawing in investment, and assuring continued profitability.

2.4 The Interaction between TM, SI, and SCA:

Realizing SCA be contingent on the relationship among *TM* and *SI*. By offering strategic insights that direct talent acquisition, development, and retention, *SI* advances the effectiveness of *TM*. Long-term competitive advantage and improved organizational performance are the results of this interaction (Hall, (1993)). Strong *SI* skills, for instance, allow banks to antedate future talent necessities and create dedicated training initiatives, refining their competitiveness.

3. Research Methodology:

3.1 Research Design:

This study employs a quantitative research design, using a structured questionnaire to collect data from employees in the Egyptian banking sector. The questionnaire was distributed to 220 employees across four leading banks: Commercial International Bank (CIB), Qatar National Bank (QNB), Banque Misr (BM), and National Bank of Egypt (NBE).

3.2 Data Collection:

An organized questionnaire is used in this study's quantitative research design to gather information from workers in the Egyptian banking industry. 220 workers from four major banks—Commercial International Bank (*CIB*), Qatar National Bank (*QNB*), Banque Misr (*BM*), and National Bank of Egypt (*NBE*)—were given the questionnaire. A five-point Likert scale questionnaire with four sections was used to gather data:

1. Demographic Data: Managerial level, monthly income, gender, and educational accomplishment.
2. Talent Management (*TM*): 31 items that gauge the growth, attraction, and retention of aptitude.
3. Strategic Intelligence (*SI*): 28 measures that measure partnership, motivation, vision, system thinking, and forethought.
4. Sustainable Competitive Advantage (*SCA*): 16 elements that gauge cost effectiveness, quality, innovation, and customer contentment.

Online distribution of the survey produced 220 valid answers were attained.

3.3 Data Analysis:

The Statistical Package for Social Sciences (*SPSS v23*) was used to scrutinize the data. The statistical methods registered underneath were applied:

- Descriptive statistics: To offer an overview of the study variables and sample characteristics.
- Correlation Analysis: To explore the connections between *SI*, *SCA*, and *TM*.
- Regression Analysis: To appraise the theories of how *TM* and *SI* affect *SCA*.
- One-Way *ANOVA* and *T – Test*: To explore variations in workers' sentiments rendering to demographic traits.

4. Results:

4.1 Descriptive Statistics:

The results designate that employees observe the level of *TM*, *SI*, and *SCA* in their banks as moderately low. The mean scores for *TM*, *SI*, and *SCA* were 2.84, 2.96, and 2.90, correspondingly, on a five-point scale.

Table 1: Descriptive Statistics of Study Variables

Variable	Mean	Standard Deviation
<i>Talent Management (TM)</i>	2.84	0.637
<i>Strategic Intelligence (SI)</i>	2.96	0.625
<i>Sustainable Competitive Advantage (SCA)</i>	2.90	0.669

With mean scores below 3.0 on a five-point scale, the descriptive statistics show that employees believe their banks' *TM*, *SI*, and *SCA* levels are rather low. This suggests that the Egyptian banking industry has a countless deal of space for development in these parts.

4.2 Hypothesis Testing:

Table 2: Regression Analysis of *TM* and *SI* on *SCA*

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Hypothesis	Independent Variable	Beta (β)	t-value	p-value	R ²
H1	Talent Management (TM)	0.585	10.647	0.000	0.342
H2	Strategic Intelligence (SI)	0.800	19.718	0.000	0.641
H3	Interaction (TM \times SI)	0.102	1.995	0.041	0.656

Both TM and SI meaningfully recover SCA, rendering to the regression analysis ($p < 0.001$). SI recovers the link between TM and SCA, as seen by the important positive result of the interaction among TM and SI on SCA ($\beta = 0.102, p < 0.05$). According to the R2 values, SI accounts for 64.1% of the variance in SCA, whereas TM accounts for 34.2%. 65.6% of the variance in SCA can be explained by the interaction model.

Table 3: Multiple Regression Analysis of TM Dimensions on SCA

Dimension	Beta (β)	t – value	p – value	VIF
Talent Attraction	0.210	2.14	0.033	3.305
Talent Development	0.322	3.044	0.003	3.903
Talent Retention	0.080	0.834	0.405	3.227

According to the results of the multiple regression analysis, SCA is significantly positively impacted by Talent Development ($\beta = 0.322, p < 0.01$) and Talent Attraction ($\beta = 0.210, p < 0.05$), but not by Talent Retention ($p > 0.05$). There are no problems with multicollinearity because the Variance Inflation Factor (VIF) values are less than 5.

Table 4: Multiple Regression Analysis of SI Dimensions on SCA

Dimension	Beta (β)	t – value	p – value	VIF
Foresight	0.108	2.182	0.030	2.886
System Thinking	0.147	3.308	0.001	2.440
Vision	0.138	3.003	0.003	2.759
Motivation	0.406	8.308	0.000	2.592
Partnership	0.202	3.396	0.001	3.705

Every SI dimension meaningfully improves *SCA*, rendering to the multiple regression study. The most significant feature is motivation ($\beta = 0.406, p < 0.001$), which is followed by system thinking ($\beta = 0.147, p < 0.01$) and partnership ($\beta = 0.202, p < 0.01$). There are no problems with multicollinearity because the *VIF* values are less than 5.

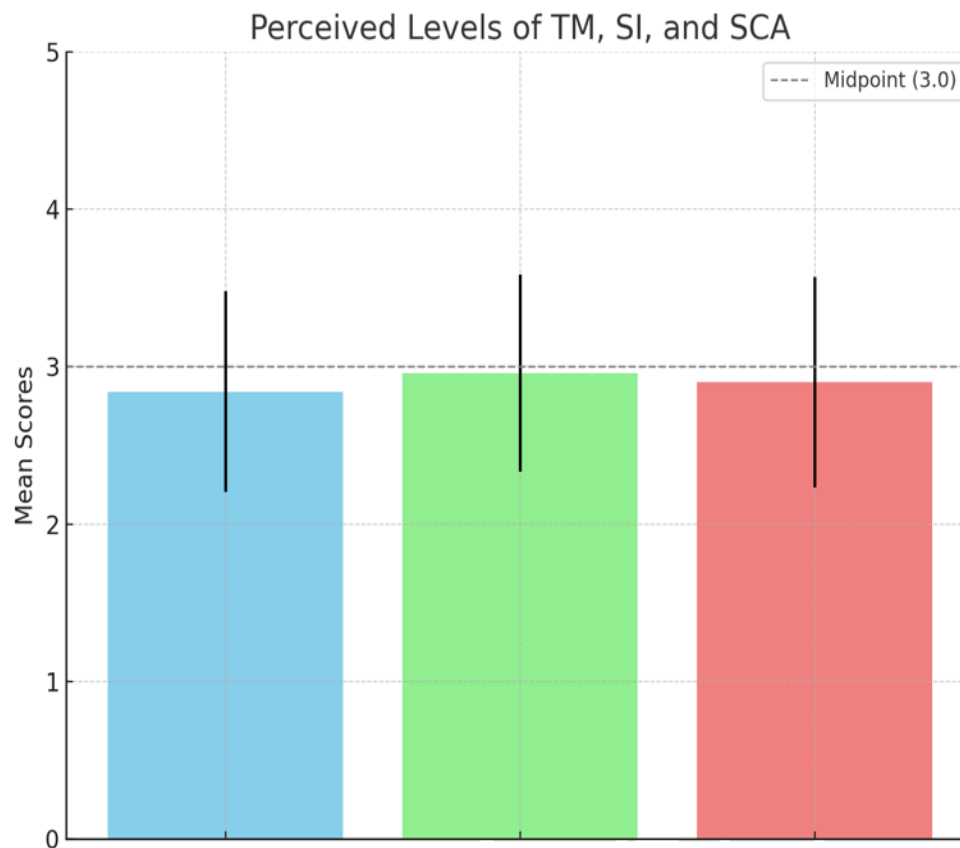


Figure1: Talent Management (TM) Strategic Intelligence Competitive Advantage (SCA)

Employee opinions of Talent Management (*TM*), Strategic Intelligence (*SI*), and Sustainable Competitive Advantage (*SCA*) at their own banks are exposed in Figure 1. The midpoint of the five-point scale is below the mean scores of 2.84 (*TM*), 2.96 (*SI*), and 2.90 (*SCA*). The low scores indicate that the Egyptian banking industry has a great deal of space for improvement in these areas.

These results propose that workers do not believe that the *TM* and *SI* procedures in place are adequate to assistance realize *SCA*. A little better valuation of the banks' strategic capabilities than their

talent management events is indicated by the comparatively higher mean for SI as compared to *TM*. The standard deviations, which range from 0.625 to 0.669, show that employees' replies varied abstemiously, representing that respondents' perceptions were usually quite dependable.

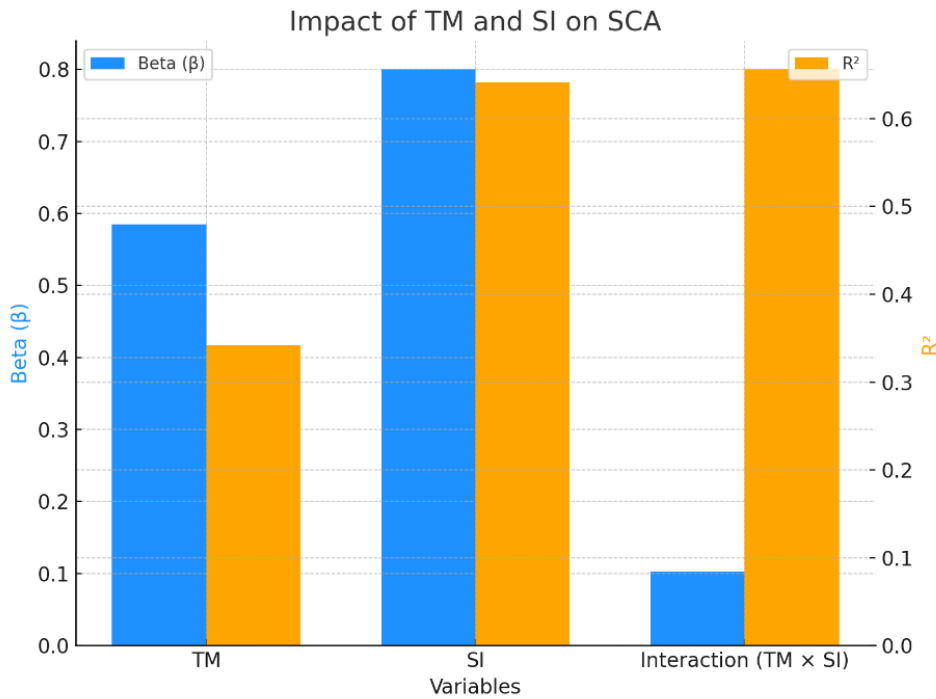


Figure 2: Impact of TM, SI, and their interaction on SCA (Beta values and R² comparison).

Both the direct and indirect effects of TM and SI on SCA are shown in Figure 2. Important revelations include:

1. Direct Effects: Talent management meaningfully advances *SCA*, accounting for 34.2% of its variance (*TM*, $\beta = 0.585$, $R^2 = 0.342$). This emphasizes how crucial it is to manage talent well in order to advance competitive advantage.

Strategic Intelligence had a more significant effect, accounting for 64.1% of the variance in *SCA* ($\beta = 0.800$, $R^2 = 0.641$). This establishes how significant *SI* is to maintaining attractiveness over time.

2. Interaction Effect: The interaction model explains 65.6% of the variance, adding an extra layer of improvement from the mutual impact of TM and SI ($\beta = 0.102, R^2 = 0.656$).

This proposes that SI rises TM's ability to contribute to SCA, importance the necessity for an combined approach.

The findings propose that while both *TM* and *SI* self-sufficiently donate to SCA, their interaction delivers additional benefits. Organizations should leverage SI to reinforce TM practices and vice versa.

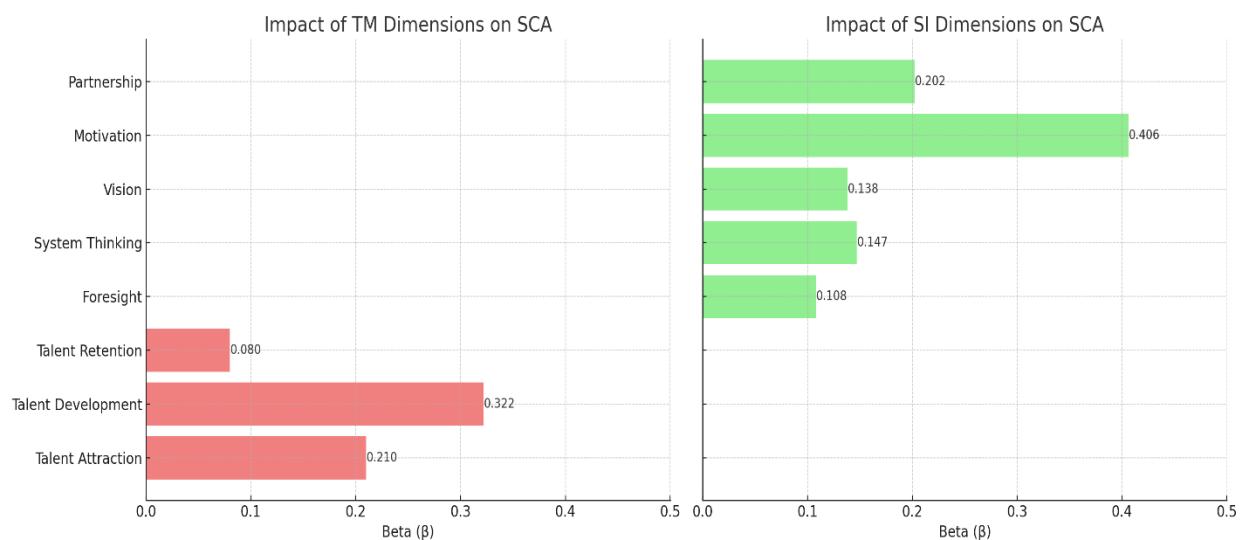


Figure 3: Contribution of TM and SI dimensions to SCA, highlighting the most impactful factors.

Figure 3 offers a profounder dive into the individual dimensions of *TM* and *SI* and their comparative contributions to *SCA*.

1. TM Dimensions:

- **Talent Development** ($\beta = 0.322, p < 0.01$): The most impactful *TM* dimension, accenting the rank of nurturing employees' skills and capabilities to drive competitive advantage.
- **Talent Attraction** ($\beta = 0.210, p < 0.05$): Also important, representing the value of attracting high-quality talent to the organization.

- **Talent Retention** ($\beta = 0.080, p > 0.05$): Not important, signifying that while retentive talent is indispensable, it may not directly affect *SCA* unless completed by effective attraction and growth approaches.

2. **SI Dimensions:**

- **Motivation** ($\beta = 0.406, p < 0.001$): The most important *SI* dimension, shimmering the rank of inspiring workers to attain calculated goals.
- **Partnership** ($\beta = 0.202, p < 0.01$): Highlights the role of nurturing collaborative relationships in achieving competitiveness.
- **System Thinking** ($\beta = 0.147, p < 0.01$), **Vision** ($\beta = 0.138, p < 0.01$), and **Foresight** ($\beta = 0.108, p < 0.05$): All significant donors, emphasizing the need for forward-thinking and holistic methods to strategy.

Rendering to the analysis, banks should distillate on skill growth and motivational frameworks in order to enhance their competitive benefit, as these factors are the most important between the *TM* and *SI* dimensions.

4.3 Discussion:

The study's assumptions shed significant light on how Strategic Intelligence (*SI*) and Talent Management (*TM*) donate to the Egyptian banking industry's attainment of Supportable Competitive Advantage (*SCA*). The answers show that both *TM* and *SI* meaningfully improve *SCA*, with *SI* acting as a moderator to advance the association among *TM* and *SCA*. The ramifications of these findings are enclosed in length in this section, with particular attention paid to how well they fit into the body of preceding literature and how beneficial they are for the banking industry.

4.3.1 The Role of Talent Management (TM):

Giving to the study, *TM* significantly recovers *SCA* ($\beta = 0.585, p < 0.001$), supportive Hypothesis 1. This result is consistent with earlier studies that established the importance of actual talent management (*TM*) strategies, counting recruitment, development, and retention, in educating organizational performance and competitive advantage (*Iles, et al (2010), Jaipong, et al (2022), Lyria, (2013)*). *TM* is especially crucial for emerging a staff with the skills to adjust to changing consumer needs and technology improvements in the Egyptian banking industry. On a five-point scale, the comparatively low mean score for *TM* (2.84) designates that many Egyptian banks are not making the

most of their human capital. This could be the result of a lack of strategic alignment among TM and organizational objectives, bureaucratic restrictions, or a lack of resources.

Giving to the study, *TM* meaningfully recovers *SCA* ($\beta = 0.585, p < 0.001$), supporting Hypothesis 1. This result is reliable with earlier studies that established the importance of actual talent management (*TM*) strategies, counting staffing, development, and retention, in cultivating organizational performance and competitive advantage (Maccoby, (2001), Nkuda,(2016), Paille et al (2014)). *TM* is especially crucial for emerging a staff with the skills to regulate to varying customer requirements and technology enhancements in the Egyptian banking industry. On a five-point scale, the comparatively low mean score for *TM* (2.84) designates that many Egyptian banks are not making the most of their human capital. This could be the result of a lack of strategic arrangement among *TM* and organizational purposes, bureaucratic restrictions, or a lack of resources.

4.3.2 The Role of Strategic Intelligence (SI):

Moreover, the study established Hypothesis-2 by finding that *SI* significantly improves *SCA* ($\beta = 0.800, p < 0.001$). This result is in line with previous studies that have highlighted the value of *SI* in serving businesses to manage risks, predict market shifts, and make informed strategic selections (Savarimuthu and Jothi, (2018), Shafique and Zia-ur-Rehman, (2021), Tyskbo, (2021)). *SI* is particularly significant in the banking industry for staining new trends like customer preferences and digital transformation as well as for generating cutting-edge financial goods and facilities.

Motivation was exposed to be the most significant *SI* dimension in achieving *SCA* ($\beta = 0.406, p < 0.001$). This research highlights how critical it is to cultivate a betrothed workforce enthusiastic to accomplishing company objectives. Furthermore, to refining worker performance, motivation fosters creativity and innovation, all of which are critical for preserving a competitive edge (Barakat, 2018). System Thinking ($\beta = 0.147, p < 0.01$) and Partnership ($\beta = 0.202, p < 0.01$), two more *SI* aspects, also significantly enhanced *SCA*, importance the value of teamwork and comprehensive decision-making in the banking industry.

4.3.3 The Interaction between TM and SI:

Hypothesis 3 was established by the investigation, which displayed that the interaction between *TM* and *SI* significantly improves *SCA* ($\beta = 0.102, p < 0.05$). According to this research, *SI* improves *TM's* efficacy by contribution strategic insights that direct the staffing, training, and retention of personnel. Strong *SI* skills, for example, enable banks to antedate future talent necessities and create dedicated training initiatives, refining their competitiveness. This interaction influence ropes the firm's Resource-Based View (*RBV*), which highlights how crucial it is to use special resources and capabilities in order to gain a inexpensive edge (Barney, 1991).

4.3.4 Implications for Practice:

The study's conclusions have important consequences for banking industry practitioners and policymakers. First and foremost, banks ought to give talent development top importance by funding career development opportunities, mentorship programs, and training courses. Second, in order to predict future trends and problems, banks should improve their Strategic Intelligence skills by using data analytics, market research, and scenario planning. Third, by praising and rewarding staff members' efforts, encouraging collaboration, and contribution chances for development and promotion, banks can nurture a culture of motivation.

5. Conclusion

The influence of *TM* and *SI* on *SCA* in the Egyptian banking industry is analytically reinforced by this study. The results designate that in order to get continued competitive advantages, Egyptian banks had to concentrate on enlightening their *TM* and *SI* procedures. The relationship among talent management and competitive advantage is supported in large part by the interplay among *TM* and *SI*.

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