



## Direct and Indirect Effects of Talent Management on Employee Retention: A Structural Equation Model for the Bangladesh Case

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### ARTICLE INFO

*Keywords:* Talent Management, Job Embeddedness, Employee Retention, PLS-Sem, Bangladesh

*Received :* 2 February 2026

*Revised :* 18 March 2026

*Accepted :* 17 April 2026

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### ABSTRACT

The present research investigates the effect of talent management (TM) on employee retention (ER) and examines the mediating influence of job embeddedness (JE) in Bangladesh's IT industry. Based on the Social Exchange Theory (SET), it explores the mechanisms through which TM influences retention. A quantitative research design was adopted using survey data collected from 250 full-time employees of IT firms in Bangladesh. The data analysis was conducted using structural equation modelling-partial least squares (PLS-SEM) and SPSS to test direct and mediating relationships. The findings suggest that TM has a significant positive impact on both ER and JE. JE also significantly influences ER. Importantly, JE significantly mediates the relationship between TM and ER. IT firms should implement structured talent strategies that enhance career development, supportive leadership, and relational bonds to strengthen employee embeddedness and long-term retention. This study addresses a critical gap by empirically examining JE as a mediator between TM and ER in the Bangladeshi IT context. By integrating SET with the job embeddedness framework, it advances theoretical understanding of exchange-based retention mechanisms in a developing economy

## **INTRODUCTION**

Information Technology (IT) sector is one of the most dynamic and vital economic drivers in Bangladesh (Renuja & Asanka, 2025). The country's IT sector added more than USD 1 billion to Bangladesh's national revenue in 2020, which is expected to grow at over 20% every year, according to the Bangladesh Association of Software and Information Services (BASIS). According to Abdulbaten et al. (2026), the industry provides jobs for over 400,000 people-digital marketers to software engineers- and is growing as an important pillar of the country's dreams to transform into a global IT hub. Nevertheless, even though such growth is being experienced, the IT industry is struggling to keep knowledgeable employees due to high turnover rates which has become a serious challenge (Rahman et al., 2023). The competitive nature of the industry, as well as a worldwide need for IT talent, has only made retaining professionals even more challenging (Renuja & Asanka, 2025).

The role of Talent Management (TM) in overcoming these retention challenges is being increasingly acknowledged. Talent management is the strategic process that an organization uses to attract, develop, motivate and retain their workforces who are necessary for the successful accomplishment of its business goals (Akanda et al., 2021). With reference to Abdulbaten et al. (2026), effective talent management practices are particularly important for IT employers, where cutting-edge skills and knowledge carry significant value and learning new things is key to retaining workers. However, even if there has been much research examining the direct association of talent management with employee retention, Job Embeddedness (JE) as a mediator between them is to some extent still unexplored. Moreover, Job Embeddedness captures the degree to which employees who are linked and embedded into their organization and involved by its culture, relationships with others in the work setting, and/or benefits received from their job (Latib & Parumasur, 2023). This is most relevant in the IT sector, where satisfaction and career enhancing opportunities are a key factor for employee retention and attrition (Renuja & Asanka, 2025).

Despite the extensive research on talent management and employee retention, there is still a gap in knowledge regarding the exact mechanisms by which the practice of talent management affects employee retention. To be more precise, no research studies investigate Job Embeddedness as a mediating factor in talent management-employee retention relationship, specifically in the case of the Bangladeshi IT industry. Although global literature has highlighted the significance of job embeddedness in the organizations' retention strategy (Jingjie et al., 2024; Wang et al., 2024), its existence in the Bangladesh IT sector that is characterized by high-technological advancement and competitive recruitment efforts has not been adequately empirically researched. Moreover, there has been limited application of the Social Exchange Theory (SET) to this context. The SET presupposes that the employer-employee relations are founded on a mutual exchange of resources (Mmamel et al., 2021). This view was supported by Tripp (2023), contends that the employees, on their part, would tend to stay within an organization when they feel that their efforts are being returned with good and

supportive management practices. Through the application of SET, the study seeks to understand the social exchange between the practices of talent management as well as employee retention, where job embeddedness functions as a mediating force in this relationship.

This research aims at exploring the association between Talent Management (TM), Job Embeddedness (JE), and Employee Retention (ER) in the IT sector of Bangladesh. The specific objectives are as follows:

1. To explore the impact of TM on ER.
2. To examine the impact of TM on JE.
3. To analyze the impact of JE on ER.
4. To investigate the mediating influence of JE in the association between TM and ER.

This study's significance lies in its potential to provide valuable insights for IT companies in Bangladesh, enabling them to optimize their talent management practices to enhance employee retention. Given the sector's increasing demand and the rapid growth for skilled work-force, understanding the factors that influence retention is crucial for sustaining this momentum. By identifying how talent management practices can enhance employee embeddedness, the study will provide a framework for improving organizational practices that not only attract but also retain top IT talent. Furthermore, our research makes a contribution to the broader academic discourse on the role of job embeddedness in organizational behavior and human resource management. By exploring this relationship in the developing economy context, this research also provides new insights into how local cultural and economic factors influence the application of global HRM theories.

The structure of this paper is as follows: The Review of Literature will discuss relevant research on talent management, job embeddedness, and employee retention, highlighting key findings and theories. The Methodology part will present the data collection methods, research design, and analysis approach. The Results section will outline the findings, followed by the Discussion, which will interpret the results. Lastly, the Recommendations and Conclusion will provide a summary of major findings, propose practical solutions for IT companies, and suggest directions for future research.

## **LITERATURE REVIEW**

### **Social Exchange Theory (SET)**

Social Exchange Theory (SET) posits that workplace relationships are built on reciprocal interactions in which employees assess the benefits and costs of their exchanges with the organisation, and positive organisational actions foster corresponding loyalty, commitment, and retention (Mmamel et al., 2021). Compared with alternative frameworks such as Human Capital Theory, which emphasises economic returns, or Person-Environment Fit Theory, which focuses

primarily on compatibility, SET is more suitable for this study because both talent management and job embeddedness rely heavily on relational, psychological, and socio-emotional exchanges rather than solely economic or structural mechanisms. Talent management practices—such as career development, recognition, training, and supportive leadership—signal organisational investment and care (Akanda et al., 2021), which according to SET motivate employees and generate a sense of obligation to reciprocate through continued membership. SET also explains the mediating role of job embeddedness by suggesting that when employees perceive supportive talent practices, they develop stronger links with colleagues, a greater sense of fit with organisational values, and heightened perceptions of what they would sacrifice by leaving. These embeddedness factors represent accumulated social and psychological exchanges that deepen employees' attachment and thereby enhance retention (Saeed & Jun, 2021). Thus, SET provides a coherent theoretical foundation for understanding both the direct association of talent management and employee retention and the indirect association operating through job embeddedness in the IT sector of Bangladesh.

#### Talent Management and Employee Retention

Prior research consistently demonstrates a positive association between talent management and employee retention, as effective talent practices strengthen employees' perceptions of organisational support and long-term career prospects. Talent management, which encompasses systematic recruitment, skill development, performance recognition, succession planning, and strategic career growth opportunities, signals that the organisation values and invests in its workforce (Kaliannan et al., 2023). Empirical studies (Achmada & Soetjipto, 2022; Urme, 2023) show that when employees perceive such investment, they report stronger organisational commitment, reduced turnover intentions, and greater willingness to remain with the organisation. Moreover, talent management enhances employees' psychological attachment by fostering a sense of competence, fairness, and professional fulfilment, which are key determinants of retention in knowledge-intensive sectors (Akanda et al., 2021). In the IT industry context—where competition for skilled professionals is high—scholarly evidence indicates that structured talent development and career advancement pathways play a crucial role in reducing voluntary turnover. Researcher like Pandey and Kaur (2021) also argue that talent management improves retention by building high-quality employee-organisation relationships, consistent with Social Exchange Theory, whereby organizational members reciprocate support from organisation with increased loyalty. Therefore, the literature provides strong justification for hypothesising that talent management will be positively associated with employee retention.

H1: TM is positively associated with ER.

#### Talent Management and Job Embeddedness

An increasing body of literature points to a clear association between talent management practices and the likelihood that employees choose to remain with an organisation. In their study, Kaliannan et al. (2023) contended that talent-focused initiatives—such as targeted development programmes, structured

career pathways, fair performance evaluation, and opportunities for skill enhancement – show that these functions assist in creating a work atmosphere where employees feel supported and valued. When organisations actively invest in nurturing employee potential, individuals tend to develop stronger feelings of stability, confidence, and future growth within the organisation, which in turn discourages voluntary turnover (Li et al., 2025; Sender & Eberly, 2025). Prior empirical work of Latib and Parumasur (2023) in both service and knowledge-based sectors highlights that talent-oriented strategies reduce retention risks by improving job satisfaction, strengthening organisational commitment, and enhancing employees' perceptions of long-term career prospects. Researchers like Mohamadabadi et al. (2025) further noted that employees are more inclined to remain where they perceive consistent recognition and meaningful professional development. Given this evidence, it is reasonable to expect that well-designed talent management systems play a central role in reinforcing employees' intention to stay, thereby supporting the hypothesis that talent management has positive association with employee retention.

H2: TM is positively associated with JE.

#### Job Embeddedness and Employee Retention

Scholarly literature widely recognises that job embeddedness primarily predict employee retention, as it captures the level to which organizational staff have a feeling of connection to their work environment through social ties, value alignment, and perceived sacrifices associated with leaving. A study carried out by Jingjie et al. (2024) demonstrated that employees who experience strong links with colleagues and supervisors, who feel a good fit with organisational culture and job demands, and who anticipate significant personal or professional losses if they exit are substantially less inclined to leave their organisations. Study of Wang et al. (2024) across various sectors consistently show that embedded employees develop deeper psychological attachment and stability, leading to lower turnover intentions and longer organisational tenure. Furthermore, job embeddedness incorporates both off-the-job and on-the-job factors, making it a more comprehensive explanation of retention compared to traditional attitudinal constructs (Saeed & Jun, 2021). Prior empirical findings of Aman-Ullah et al. (2022) also highlight that embeddedness strengthens employees' sense of continuity and belonging, which reinforces their motivation to remain despite external job opportunities. In light of this evidence, the literature offers strong justification for the hypothesis that the increased-level of job embeddedness is positively related to employee retention.

H3: JE is positively associated with ER.

#### Mediating Role of Job Embeddedness

Scholarly studies indicate that job embeddedness acts a central mediating influence in explaining how talent management influences employee retention. While talent management practices—such as skill development, career progression opportunities, and fair performance systems—directly enhance employees' perceptions of organisational support, these practices also shape the

extent to which employees become embedded within their work environment (Kaliannan et al., 2023). Prior study carried out by Achmada and Soetjipto (2022) show that when organisations invest in employees’ growth and recognise their contributions, individuals develop stronger links with colleagues and supervisors, experience better alignment between their abilities and organisational demands, and perceive greater sacrifices associated with leaving. These three aspects of embeddedness—links, sacrifice, and fit—collectively increase employees’ psychological attachment and reduce their likelihood of seeking employment elsewhere (Jingjie et al., 2024). This notion was supported by past scholars like Aman-Ullah et al. (2022), indicates that embedded employees are more stable, more committed, and more resistant to external job offers, highlighting that embeddedness is a crucial process by which talent practices translate into actual retention behaviour. Consequently, existing evidence provides a solid foundation for proposing that job embeddedness mediates the link between talent management and employee retention.

H4: The association between TM and ER is mediated by JE.

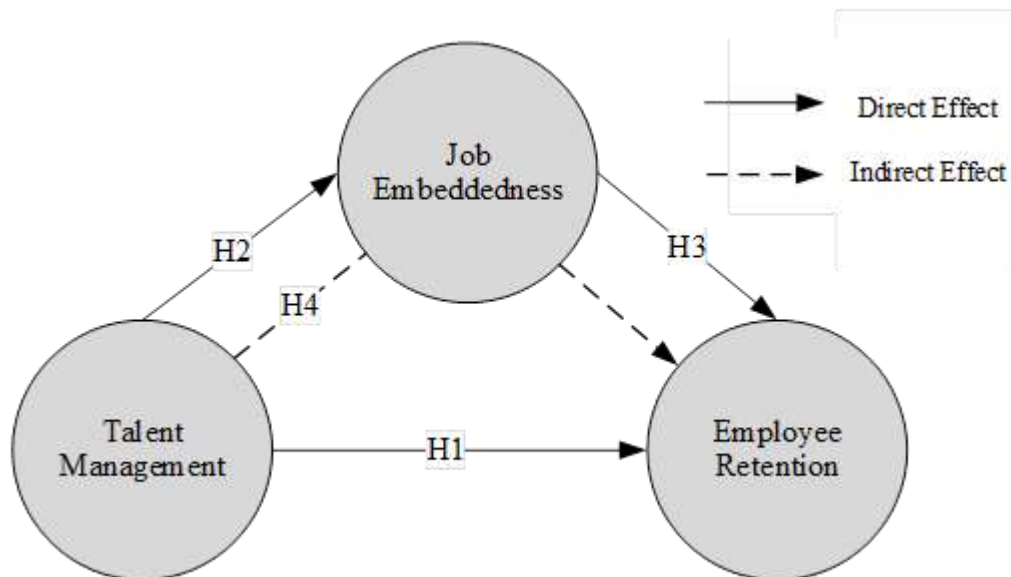


Figure 1. Hypothesized Links among the Study Variables

## METHODOLOGY

The proposed hypotheses were empirically investigated using a quantitative research design. In particular, the cross-sectional form of data collection was used to test the hypothesized structural relationships. The paper develops hypotheses to examine the influence of talent management and job embeddedness on employee retention of IT employees in Bangladesh. Based on this, the sample size was limited to those people holding full-time job position in the IT industry. The research setting was chosen to be Bangladesh because the country is developed in terms of information technology, with a significant number of national investments in information technology infrastructure and mobile technologies. The data collected was first pre-screened by predefined criteria and then analyzed by Structural Equation Modeling-Partial Least Squares (PLS-SEM).

## **Measurement**

All measurement scales used in this study were based on existing scholarly literature. A five-point Likert scale with 1 (strongly disagree) to 5 (strongly agree) was used to measure all variables. A questionnaire with 27 items was used to investigate the concept of talent management (TM), job embeddedness (JE), and employee retention (ER). TM was measured using twelve items from Tiwari and Shrivastava (2013). The instrument in general displayed satisfactory internal consistency (0.84). Job embeddedness was also determined by the seven-item scale developed by Crossley et al. (2007) with high reliability (0.93). Measurement of employee retention was done using a scale of eight items that were scaled down to Kynndt et al. (2009), and the scale demonstrated high reliability (Cronbachs 0.95). The data on the questionnaire was also validated before it was administered to participants to ensure content and face validity. Three academic experts in a public university were asked to provide feedback on the adequacy and representativeness of the measures. The face validity was then further tested by ten PhD students enrolled at the same institution to determine clarity, avoid ambiguous or double-barreled questions as well as the clarity and structure of the questionnaire layout.

## **Population and Sampling**

The research design used in this study was a survey-based research design with the convenience sampling method because it was impossible to get a complete sampling frame of full-time employees in all IT companies in Bangladesh and institutional constraints did not allow probability sampling. Convenience sampling, therefore, facilitated selection of the cases that were relevant and fitted in the study objectives of collection of data efficiently using a limited number of firms, which corresponded to the explanatory aims of the study. The sampling frame was restricted to IT-based companies that operated in Bangladesh. Convenience sampling was employed in both physical and online methods to distribute 980 questionnaires. Among them, 250 valid responses were received, which gives the response rate of 25.51. The past research on HRM field suggests that the rate of between 6 to 28 percent is acceptable (Becker & Huselid, 1998).

Given that the study is in a multi-method format, we employed different methods of determining the sample size to make sure that the findings were valid, accurate and defensible, with little chances of inadequate hypothesis test power. First, we applied to the G\*Power procedure to estimate the necessary sample size. At the effect size of 0.05, power of 0.95 and unidirectional path to the endogenous construct, the minimal sample size was established at 107. Besides, Hair et al. (2011) suggest that PLS-SEM requires a sample size of 100 and above respondents to provide solid results. On the basis of such recommendations, we intended to have a target population of 250 to improve the reliability and validity of this survey-based, cross-sectional study.

## **Data Collection**

The information was collected using a self-administered questionnaire given both in print and online. The instrument was aimed at analyzing the association between talent management, job embeddedness, and employee retention, and it had four parts, comprising of demographic data of IT employees.

The target population consisted of full-time employees working in IT firms located in the district of Dhaka and Chittagong. Relatedly, full-time workers are more likely to have a positive attitude and behavior towards their organization compared to part time workers hence the selection of full-time workers to use in this study.

### **Data Analysis**

The initial processing of data involved SPSS and partial least squares-structural equation modeling (PLS-SEM) with the help of SmartPLS. Coding, data entry and preliminary checks were done by using SPSS so that the dataset was prepared to be modeled. Harman single factor test was used to evaluate the possibility of common method variance (CMV), which showed that CMV had no significant influence on the dataset because no one factor was predominant in the variance. Then, the measurement model was defined and tested to identify the structural relationships between talent management, job embeddedness, and employee retention with the help of PLS-SEM in SmartPLS 4 and to test the hypotheses. PLS-SEM was considered to be suitable because it is suitable to theory-building, predictive research and to complex models with many constructs and relationships with flexible assumptions of distribution.

## **RESULT**

### **Respondents' Demographic Details**

Referring to Table 1, the survey incorporated 250 respondents, predominantly male (67%), and female consisting 33%. A Majority of participants (58%) had age of 25–30 years, followed by 31–35 years (22%). Most respondents completed Master's degree (47%) and Bachelor's degree (33%). The highest group had 11–15 years of service (39%), followed by 5–10 years of service (29%). This indicates a males-majority and young sample of highest degree of education with adequate job experience.

Table 1. Demographic Characteristics of Respondents

Details	N	%
Gender	N	%
Male	155	62
Female	95	38
Age	N	%
25 – 30 years	132	53
31 – 35 years	62	25
36 – 40 years	40	16
41 or Higher	16	6
Education	N	%
Diploma	37	15
Bachelor’s degree	82	33
Master’s degree	118	47
Others	13	5
Years of Service	N	%
Below 5 years	26	10
5-10 years	72	29
11-15 years	98	39
Above 15 years	54	22
Total	250	100

### Model Assessment

PLS-Structural Equation Modeling (PLS-SEM) was used through SmartPLS4, as suggested by Hair et al. (2017). This method has multiple benefits, such as maximization of the explained variance of the dependent variables, supporting formative and reflective measurement models, and facilitates complex structure of frameworks (Hair et al., 2017). The research used the two-stage approach to evaluating the measurement model (validity and reliability) and the structural model (verifying the proposed relationships) as suggested by Anderson and Gerbing (1988) (Henseler et al., 2016). Finally, a bootstrapping analysis involving 5,000 resamples that was recommended by Hair et al. (2017) was performed to establish the significance of path coefficients and factor loadings.

### Test of the Measurement Model

The variable associations were measured using indicator reliability, internal consistency, and discriminant and convergent validities as done by Henseler et al. (2016). First, Cronbach alpha, composite reliability (CR) and factor loadings were determined using the recommendations of Ringle et al. (2012). These findings were within the generally accepted threshold values (see Table 2). All the factor loading values were more than 0.50, CR values were more than 0.80, and the Cronbach alpha scores were more than 0.70, which proved the sufficiency

of the measurement model, as reported by Hair et al. (2017) and Anderson and Gerbing (1988).

The convergent validity was determined In line with Henseler et al. (2016) through investigating average variance extracted (AVE), and the AVE of each of the constructs exceeded the 0.50 criterion, which guarantees sufficient convergent validity (Table 2).

Table 2. Measurement Model Assessment

Variables	CR (>0.8)	AVE (>0.5)	Cronbach's Alpha (>0.7)
Talent Management	0.823	0.627	0.763
Job Embeddedness	0.852	0.616	0.848
Employee Retention	0.871	0.532	0.851

Note(s): CR= Composite Reliability; AVE= Average Variance Extracted.

In the case of discriminant validity, Heterotrait - Monotrait (HTMT) ratio was computed in accordance with Henseler et al. (2015), and the values of the HTMT are below the 0.85 mark, which proves adequate discriminant validity (Table 3).

Table 3. The Method of HTMT

Variables	1	2	3
1. Job Embeddedness			
2. Employee Retention	0.571		
3. Talent Management	0.425	0.627	

### Test of the Structural Model

The structural model was subjected to testing after confirming the validity and reliability of measurement model. In line with Hair et al. (2017), the entire model was subjected to PLS bootstrapping with 5,000 resamples to obtain t-statistics of path estimates. Considering the directionality of the hypotheses, the estimation of significance involved a one-tailed test.

As shown in Table 4, both H1 and H2 were supported, with significant positive effects of TM on ER ( $\beta = 0.251$ ,  $t = 6.331$ ,  $p < 0.01$ ) and JE ( $\beta = 0.325$ ,  $t = 7.812$ ,  $p < 0.01$ ). Additionally, JE positively predicted ER ( $\beta = 0.364$ ,  $t = 8.205$ ,  $p < 0.01$ ), supporting H3.

Preacher and Hayes (2008) suggest that 5,000 bootstrapping resamples would be used to test whether JE was a mediator. Table 4 confirms that JE strongly mediates the TM-ER relationship ( $\beta = 0.136$ ,  $t = 4.171$ ,  $p < 0.01$ ), supporting H4.

Table 4. The Findings of Hypotheses Testing (Direct and Indirect Associations)

Hypotheses	Association	Beta	SE	t-value	Decision
H1	TM→ER (Direct)	0.251	0.032	6.331	Supported
H2	TM→JE (Direct)	0.325	0.041	7.812	Supported
H3	JE→ER (Direct)	0.364	0.048	8.205	Supported
H4	TM→JE→ER (Indirect)	0.136	0.022	4.171	Supported

Note(s): TM= Talent Management, JE= Job Embeddedness, ER= Employee Retention.

## DISCUSSION

Talent management is central to this study's purpose, and the findings clearly show that effective talent management practices are positively associated with employee retention, fully supporting the proposed hypothesis. This result is supported by Pandey and Kaur (2021), suggests that when organizations invest in identifying, developing, and engaging high-potential employees, workers tend to feel valued as well as committed, leading to higher retention levels. Social Exchange Theory further explains this outcome by proposing that employees reciprocate organizational support—such as development opportunities and fair recognition—through loyalty and continued service. These findings align with prior studies (Akanda et al., 2021; Urme, 2023) showing that structured talent development programs enhance retention by strengthening employee-organization relationships and creating long-term commitment. Earlier scholars namely Achmada and Soetjipto (2022) have consistently reported that opportunities for growth, leadership development, and career progression significantly reduce turnover intentions, reinforcing the idea that employees remain with organizations that actively invest in their professional growth. Together, the present study and past evidence underline that talent management is not only a strategic HR practice but also a critical driver of employee retention, supported both theoretically and empirically.

This study's findings imply that talent management is positively associated with job embeddedness, fully supporting the proposed hypothesis. This result is consistent with the notion of Li et al. (2025) and Mohamadabadi et al. (2025), suggests that when organizations effectively identify, develop, and support their employees through structured talent practices, individuals have more likelihood to foster stronger connections, greater perceived sacrifice, and a sense of fit associated with leaving the organization. Social Exchange Theory helps explain this relationship by arguing that employees reciprocate organizational investments—such as growth opportunities, recognition, and career development—through deeper attachment and a stronger desire to remain. The current finding aligns closely with previous study of Sender and Eberly (2025) showing that talent development initiatives enhance employees' psychological attachment, strengthen workplace relationships, and increase their motivation to stay embedded within their roles. Prior researchers (Latib & Parumasur, 2023) have also emphasized that supportive HR practices foster a sense of belonging and alignment between employees and organizational values, that in turn enhances job embeddedness. These consistent results across studies demonstrate that talent management plays a strategic role in cultivating the conditions that anchor employees to their jobs, reinforcing both theoretical expectations and empirical evidence.

The results of the current study confirm that job embeddedness is positively associated with employee retention, providing strong support for the proposed hypothesis. This result indicates that employees who feel a greater sense of fit with

their organization, maintain strong work-related links, and perceive higher costs associated with leaving tend to remain with their employer (Jingjie et al., 2024). Grounded on the Social Exchange Theory perspective, this relationship is expected because employees who experience supportive relationships, meaningful connections, and organizational investment develop a sense of commitment and reciprocate by staying committed to the firm. This outcome is consistent with previous research (Aman-Ullah et al., 2022; Wang et al., 2024) showing that job embeddedness significantly reduces turnover intentions by strengthening employees' psychological and social attachment to their workplace. Earlier study of Saeed and Jun (2021) have also demonstrated that embedded employees tend to form deeper interpersonal ties and perceive their job as integral to their identity, which increases their likelihood of staying. Collectively, past evidence and the present study reinforce the notion that job embeddedness acts as a powerful retention mechanism, anchoring employees to their jobs and organizations through both social and structural connections.

The findings of this study reveal that job embeddedness significantly mediates the relationship between talent management and employee retention, providing strong support for the proposed hypothesis. This result is supported by Akanda et al. (2021), suggests that when organizations effectively implement talent management practices – such as employee development, recognition, and career growth initiatives – these efforts first strengthen employees' sense of fit, links, and perceived sacrifice, which in turn enhances their likelihood of remaining with the organization. Social Exchange Theory supports this mechanism by proposing that employees reciprocate organizational investments by forming deeper attachments and showing greater commitment, thereby becoming more embedded and less inclined to leave. This mediated relationship aligns with previous research of Urme (2023), indicating that talent-focused HR practices indirectly influence retention through enhanced psychological and social bonds within the workplace. Past studies (Achmada & Soetjipto, 2022; Pandey & Kaur, 2021) have further emphasized that employees who experience developmental support and positive organizational treatment tend to develop stronger embeddedness, which subsequently reduces turnover intentions. The consistency between these earlier findings and the present study reinforces the understanding that job embeddedness plays a pivotal explanatory role in how talent management ultimately contributes to higher employee retention.

## **CONCLUSION**

This study concludes that talent management is a pivotal driver of employee retention in Bangladesh's information technology sector, both directly and indirectly through job embeddedness. Consistent with Social Exchange Theory, the findings suggest that when IT firms invest in structured talent practices – such as career development opportunities, supportive leadership, and fair recognition – employees are more likely to reciprocate with stronger attachment and a greater intention to remain. The results further demonstrate that job embeddedness significantly enhances retention and serves as a key mediating mechanism, indicating that talent initiatives are most effective when they

strengthen employees' fit with the organization, relational links, and perceived sacrifices associated with leaving. Methodologically, evidence from a survey of 250 full-time IT employees analyzed via PLS-SEM substantiates the proposed relationships. Overall, the study extends exchange-based retention research in a developing economy and highlights embeddedness-focused talent strategies as a practical pathway for sustaining workforce stability in the Bangladeshi IT industry.

### **Implications of the Study**

The findings of this study offer important theoretical contributions to Social Exchange Theory (SET) by clarifying the mechanisms through which talent management influences employee retention in the Bangladeshi IT sector. First, the positive association between talent management and both job embeddedness and employee retention strengthens SET's core assumption that employees reciprocate organizational investments with loyalty and sustained commitment. Second, the confirmation that job embeddedness is positively related to employee retention extends SET by highlighting embeddedness as a key psychological and relational pathway through which social exchanges translate into long-term attachment. Most notably, the mediating role of job embeddedness advances the theory by demonstrating that the exchange relationship does not operate solely through direct perceptions of support but also through employees' evolving connections, sense of fit, and perceived costs of leaving. This reveals a more nuanced process in which supportive talent practices foster deeper relational and structural bonds that ultimately drive retention (Achmada & Soetjipto, 2022). By integrating SET with the job embeddedness framework, the study addresses gaps in the literature regarding how and why talent management enhances retention, and it opens new theoretical directions for exploring embeddedness as a central explanatory mechanism in exchange-based workplace relationships.

Based on the study's findings, several practical and managerial implications emerge for organizations operating in the Bangladeshi IT sector. Since talent management shows a strong positive association with employee retention, managers should prioritize structured and strategic talent practices such as transparent career progression paths, continuous skill development programs, and performance-based recognition systems. These initiatives signal organizational support and investment, which encourage employees to remain with the organization. The finding that talent management enhances job embeddedness further implies that HR leaders should create conditions that strengthen employees' sense of fit, foster meaningful workplace relationships, and highlight the value of organizational benefits that would be lost if employees leave. Practices such as mentorship programs, team-based projects, and inclusive organizational cultures can deepen interpersonal links and strengthen employees' attachment to their roles. The positive relationship between job embeddedness and retention suggests that managers should focus not only on financial incentives but also on reinforcing relational and structural connections, including supportive leadership behaviors, collaborative work environments,

and opportunities for internal mobility. Finally, the mediating role of job embeddedness indicates that talent management initiatives are most effective when they simultaneously enhance employees' sense of belonging and perceived stability. Therefore, IT firms in Bangladesh should integrate talent development with engagement-driven HR practices to cultivate a workforce that feels valued, embedded, and committed to long-term organizational membership

### **Limitations and the Way Forward**

This study is subject to several limitations that should be acknowledged to guide future research. First, the sample was restricted to full-time employees working in the Bangladeshi IT sector, which may limit the generalizability of the findings to other industries, occupational groups, and cultural contexts. Different sectors may have distinct HR practices, retention challenges, and embeddedness dynamics, suggesting that future studies should broaden the scope to include more diverse populations. Second, the use of a cross-sectional design limits the ability to draw causal inferences between talent management, job embeddedness, and employee retention. Longitudinal or experimental research designs would allow scholars to observe changes over time and more accurately determine causal pathways. Third, although this study identified job embeddedness as a mediating mechanism, other psychological or organizational factors may also shape the relationship between talent management and retention. Future research could examine additional mediators such as organizational commitment or career satisfaction to develop a more comprehensive understanding of these relationships. Fourth, the study relied exclusively on employee perceptions and did not incorporate insights from HR managers or senior leaders, whose viewpoints may provide valuable contextual and managerial perspectives. Including multiple respondent groups in future studies would enrich the analysis. Finally, given the limited research on these relationships in non-Western contexts, comparative cross-cultural investigations could explore whether the effects of talent management and job embeddedness differ between Western and non-Western settings, particularly in relation to retention outcomes.

### **RECOMMENDATIONS**

Based on the findings and the logic of Social Exchange Theory, Bangladeshi IT firms should treat talent management as a long-term exchange relationship where employees reciprocate valued organizational investments with stronger attachment and continued employment. First, organizations should institutionalize structured career development by offering transparent career paths, role-based competency frameworks, mentorship, and regular internal mobility opportunities. These practices strengthen employees perceived growth prospects and increase their fit and sacrifice perceptions, thereby deepening job embeddedness.

Second, firms should strengthen supportive leadership and fair HR processes through manager coaching, consistent performance feedback, and equitable recognition and rewards. Supervisors play a central role in shaping

daily exchange experiences; therefore, leadership development programs should prioritize interpersonal support, trust-building, and psychological safety.

Third, organizations should intentionally build relational bonds by fostering team cohesion, peer learning communities, and collaborative project structures, complemented by inclusive socialization practices for new hires. Such initiatives enhance employees' links at work and reduce turnover intentions.

Fourth, IT firms should design retention-focused talent systems that integrate competitive compensation with non-monetary benefits (flexible work, wellbeing support, learning budgets) and periodically assess embeddedness indicators (fit, links, and perceived sacrifice) through pulse surveys. HR analytics can be used to identify high-risk talent segments and tailor interventions.

Finally, industry associations and policymakers may encourage capability building by promoting professional certification pathways and standards for ethical, employee-centric talent practices, supporting sustainable retention in Bangladesh's growing IT sector.

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