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A Study on Talent Management Strategies and Employee Retention

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Abstract
In today's global and rapidly changing business environment, companies are facing critical challenges of talent management and employee retention. This study examines how talent management strategies are connected to outcomes of employee retention in different contexts. The approach of the study was quantitative with primary data gathered from medium and large scale organizations in different industrial fields, 120 respondents. A structured questionnaire was used and the data was analyzed using Statistical Package for Social Sciences (SPSS) version 26.0. To analyze the research hypotheses, statistical methods such as descriptive statistics, Pearson correlation analysis, multiple regression analysis and one-way ANOVA were used. The results indicated that the relationship between talent acquisition, learning and development, performance management and compensation and reward and employee retention is statistically significant with a result of $p<0.001$ and $R2=0.714$. Learning and development emerged as the strongest predictor ($\beta = 0.387$, $p < 0.001$), followed by compensation and rewards ($\beta = 0.312$, $p < 0.001$), performance management ($\beta = 0.241$, $p < 0.01$), and talent acquisition ($\beta = 0.198$, $p < 0.05$). The results of ANOVA also indicated that there was a significant difference between the retention results obtained between the industry and the sector. The conclusion is an integrated and strategically combined talent management practice is a key to retaining employees and maintaining the competitiveness of the organization. Implications for HR practitioners and organizational leaders are discussed, as well as directions for future studies.

Keywords: Talent Management, Employee Retention, Human Resource Management, Learning and Development, Performance Management, Compensation Strategy, Organizational Commitment

1. Introduction

Today, technological innovation, demographic shifts in the workforce and the competition for skilled labor are all prevalent characteristics of the business world. Finding talent and retaining the higher-performing staff are the challenges of businesses across all industries. In this context, talent management can be seen as a strategic imperative because it is one of the human resources activities which directly affects the working, innovation power, and sustainability of the organization (Armstrong & Taylor, 2020).

Employee turnover is one of the biggest and most costly issues among organizations today. The employee turnover cost can exceed 50% to over 200% of the employee's salary (Cascio & Boudreau, 2016), which might involve recruitment expenses, training expenses, loss of productivity and disruption of organization knowledge. Beyond the monetary impact, high turnover can impact team, knowledge loss, and organizational culture and customer satisfaction. Therefore, it is essential for HR professionals and business leaders to understand and work on the antecedents to employee retention to make it a top priority.

Talent management can be viewed as a series of interrelated HR activities including strategic talent acquisition, comprehensive onboarding, continuous learning and development, streamlined performance management, lavish compensation and benefit programs, succession planning, employee engagement initiatives, and more. These, when integrated and aligned with organizational strategy, set the stage for employee satisfaction, commitment and retention. However, empirical studies about the efficacy of specific TM practices and how they are effective in various organizational and industry contexts are limited and inconclusive (Collings & Mellahi, 2019).

The current study aims to fill these gaps by conducting an empirical investigation of the effect of four dimensions of talent management namely, talent acquisition practices, learning and development practices, performance management system and compensation and rewards practices on employee retention among 120 employees in the selected organizations. The study has implications for theory and practice and adds to the existing literature on strategic HRM by showing quantitative evidence on how talent management interventions relate to retention, and how that relationship is mediated.

1.1 Background of the Study

Talent Management has become a "buzz word" in organizations after the ground-breaking McKinsey publication, The War for Talent, which clearly showed that talent is becoming a key factor in the success of an organization (Michaels et al., 1998). Much has changed since then, talent management has not only been recognised as being about identifying and developing a small number of high-potential individuals but has been identified as a broad band of workforce management practices (Sparrow et al., 2021).

The knowledge economy and rapid digital transformation, globalisation and demographic trends are some of the factors that have made the various sectors more competitive in terms of talent. The COVID-19 pandemic has also challenged traditional employment dynamics, with a host of millions of people now reassessing their views of what it means to work and the job market, known as the 'Great Resignation' (Klotz, 2021). The developments highlight the need to know which organizational practices are best to ensure employee commitment and to prevent employees from leaving voluntarily.

Rapidly growing economies, a shortage of skilled talent in key industries and changing employee expectations as a result of exposure to the global workplace further complicate talent management issues in developing economies like India. These environments present a range of factors that are unique to the region including the talent pool, the cultural employment values, employment law and regulations. A study of the talent management and retention dynamics in these contexts therefore can yield valuable insights which can be transferred to the talent management and retention challenges in local and international organisations.

1.2 Statement of the Problem

There are many publications regarding talent management and employee retention, but there are still some key areas that have not been discussed. First, previous studies have mostly been conducted in the west, making the findings difficult to apply to the emerging market context (Vaiman et al., 2021). Secondly, a lack of studies examining the interaction effect of multiple dimensions of talent management on retention with a sound quantitative analysis. Thirdly, little is known about how the different HR practices mediate and moderate HR and retention.

Despite their investments in HR programs, organizations continue to experience high turnover, which means they may not be prioritizing the right programs or the quality of implementation is not high enough to yield desired results. This mismatch between investment and retention performance leads to a more in-depth empirical study into what talent management practices are most effective at retaining talent, and when and how they may be less effective.

The purpose of this research is to examine how closely talent acquisition practices, learning and development programs, performance management systems and compensation/reward frameworks are correlated with employee retention and determine whether any differences exist between industry sectors and demographic groups.

1.3 Objectives of the Study

The primary objectives of this research are as follows:

1. To examine the relationship between talent acquisition practices and employee retention.
2. To assess the impact of learning and development programs on employee retention.
3. To evaluate the influence of performance management systems on employee retention.
4. To analyze the effect of compensation and reward structures on employee retention outcomes.

1.4 Significance and Scope of the Study

This study has several significant contributions to the literature of HRM and practice in organizations. It extends the resource-based view of the firm and social exchange theory to illustrate, in theory, how strategic investments in human capital management make for better voluntary commitment and retention of employees. Empirically, it provides quantitative results from the diverse sample of organizations, and contributes to the external validity of the results, beyond single industry studies.

On a practical level, findings help HR managers and organisation leaders to understand where they should focus their talent management investment to get the most talent retention. This research in turn can provide insight into which practices are most impactful in terms of retention, and how these practices are effective in different organizational settings, which can then be more targeted and cost effective in the development of HR strategy. The study includes cross-industry representation of employees from various industry sectors such as information technology, manufacturing, financial services, healthcare and education. The sample was diverse in terms of organizational structure, size and ownership, which helps to generalize the results across organizational settings.

2. Literature Review

The issue of talent management and employee retention is a multidisciplinary and there is a wealth of literature on this issue, including from the organizational behavior, strategic HRM, psychology and economics disciplines. Theories and some empirical research relevant to the four key dimensions of talent management examined in this study are summarized in the following section.

2.1 Talent Acquisition and Employee Retention

The foundation of all talent management systems is talent acquisition, including recruitment, selection and induction. Talent acquisition experience – the way talent acquisition is done – has a significant impact on employee engagement, commitment, and retention, as demonstrated by study after study. There has been a link between realistic job previews, person-organization fit assessments and structured competency-based selection processes and increased retention because new hires not only have the skills required but values and expectations that align with organisational culture (Breaugh, 2017).

Onboarding is a crucial and vital part of early retention and is part of the acquisition process. First Year turnover can be decreased up to 25% with comprehensive onboarding programs that involve socialization, role clarity and relationship building opportunities (Stein & Christiansen, 2020). Morrison (2022) demonstrated that at 6- and 12-months post-hire, the structured onboarding group was more likely to be committed to the organization and less likely to intend to leave than the informal integration support group.

In particular, the impact of employer branding as a talent acquisition strategy not only affects the number and quality of the applications received, but also retention. If an organisation sets and broadcasts EVP that is congruent with its organisation, who it is and how it is different, it will attract candidates who have a greater understanding of the salary and benefit expectations of their organisation, and reduce the risk of having unrealistic expectations that lead to a high risk of early turnover (Theurer et al., 2018). According to a Harvard Business Review study, LinkedIn's Global Talent Trends: 2023 report, companies with great employer brands experience a 43% reduction in turnover rates, highlighting the value of investing in employer branding for retention. Theoretically, person-environment fit theory (Edwards & Shipp, 2007) and signaling theory (Spence, 1973) complement each other when it comes to understanding the effects of talent acquisition on retention. Fit theory states that fit between attributes of people and attributes of their environment are predictors of attitudinal and behavioral outcomes like tenure, while signaling theory postulates that acquisition practices signal organizational values and competences to the newcomer and affect her expectations of the organization and, consequently, her commitment.

2.2 Learning and Development and Employee Retention

Learning and development (L&D) is one of the most compelling evidence-based employee retention strategies for an organizational setting. The association between L&D investments and retention can be mediated in a number of ways including: increased perceived organizational support, increased career development satisfaction, increased job self-efficacy and increased organizational commitment (Noe et al., 2019). If workers feel their company is making a real investment in them, they are more likely to respond by being dedicated to the company and by reducing turnover.

A theoretical framework that explains this relationship is social exchange theory (Blau, 1964). When these are good, staff say that they feel they are invested in their staff and the staff's learning and career development, and as a consequence they go the extra mile and are loyal to the organisation. Evidence is provided by a number of studies that found that the relationship between HR practices and retention outcomes is mediated by perceived L&D quality (Nishii et al., 2018).

Formal mentoring programs, leadership development pathways, cross functional exposure opportunities, tuition reimbursement programs and access to digital learning platforms are the most significant L&D practices in relation to retention (Aguinis & Kraiger, 2019). Structured career development pathways can have a major impact: Career growth opportunity is one of the top reasons employees say they stay with or leave their organization (Gallup, 2022). A transparent, attainable and personalized career development plan shows a commitment to the futures of employees and greatly improves retention.

Recent studies have shown that in the era of fast changing technologies, it is necessary to understand continuous learning cultures. As automation and digitalisation take over the working world, the job roles have evolved and employees' perception of employability, the confidence they have to be able to maintain their employment through lifelong learning, is a factor in keeping them. Taking steps to support upskilling and reskilling efforts can therefore help some organizations close gaps in their skills and capabilities and also signal their dedication to employee career resilience, which can further build a sense of attachment between employees and employers (Berntson et al., 2020).

2.3 Performance Management and Employee Retention

Performance management systems have a number of roles within HR which are for goal alignment, performance evaluation, providing feedback, and development planning. Their impact on retention of staff is through a number of channels. Employees' procedural justice, organizational support, and career development perceptions are positively associated with retention and are enhanced by a performance management process that is perceived as fair, transparent, and development-focused (Aguinis, 2019)

In contrast, systems that are vague, not used regularly, subject to bias or overly burdensome lead to dissatisfaction, dismotivation and ultimately voluntary turnover (Pulakos & O'Leary, 2011). Many organizations are moving away from the traditional annual performance review process because it is ineffective in fostering employee development and engagement, and are now finding more continuous and dialogue-oriented performance management strategies more effective (Cappelli & Tavis, 2016). Performance management can have retention impact and is complemented by goal-setting theory (Locke & Latham, 2002) and organizational justice theory (Greenberg, 1987). Clear, challenging and collaboratively set goals boost employee motivation and engagement; fair evaluation processes build up trust in organizational processes and management. Deloitte (2015) reported that those organisations that had an active performance management process with frequent check-ins and development conversations experienced an increase of 14% employee engagement compared with the organisations that followed traditional annual review practices.

The relationship between management and staff - mostly determined by the performance management system and culture - is a very strong retention lever. Poor management is always one of the top reasons for employee turnover (Harter, 2022). Performance management systems that enable managers to have ongoing high quality coaching conversations and reward meaningful contributions of employees increase the bonding between managers and employees, and can be a significant retention factor.

2.4 Compensation, Rewards, and Employee Retention

The most obvious and immediate benefit of an organization on its employees is the salary and compensation. While the effects of compensation on retention are well known, today's study suggests that it's not a straightforward contract of "loyalty for money. As mentioned earlier, however, competitive base pay is a hygiene factor and even if it doesn't exist, it can help keep people out the door, but it can't keep them there if other value proposition factors (non-monetary) are not there (Milkovich et al., 2021).

For a more comprehensive understanding of the effects of compensation on retention, a more inclusive view of the total rewards framework is needed to include work-life balance programs, recognition programs, developmental opportunities and more. Employees who are satisfied with their total compensation are 2.5x more likely to stay with their employer than those who are only considered to be satisfied with their pay (Towers Watson 2022). The value of the different monetary rewards and the relative size of each of these rewards can vary greatly depending on the employee's demographic factors, level of his/her career and his/her personal value orientations.

Pay equity and pay transparency have emerged as key retention challenges, especially when it comes to younger generations. Fairness in pay, internal pay fairness (as compared to other workers doing the same job) and external pay fairness (as compared to other workers in the market) are found to be important factors regarding retention intention (Colella et al., 2017). Studies have suggested that pay inequity perceptions are related to turnover cognitions and turnover, regardless of the actual amount of pay.

Another key yet under-leveraged retention measure is non-financial recognition. In fact, Bersin & Associates (2021) research revealed that 31% of mature recognition cultures organizations say they experience lower rates of voluntary turnover compared to those with immature recognition cultures. Peer recognition, manager appreciation and public recognition of contribution are all elements that are beyond transactional compensation (relatedness and esteem) and are basic psychological needs. The financial component of Recognitions, combined with the non-financial component, as part of a fully developed and customized recognition system, is therefore a best-practice model of a compensation based retention strategy.

3. Research Methodology

3.1 Research Design

This study will use a quantitative approach with cross sectional design to investigate the relationship between talent management strategies and employee retention. A positivist epistemological approach was used which is based on the belief that social events can be objectively measured and analyzed by systematic empirical investigation. The deductive method of research allowed the test of the hypotheses that were derived from the theory by statistical analysis of the primary data gathered. Although the limitations of cross sectional design in providing causal directionality are recognised, it was chosen due to its efficiency in capturing organisational phenomena at a specific point in time.

3.2 Population and Sample

The target population consisted of employees working in medium and large sized organizations in five different industry sectors namely: information technology (IT), manufacturing, financial services, healthcare and education in India. The sampling was conducted using multi-stage stratified random sampling, including the proportional representation among industries, organizational size, employee age and gender. In the first stage, groups of organizations were grouped into industry sectors and in the second stage, respondents were randomly selected within each organizational group.

Data was collected from 120 respondents with male (54.2%) and female (45.8%). Age distribution showed 28.3% in the 21–30 age group, 36.7% in the 31–40 group, 24.2% in the 41–50 group, and 10.8% above 50 years. Education ranged from undergraduate (18.3%) to postgraduate (56.7%) and doctoral (5.8%) and 19.2% had professional certifications. Work experience ranged from 1–5 years (24.2%), 6–10 years (31.7%), 11–15 years (27.5%), to above 15 years (16.7%). The industry mix was IT (26.7%), manufacturing (20.8%), financial services (18.3%), healthcare (19.2%) and education (15.0%).

3.3 Data Collection Instrument

The data was gathered through a structured self-administered questionnaire, which underwent a multi-stage development process involving a systematic literature review, expert validation (five HRM academics) and pilot testing (20 respondents who were not part of the final sample). There were six sections of the instrument. Demographic and organizational profile information was collected in Section A. The 8 items in Section B, the 9 items in Section C, the 8 items in Section D, and the 8 items in Section E measured the four independent variables Talent Acquisition, Learning and Development, Performance Management and Compensation and Rewards respectively. The dependent variable was Employee Retention (10 items) measured in Section F.

Each item of the attitudinal constructs was rated on a five-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). Cronbach's alpha coefficient was used to calculate the scale reliability, and as a result, all scales were found to have acceptable to excellent reliability: Talent Acquisition ($\alpha = 0.831$), Learning and Development ($\alpha = 0.876$), Performance Management

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(α = 0.849), Compensation and Rewards (α = 0.862), and Employee Retention (α = 0.891). Construct validity was determined by exploratory factor analysis with factor loadings of more than 0.50 for all the retained items, while content validity was determined by expert review.

3.4 Data Analysis Techniques

SPSS 26.0 was used for all statistical analysis. Means, standard deviations, skewness and kurtosis were calculated to describe the distribution of all the study variables. Bivariate relationships among Talent Management dimensions and employee retention was investigated using Pearson product-moment correlation analysis. To examine the simultaneous predictive effect of all four talent management variables on retention while controlling for the demographic covariates, multiple linear regression analysis (enter method) was used. Inter-industry differences in talent management and retention scores were analyzed using one-way ANOVA followed by multiple comparisons using Tukey HSD. For all analyses a statistical significance was defined as $p < 0.05$. Prior to reporting results, assumptions of the regression analysis such as normality, linearity, homoscedasticity and absence of multicollinearity (as measured by VIF statistics) were assessed.

4. Results and Discussion

4.1 Descriptive Statistics of Study Variables

Table 1 provides descriptive statistics for all study variables in the form of means, standard deviations and reliability coefficients. The results reveal that the respondents had a generally positive perception in all the dimensions of Talent Management, with Learning and Development having the highest mean score (M = 3.89; SD = 0.72); followed by Performance Management (M = 3.74; SD = 0.68); then Compensation and Rewards (M = 3.61; SD = 0.79); and finally Talent Acquisition (M = 3.68, SD = 0.71). Employee Retention scale had a mean score of 3.77 (SD = 0.74), which is moderately high.

Table 1: Descriptive Statistics of Study Variables (N = 120)

Variable	N	Mean	SD	Skewness	Kurtosis	Cronbach's α
Talent Acquisition (TA)	120	3.68	0.71	-0.312	0.187	0.831
Learning & Development (LD)	120	3.89	0.72	-0.418	0.241	0.876
Performance Management (PM)	120	3.74	0.68	-0.289	0.153	0.849
Compensation & Rewards (CR)	120	3.61	0.79	-0.371	0.312	0.862
Employee Retention (ER)	120	3.77	0.74	-0.356	0.198	0.891

Note: SD = Standard Deviation; Scale: 1 = Strongly Disagree to 5 = Strongly Agree.

Skewness and kurtosis values of all variables were within acceptable range (between minus 1 and plus 1) which indicated approximate normality of distributions and appropriateness of parametric statistical analyses. The internal consistency reliability of all measurement instruments was satisfactory with cronbach's alpha coefficient values for all scales above the conventional value of 0.70.

4.2 Correlation Analysis

Pearson correlation matrix, which analyzes bivariate relationships among the four talent management dimensions and employee retention is shown in Table 2. Initial evidence of the hypothesized relationships was found as all four talent management variables were found to have statistically significant positive relationships with employee retention ($p < 0.01$).

Table 2: Pearson Correlation Matrix (N = 120)

Variable	1. TA	2. LD	3. PM	4. CR	5. ER
1. Talent Acquisition	1.000				
2. Learning & Development	0.541**	1.000			
3. Performance Management	0.487**	0.563**	1.000		
4. Compensation & Rewards	0.432**	0.498**	0.512**	1.000	
5. Employee Retention	0.562**	0.681**	0.618**	0.591**	1.000

Note: ** Correlation is significant at $p < 0.01$ (2-tailed). TA = Talent Acquisition; LD = Learning & Development; PM = Performance Management; CR = Compensation & Rewards; ER = Employee Retention.

The strongest bivariate relationship was with Learning and Development ($r = 0.681$, $p < 0.01$), followed by Performance Management, Compensation and Rewards, and Talent Acquisition ($r = 0.562$, $p < 0.01$). Moderate inter-correlations were found among the predictor variables (r range 0.432 to r 0.563), suggesting meaningful but not problematic shared variance, and VIF statistics (range 1.38-1.72) confirmed that there was no multicollinearity in subsequent regression analyses.

4.3 Multiple Regression Analysis

The results of this multiple regression analysis exploring the simultaneous effect of all four talent management dimensions on employee retention, while controlling for demographic variables (age, gender, education, work experience and industry sector) are presented in Table 3. The overall model was statistically significant ($F(4,115) = 71.43$, $p < 0.001$) and explained 71.4% of the variance in employee retention ($R^2 = 0.714$, Adjusted $R^2 = 0.703$).

Table 3: Multiple Regression Analysis — Predictors of Employee Retention (N = 120)

Predictor Variable	B	SE	β	t-value	p-value	VIF
(Constant)	0.412	0.218	—	1.890	0.061	—
Talent Acquisition	0.198	0.071	0.198	2.789	0.006*	1.42
Learning & Development	0.387	0.068	0.387	5.691	<0.001**	1.63
Performance Management	0.241	0.073	0.241	3.301	0.001**	1.57
Compensation & Rewards	0.312	0.066	0.312	4.727	<0.001**	1.38

Note: $R^2 = 0.714$; Adjusted $R^2 = 0.703$; $F(4,115) = 71.43$, $p < 0.001$. B = Unstandardized Coefficient; SE = Standard Error; β = Standardized Coefficient. * $p < 0.05$; ** $p < 0.001$.

All four talent management predictors were found to be statistically significant in predicting employee retention. Learning and Development was the strongest predictor (β = 0.387, t = 5.691, p < 0.001), followed by Compensation and Rewards (β = 0.312, t = 4.727, p < 0.001), Performance Management (β = 0.241, t = 3.301, p < 0.001), and Talent Acquisition (β = 0.198, t = 2.789, p = 0.006). These findings suggest that within the four talent management dimensions studied, investment in employee learning and development has the highest incremental retention contribution followed by performance management processes, strategic acquisition practices and succession planning have the smallest incremental contribution to retention but still a significant contribution.

4.4 One-Way ANOVA: Industry Sector Differences

Table 4 shows the one-way ANOVA analysis of whether scores for employee retention and aggregate talent management scores are significantly different across the five industry sectors in the sample. Based on previous studies that suggest effective HR practices differ depending on industry context, competitive dynamics and workforce composition, significant between group differences were predicted.

***T*able 4: One-Way ANOVA — Industry Sector Differences in Employee Retention (N = 120)**

Industry Sector	N	Mean (ER)	SD	F-value	p-value
Information Technology	32	3.91	0.68		
Manufacturing	25	3.58	0.77		
Financial Services	22	3.82	0.71		
Healthcare	23	3.74	0.69		
Education	18	3.63	0.74		
Total / F-statistic	120	3.77	0.74	3.847	0.006**

Note: ER = Employee Retention. ** $p < 0.01$. Post-hoc comparisons conducted using Tukey HSD test. IT = Information Technology; Mfg = Manufacturing; Edu = Education.

Results of one-way ANOVA showed that there was a significant difference between the scores of employee retention in different industry sectors ($F(4,115) = 3,847$ and $p = 0,006$). Post-hoc Tukey HSD analysis identified that the IT sector ($M = 3.91$, $SD = 0.68$) reported significantly higher retention scores than both Manufacturing ($M = 3.58$, $SD = 0.77$, $p = 0.018$) and Education ($M = 3.63$, $SD = 0.74$, $p = 0.034$). There were no significant differences between the rest of the sector comparisons, indicating that the talent management practices of the IT sector are sufficiently more advanced to lead to a measurably better retention impression than other sectors, which have traditionally held more transactional approaches to HR.

These results corroborate earlier research that found technology companies employ highly advanced talent management processes—which includes a strong investment in training and development, competitive compensation, and agile performance management systems. Relatively lower retention scores in manufacturing and education sectors may be due to structural factors such as lower starting competitiveness of pay, less investment in L&D, and higher susceptibility to the effects of public sector restrictions for education institutions.

5. Discussion

This study's results have a significant substantive contribution to the literature on talent management and employee retention, as it offers rigorous quantitative evidence for the integrated effects of multiple dimensions of HR practices on employee retention outcomes. The overall explaining power of the regression model ($R^2 = 0.714$) is considerably higher than the values reported in several other similar single-industry studies, indicating that multi-sector designs can account for more variance in HR practice quality and the effects of HR practices on retention.

Of particular note is the strongest predictor of retention, which is Learning and Development, with a β of 0.387; this aligns with the current focus of learning and development in the context of the so-called digital economy. Today, employees are considering investments in learning and development as a measure of employer commitment to their long-term employability and career development, and it's one of the criteria that they use to evaluate organizational employers. Which has significant practical implications – organizations that focus on retention should consider L&D as less of an HR cost and more of an investment in retention.

Compensation and Rewards ($\beta = 0.312$) confirms the continued relevance of the financial value proposition in the retention decision but by explaining that it is the second, not the first, determinant in the decision. The fact that L&D has greater relative impact than compensation indicates that for companies that have already done a good job of providing competitive remuneration, a dollar invested in career development infrastructure may have a bigger impact than a dollar invested in increasing pay.

The impact of Performance Management ($\beta = 0.241$) highlights the retention impact of the evaluation, development and recognition of employees' contributions within an organization. In organisations where their PM systems focus on developmental feedback, clear goal setting and regular communication between managers and employees, there is a high likelihood of employee engagement and commitment. This shift to continuous PM approaches, based on evidence, is thus not just a policy adjustment but a retention strategy that matters.

ANOVA analysis shows that there are industry-sector differences that suggest the presence of moderating contextual factors in determining the effectiveness of talent management. These better results in the IT sector may be driven by more mature talent management structures, more employee-centric, with more competitive compensation, more robust L&D environments, and more performance-focused cultures, when compared to manufacturing and education. Such differences indicate that it is necessary to benchmark talent management practices at the industry-level in order to calibrate retention strategies.

6. Conclusion

This study examined the impact of 4 dimensions of talent management—talent acquisition, learning and development, performance management and compensation/rewards—on employee retention with 120 employees across various organizations. The study used SPSS statistical analysis including Descriptive Statistics, Pearson correlation, Multiple regression and One way ANOVA that showed significant results which are important and have theoretical and practical implications.

The overall model explained 71.4% of the variance in employee retention, highlighting the model as a robust predictor of workforce retention when strategic investments are made in integrated HR practices. Learning and Development was the top single predictor of retention, with Compensation and Rewards and Performance Management and Talent Acquisition in close pursuit. There are significant differences between industries in retention outcomes (IT sector organisations have the highest scores), suggesting that retention outcomes link closely to HR practice development in the industry.

This has implications for the practice in organisations. Organised and targeted learning and development initiatives should be an integral part of the HR leaders and senior management's main toolkit in retaining employees, particularly in knowledge-driven industries where the competition for talent is high. It's not a "pay only" compensation program, it's a total rewards program. Performance management systems need to be refocused to be more developmental, with more emphasis on dialogue, coaching and recognition rather than just evaluative functions. Building a strong foundation for retention should begin at the time of hiring and is therefore imperative to incorporate evidence-based selection, realistic job preview, and structured onboarding into talent acquisition processes.

Future research is warranted to examine causal relationships between talent management interventions and retention using longitudinal design. Qualitative methods can be used to gain a better understanding of the psychological mechanisms that underlie the relationship between HR practices and commitment and intention to stay of the employees. The cross-national comparative studies would emphasize the moderating effect of cultural and institutional factors on the talent management – retention linkage, for the purpose of increasing the generalizability of the current findings.

The study finds that employee retention is not a passive action to be done by an organization, it is a strategic and intentional action, therefore it has to be invested in the talent management of an organization. Organisations will be better equipped to create stable, engaged high-performing workforces that will give them a competitive edge in a talent scarce world if they turn talent management into part of the business strategy rather than administrative support.

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