

## **PERFORMANCE MANAGEMENT AS A TOOL FOR RETAINING CRITICAL HUMAN CAPITAL**

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### **Abstract**

In the context of the energy transition, increasing ESG pressures, and the intensification of global risks, the oil industry faces profound structural challenges related to workforce stability and the preservation of key competencies. Within this environment, the retention of critical human capital emerges as a strategic determinant of organizational performance and sustainable competitive advantage. This study aims to develop an integrative conceptual framework that explains the mechanisms through which performance management influences the retention of critical human capital in oil companies undergoing energy transition. Based on a critical synthesis of the recent literature, the study highlights the strategic role of performance management, reinforced by professional development and talent management practices, as well as the mediating role of psychological empowerment in the relationship between performance and retention. The theoretical findings support a direct link between critical human capital retention and the strengthening of sustainable competitive advantage. The main contribution of this study lies in reconceptualizing performance management as a strategic governance instrument for critical human capital, offering a relevant conceptual foundation for future research and for managerial decision-making in the transitioning energy sector.

### **Keywords**

performance management, critical human capital retention, talent management, professional development, psychological empowerment, sustainable competitive advantage, energy transition.

### **JEL Classification**

M12, M54, J24, O15

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