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EMPLOYEE RETENTION AND TALENT MANAGEMENT: A SYSTEMATIC LITERATURE REVIEW

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Abstract:

This systematic literature review (SLR) utilises the PRISMA framework to study the research on employee retention and talent management, focusing on articles published between 2022 and 2024 in Scopus and Web of Science databases. Key themes such as retention, attraction and learning development are synthesised across various sectors and regions. The review has addressed the research question: “How do various talent management strategies influence employee retention across industries and regions?”. A total of 15 studies were selected following a comprehensive search and screening process. This review highlights the significance of data-driven retention strategies, work-life balance, and generation demands and provides practical implications for managers and HR professionals. Recommendations for future research include investigating the growing role of sustainability in talent management especially in the 21st century.

Keywords:

Employee Retention, Talent Management, Systematic Literature Review

Introduction

In today's globalized, competitive, and digitalized business environment, talent management has emerged as a pivotal strategy for any organisation. Talent Management has evolved from the first foundation by Michaels et al. (2001), who mentioned that the increasing need for top talents had become competitive in the marketplace. This book viewed “talent” as an individual's disposition, which the company has to embrace through highly strategic attraction,

development, and retention efforts. Attracting, developing, and retaining top talent is not the only requirement for an effective talent management process; but also includes managing and organising the staff to yield excellent organisational performance (Lawler, 2008).

Modern talent management strategies now recognise that retaining talented employees is essential, particularly in industries facing skills shortages, and requires a multifaceted approach that goes beyond traditional HR practices (Jackson, 2010). This includes addressing employees' expectations for work-life balance, career development, engagement, and alignment with corporate values, such as sustainability.

The rise of Millennials and Generation Z in the workforce has also transformed the landscape of talent management. These younger generations bring different expectations to the workplace, placing greater value on personal development, flexibility, meaningful work, and work-life balance than previous generations (Naim & Lenka, 2018). Thus, organisations should be able to ensure that retention strategies can adapt to this new transformation in a generation. A holistic employee package that includes career growth, personal well-being, and purposed-driven work should be adopted rather than focusing on traditional retention incentives like promotions and increments in salary. (Prateep, 2006).

This is supported by the COVID-19 post-pandemic, which further accelerated the need for adaptive talent management practices as remote work and flexible work arrangements became the norm (Haque, 2023). This change has forced organisations to re-strategize attracting and retaining employees in a more adaptive and flexible labour market. A study by Syal et al. (2024) also supported that work-life balance has become a pivotal factor in employee retention, especially as employees seek greater flexibility in how they manage their professional and personal responsibilities. In addition, data-driven talent management approaches, such as talent analytics, have emerged as essential tools for identifying potential retention risks and optimising talent management strategies (Conte & Siano, 2023).

This research focused on the studies conducted on employee retention and talent management, including the growing role of sustainability in talent management and the impact of post-pandemic work models on retention strategies in the organisation. The findings of this review will contribute to both academic and practical discussions on how organisations can adapt to the complex challenges of managing talent in the 21st century, with a particular emphasis on employee engagement, flexibility, and long-term career development.

In conclusion, this review will address the research question: "How do various talent management strategies influence employee retention across industries and regions?" By systematically examining recent literature, the review will help both researchers and practitioners, suggesting future studies and practical applications in the field of talent management.

Methodology

The creation of a comprehensive dataset was achieved through a thorough systematic literature review (SLR) of scholarly articles. The literature search began with the identification of the leading English-language journals widely recognised as primary sources for research on talent management and employee retention.

Review Structure

This journal adopts a systematic review approach to examine the relationship between two important criteria, which are talent management and employee retention. Using a structured review of the existing literature, the author aims to identify trends and knowledge gaps in the literature related to the use of talent management practices towards employee retention. The researcher uses a systematic review approach to provide a systematic understanding of the relationship between talent management and employee retention.

Strategy

After that, a systematic search of these journals was conducted using a combination of keywords relevant to employee retention and talent management, such as TITLE-ABS-KEY(("EMPLOYEE RETENTION" OR "STAFF RETENTION") AND ("TALENT MANAGEMENT")). Boolean operators (AND, OR) were used during the search process. No additional sources, such as conference proceedings, were included. The articles chosen were published in peer-reviewed academic journals. This research began with an extensive search using Scopus and WOS, specifically targeting publicly available articles and limiting the search to 2022-2024.

Study Selection

The study selection methodology has been reported following the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) guidelines (Moher et al., 2010). The retrieved articles were then screened and evaluated to determine if they were eligible for inclusion in the review using inclusion and exclusion criteria. The articles retrieved from this search were subjected to an inclusion and exclusion process. The inclusion criteria for the selection of articles were: (a) empirical studies and review articles, as these contribute to the maturity of the knowledge base in the field (Hallinger & Chen, 2015) (b) publications within the timeframe from 2022 to 2024, and (c) studies specifically focusing on employee retention and talent management.

After applying the inclusion and exclusion criteria, the remaining 15 articles were listed for review. To ensure objectivity in this systematic literature review, the full text of all articles was downloaded and analysed. Figure 1 illustrates some of the steps taken during the article search and implementation of the inclusion and exclusion criteria.

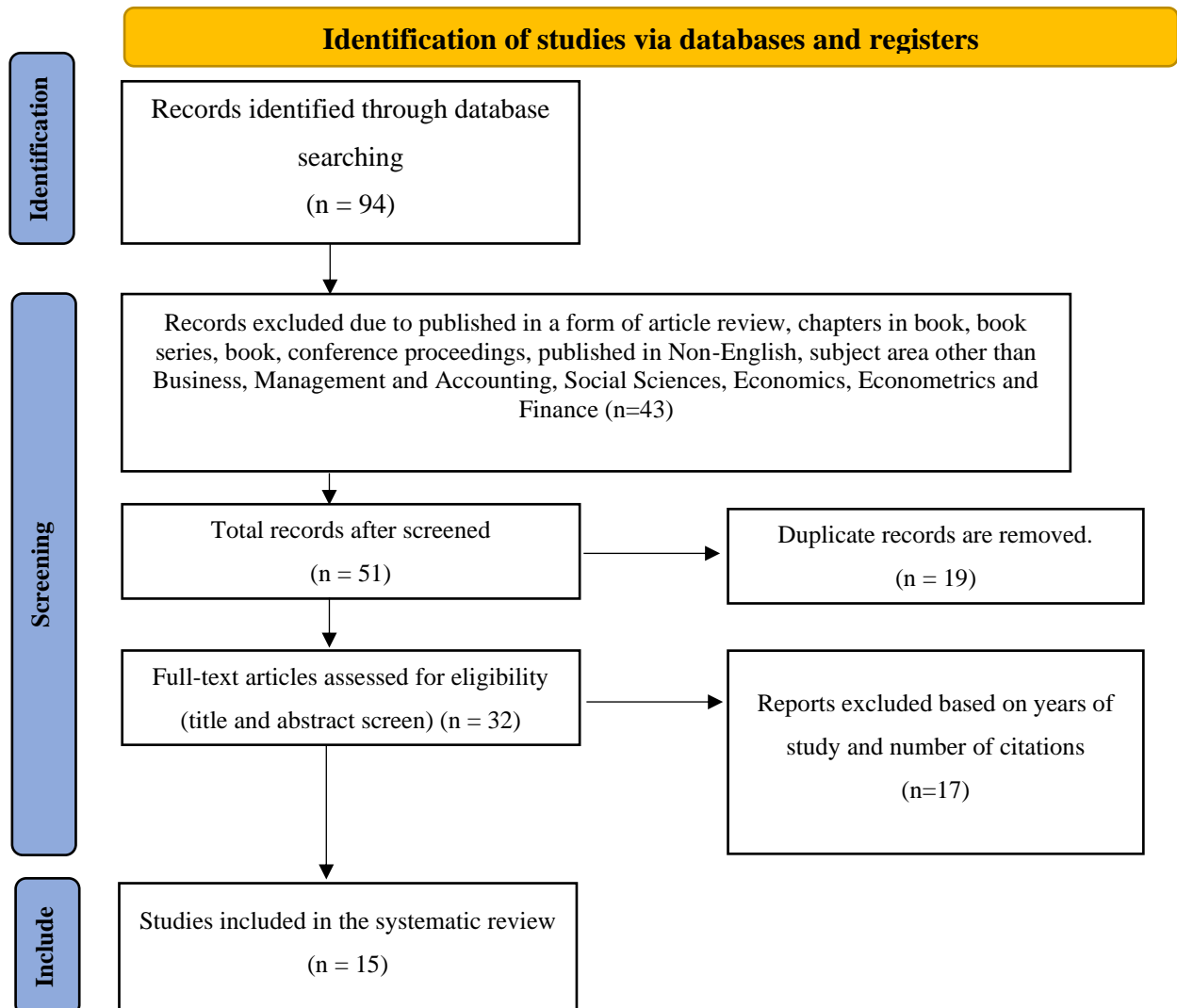


Figure 1: PRISMA Method-Inclusion and Exclusion Criteria.

Findings and Discussion

The discussion surrounding the studies in the table highlights the complex, multifaceted challenges organisations face regarding talent management, particularly in the practice of retention, attraction, and development. Table 1 represents the list of articles sorted based on the analysing themes.

Table 1: List of Articles Sorted Based on the Analysing Themes.

No	Themes	Title	Studies
1	Retention	Retaining Generation Z employees in the hotel industry: a time-lag study	Zhou et al., 2024
2		Exploring the Impact of Work-Life Balance on Job Satisfaction for Saudi Private Sector C-Level Employees	Qadri, 2024
3		Managing Talent and Branding in Learning Organisation	Patra et al., 2024
4		Impact of Management Practices on Talent Retention Using Talent Analytics Metrics	A & A.R, 2024
5		Talent Sustainability and Development: How Talent Management Affects Employees' Intention to Stay through Work Engagement and Perceived Organisational Support with the Moderating Role of Work-Life Balance	Weng et al., 2023
6		Examining The Antecedents Of Employee Retention Among Jordanian Private Universities: The Moderating Role Of Knowledge Sharing	AlQudah et al., 2023
7		Aligning Expectations With Real-World Experiences: A Talent Management Study On The Restaurant Industry In Finland	Cajander & Reiman, 2023
8		Talent Retention Challenges Among Non-Family Talented Individuals: Multiple Case Studies Of Family SMEs In Jordan	Alzbaidi & Abu Madi, 2023
9		A Talent Management, Organisational Commitment And Employee Turnover Intention Framework For A Government Department In South Africa	Mokoena et al., 2022
10		Efficacy In Employee Retention With Agile Employees In Saudi Organisations	Muthuswamy, 2022
11		Cultivating Green Workforce: The Roles Of Green Shared Vision And Green Organisational Identity	Ma et al., 2023

12	Attraction	Revisit Attraction-Selection-Attrition Model for Teacher Retention in International Schools	Leong & Said, 2024
13	Attraction and Retention	Understanding Talent Management Challenges in Changing Times and Workforces	Xulu & Parumasur, 2023
14	Retention, Develop and Attraction	Successful Employee Retention Practices: Characteristics Found In Danish And Icelandic Banks	Gudlaugsson et al., 2023
15		The Influence of Talent Management Practices on Employee Retention and Performance: An Empirical Study of Jordanian Service Organisations	Alsakarneh et al., 2023

Source: Compilation of Studies

Theme 1: Retention

Retention of employees, especially among younger generations like Generation Z, is a dominant concern across industries. This is supported by research from Zhou et al. (2024), who investigated the hotel industry and noted that retaining Generation Z employees requires more than traditional incentives. Generation Z employees are more attracted to organisations that value career growth, job satisfaction, and work-life balance. This reflects a broader shift where younger employees prioritise developmental opportunities and meaningful work over long-term job stability. Alzbaidi & Abu Madi (2023) further explored retention in the context of family-owned SMEs in Jordan, where they discovered that the dynamics of non-family employees present unique retention challenges. These employees may face limited career progression, which undermines their commitment to the organisation. Additionally, Mokoena et al. (2022), who studied in a South African government department, address that higher organisational commitment will reduce turnover intentions. Their framework suggests that effective retention strategies must integrate both engagement and a commitment to the organisational vision. This will reinforce the need for personalised retention practices that meet diverse employee needs.

Several studies agreed that work-life balance and organisational support will improve employee retention. A study by Qadri (2024) has researched Saudi private sector C-level employees and suggested that work-life balance is a significant driver of job satisfaction, which, in turn, enhances employee retention. This is also supported by a study conducted by Weng et al. (2023), who further agreed on this by demonstrating how work engagement and perceived organisational support contribute to increased employee retention, using work-life balance as a moderating variable.

In conclusion, this highlights the increasing need for flexible work arrangements, especially for Millennials and Generation Z, who prioritise personal time and work-life balance over financial incentives. Therefore, organisations must adapt their policies to accommodate these preferences if they wish to reduce turnover and retain top talent.

Theme 2: Attraction

Another significant theme is attracting skilled talent, particularly in industries facing insufficient high-demand roles. Leong & Said (2024) revisit the Attraction-Selection-Attrition (ASA) model to explore how international schools can better retain teachers by aligning recruitment processes with employee values. The research suggested that recruitment strategies should emphasise alignment between organisational culture and employee expectations. This study also supports the ASOR model (Attraction-Selection-Onboarding-Retention Model), which includes onboarding to retain prospective employees.

Additionally, Xulu & Parumasur (2023) have also studied the broader talent management challenges posed by changing workforce demographics. With their distinct needs and preferences, the increasing debut of Millennials and Generation Z means that organisations must continuously refine their talent attraction strategies to remain competitive. These employees are attracted to companies offering competitive salaries, upskilling and personal development opportunities, and an inclusive work environment that fosters employee engagement. In a study by Gudlaugsson et al. (2023), it is shown that banks in Danish and Iceland were not focussing on the middle managers' talent that they are going to employ, which will affect their ability to retain the employees. Furthermore, Alsakarneh et al. (2023) agreed that recruitment practices significantly affect employee retention in the organisation.

In summary, an onboarding program is an important process for retaining employees by helping them adapt to and understand the organisation's culture, especially in a company with a diversified culture. In this new generation, any organisation should also be able to offer an attractive package that meets Millennials' and Generation Z's needs, as there is an increased number of talents in the workforce.

Theme 3: Learning and Development

The need for continuous employee development is a repeating theme, especially as a solution for both retention and attraction. This is supported by Gudlaugsson et al. (2023), who studied Danish and Icelandic banks and identified successful retention practices that circle continuous learning and skill development. The ability of an organisation to provide growth opportunities can significantly enhance retention, as employees are more likely to stay when they see clear pathways for career advancement.

Furthermore, Ma et al. (2023) supported this in their study on a green workforce, which focussed on the importance of aligning organisational values with employees' personal beliefs, particularly regarding sustainability. Thus, the organisation needs to emphasise having a meaningful value to retain and attract employees who are passionate about aligning with the organisation's values.

Employee Retention and Talent Management

The systematic reviews have concluded that successful talent management is about achieving a holistic balance between retention, attraction, and development practices in an organisation. Organisations should be able to implement strategies that reflect the changing values of modern workforces, particularly among Millennials and Generation Z. Retention strategies should focus on enhancing work-life balance, providing opportunities for professional growth, and ensuring organisational commitment from employees. The organisation should provide a clear culture and values to align with potential employees to attract new talent. This could involve

upskilling opportunities and a supportive working environment which will then foster long-term engagement in an organisation.

In conclusion, the discussion across these studies reveals that talent management is a customization process depending on the needs of employees from different industries, regions and even generations. Adapting to changes in generations and technology requires organisations to continuously improvise human resource practices, particularly in talent management.

Theoretical and practical implications

Theoretical Implications

The findings in this review extend traditional theories of talent management by highlighting the changing priorities of today's workforce. Older models largely emphasized financial incentives and hierarchical career paths (Kooij et al., 2008). However, as Millennials and Generation Z enter the labour market in large numbers, there is a need to shift towards valuing non-financial motivators such as flexible work arrangements, professional growth opportunities, and meaningful work experiences (Nehia, 2023). This shift suggests that established retention models need to be updated to incorporate these new drivers of employee satisfaction.

Additionally, the integration of Self-Determination Theory (SDT) provides a useful lens through which to understand how employees' psychological needs for autonomy, competence, and relatedness influence their motivation and commitment (Deci et al., 2017). In particular, the study's findings on the effectiveness of remote work arrangements demonstrate how allowing employees greater control over their work schedules can satisfy these needs, leading to higher engagement and retention rates. This perspective challenges the traditional view that productivity is best achieved in a structured, office-based setting, proposing instead that flexible work environments can better meet the intrinsic motivations of modern workers.

Furthermore, the review supports the Attraction-Selection-Attrition (ASA) model by highlighting the growing importance of aligning organisational culture with employee values. Organisations that emphasise sustainability and social responsibility as part of their mission may be more successful in attracting and retaining talent who prioritise ethical and purposeful work (Wightman & Christensen, 2024). This theoretical development suggests that cultural alignment should be considered a crucial element in the design of recruitment and retention strategies.

Lastly, the use of talent analytics introduces a new dimension to retention theories by emphasising the role of data-driven decision-making in predicting turnover and tailoring interventions (Conte & Siano, 2023). This approach provides a predictive layer to existing theories, which help to change reactive to proactive human resource management, with significant implications for how companies approach employee engagement and retention.

Practical Implications

The practical implications of this review contribute to the strategies that organisations can adopt to effectively retain talent in a changing work environment. The shift toward remote and hybrid work models, supported by the COVID-19 pandemic, has permanently changed employee expectations (Ng et al., 2021). Companies that adapt to these new expectations by

offering flexible work arrangements can improve retention by supporting employees' desires for work-life balance (Haque, 2023). This change reflects a broader move toward a result-driven approach, where the focus is on outcomes rather than physical presence.

Recommendation and Conclusion

As organisations adapt to the evolving expectations of today's workforce, two strategies stand out for effectively enhancing employee retention, which is embracing hybrid and flexible work arrangements and integrating talent analytics into human resource practices. The increasing emphasis on work-life balance, driven by shifts in employee priorities and the widespread adoption of remote work during the COVID-19 pandemic, necessitates a re-evaluation of traditional work models. Companies that offer hybrid work options allowing employees to divide their time between home and office, can better accommodate diverse needs. This flexibility not only empowers employees to manage both work and personal responsibilities but also broadens the pool of potential hires by removing geographic limitations. When employees have the option to choose working hours that align with their peak productivity, it fosters a more engaged and satisfied workforce, contributing to improved overall performance and well-being.

On the other hand, the use of talent analytics enables organisations to take a proactive approach to retention by providing data-driven insights into employee experiences, satisfaction, and potential risks of turnover. By carefully analysing engagement patterns, job satisfaction scores, and performance metrics, HR teams can identify underlying issues before they escalate and implement targeted interventions. This data-centric approach supports the development of personalized strategies, such as tailored career development programs, customized benefits, and adaptive work arrangements, which align with individual employee needs. When employees feel valued and understood, they are more likely to stay committed to the organisation.

In conclusion, combining hybrid work policies with the strategic use of talent analytics positions companies to create a work environment that adapts to the changing landscape and actively supports the success and retention of a diverse workforce.

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