

Effect of Talent Practices on Talent Retention with a Mediating Role of Organizational Commitment



ISBN 978-1-943295-24-1

**Usman Mohideen K S
K Maran**

**S Helen Roselin Gracy
B Keerthana**

B Venkateswara Prasad
Sri Sai Ram Engineering College,
(usman.mba@sairam.edu.in)
(directorsims@sairam.edu.in)
(keerthana.mba@sairam.edu.in)
(helen.mba@sairamit.edu.in)
(bvprasad.mba@sairam.edu.in)

During last decade, India's IT industry has surged, creating a high demand for IT professionals. Despite offering competitive pay and benefits, companies face persistent employee turnover. This study explores non-monetary strategies, focusing on talent management practices—and their impact on retention and commitment. Using a descriptive approach and data from structured questionnaires, it highlights the mediating role of organizational commitment in retention. Structural equation modeling validates the proposed model, showing a perfect fit. To combat high attrition, IT firms should prioritize holistic talent management practices, fostering long-term commitment. Research implications and future directions are discussed.

Keywords: Information Technology, Mediating Effect, Organizational Commitment, Talent Practices, Talent Retention

1. Introduction

The field of human resources originated from the principles of scientific management, which emerged as a response to industrialization. This evolution was driven by the need for a structured approach to employee welfare and vocational guidance. Industries recognized the importance of identifying individuals with the right mindset to build fulfilling careers for employees while aligning their contributions with organizational goals. Over time, the role of HR has transitioned from primarily safeguarding employee interests to becoming a strategic planner and change facilitator. In response to an evolving workforce, HR functions have become central to organizational success, focusing on areas such as recruitment and selection, change management, performance and behavior management, and learning and development. Additionally, HR professionals face modern challenges such as fostering workplace diversity and developing effective talent management strategies.

Commitment, as a concept, represents a profound psychological force that connects individuals to various aspects of their professional and personal lives, including goals, roles, and tasks. Its multifaceted nature defies a singular definition, as it encompasses diverse dimensions. Within organizations, commitment plays a critical role in driving employees toward achieving objectives and maintaining appropriate workplace behavior. It reflects the dedication and active participation of employees in their responsibilities, contributing to a collaborative and efficient industrial environment. Commitment also involves a sense of surrender and immersion in one's role, often demonstrated when employees willingly reject more lucrative opportunities to remain with their current organization. This deep level of commitment underscores their unwavering dedication and alignment with the organization's vision and values.

PROBLEM STATEMENT

The past decade has witnessed an immense growth in the Indian IT industry, leading to a substantial demand for IT professionals. The intense global competition among large organizations has prompted a continuous effort to retain employees at every level within the organizational hierarchy. Various cost associated with attrition are money spent to train employees. Attrition also has ripple effects that departure of top performing employees had effect on clients, which is an unhealthy sign. There is a steep rise in attrition rate in last decade which raised a significant question and catching the minds of researcher to study the strategy to curtail high attrition rate.

2. Review of Literature

Andrea Lewis, in the study titled "Effectiveness of Employee Retention Strategies in Industries" the author concludes that there is a significant relationship with supervisor and people management. These components are discussed as key an employee retention strategy. Crafting and implementing these strategies needs serious commitment from executives at the corporate level. **Harshita Shrimali and Bhanupriya Khatri**, in the research titled as "Talent Retention Challenges in IT Sector of India", the authors have identified main causes of leaving the job can be due to various reason such as; lack of promotional opportunities, off hours shift, lack of growth opportunities, work life imbalance, lack of time for social interactions, etc.

Lavanya Latha K, in the article titled “A Study on Employee Attrition and Retention in Manufacturing Industries”, the author states that growth opportunities and salary are the major factors in retention of employees, so she concludes that industry should create growth opportunities by adopting new innovative technologies and effective training programs.

3. Objectives of the Study

- To measure the mediating role of employee commitment on talent practices and employee retention.

METHODOLOGY

Research Design: Descriptive Research

Data Collection: Primary data collected through Structured Questionnaire.

Sampling technique & Sample Size: Proportionate Stratified Random Sampling & 421

Tools Used for Analysis

Mediation analysis

Mediation Analysis is used to analyse the mediating effect of organizational commitment on independent variables and dependent variable. Haynes and Preacher multiple mediation indirect method is used to determine the level of mediation.

HYPOTHEISS FORMULATED

To measure the mediating role of Organizational Commitment on Talent Management Practices and Employee Retention.

Data Analysis

H1: Organizational Commitment mediates the relationship between Acquiring Talents and Employee Retention.

Table 1 Mediating Effect of Organizational Commitment on Acquiring Talents and Employee Retention and on Dimensions of Acquiring Talents and Employee Retention

Variables			Unstandardized Beta				
			Effect of	Effect of	Total Effect	Direct Effect	Indirect Effect
X	M	Y	(a-path)	(b-path)	(c-path)	c' prime	(c-c')
AT	OC	ER	1.928	0.556	1.009	(0.152)	1.261
EB	OC	ER	4.816	0.589	2.048	0.024	2.716
WFP	OC	ER	4.101	0.538	2.502	0.187	2.324
EVP	OC	ER	4.618	0.771	2.437	(0.918)	3.751
VWP	OC	ER	4.456	0.618	2.327	(0.405)	3.317

The results demonstrate that organizational commitment fully mediates the relationship between talent acquisition and employee retention, aligning with the proposed hypothesis (H1). This underscores the critical role of organizational commitment in strengthening the link between talent acquisition strategies and the long-term retention of employees.

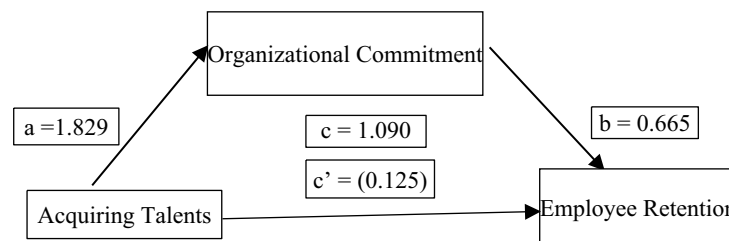


Figure 1 Mediating Effect of Organizational Commitment on Acquiring Talents and Employee Retention

H2: Organizational Commitment mediates the relationship between Developing Talents and Employee Retention.

Table 2 Mediating Effect of Organizational Commitment on Developing Talents and Employee Retention and on Dimensions of Developing Talents and Employee Retention

Variables			Unstandardized Beta				
			Effect of	Effect of	Total Effect	Direct Effect	Indirect Effect
X	M	Y	(a-path)	(b-path)	(c-path)	c' prime	(c-c')
DT	OC	ER	0.804	0.516	0.580	0.036	0.417
JE	OC	ER	4.840	0.857	2.753	(0.909)	3.466
EEMP	OC	ER	4.968	0.713	2.837	(0.757)	3.694
EENG	OC	ER	4.977	0.702	2.678	(0.707)	3.475
CO	OC	ER	4.636	0.063	3.438	3.178	0.161
KS	OC	ER	4.816	0.589	2.840	0.043	2.716
TD	OC	ER	4.207	0.792	2.649	(0.757)	3.144
LO	OC	ER	4.566	0.704	2.596	(0.729)	3.545
SP	OC	ER	4.101	0.538	2.502	0.187	2.234

These results indicate that organizational commitment serves as a partial mediator in the relationship between talent development and employee retention, consistent with the proposed hypothesis (H2). This underscores the importance of organizational commitment in linking talent development initiatives to employee retention, albeit to a partial degree

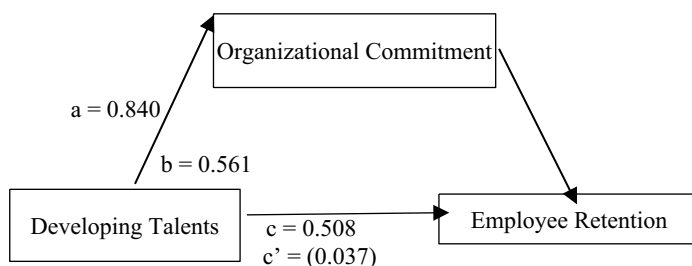


Figure 2 Mediating Effect of Organizational Commitment on Developing Talents and Employee Retention

H3: Organizational Commitment mediates the relationship between Sustenance of Talents and Employee Retention.

Table 3 Mediating Effect of Organizational Commitment on Sustenance of Talents and Employee Retention and on Dimensions of Sustenance of Talents and Employee Retention

Variables			Unstandardized Beta				
			Effect of (a-path)	Effect of (b-path)	Total Effect (c-path)	Direct Effect (c' prime)	Indirect Effect (c-c')
X	M	Y					
ST	OC	ER	0.760	0.623	0.456	(0.018)	0.474
SS	OC	ER	4.437	0.690	2.458	(0.562)	3.021
MOT	OC	ER	4.306	0.681	2.369	(0.564)	2.993
WLB	OC	ER	3.970	0.330	3.026	1.713	1.313
MC	OC	ER	4.231	0.606	2.551	(0.015)	2.566
SR	OC	ER	4.242	0.668	2.408	(0.428)	2.837
CM	OC	ER	4.289	0.679	2.425	(0.488)	2.914
PM	OC	ER	4.468	0.668	2.554	(0.434)	2.998
LC	OC	ER	3.401	0.594	2.118	0.097	2.021

Based on these findings, it can be concluded that organizational commitment fully mediates the relationship between talent sustenance and employee retention. This conclusion supports the proposed hypothesis (H3), highlighting the vital role of organizational commitment in strengthening the link between talent sustenance strategies and the retention of employees

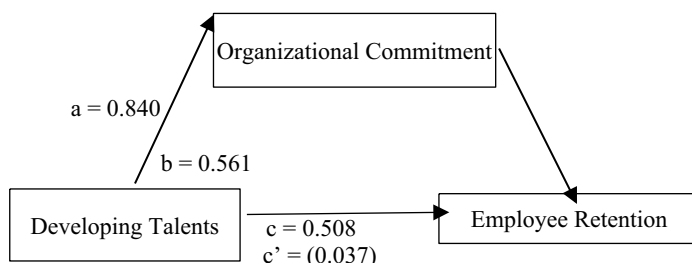


Figure 3 Mediating Effect of Organizational Commitment on Sustenance of Talents and Employee Retention

Correlating Results of Hypothesis for Corresponding Objectives

The primary objective established was to examine the mediating role of Organizational Commitment in the relationship between Talent Management Practices and Employee Retention. To achieve this, mediation analysis was conducted, and three hypotheses were developed:

The analysis revealed that the mediating variable, Organizational Commitment, significantly mediates the relationship between the dependent variable, Employee Retention, and the independent variables (Acquiring Talents, Developing Talents, and Sustenance of Talents). Additionally, Organizational Commitment was found to mediate the individual dimensions of Talent Management and Employee Retention. Consequently, all three hypotheses (H1, H2, and H3) were supported and accepted.

4. Conclusion

This research investigated the influence of talent management practices on employee retention and the role of organizational commitment in mediating these relationships within the information technology industry. The quantitative analysis revealed that talent management practices, including acquiring, developing, and sustaining talents, significantly impact both organizational commitment and employee retention. The study further assessed the degree of this impact on these outcomes.

The findings provide valuable insights for IT companies and HR practitioners striving to enhance employee retention. Organizational commitment was found to fully mediate the relationship between employee retention and variables such as acquiring talents and sustaining talents. Meanwhile, it partially mediated the relationships between employee retention and factors like employer branding, workforce planning, developing talents, career opportunities, knowledge sharing, succession planning, work-life balance, and leadership development.

Future research could explore these dynamics in greater depth by incorporating demographic and organizational factors. Analyzing how these variables influence talent management practices, organizational commitment, and employee retention would provide further clarity. Additionally, similar studies could be conducted in other sectors such as education, manufacturing, hospitality, healthcare, banking and finance, retail, tourism, entertainment, logistics, media, public utilities, and more, to broaden the scope and applicability of the findings

5. References

1. Abeer Imam (2014), Impact of Employee Engagement in Retaining Employees through Mediating Effect on Job Satisfaction, *Journal of Applied Environmental and Biological Sciences*, Vol 4, Issue 12, pp: 1-15.
2. Aswathappa, K (2011), *Human Resource Management Text and Cases*, Sixth Edition, McGraw Hill, pp: 283-311.
3. Bhatla (2007), Talent Management and Employer Branding Retention battle Strategies, November, 2008, *Icfaian Journal*, pp.54-55.
4. Bidisha Lahkar Das & Mukulesh Baruah (2013), Employee Retention: A Review of Literature, *IOSR Journal of Business and Management (IOSR-JBM)*, Volume 14, Issue 2, pp: 8-16.
5. Deepak Chawla & Neena Sondhi (2011), *Research Methodology Concepts and Cases*, Vikas Publishing House Pvt Ltd, ISBN: 978-81-259-5205-3, PP: 4-5.
6. Dhanabhakya & Kokilambal (2014), A Study on Existing Talent Management Practice and Its Benefits Across Industries, *International Journal of Research in Business Management*, Vol.2, Issue 7, pp: 23-36.
7. Eveline Westgeest (2011), Employee Empowerment and its relation to affective commitment, Thesis submitted to RSM Erasmus University.
8. Garima Kohli (2013), Research Paper on "Talent Acquisition Latest Trends", *PARIPEX –Indian Journal of Research*, Volume: 3, Issue: 4, pp: 223-226.
9. Hassan Darvish, Zahra Najafi & Reza Zare. (2012), Evaluate the level of Talent Management Competencies and its relationship with Intention to Quit the Organisation, *Journal of Basic Applied Scientific Research*, 2(10), pp: 10068-10076.
10. Janani, S (2014), Employee Turnover: Present Scenario of Indian IT Industry, *Indian Journal of Applied Research*, Volume: 4, Issue: 3. pp: 254-256.
11. Kavya Singh, Shipra Sharma & Bhavna Garg (2012), Driving Forces and Emerging Challenges in Talent Management: A pathway to Organizational Success, *International Journal of Advanced Research in Computer Science and Software Engineering*, Volume 2, Issue 6, pp 117-121.
12. Lichia Yiu, Raymond Saner. 2014. Talent Attrition and Retention: Strategic Challenges for Indian Industries in the next decade. *Elite Research Journal of Accounting and Business Management* vol. 2(1) pp. 1-9.
13. Maya, M & R, Thamilselvan. (2012), A Study on Employee Psychological Aspects of Talent Management in Information Technology Companies, *PARIPEX – Indian Journal of Research*, Volume 2, Issue 1, pp: 100-102.
14. Neeti Leeka Chhabra & Aparna Mishra. (2008), Talent Management and Employer Branding: Retention battle Strategies, *The ICFAIAN Journal of Management Research*, 7(11), pp: 50-61.
15. Pallavi Srivastava & Jyotsna Bhatnagar. (2010), Employee Brand for Talent Acquisition: An Exploration towards its Measurement, *Vision: the Journal of Business Perspective*, 14(2), pp: 25-34.
16. Preacher, J Christopher & Ken Kelly (2011), Effect Size Measures for Mediation Models: Quantitative Strategies for Communicating Indirect Effects, *Psychological Methods*, Vol. 16, Issue 2, pp: 93-115.
17. Reiche, B. S. (2009). To quit or not to quit: organizational determinants of voluntary turnover in MNC subsidiaries in Singapore. *The International Journal of Human Resource Management*, 20(6), pp: 1362-1380.
18. Sakthivel & Jayakrishnan, Work life balance and Organizational Commitment for Nurses, *Asian Journal of Business and Management Sciences*, Vol.2, No. 5, pp: 1-6.
19. Usman Mohideen, K S & Subramanian, S (2015), Talent Management – A Theoretical Framework for Talent Retention in Indian IT Sector, *CKPIM Business Review*, April Issue, 2015, Vol 3 Issue 4, pp: 38-50.
20. Usman Mohideen, K S & Subramanian, S (2016), Employee Value Proposition: A tool to Enable, Engage, Enrich and Empower Talent and Talent Retention in IT Industry, *International Journal of Business Intelligence & Innovation*, Spl. Vol Issue: 3, January 2016, pp: 6-10.
21. Usman Mohideen, K S & Subramanian, S (2016), Talent Management: A Need of the Hour for Information Technology Industry in India, *Pezzottaite Journals, International Journal of Trade and Global Business Perspectives*, Vol-5, Number 3, July-September 2016, pp: 2706-2711.
22. Usman Mohideen, K S & Subramanian, S (2017), An Empirical Study on Effectiveness of Learning Organization – A Strategic Approach in dealing "War for Talent" in Information Technology Industry, *Sankalan International Multidisciplinary Peer Reviewed Research Journal*, Vol.2, Issue 2, November 2016 – April 2017, pp: 226-230.

23. Usman Mohideen, K S & Subramanian, S (2018), A Strategic Approach to Employee Retention with a Mediating role of Organizational Commitment in Information Technology Industry, Thesis submitted to Bharathiar University, September 2018.
24. Vanka Sita & Anitha Pinapati. (2013), Competency Management as Tool of Talent Management: A Study in Indian IT Organisation, Journal of Economic Development, Management, Information Technology, Finance and Marketing, 5(1), pp: 44-56.