Strategic Talent Management and Employee Retention: A Review of Turnover Trends in the IT Sector

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Abstract :

The aim of this research is to analyse the influence of talent management and employee retention on turnover trends in the IT sector. The objective of this study is to evaluate the impact of employee retention and talent management on turnover in the IT companies. In this study, ethical guidelines provided by the University have been followed in an appropriate manner. Data used in the study have been gathered from credible sources. A secondary method of Data Collection has been used in the study to answer the research questions. Employee turnover can increase due to internal as well as external variables such as the status of the economy. One of the major challenges experienced in the IT industry is the retention of talent due to excessive turnover. A talent management approach integrates different kinds of HR processes such as employee engagement, succession planning, career planning, training and development, as well as performance management to provide a smooth employee experience.

Keywords: *talent management, employee retention, turnover, IT companies, employee engagement*

1. Introduction

1.1 Contextual Background

The Global IT sector market size has been valued at USD 1.6 trillion for the year 2025, which has been estimated to grow to nearly USD 3.3 trillion by the end of 2033 (Grand View Research, 2026). North America is the largest regional market for IT companies with 35% of the revenue share in 2025. Talent management is important to achieve organisational success in a competitive environment of the information technology (IT) industry. The talent management approach in the IT sector emphasises recruiting skilled candidates, prioritising learning and skill development and developing a work environment promoting innovation and growth (Prabhu & Swami, 2024). Effective talent management techniques are important to attract, maintain and nurture talent in IT companies. Employee retention and talent management help IT companies in recruiting and retaining skilled employees to maintain a high level of profitability. This signifies the importance of understanding talent management and employee retention in maintaining turnover in the IT sector.

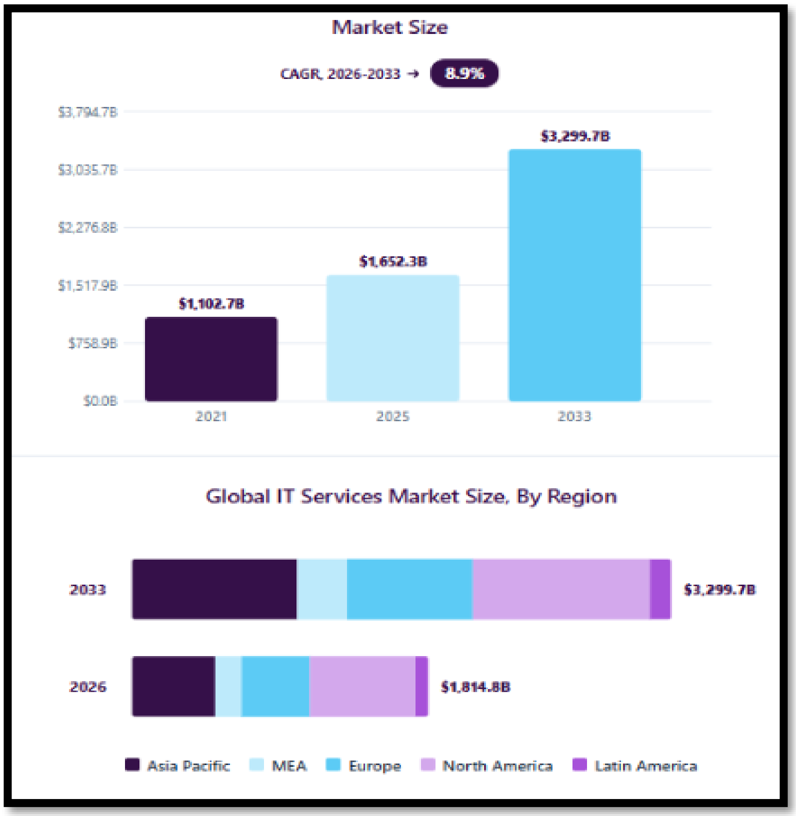

Figure 1: IT Services Market

(Source: Grand View Research, 2026)

1.2 Problem Statement

The existing literature provides information on the significance of employee retention and talent management by focusing on overall business performance. The existing studies focus on the ways in which talent management and employee retention approaches adopted by an organisation affect its operations and profit. However, information on talent management and employee retention on turnover trends in the IT sector is limited. Talent management and employee retention have emerged as key strategic functions in knowledge-intensive companies. However, research on the relationship between employee retention and talent management is fragmented (Seidu et al., 2025). This research problem is addressed through this study since it is important to understand the influence of talent management and employee retention on turnover trends in the IT sector.

1.3 Research aim and objectives

The aim of this research is to analyse the influence created by talent management and employee retention on turnover trend in the IT sector. The objectives of this study are listed below:

- To identify talent management approaches adopted by the companies operating in the IT sector
- To analyse employee retention strategies implemented in the IT companies
- To identify the relationship between talent management and employee retention strategies in the IT companies
- To evaluate the impact of employee retention and talent management on turnover in the IT companies

1.4 Significance of the Research

This research is significant for the IT companies operating at the global level to understand the significance of employee retention and talent management approaches. This research will help the IT companies in identifying different talent management and employee retention approaches which can be adopted to maintain a low level of turnover within the businesses. It will help the companies operating in different sectors to maintain effective business performance through employee retention and talent management strategies.

1.5 Review of Literature

In the opinion of Urme (2023), talent management is considered a strategic aspect for companies seeking to optimise productivity within the business. Investment in engagement and growth of employees translates into creativity as well as business success. A positive workplace culture places the companies as the preferred company which draw top talent in the market. Oracle NetSuite's talent management is one of the effective strategies for employee retention, which focuses on the significance of aligning business objectives with talent practices. This framework provides companies with a structured approach for talent management, allowing them to adapt to a changing business environment. It has been identified by Ekhsan et al. (2022) that talent management has a positive impact on employee retention. Employee engagement is one of the major aspects to maintain employees' resilience, which can cause a decrease in turnover due to a lack of proper management. Companies adopt different approaches to talent management to increase relationships with employees. This creates a positive influence on individual performance, creating a powerful impact on overall business performance.

Figure 2: Talent management strategy

(Source: Urme, 2023)

1.6 Research Questions

The research questions for this study are:

1. What are the talent management approaches adopted by the companies operating in the IT sector?
2. What are the employee retention strategies implemented in the IT companies?
3. What is the relationship between talent management and employee retention strategies in the IT companies?
4. What is the impact of employee retention and talent management on turnover in the IT companies?

2. Methodology

In this study, a descriptive research design has been adopted to meet the research objectives. Descriptive research helps in explaining the findings with a high level of accuracy with the help of studies which has been completed. This will help in understanding the concept and relationship between talent management and employee retention in the IT sector. A secondary method of Data Collection has been used in the study to answer the research questions. Data has been accumulated from different sources, which include credible articles and journals, industry reports and company publications related to the topic. Secondary data analysis helps in providing answers to the research questions in an effective manner (Baldwin et al., 2022). For the secondary data analysis, the thematic analysis approach has been adopted in the study. Thematic analysis includes interpretation and coding to analyse the meaning of the specific segment of the data (Squires, 2023). This has assisted in developing themes from the recurring patterns in the data accumulated for the study. Ethical guidelines play a vital role in conducting research (Ali et al., 2025). In this study, ethical guidelines provided by the University have been followed in an appropriate manner. Data used in the study have been gathered from credible sources.

3. Results

Theme 1: Strategic Talent Management Approaches in the IT Sector

In the IT sector, talent management practices play a vital role in talent retention. Talent management strategies of each company can be unique according to their business objectives. It is required to be agile to adapt to changing business environments and needs (NetSuite, 2021). Talent matching technologies are one of the strategies which are used in the IT sector. It includes the use of artificial intelligence to match appropriate candidates according to the available opportunities. Talent matching technologies have advantages in screening high-volumee application roles, reducing discrimination in the process and removing human error (Veldsman, 2023). The technology enables the integration of assessment and other screening techniques as the touch point for the recruitment process, which helps in saving cost and time.

Figure 3: Effective Talent Management Process

(Source: NetSuite, 2021)

Theme 2: Employee Retention Strategies in IT Companies

Retention of talented and competent employees has become a strategic necessity for companies seeking success in the changing IT sector. The significance of variables affecting employee retention in the industry has increased due to the convergence of technology developments (Murugan & Philimis, 2025). The retention of experienced and knowledgeable employees is important since companies work to gain a competitive advantage in the IT industry. It has been identified that expenditure associated with onboarding new employees causes substandard goods and services, as well as a lack of understanding among current employees, which might result in decline in the business (Ullah & Azeem, 2024). Retention management has become a significant difference in the Global corporate world. Higher employee retention rates result in lower employee turnover. Development experts are highly concerned with the chances of advancement, whereas information system specialists are focused on change in comparison to other professionals. Employee turnover can increase due to internal as well as external variables such as the status of the economy. One of the major challenges experienced in the IT industry is the retention of talent due to excessive turnover. Countries such as Croatia, Bosnia and Serbia face different challenges in comparison to European markets in terms of talent retention (Džambić & Hadziahmetovic, 2026).Even though these countries have witnessed digital transformation, the IT professionals face challenges such as limited career opportunities, high turnover rates and wage differences. This makes employee retention a significant aspect in the IT industry.

Theme 3: Integration of Talent Management and Employee Retention in the IT Sector

IT companies are characterised by digital transformation, international competition and ongoing innovation, for which dedicated and qualified employees are required to maintain a competitive advantage. Due to International opportunities, changing employee expectations, and Employment flexibility, the industry is facing high employee turnover rates (Vidya, 2026). This makes employee retention and talent management a significant strategic concern for IT companies. A talent management approach integrates different kinds of HR processes such as employee engagement, succession planning, career planning, training and development, as well as performance management to provide a smooth employee experience. Due to the COVID-19 pandemic, 5% of retail industry workers have been affected either by layoffs or by a reduction in salary (Hassan, 2022). There have been several initiatives taken by the organisation and the Government of Maldives to retain employees, even though there has been an increase in job hoppers in the country. Through proper training of employees that can help them develop their skills and competencies, improve their performance and create avenues for development, there is improvement in employee retention. Human resource management, talent acquisition, education and many other basics of human resources management are influenced by the use of artificial intelligence, which leads to change in the working environment and human resource management itself (Rožman et al., 2022). The new artificial intelligence tools, which may automate the HR management process, may become the solution for some of the HR function issues, where more can be achieved with fewer resources.

Theme 4: Impact of Talent Management and Retention on Employee Turnover in the IT Sector

The strategy of employee engagement focuses on increasing engagement by cooperating with employee retention initiatives. The potential of an organisation to retain its employees by using employee engagement is one of the effective retention strategies (Ngozi & Edwinah, 2022). The retention of current employees reduces the expenditure of recruiting new employees as well as the effort and time required to train them. The strategic planners are required to focus on talent management since there is a strong connection between employee satisfaction, business performance and talent management (Siripipatthanakul et al., 2022). It can help in improving organisational performance and job satisfaction in different sectors. The success of a company is highly dependent on its employee relationship with affects the business performance. Employee engagement and talent management help in improving employee performance and increasing company profitability. Talent management is considered a strategic initiative which has been planned by the organisation to use a set of Human Resource Management practices (Ekhsan et al., 2023). This includes learning and development, compensation, performance management, as well as employee acquisition and evaluation.

4. Discussion

4.1 Interpreting results

The findings illustrate that strategic talent management as well as employee retention are interconnected and have a strong relationship with turnover trends in the IT sector. In Theme 1, it has been identified that talent matching technologies, employee assessment, agile talent management and AI-based recruitment systems are some of the significant approaches. These practices can enhance recruitment efficiency. This helps companies identify appropriate employees. The finding also highlights that talent management is beyond recruitment, which includes engagement, performance management, succession planning, learning and development. Theme two reflects that retention of experienced and skilled employees is a strategic necessity since employee turnover can increase onboarding, training and recruitment expenditure. Opportunities for advancement, competitive employment conditions and career development are significant aspects in employee retention.

4.2 Comparative Analysis with published literature, unexpected outcomes, implications of findings

Findings are generally supported by the existing literature that has been used in this study. In the literature, there was a direct connection between talent management and employee retention, and hence the current finding that proper talent management practices can aid in reducing turnover rates is consistent with what is seen in the literature. Furthermore, in the literature, there was an emphasis on employee engagement, development of employees, and good organisational culture as part of talent management. The current findings support the above view through highlighting the learning and development of employees, as well as their engagement as retention strategies. Technology plays a dual role in the organisation. While AI technology will make recruitment more effective, it will also be helpful in reducing mistakes, HR procedures are changing, and along with it, the needs of employees. It demonstrates that just introducing technology is not enough to sustain retention as it requires technology to be paired with development, engagement, and supportive work.

In addition, the data about the international employment opportunities and flexibility in the working environment suggests that turnover is influenced by the general labour market and that retention is therefore not only a HR issue, but more complex as well. The results have significant implications for IT companies. The results pointed out the following: there are market-specific barriers to retention, such as wage disparities and Limited career prospects. These challenges develop additional difficulties in some countries. This means that businesses must implement retention measures based on local labour demands rather than the same across the board. As shown in Theme 3, employee retention and talent management are not two distinct HR functions. Career planning, performance management, training and development, employee engagement and succession planning can function together to develop a strong and effective employee experience. The finding also highlights artificial Intelligence and digitalization as significant impacts on HR practices.

5. Conclusion

5.1 Chapter Summary

The talent management approach in the IT sector emphasises recruiting skilled candidates, prioritising learning and skill development and developing a work environment promoting innovation and growth. A positive workplace culture positions the company as the preferred company which draw top talent in the market. Oracle NetSuite's talent management is one of the effective strategies for employee retention, which focuses on the significance of aligning business objectives with talent practices. Talent matching technologies have advantages in screening high-volume application roles, reducing discrimination in the process and removing human error. IT companies are characterised by digital transformation, international competition and ongoing innovation, for which dedicated and qualified employees are required to maintain a competitive advantage. For instance, There have been several initiatives taken by the organisation and the Government of Maldives to retain employees, even though there has been an increase in job hoppers in the country. The success of a company is highly dependent on its employee relationship with affects the business performance. Employee engagement and talent management help in improving employee performance and increasing company profitability.

5.2 Limitations

The evolving nature of the IT Industries signifies that some findings might be outdated. The potential presence of Publication bias in the available literature is a limitation associated with this study. This might influence the objectivity and balance related to the conclusion.

5.3 Recommendations

The IT companies should develop integrated retention strategies that are a combination of employee engagement, performance management, competitive career development and training. Companies are required to use digital HR technology and AI to enhance talent management along with maintaining employee-oriented practices. Monitoring the attrition trends and staff attitudes regularly helps companies pinpoint the risks of attrition.

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