

A Study on Talent Management Practices and their Impact on Employee Satisfaction and Retention

**Dr.R. Bhuvaneswaran¹, S. Suganya², Dr.B. Jagadeeswaran³,
Dr.N. Santhanavadivu⁴**

¹Associate Professor & Research Supervisor, PG & Research Department of Commerce, Thiruthangal Nadar College, Selavayal, Chennai -51

²Ph.D Full Time Research Scholar, PG & Research Department of Commerce, Thiruthangal Nadar College, Selavayal, Chennai – 51.)

³Associate Professor & Head, PG & Research Department of Commerce, Thiruthangal Nadar College, Selavayal, Chennai -51

⁴(Associate Professor & Research Supervisor, PG & Research Department of Commerce, Thiruthangal Nadar College, Selavayal, Chennai – 51.)

Abstract

Talent management has emerged as a critical strategic function in modern organizations due to increased competition, workforce diversity, and the need to retain skilled employees. Effective talent management practices play a vital role in enhancing employee satisfaction and ensuring long-term employee retention. The present study aims to analyse the impact of talent management practices—such as recruitment and selection, training and development, performance management, career development, and compensation—on employee satisfaction and retention. Primary data were collected from 180 employees using a structured questionnaire, and appropriate statistical tools such as percentage analysis and the Chi-square test were applied for data analysis. The findings reveal that well-implemented talent management practices significantly influence employees' job satisfaction and their intention to remain with the organization. The study also identifies demographic variations, particularly gender-based differences, in the perception of recruitment fairness and transparency. The results highlight the importance of adopting inclusive and transparent talent management strategies to improve employee satisfaction and reduce attrition. The study provides practical insights for HR managers and policymakers to strengthen talent management systems and foster a committed workforce.

Keywords: Talent Management, Employee Satisfaction, Employee Retention, Recruitment Practices, Human Resource Management

1. Introduction

In today's dynamic and highly competitive business environment, organizations are increasingly recognizing employees as their most valuable assets. The success and sustainability of an organization

largely depend on its ability to attract, develop, motivate, and retain talented employees. This has led to a growing emphasis on talent management practices as a strategic approach within human resource management. Talent management refers to a systematic process of identifying, recruiting, developing, engaging, and retaining employees who possess the skills and competencies required to achieve organizational goals. Effective talent management practices not only ensure the availability of the right talent at the right time but also contribute significantly to employee satisfaction and retention. Employees who perceive organizational practices as fair, transparent, and growth-oriented are more likely to be satisfied with their jobs and remain loyal to the organization. Employee satisfaction is a key determinant of organizational performance, as satisfied employees tend to be more productive, committed, and motivated. On the other hand, high employee turnover can lead to increased recruitment costs, loss of organizational knowledge, and reduced morale among existing employees. Therefore, retaining talented employees has become a major challenge for organizations across industries. In this context, the present study focuses on analysing various talent management practices and their impact on employee satisfaction and retention. By examining employees' perceptions across demographic variables, the study seeks to provide a comprehensive understanding of how talent management strategies influence workforce stability and organizational effectiveness. The findings of this study are expected to offer valuable insights for organizations to design and implement effective talent management policies that enhance employee satisfaction and ensure long-term retention.

2. Review of Literature

Armstrong (2014) emphasized that talent management is a strategic approach to attracting, developing, and retaining employees, which directly influences employee satisfaction and organizational performance. Cappelli (2008) highlighted that systematic talent management practices help organizations align employee skills with business goals. The study found that career development and internal promotion opportunities significantly enhance employee retention. Dessler (2017) stated that transparent recruitment, continuous training, and fair performance appraisal systems positively affect employee satisfaction. Employees are more likely to stay with organizations that provide growth and learning opportunities. Lockwood (2006) observed that organizations with strong talent management strategies experience higher employee engagement and commitment. The study emphasized that employee satisfaction acts as a mediating factor between talent management practices and retention. Ashton and Morton (2005) concluded that talent management practices such as succession planning and leadership development are critical for retaining high-potential employees and ensuring long-term organizational sustainability.

3. Objectives of the Study

1. To study the talent management practices adopted by organizations and assess employees' perceptions.
2. To analyse the impact of talent management practices on employee satisfaction and retention

4. Research Methodology

The present study is descriptive and analytical in nature and aims to examine the impact of talent management practices on employee satisfaction and retention. The study is based on both primary and secondary data. Primary data were collected from 180 employees using a structured questionnaire designed on a five-point Likert scale to capture employees' perceptions regarding recruitment, training

and development, performance management, career growth, compensation, satisfaction, and retention. The respondents were selected using the convenience sampling method from different designation levels. Secondary data were gathered from books, journals, research articles, reports, and relevant websites to support the theoretical framework of the study. The collected data were analysed using statistical tools such as percentage analysis and the Chi-square test to identify associations between demographic variables and talent management practices. The study was conducted during the period 2024–2025, and the findings aim to provide meaningful insights into improving talent management practices to enhance employee satisfaction and retention.

Statement of the Problem

In the contemporary competitive business environment, organizations face increasing challenges in attracting, satisfying, and retaining talented employees. While organizations invest heavily in talent management practices such as recruitment, training, performance appraisal, and career development, employee dissatisfaction and high turnover continue to remain critical concerns. Ineffective or poorly implemented talent management practices may lead to low morale, reduced productivity, and increased attrition, adversely affecting organizational performance. Moreover, employees' perceptions of fairness, transparency, and growth opportunities may vary across demographic factors such as gender, age, designation, and work experience. Understanding these variations is essential for designing inclusive and effective human resource strategies. Hence, there is a need to systematically study talent management practices and evaluate their impact on employee satisfaction and retention.

Introduction Analysis and Interpretation

The analysis highlights that talent management practices such as recruitment, training, performance appraisal, and career development play a significant role in enhancing employee satisfaction and retention. Positive employee perceptions of these practices contribute to higher motivation, organizational commitment, and reduced employee turnover across different demographic categories.

Table 1 Frequency Distribution of Gender

Gender	Frequency	Percent
Male	105	58.3
Female	75	41.7
Total	180	100.0

Table 1 presents the gender-wise distribution of respondents selected for the study on Talent Management Practices and their Impact on Employee Satisfaction and Retention. Out of the total 180 respondents, 105 respondents (58.3%) are male, while 75 respondents (41.7%) are female. The data indicates that male employees constitute a slightly higher proportion of the sample compared to female employees. However, the presence of a substantial percentage of female respondents reflects a balanced representation of both genders, ensuring that the opinions collected regarding talent management practices, employee satisfaction, and retention are not biased toward a single gender.

Table 2 Frequency Distribution of Age Group

Age Group	Frequency	Percent
Below 25	58	32.2
25 to 35 years	48	26.7
36 to 45 Years	47	26.1
Above 45	27	15.0
Total	180	100.0

Table 2 shows the age-wise distribution of respondents involved in the study on Talent Management Practices and their Impact on Employee Satisfaction and Retention. Out of the total 180 respondents, 58 employees (32.2%) belong to the below 25 years age group, forming the largest segment of the sample. This is followed by 48 respondents (26.7%) in the 25 to 35 years age group and 47 respondents (26.1%) in the 36 to 45 years age group, indicating a fairly even representation of employees in the early and mid-career stages. A smaller proportion of respondents, 27 employees (15.0%), fall under the above 45 years category, representing senior and experienced employees. The distribution suggests that the study largely captures the perspectives of young and mid-career professionals, who are often more sensitive to talent management practices such as training, career growth, and performance management.

Table 3 Frequency Distribution of Designation level

Designation level	Frequency	Percent
Entry Level	69	38.3
Middle Level	55	30.6
Senior Level	56	31.1
Total	180	100.0

Table 3 shows the distribution of respondents based on their designation level in the study on Talent Management Practices and their Impact on Employee Satisfaction and Retention. Out of the total 180 respondents, 69 employees (38.3%) belong to the entry-level category, representing the largest group in the sample. This indicates a strong participation of employees who are at the initial stage of their careers and are highly influenced by talent management practices such as onboarding, training, and career development. Further, 55 respondents (30.6%) are from the middle-level, while 56 respondents (31.1%) hold senior-level positions, showing an almost equal representation of middle and senior management employees. This balanced distribution ensures that the perspectives of employees across different hierarchical levels are adequately captured.

Table 4 Frequency Distribution of Work Experience

Work Experience	Frequency	Percent
Less than 2 years	58	32.2
2 to 5 Years	48	26.7
5 to 10 Years	47	26.1
Above 10 Years	27	15.0
Total	180	100.0

Table 4 depicts the distribution of respondents based on their work experience in the study on Talent Management Practices and their Impact on Employee Satisfaction and Retention. Out of the total 180 respondents, 58 employees (32.2%) have less than 2 years of experience, forming the largest segment of the sample. This indicates a significant representation of relatively new employees, whose satisfaction and retention are strongly influenced by talent management practices such as recruitment, onboarding, and training. Further, 48 respondents (26.7%) possess 2 to 5 years of experience, while 47 respondents (26.1%) have 5 to 10 years of experience, showing a fairly even distribution among early and mid-career employees. These groups are particularly relevant for examining the impact of career development, performance management, and reward systems on employee satisfaction.

Table 5 Chi square Test for association between gender and recruitment process in my organization is fair and transparent.

Gender	The recruitment process in my organization is fair and transparent.						Chi Square Value	P Value
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total		
Male	9 (8.6%) [33.3%]	18 (17.1%) [100.0%]	9 (8.6%) [33.3%]	40 (38.1%) [100.0%]	29 (27.6%) [42.6%]	105 (100.0%) [58.3%]	62.198	0.001**
Female	18 (24.0%) [66.7%]	0 (0.0%) [0.0%]	18 24.0% [66.7%]	0 (0.0%) [0.0%]	39 (52.0%) [57.4%]	75 (100.0%) [41.7%]		
Total	27 (15.0%) [100.0%]	18 (10.0%) 100.0%	27 (15.0%) [100.0%]	40 (22.2%) [100.0%]	68 (37.8%) [100.0%]	180 (100.0%) [100.0%]		

Table 5 examines the association between gender and employees' perception that "the recruitment process in my organization is fair and transparent" as part of the study on Talent Management Practices and their Impact on Employee Satisfaction and Retention. The Chi-square test was applied to identify whether a significant relationship exists between the two variables. The results show a Chi-square value of 62.198 with a p-value of 0.001, which is significant at the 1 per cent level ($p < 0.01$). This indicates that there is a statistically significant association between gender and employees' perception of the recruitment

process. Hence, the null hypothesis stating that there is no association between gender and perception of recruitment fairness is rejected. From the distribution, a majority of male respondents expressed agreement and strong agreement regarding the fairness and transparency of the recruitment process. In contrast, female respondents displayed mixed opinions, with a relatively higher proportion showing strong disagreement and neutrality, alongside a substantial percentage expressing strong agreement. This variation in responses across gender groups contributes to the observed statistical significance.

Findings

1. The study reveals that talent management practices are moderately to highly implemented in the organization.
2. Recruitment and selection processes are perceived as fair and transparent by a majority of employees, though perceptions vary across gender.
3. Training and development programs positively contribute to employees' skill enhancement and professional growth.
4. Performance appraisal systems significantly influence employee motivation and job satisfaction.
5. Career development and promotion opportunities play a crucial role in retaining employees.

Suggestions

1. Organizations should ensure greater transparency and consistency in recruitment and selection processes.
2. Regular training and development programs should be introduced to enhance employee competencies.
3. Performance appraisal systems should be more objective and feedback-oriented.
4. Clear career paths and succession planning should be communicated to employees.
5. Compensation and reward systems should be periodically reviewed to remain competitive.

5. Conclusion

The study concludes that effective talent management practices play a vital role in enhancing employee satisfaction and retention. Practices such as fair recruitment, continuous training, transparent performance appraisal, career development, and competitive compensation significantly influence employees' commitment to the organization. The findings emphasize the need for inclusive and well-structured talent management strategies to reduce employee turnover and improve organizational performance. By adopting employee-centric talent management practices, organizations can build a satisfied, motivated, and loyal workforce, ensuring long-term organizational success.

References

1. Armstrong, M. (2014). *Armstrong's Handbook of Human Resource Management Practice*. London: Kogan Page.
2. Cappelli, P. (2008). Talent Management for the Twenty-First Century. *Harvard Business Review*, 86(3), 74–81.
3. Dessler, G. (2017). *Human Resource Management*. Pearson Education, New Delhi.
4. Lockwood, N. R. (2006). Talent management: Driver for organizational success. *SHRM Research Quarterly*, 1–11.



5. Ashton, C., & Morton, L. (2005). Managing talent for competitive advantage. *Strategic HR Review*, 4(5), 28–31.