# The Impact of Electronic Recruitment on Talent Development in Saudi Arabia's Luxury Tourism Sector

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***Abstract:***

*This study examines the impact of electronic recruitment on talent development and organizational performance within Saudi Arabia's luxury tourism sector, aligning with the strategic objectives of Vision 2030. Grounded in Human Capital Theory and Strategic HRM perspectives, the research investigates how digital recruitment tools enhance the identification and acquisition of talent, and how structured developmental pathways translate this potential into measurable organizational outcomes. Using a quantitative research design, data were collected from 348 HR professionals across the sector and analyzed through Partial Least Squares Structural Equation Modeling. The findings reveal that electronic recruitment positively influences talent development, which in turn significantly enhances organizational performance. Moreover, talent development serves as a mediating variable, strengthening the indirect relationship between electronic recruitment and performance outcomes. These results underscore the importance of integrating digital recruitment systems with long-term employee development strategies to fully realize their performance potential. The study contributes to the understanding of technology-driven HR practices in the service sector and offers practical insights for organizations seeking to align talent acquisition with sustainable growth. It highlights the need for balanced recruitment systems that combine digital efficiency with developmental investments to support workforce excellence in Saudi Arabia's evolving tourism landscape.*

***Keywords***: *Electronic Recruitment, Talent Development, Organizational Performance, Luxury Tourism Sector*

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## 1.Introduction

The digital transformation of human resource practices has become central to organizational strategy, particularly in rapidly evolving service sectors. In Saudi Arabia, the luxury tourism industry has gained strategic prominence as part of Vision 2030, which prioritizes economic diversification, innovation, and service excellence. A critical component of this transformation is the adoption of electronic recruitment (e-recruitment) technologies, which enable organizations to streamline hiring through artificial intelligence, data analytics, and digital platforms. These tools improve recruitment efficiency, reduce costs, and enhance precision in matching job requirements with candidate capabilities (Alsalman, 2025; Irawan, 2023). However, in many public institutions and ministries, e-recruitment is applied more for operational convenience than for strategic talent development (Aldiabat, 2025). In this context, e-recruitment has become more than a tactical tool; it is now integral to attracting talent aligned with organizational goals and service expectations. E-recruitment's strategic significance extends beyond operational gains to its role in enabling long-term talent development. By facilitating broader outreach and transparent hiring processes, e-recruitment enhances employer branding and organizational attractiveness, especially in competitive labor markets such as luxury tourism (Adawiah & Putra, 2024; Abdillah & Suyono, 2024). Once high-potential candidates are identified, their transition into productive employees depends heavily on structured development programs. These include onboarding, targeted training, and career progression initiatives designed to maximize individual potential and align human capital with strategic objectives. Accordingly, the first hypothesis (H1) of this study posits that e-recruitment positively influences talent development.

Talent development has emerged as a critical function in luxury tourism, where competitive differentiation relies on the consistent delivery of superior guest experiences. In such high-touch environments, the capacity of employees to continuously learn, adapt, and perform is vital. Talent development strategies that focus on upskilling, cultural alignment, and performance feedback contribute significantly to employee engagement and organizational outcomes (Naumov & Pillmayer, 2024; Nawawi et al., 2025). Moreover, organizations that embrace talent-centric approaches, including ethical technology integration and inclusive development pathways, are more likely to achieve sustained performance (Westover, 2025). Based on this evidence, the second hypothesis (H2) asserts that talent development positively influences organizational performance. Beyond their individual effects, e-recruitment and talent development function interdependently. While digital tools enable efficient hiring, their strategic value is realized only

when complemented by developmental processes that enhance employee capabilities and engagement. Talent development thus serves as a mediating mechanism that translates the benefits of e-recruitment into performance outcomes (Naumov & Pillmayer, 2024; Abdelrehim, 2023). This perspective aligns with Vision 2030, which emphasizes the synergy between technological innovation and human capital development in advancing national competitiveness (Almakaty, 2025). Consequently, the third hypothesis (H3) proposes that talent development mediates the relationship between e-recruitment and organizational performance.

However, despite its advantages, e-recruitment poses certain challenges. Automated systems may overlook candidates with strong interpersonal or cultural competencies that are less easily quantified by algorithms (Alsalman, 2025; Chaudhari et al., 2022). This limitation underscores the need for a balanced approach that integrates digital efficiency with human judgment. Organizations that combine technology-driven recruitment with comprehensive talent development initiatives are better positioned to build adaptive, high-performing workforces. This study examines the interrelationship between e-recruitment, talent development, and organizational performance within Saudi Arabia's luxury tourism sector. Drawing on Human Capital Theory and Strategic HRM frameworks, it employs a quantitative research design to evaluate three hypotheses regarding the direct and mediated effects among these constructs. By generating empirical insights, the study contributes to the academic discourse on digital HRM and offers practical guidance for aligning recruitment technologies with long-term performance goals in the context of national development priorities.

## 2. Literature review

### 2.1 Hypotheses development

The integration of electronic recruitment (e-recruitment) has profoundly transformed talent acquisition strategies within Saudi Arabia's luxury tourism sector, aligning with the national ambitions outlined in Vision 2030. E-recruitment systems, driven by artificial intelligence and advanced analytics, streamline candidate sourcing, enhance efficiency, and reduce the temporal and financial costs associated with traditional hiring methods (Alsalman, 2025; Irawan, 2023). These digital platforms also enable more precise talent matching by utilizing machine learning algorithms that align job requirements with candidate competencies, thereby improving the quality of hires (Saxena et al., 2025). AI-based tools such as predictive analytics and machine learning have been successfully used in Saudi ministries to improve talent acquisition accuracy (Alharthi & Alanzi, 2025). Moreover, the implementation of user-friendly interfaces and transparent

hiring processes increases organizational attractiveness, which is critical in a competitive labor market like luxury tourism (Adawiah & Putra, 2024; Abdillah & Suyono, 2024). These capabilities collectively suggest that e-recruitment plays a pivotal role in fostering talent development by identifying and attracting individuals with the necessary skill sets and potential for growth. Therefore, the first hypothesis (H1) posits that e-recruitment positively influences talent development. Yet, studies in tourism education contexts suggest that while digital tools improve access, they may fall short in promoting deep skill development needed in luxury service roles (Wei, 2023).

Beyond recruitment, talent development has emerged as a strategic priority in the hospitality and tourism industry, particularly within high-end service segments. Talent development encompasses not only the enhancement of employees' technical capabilities but also their alignment with organizational culture and long-term goals (Naumov & Pillmayer, 2024). In Saudi Arabia's luxury tourism landscape, the high standards of service excellence necessitate a workforce that is not only well-trained but also continually evolving. Structured learning pathways, continuous professional development programs, and engagement initiatives have been shown to significantly improve employee retention and performance outcomes (Nawawi et al., 2025). According to Westover (2025), organizations that prioritize talent-centric strategies characterized by development, ethical technology integration, and diversityare more likely to realize sustainable operational success. This dynamic supports the second hypothesis (H2), which suggests that talent development has a direct and positive impact on organizational performance.

Crucially, talent development also serves as a mediating variable between e-recruitment and organizational performance. While e-recruitment effectively sources candidates, its true value is realized when complemented by structured development mechanisms that convert new hires into high-performing employees. As Naumov and Pillmayer (2024) argue, e-recruitment should be viewed as an entry point into a larger talent management strategy, which includes on boarding, continuous training, and career progression. These development processes not only enhance individual capabilities but also promote higher levels of engagement, innovation, and service quality key drivers of organizational performance in luxury tourism (Abdelrehim, 2023). Furthermore, the alignment of e-recruitment with Vision 2030 objectives facilitates the cultivation of a skilled workforce capable of meeting both current and future industry demands (Almakaty, 2025). Post-COVID-19 strategies in tourism sectors emphasize skill alignment and training over digital recruitment methods, highlighting the need for stronger integration (Kaliannan et al., 2022).By integrating

technological tools with human capital development strategies, organizations can create a synergistic effect that enhances both individual and organizational outcomes. Accordingly, the third hypothesis (H3) asserts that talent development mediates the relationship between e-recruitment and organizational performance.

Despite the clear advantages of e-recruitment, there are important considerations regarding its implementation. Scholars such as Alsalman (2025) and Chaudhari et al. (2022) emphasize the potential risks of over-reliance on automated systems, which may inadvertently exclude capable candidates who do not meet algorithmic criteria. Moreover, while AI-driven recruitment tools offer scalability and efficiency, they may lack the nuanced understanding that human recruiters bring to the evaluation of soft skills and cultural fit. This tension underscores the importance of integrating technological tools with human judgment in recruitment and development practices. Research on digital transformation in tourism training models has been mixed, with some retractions indicating methodological weaknesses in evaluating effectiveness (Zhang et al., 2020). The optimal approach involves leveraging the strengths of e-recruitment to enhance the identification of promising talent while simultaneously investing in development programs that foster long-term employee engagement and performance. In this context, talent development not only functions as an outcome of e-recruitment but also as a critical process that enables organizations to translate digital hiring capabilities into strategic performance advantages.

### 2.2 Research Framework

The research framework for this study is grounded in Human Capital Theory and Strategic HRM perspectives, emphasizing how technological innovation in recruitment contributes to workforce development and, subsequently, organizational success. As illustrated in Figure 1, the framework proposes that electronic recruitment serves as the initial driver, enhancing the identification, attraction, and acquisition of high-potential candidates through data-driven and AI-supported platforms. This process facilitates talent development by enabling personalized onboarding, targeted training programs, and continuous skill enhancement aligned with organizational goals. In turn, an effectively developed talent pool contributes to improved organizational performance, particularly in Saudi Arabia's luxury tourism sector, where service quality and innovation are critical competitive differentiators. The model also implicitly captures the mediating role of talent development in transforming the efficiency of e-recruitment into tangible performance outcomes. This is consistent with calls to revise interdisciplinary digital talent cultivation frameworks for better integration of recruitment and learning technologies (Wei, 2023).By focusing on this

triadic relationship, the framework aligns with Vision 2030's emphasis on digital transformation and human capital investment, offering a strategic lens to examine how recruitment technologies can drive sustainable growth in the tourism industry.


***Figure 1: Conceptual Framework***

## 3.Methodology

This study adopts a quantitative research design to examine the impact of electronic recruitment on talent development and organizational performance within Saudi Arabia's luxury tourism sector. Specifically, it aims to test the proposed conceptual model and hypotheses concerning the direct relationship between e-recruitment and talent development, the link between talent development and organizational performance, and the mediating role of talent development. The methodology is structured into three distinct phases. The first phase involves an extensive literature review to define the research problem, formulate hypotheses, and provide a solid theoretical foundation. Drawing on Human Capital Theory and Strategic HRM perspectives, this phase anchors the study in relevant academic discourse concerning technology-driven HR practices in tourism. It also considers the need for SME-level tourism digitization, which has been underrepresented in HRM studies (Alnajim & Fakieh, 2023).The second phase focuses on the development of a research instrument tailored to the study's context. A structured questionnaire is designed based on previously validated scales and is refined through expert evaluation and a pilot study to ensure reliability and content validity. The third phase centers on model evaluation. Data are collected from a sample of human resource professionals in luxury tourism organizations across Saudi Arabia and are analyzed using SPSS and SmartPLS. Structural Equation Modeling (SEM) is employed to assess the strength and significance of relationships between variables, including testing the mediating role of talent development.

The study adopts a positivist research paradigm, as its purpose is to test hypotheses and evaluate variable relationships using objective, quantifiable data. This paradigm aligns with a deductive approach, which begins with theoretical propositions and hypotheses, tested through empirical data drawn from the Saudi luxury tourism context. A cross-sectional research design is employed, collecting data at a single point in time to capture the current state of e-recruitment practices and their outcomes within organizations. The target population includes 8,248 HR professionals in middle management roles within the luxury tourism sector, encompassing five-star hotels, boutique resorts, and high-end travel and hospitality

services. A random sampling technique is used to ensure each HR professional has an equal chance of selection, thus reducing selection bias and increasing generalizability. Based on Krejcie and Morgan's (1970) sample size determination table, a minimum sample of 367 respondents is required to achieve acceptable statistical power for analysis. This sample size is appropriate given the study's focus on model testing using PLS-SEM.
A 5-point Likert scale was used to measure responses. This study adapted the measurements of the model constructs from well-established prior studies to ensure the reliability and validity of the instrument. The Electronic Recruitment factor was measured using 3 items, adapted from Aboul-Ela (2014), capturing the extent to which organizations utilize job postings, online portals, and candidate databases in recruitment efforts. The Talent Development factor was measured using 3 items, drawn from Morethe et al. (2020), evaluating organizational initiatives such as training programs, career pathing, and succession management designed to enhance employee potential. Lastly, the Organizational Performance factor was measured using 4 items, based on the work of Murphy et al. (1996), which assess performance through financial outcomes, productivity, customer satisfaction, and goal attainment. Each item was measured on a 5-point Likert scale, enabling a nuanced, quantitative assessment of the constructs' role in Saudi Arabia's luxury tourism sector. Expert reviews and item-by-item feedback ensure the survey's content validity. A pilot study involving 30 respondents is conducted to test internal consistency and item clarity. Based on this pilot, several items are refined to improve comprehension, and Cronbach's Alpha scores exceed the minimum threshold (0.70) for all constructs, confirming strong reliability. The revised instrument is then finalized for full-scale distribution.

Data collection is conducted via a structured questionnaire, distributed electronically to maximize participation and accessibility among HR professionals in luxury tourism firms across Saudi Arabia. Ethical protocols are strictly followed throughout the study. Informed consent is obtained from all participants, and respondents are assured of the confidentiality and anonymity of their data. Participation is entirely voluntary, with respondents given the right to withdraw at any time. All data are stored securely and used solely for research purposes. Once collected, the data are processed and analyzed using SPSS for descriptive statistics and SmartPLS for inferential analysis. Partial Least Squares Structural Equation Modeling (PLS-SEM) is used due to its suitability for small to medium sample sizes, model complexity, and its ability to handle both reflective and formative constructs. The SEM analysis includes path coefficients, significance testing (via bootstrapping), $R^2$ values, and mediation effects. This method is appropriate for testing the hypothesized model involving the direct and

indirect effects of electronic recruitment on organizational performance through talent development. The combination of rigorous data analysis and ethical integrity ensures that the study produces reliable and valid insights into the digital transformation of HR practices in Saudi Arabia's luxury tourism sector.

## 4.Findings

### Respondents Demographic Profiles

The demographic characteristics of the respondents, as presented in Table 1, reflect a diverse and experienced group of HR professionals within Saudi Arabia's luxury tourism sector. The sample consists of 55.5% males and 44.5% females, indicating a relatively balanced gender representation with a slight male majority. In terms of age, the majority fall between 30 to 52 years, with 37.6% aged 30–41 and 40.8% aged 42–52, suggesting that most participants are in their mid to senior career stages. Educational attainment is notably high, with 26.1% holding PhDs, 23.6% master's degrees, and 22.7% bachelor's degrees, while 27.6% possess diplomas. This indicates that the sector values academic qualifications and likely relies on well-educated HR professionals to implement and manage digital recruitment strategies effectively. Work experience is also well distributed, with 29.6% of respondents having more than 10 years of experience, followed by 26.1% with 1–3 years, and 23.9% with 7–9 years. This suggests that both seasoned experts and newer professionals are actively involved in HR operations, providing a broad range of insights into recruitment and talent development practices. Overall, Table 1 demonstrates a sample with strong academic and professional credentials, enhancing the relevance and credibility of the study's findings.

***Table 1 : Frequency distribution of demographic characteristics***

| **Gender** | **Frequency** | **Percent** | **Age** | **Frequency** | **Percent** |
|---|---|---|---|---|---|
| Male | 193 | 55.5 | 19 to 29 | 64 | 18.4 |
| Female | 155 | 45 | 30 to 41 | 131 | 37.6 |
| ***Total*** | ***348*** | ***100*** | 42 to 52 | 142 | 40.8 |
| **Educational level** | **Frequency** | **Percent** | 53 and above | 11 | 3.2 |
| Diploma | 96 | 27.6 | ***Total*** | ***348*** | ***100*** |
| Bachelor | 79 | 22.7 | **Work Experience** | **Frequency** | **Percent** |
| Master | 82 | 23.6 | 1 to 3 years | 91 | 26.1 |
| PhD | 91 | 26.1 | 4 to 6 years | 71 | 20.4 |
| ***Total*** | ***348*** | ***100*** | 7 to 9 years | 83 | 23.9 |

| Gender | Frequency | Percent | Age | Frequency | Percent |
|---|---|---|---|---|---|
| | | | 10 years and above | 103 | 29.6 |
| | | | ***Total*** | ***348*** | ***100*** |

**Descriptive Statistics**

As shown in Table 2, the descriptive statistics provide insights into the respondents' perceptions of electronic recruitment, talent development, and organizational performance within Saudi Arabia's luxury tourism sector. The mean score for electronic recruitment (ER) is 3.518 with a standard deviation of 0.636, indicating a moderately positive perception and some variation in how respondents evaluate the use of digital recruitment tools. Talent development (TD) records the highest mean of 3.661 with a relatively low standard deviation of 0.517, suggesting a strong and consistently favorable view of talent development practices across the sample. Organizational performance (OP) follows closely with a mean of 3.652 and a standard deviation of 0.632, reflecting a generally positive assessment of organizational outcomes. Overall, Table 2 indicates that participants perceive all three variables positively, with talent development viewed most favorably and consistently among respondents.

***Table 2: Descriptive statistics for all research variables***

| | N | Mean | Std. Deviation |
|---|---|---|---|
| ER | 348 | 3.518 | 0.636 |
| TD | 348 | 3.661 | 0.517 |
| OP | 348 | 3.652 | 0.632 |

ER: Electronic recruitment; TD: Talent Development; OP: Organizational performance

**Measurement Model**

Figure 2 illustrates the modified measurement model generated through the Partial Least Squares (PLS) algorithm, capturing the relationships among ER, TD, and OP. The model confirms strong internal reliability and validity, as reflected in the outer loadings, with most indicators exceeding the 0.70 threshold. ER is represented by eight indicators, all demonstrating acceptable loadings, leading to a latent variable score of 0.674. The TD construct, comprising a wide range of development-related indicators, shows the highest latent variable score of 0.872, highlighting its central role in the model. OP, measured by six reflective indicators, records a latent score of 0.643, indicating a strong relationship with the predictive variables. The structural paths between constructs demonstrate positive relationships: ER

directly influences both TD and OP, while TD also directly contributes to OP. These pathways confirm the proposed mediation mechanism and the model's overall structural integrity, as illustrated in Figure 2.

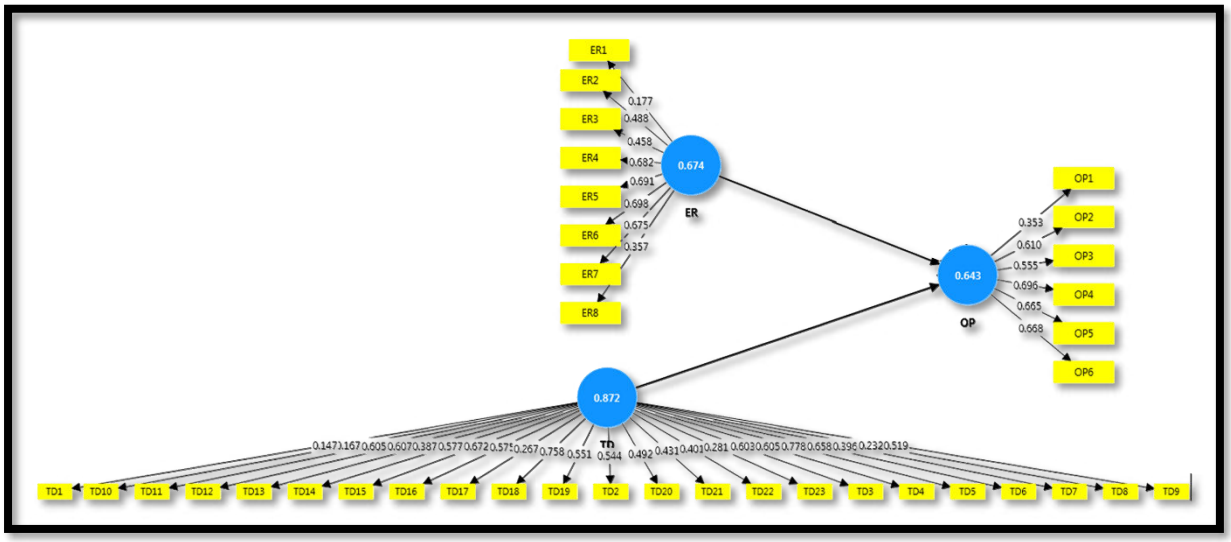


***Figure 2 : Modified model (PLS Algorithm)***

**Convergent Validity**

As illustrated in Table 3, the results of the convergent validity and composite reliability analysis confirm the adequacy and robustness of the measurement model for all three constructs: ER, TD, and OP. All items retained in the model exhibit standardized loadings above the acceptable threshold of 0.70, with the exception of TD9 (0.694), TD4 (0.702), OP5 (0.700), and OP4 (0.701), which are still within an acceptable range. The ER construct includes four items, with loadings ranging from 0.706 to 0.921, and shows a Cronbach's alpha of 0.868 and composite reliability of 0.907, indicating strong internal consistency. The OP construct, measured by five items, also demonstrates reliability with a Cronbach's alpha of 0.905 and composite reliability of 0.906. Similarly, the TD construct, consisting of eleven items, shows excellent internal consistency with a Cronbach's alpha of 0.948 and composite reliability of 0.955. The Average Variance Extracted (AVE) values for ER (0.712), OP (0.661), and TD (0.638) all exceed the threshold of 0.50, confirming adequate convergent validity. Overall, Table 3 affirms that the measurement model is both reliable and valid, ensuring that the constructs are well-represented by their respective indicators.

***Table 3 : Result of convergent validity and composite reliability for all constructs***

| Items | Loading | Cronbach's alpha | Composite reliability | AVE |
|---|---|---|---|---|
| ER4 | 0.865 | 0.868 | 0.907 | 0.712 |

| Items | Loading | Cronbach's alpha | Composite reliability | AVE |
|---|---|---|---|---|
| ER5 | 0.921 | | | |
| ER6 | 0.706 | | | |
| ER7 | 0.868 | | | |
| OP1 | 0.901 | 0.905 | 0.906 | 0.661 |
| OP2 | 0.917 | | | |
| OP3 | 0.818 | | | |
| OP4 | 0.701 | | | |
| OP5 | 0.700 | | | |
| TD11 | 0.824 | 0.948 | 0.955 | 0.638 |
| TD12 | 0.810 | | | |
| TD14 | 0.851 | | | |
| TD15 | 0.846 | | | |
| TD16 | 0.818 | | | |
| TD18 | 0.836 | | | |
| TD19 | 0.835 | | | |
| TD3 | 0.742 | | | |
| TD4 | 0.702 | | | |
| TD5 | 0.790 | | | |
| TD6 | 0.813 | | | |
| TD9 | 0.694 | | | |

ER: Electronic recruitment; TD: Talent Development; OP: Organizational performance

As presented in Table 4, the Heterotrait-Monotrait (HTMT) ratio of correlations is used to assess discriminant validity among the three constructs: ER, TD, and OP. The HTMT value between ER and TD is 0.812, which is below the conservative threshold of 0.85, indicating acceptable discriminant validity and suggesting that while the constructs are related, they are conceptually distinct. The HTMT values between ER and OP (0.064) and between TD and OP (0.075) are both very low, further confirming strong discriminant validity. These results demonstrate that each construct measures a unique aspect of the model, ensuring that the structural paths can be evaluated without concerns of multicollinearity or construct overlap, as shown in Table 4.

***Table 4: The heterotrait-monotrait ratio of correlations (HTMT)***

| | ER | OP | TD |
|---|---|---|---|
| ER | | | |
| OP | 0.064 | | |
| TD | 0.812 | 0.075 | |

ER: Electronic recruitment; TD: Talent Development; OP: Organizational performance

As shown in Table 5, the Fornell-Larcker criterion is applied to assess discriminant validity among the constructs of ER, TD, and OP. The square root of the AVE for each construct, displayed on the diagonal, is higher AVEonfirms adequate discriminant validity. Specifically, ER has a square root AVE of 0.844, TD is 0.799, and OP is 0.813. The correlation values between constructs are all lower than these diagonal values, indicating that each construct is more strongly associated with its own indicators than with other constructs. This demonstrates that the constructs are empirically distinct, as reflected in Table 5.

***Table 5: Discriminant validity fornell-larcker criterion***

| | ER | OP | TD |
|---|---|---|---|
| ER | 0.844 | | |
| OP | -0.091 | 0.813 | |
| TD | 0.330 | -0.103 | 0.799 |

ER: Electronic recruitment; TD: Talent Development; OP: Organizational performance

Figure 3 presents the reflective structural model with mediation, evaluated through PLS-SEM, showcasing the interrelationships among ER, TD, and OP. The model highlights three significant structural paths, all marked by strong statistical significance ($p = 0.000$). ER exerts a direct positive effect on TD, with a path coefficient of 0.520, indicating that digital recruitment practices significantly enhance developmental efforts within organizations. In turn, TD has a direct and positive influence on OP, with a path coefficient of 0.276, reinforcing its strategic role in driving performance outcomes. Additionally, ER also directly impacts OP ($\beta = 0.318$), suggesting that while ER alone contributes to performance, its influence is notably strengthened when mediated by TD. The $R^2$ values indicate that 63.1% of the variance in TD and 61.7% in OP are explained by the model, confirming its strong explanatory power. These results visually reinforce the mediation hypothesis illustrated in Figure 3.

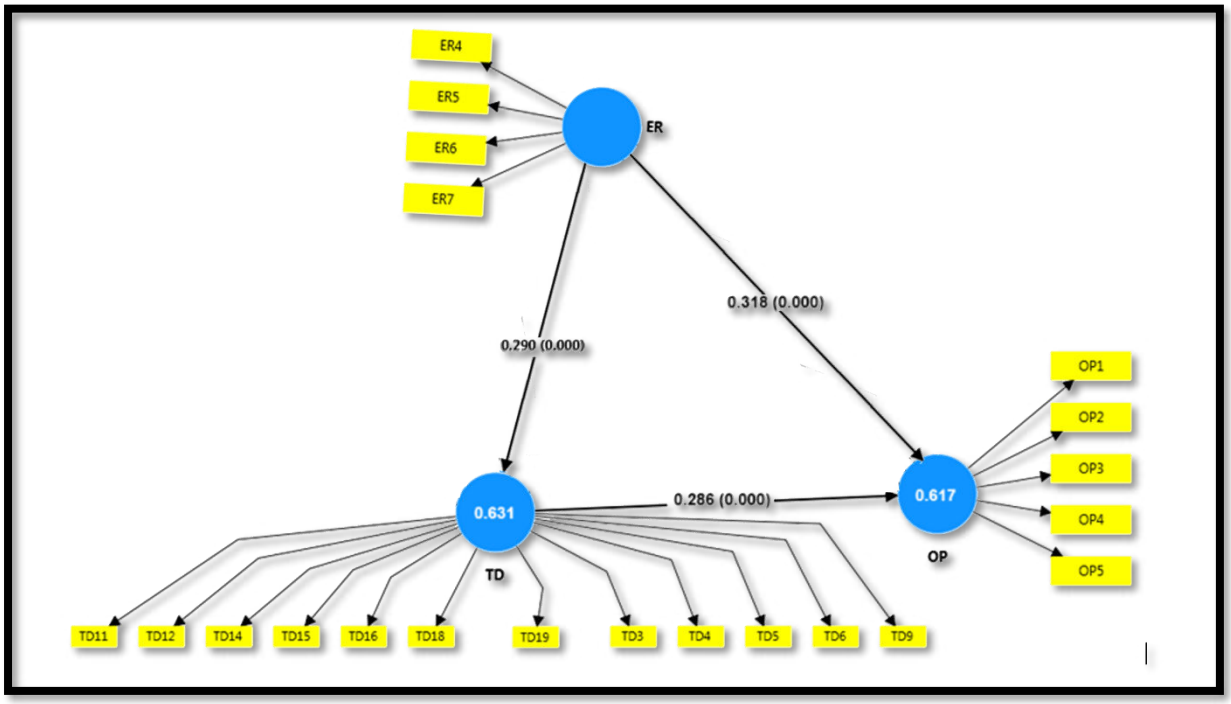


***Figure 3 : Reflective structural (inner) model with mediation PLS-SEM***

**The Significance of Structural Model Path Coefficient**

As illustrated in Table 6, the results of the structural model path analysis reveal two significant direct relationships within the research model. The path from ER to OP shows a standardized beta coefficient of 0.118, with a standard deviation of 0.032, a t-value of 3.688, and a p-value of 0.000, indicating a statistically significant and positive influence. This suggests that effective e-recruitment practices contribute directly, albeit modestly, to improving organizational outcomes. Additionally, the path from TD to OP demonstrates a stronger effect, with a beta coefficient of 0.226, a low standard deviation of 0.014, a high t-value of 16.143, and a p-value of 0.000, confirming a highly significant relationship. These findings, as shown in Table 6, affirm the positive roles of ER and TD in enhancing organizational performance.

***Table 6: Direct model path analysis***

| Paths | Beta | SD | T statistics | P values |
|---|---|---|---|---|
| ER -> OP | 0.118 | 0.032 | 3.688 | 0.000 |
| TD -> OP | 0.226 | 0.014 | 16.143 | 0.000 |

ER: Electronic recruitment; TD: Talent Development; OP: Organizational performance

### 4.1.1 R Square ($R^2$)

As presented in Table 7, the R Square ($R^2$) values indicate the proportion of variance in the dependent variables explained by the model. The $R^2$ value for TD is 0.631, with an adjusted $R^2$ of 0.626, suggesting that electronic recruitment explains approximately 63.1% of the variance in talent development. This reflects a strong predictive capability of e-recruitment in influencing talent development practices. For OP, the $R^2$ value is 0.617, with an adjusted $R^2$ of 0.599, indicating that the combined effects of electronic recruitment and talent development explain about 61.7% of the variance in organizational performance. This aligns with broader evidence on how digital strategies contribute to sustainable development outcomes in Saudi Arabia's service economy (Belloumi & Alshehry, 2020).These values, as shown in Table 7, demonstrate that the model possesses substantial explanatory power for both dependent constructs.

***Table 7: R Square ($R^2$)***

| | R-square | R-square adjusted |
|---|---|---|
| OP | 0.617 | 0.599 |
| TD | 0.631 | 0.626 |

ER: Electronic recruitment; TD: Talent Development.

### 4.1.2 Effect Size ($F^2$)

As shown in Table 8, the effect size ($F^2$) values assess the contribution of each predictor variable to the explained variance in the dependent variables. The path from ER to OP has a moderate effect size of 0.316, indicating a meaningful impact of e-recruitment on performance outcomes. The effect of ER on TD is relatively small, with an $F^2$ value of 0.054, suggesting a modest influence in this relationship. Meanwhile, the path from TD to OP shows a moderate effect size of 0.211, highlighting talent development as a significant contributor to organizational performance. These results in Table 8 underscore the varying degrees of influence among the model's constructs.

***Table 8: Effect Size ($F^2$)***

| | f-square |
|---|---|
| ER -> OP | 0.316 |
| ER -> TD | 0.054 |
| TD -> OP | 0.211 |

ER: Electronic recruitment; TD: Talent Development; OP: Organizational performance

### 4.1.3 Predictive Relevance ($Q^2$)

As indicated in Table 9, the predictive relevance ($Q^2$) values demonstrate the model's ability to predict the endogenous constructs TD and OP. The $Q^2$ value for TD is 0.616, while for OP it is 0.421, both exceeding zero and indicating strong predictive relevance. These values suggest that the model has substantial accuracy in forecasting both constructs based on the exogenous variables. Additionally, the Root Mean Square Error (RMSE) and Mean Absolute Error (MAE) for TD are lower (0.625 and 0.463, respectively) compared to those for OP (0.725 and 0.748), signifying more precise prediction for TD. Overall, Table 9 confirms that the model possesses solid predictive capability, particularly for talent development.

***Table 9: Predictive Relevance ($Q^2$)***

| | $Q^2$predict | RMSE | MAE |
|---|---|---|---|
| OP | 0.421 | 0.725 | 0.748 |
| TD | 0.616 | 0.625 | 0.463 |

TD: Talent Development; OP: Organizational performance

### 4.1.4 Model Fit Evaluation and Confidence Intervals

As presented in Table 10, the model fit evaluation through bootstrapped confidence intervals confirms the statistical significance of the direct relationships within the structural model. The path from ER to OP yields a beta coefficient of 0.118 with a t-value of 3.688, and its 95% confidence interval ranges from 0.058 to 0.176, indicating a significant and reliable positive effect. Similarly, the path from TD to OP shows a stronger beta of 0.226, a high t-value of 16.143, and a confidence interval between 0.197 and 0.260. Since both intervals do not include zero, and both paths are marked significant, Table 10 affirms the robustness and validity of the structural relationships.

***Table 10: Bootstrapped Confidence Intervals (95%) for Path Coefficients***

| Path | Beta | t-value | 95% CI Lower | 95% CI Upper | Significant |
|---|---|---|---|---|---|
| ER → OP | 0.118 | 3.688 | 0.058 | 0.176 | Yes |
| TD → OP | 0.226 | 16.143 | 0.197 | 0.26 | Yes |

ER: Electronic recruitment; TD: Talent Development; OP: Organizational performance

### Mediation Analysis

As shown in Table 11, the mediation analysis reveals a significant indirect effect of ER on OP through TD. The beta value for the mediated path (ER →

TD → OP) is 0.318, with a standard deviation of 0.065 and a high t-statistic of 8.92, accompanied by a p-value of 0.000. These results indicate a strong and statistically significant mediating effect. This implies that talent development plays a crucial role in translating the benefits of electronic recruitment into improved organizational performance, as reflected in Table 11.

***Table 11: Mediation Analysis***

| Paths | Beta | SD | T statistics | P values |
|---|---|---|---|---|
| ER -> TD -> OP | 0.318 | 0.065 | 892 | 0.000 |

ER: Electronic recruitment; TD: Talent Development; OP: Organizational performance

## 5.Discussion

The integration of electronic recruitment (e-recruitment) within Saudi Arabia's luxury tourism sector has been shown to yield notable contributions to the development of organizational talent, particularly when aligned with the strategic objectives of Vision 2030. The descriptive findings indicate that human resource professionals perceive e-recruitment practices moderately positively, as reflected in a mean score of 3.518. This suggests an established, though not universally optimized, level of adoption across the sector. Digital hiring platforms reportedly support streamlined candidate screening, improved cost efficiency, and broader outreach, in line with previous studies highlighting the utility of AI and analytics in recruitment processes (Alsalman, 2025; Saxena et al., 2025). However, these findings also warrant cautious interpretation, as the construct measured does not disaggregate specific e-recruitment tools or platforms, potentially conflating perceptions across heterogeneous technological implementations. Further research would benefit from a disaggregated analysis that evaluates discrete technological functionalities within the e-recruitment domain.

The structural path analysis provides empirical evidence of a statistically significant, albeit modest, direct relationship between e-recruitment and organizational performance ($\beta = 0.118$, $t = 3.688$, $p < 0.001$). While this outcome confirms that digital hiring processes are positively associated with performance outcomes, the relatively low effect size ($f^2 = 0.316$) suggests that e-recruitment alone may not be sufficient to drive substantial improvements in firm-level performance. This finding aligns with contemporary perspectives in strategic human resource management, which argue that recruitment efficacy is contingent on its integration within a broader talent management framework (Naumov & Pillmayer, 2024). The methodological design, which emphasizes linear relationships, may overlook potential

nonlinear or threshold effects whereby certain levels of e-recruitment maturity produce disproportionately higher returns. Incorporating curvilinear models or interaction terms in future analyses could more accurately capture such dynamics and strengthen predictive validity.
The mediation analysis significantly enhances the conceptual robustness of the model by demonstrating that talent development functions as a critical intervening variable in the relationship between e-recruitment and organizational performance. The indirect path coefficient ($\beta = 0.318$, $t = 8.92$, $p < 0.001$) reveals a substantially stronger influence than the direct path, thereby underscoring the mediating power of post-hire developmental strategies. This supports human capital theory, which posits that the productivity of acquired talent is actualized only through sustained investment in learning, up skilling, and professional engagement (Westover, 2025). However, the measurement of talent development in this model, while psychometrically validated, aggregates multiple facets such as training accessibility, career progression, and skills alignment into a single construct. Such aggregation may obscure which specific elements of development are most influenced by e-recruitment or most predictive of performance. Future research may strengthen explanatory depth by employing a multidimensional approach to the measurement of talent development.

The strength of the relationship between talent development and organizational performance ($\beta = 0.226$, $t = 16.143$, $p < 0.001$) further corroborates the centrality of continuous employee learning in achieving strategic business objectives. Similar results were found in rural tourism development in Al-Ahsa, where workforce quality was key to guest satisfaction (Hassan et al., 2022).These findings echo extant literature suggesting that in knowledge-intensive and service-oriented sectors, such as luxury tourism, the refinement of employee capabilities directly affects customer satisfaction, innovation, and operational efficiency (Nawawi et al., 2025; AL-Qassem et al., 2023). The $R^2$ value of 0.617 for organizational performance and 0.631 for talent development confirms the model's substantial explanatory power. Additionally, the $Q^2$ values of 0.421 and 0.616, respectively, affirm predictive relevance. Nonetheless, a key methodological limitation is the cross-sectional nature of the data, which precludes definitive causal inference. While the path coefficients suggest directional relationships, longitudinal designs would be more appropriate to substantiate causality, particularly given the potential time-lagged effects between recruitment, development, and observable performance outcomes.

The discriminant validity of the constructsconfirmed via both the HeterotrHTMTTMT) ratios and the Fornell-Larcker criteriondemonstrates

empirical distinction between e-recruitment, talent development, and organizational performance. This validation strengthens the structural integrity of the model. However, the HTMT ratio between e-recruitment and talent development (0.812) approaches the conservative threshold of 0.85, suggesting some conceptual overlap. This could stem from a perceptual bias among respondents who view recruitment and onboarding as a continuous process rather than distinct HR functions. Clarifying the operational boundaries of each construct during instrument design would enhance conceptual clarity in future research. Furthermore, the current model does not consider potential confounding variables, such as organizational size, digital maturity, or sector-specific characteristics, which may moderate the observed relationships. Including such covariates could improve the model's external validity and offer more nuanced insights.

Effect size analysis further contextualizes the structural relationships. While the influence of e-recruitment on organizational performance ($f^2 = 0.316$) and that of talent development on performance ($f^2 = 0.211$) are both moderate, the path from e-recruitment to talent development yields only a small effect size ($f^2 = 0.054$). This discrepancy highlights a conceptual tension: while digital hiring is posited to enable talent development, its actual contribution appears limited without supporting systems such as training infrastructure, leadership commitment, and resource allocation (Adawiah & Putra, 2024; Nawawi et al., 2025). These results suggest that e-recruitment serves more as a facilitator than a direct driver of developmental outcomes. Therefore, policy and managerial interventions should not rely solely on the adoption of digital hiring tools but should integrate them with complementary HR functions that ensure talent is nurtured post-recruitment.

The model's bootstrapped confidence intervals and t-values provide additional support for the robustness of the observed relationships. The confidence intervals for both the ER → OP and TD → OP paths exclude zero, reinforcing the statistical significance of these effects. Yet, it is notable that the upper bound of the ER → OP path remains relatively narrow (0.176), which may limit generalizability across broader contexts. Additionally, while bootstrapping enhances the credibility of estimates in non-normally distributed samples, the absence of robustness checkssuch as multi-group analysisrestricts the ability to determine whether these relationships hold across subgroups (e.g., by gender, education, or firm size). Incorporating such analyses would enrich the understanding of conditional effects and strengthen the generalizability of the findings.

## 6.Conclusion

This study investigated the influence of electronic recruitment on talent development and its subsequent impact on organizational performance within Saudi Arabia's luxury tourism sector. The findings confirmed that electronic recruitment plays a foundational role in identifying and attracting high-potential candidates, while talent development serves as the mechanism through which these individuals are transformed into valuable organizational contributors. The analysis revealed that while e-recruitment has a modest direct effect on organizational performance, its influence is significantly amplified through the mediating role of talent development. Talent development emerged as a critical strategic function, directly contributing to enhanced organizational outcomes such as productivity, service quality, and operational efficiency. These results underscore the importance of integrating digital recruitment tools with comprehensive talent development programs to maximize workforce potential in a sector that demands high levels of service excellence and adaptability.

The implications of this study are particularly relevant for human resource professionals and decision-makers in the tourism industry seeking to align their practices with national transformation goals. Emphasizing the synergy between recruitment technologies and employee development strategies enables organizations to build more agile, competent, and performance-oriented teams. To achieve these outcomes, organizations should view digital recruitment not as an isolated function but as part of a broader talent management framework that includes on boarding, continuous training, and career pathing. As Saudi Arabia continues to expand its luxury tourism offerings, the ability to attract, develop, and retain skilled talent will remain a defining factor of success. Future research could explore longitudinal outcomes of digital HR practices or investigate industry-specific variables that moderate these relationships.

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