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The Effect of Talent Management on Intention to Stay through Work Engagement among Private-Sector Employees

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ABSTRACT

Employee retention has become an important concern for organizations, particularly in the context of changing labor markets and increasing employee mobility. Talent Management is considered an organizational approach that can support employees' continued employment, while Work Engagement may explain how Talent Management influences employees' intention to remain with an organization. This study aims to examine the effect of Talent Management on Intention to Stay through Work Engagement among private-sector employees in Makassar City. A quantitative approach with a cross-sectional explanatory survey design was employed. Data were collected from 200 permanent and contract employees who had worked in their organizations for at least one year and were selected using purposive sampling. The data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4. The results show that Talent Management has a positive and significant effect on Work Engagement, while Work Engagement has a positive and significant effect on Intention to Stay. In contrast, Talent Management does not have a significant direct effect on Intention to Stay. However, the indirect effect of Talent Management on Intention to Stay through Work Engagement is positive and significant, indicating an indirect-only mediation pattern. These findings suggest that Talent Management contributes to employees' intention to remain with their organizations primarily by strengthening their engagement with work. The study contributes to the understanding of Work Engagement as a mechanism linking Talent Management with Intention to Stay and highlights the importance of designing Talent Management practices that foster meaningful and engaging work experiences.

1. Introduction

Employee retention has become a strategic concern for organizations because employee turnover not only increases recruitment and training costs but may also disrupt work continuity, lead to the loss of organizational knowledge, and undermine organizational stability (Hom et al., 2017). In an increasingly dynamic labor market, organizations need not only to attract competent employees but also to create conditions that encourage them to continue their careers within the organization. This willingness is reflected in intention to stay, which refers to an individual's tendency to maintain an employment relationship and remain with the organization in the future (Tett & Meyer, 1993).

One approach used by organizations to strengthen workforce sustainability is Talent Management. This practice concerns an organization's ability to attract, develop, and retain the talent required to achieve both current and future objectives (Collings & Mellahi, 2009). Weng et al (2023) conceptualized Talent Management through three measurement components: talent attraction, talent development, and talent retention. Durai and Viji (2022) showed that Talent Management can be conceptualized more broadly through five dimensions: talent attraction, talent identification, talent development, talent retention, and talent culture. These differences indicate that the structure of Talent Management may be adapted to the focus and context of a study while remaining centered on organizational efforts to attract, develop, and retain talent.

Talent Management practices can signal an

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organization's willingness to invest in employee development (De Boeck et al., 2018). Opportunities for growth, support for competency development, and prospects for career continuity can foster positive perceptions of the organization. However, the existence of Talent Management programs does not necessarily make employees willing to stay automatically. Their effects may operate through psychological experiences that make employees more energetic, dedicated, and engaged in their work. In this study, this mechanism is explained through Work Engagement.

The term Work Engagement was selected to ensure consistency between the conceptual construct and the measurement instrument. Weng et al (2023) directly examined the relationships among Talent Management, Work Engagement, and Intention to Stay and identified positive relationships among these constructs. Their study also confirmed the mediating role of Work Engagement in the relationship between Talent Management and Intention to Stay. Work Engagement represents a positive work-related state characterized by vigor, dedication, and absorption, with its focus on an individual's engagement in work activities (Bakker et al., 2008; Schaufeli et al., 2002).

Empirical research on talent management, engagement, and employee retention has developed across various contexts. Soon et al (2025) examined talent retention in the Malaysian semiconductor industry, while Alzghoul and Khaddam (2024) investigated Talent Management and employee retention in the banking sector. Menezes et al. (2025) positioned psychological empowerment as a mechanism in the relationship between Talent Management and Employee Retention. Mohaimen et al. (2025) demonstrated that Work Engagement is associated with talent turnover intention. In the Indonesian context, Made Budiana and Supriyati (2019) examined Talent Management strategies and employee engagement, while Prajnanta et al. (2026) positioned spiritual employee engagement as a mediator of turnover intention.

Nevertheless, research specifically examining a more parsimonious model of Talent Management → Work Engagement → Intention to Stay among private-sector employees across different organizations in Makassar City remains limited within the body of literature reviewed in this study. Weng et al (2023) examined the most closely related model, but their study was conducted among employees in Taiwan and additionally incorporated perceived organizational support and work-life balance. The present study proposes a more parsimonious model by positioning Work Engagement as the sole mediator and examining it in the context of private-sector employees in Makassar City.

Based on the preceding discussion, this study aims to examine the effect of Talent Management on Intention to Stay through Work Engagement among private-sector employees in Makassar City.

2. Literature Review

2.1. Conceptual and Theoretical Foundations

2.1.1. Social Exchange Theory

Social Exchange Theory (SET), developed by Blau (1964), serves as the grand theory underpinning this study. SET explains social relationships as an exchange process that develops when one party provides benefits to another, thereby creating an obligation to reciprocate. The principle of reciprocity provides an important foundation for explaining exchange relationships between organizations and employees (Cropanzano & Mitchell, 2005). In an organizational context, such exchanges are not limited to economic rewards but may also include support, development opportunities, recognition, trust, and positive treatment received by employees.

Within the research model, Talent Management is positioned as a form of organizational investment in employees through efforts to attract appropriate talent, provide development opportunities, and create conditions that support talent sustainability. Based on Social Exchange Theory, when employees perceive these investments positively, they may reciprocate through stronger engagement with their work (Work Engagement) and a greater tendency to maintain their employment relationship with the organization (Intention to Stay).

2.1.2. Talent Management

Talent Management is an organizational approach aimed at ensuring the availability of individuals whose capabilities and potential align with organizational needs through the processes of attracting, developing, and retaining talent. Weng et al (2023) measured Talent Management using 11 items encompassing talent attraction, talent

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development, and talent retention. This structure provides clear conceptual boundaries and serves as the primary basis for measuring Talent Management in this study.

The literature indicates that Talent Management may encompass a broader range of dimensions. Durai and Viji (2022) developed a Talent Management scale in the context of start-up companies in India and identified five dimensions: talent attraction, talent identification, talent development, talent retention, and talent culture. These findings indicate that talent identification and talent culture may also constitute important aspects of Talent Management, depending on organizational objectives and contexts.

This study adopts the structure proposed by Weng et al (2023) to maintain consistency between the conceptual model and the measurement instrument, comprising talent attraction, talent development, and talent retention. Durai and Viji (2022) are used as a supporting reference to demonstrate the broader conceptual scope of Talent Management rather than to incorporate all of their dimensions into the measurement instrument. Accordingly, Talent Management in this study is understood as employees' perceptions of the organization's ability to attract appropriate talent, provide development opportunities, and create conditions that support talent sustainability within the organization.

2.1.3. Work Engagement

Work Engagement refers to a positive psychological state directly related to work. Schaufeli et al. (2002) conceptualized engagement through three dimensions: vigor, dedication, and absorption. Vigor reflects energy and persistence at work, dedication refers to enthusiasm, pride, and a sense of meaningfulness in one's work, while absorption describes deep involvement and full concentration in work activities.

Weng et al (2023) measured Work Engagement using eight items developed from Schaufeli et al. (2002) and found that Work Engagement was positively associated with Intention to Stay. Their study also demonstrated a positive relationship between Talent Management and Work Engagement. Theoretically, when employees receive development opportunities and perceive organizational investment in their growth, these experiences can enhance their energy, dedication, and engagement in their work.

In this study, Work Engagement is positioned as a psychological mechanism that explains how Talent Management translates into employees' willingness to stay. The use of Work Engagement rather than Employee Engagement also ensures consistency between the terminology of the construct and the measurement scale used as the primary reference.

2.1.4. Intention to Stay

Intention to Stay refers to an employee's tendency or willingness to continue working for and maintain an employment relationship with the organization in the future. This construct differs from actual employee retention. Retention reflects the actual condition of employees remaining within an organization, whereas Intention to Stay focuses on an individual's plans and willingness to remain with the organization.

Intention to Stay is measured using four items employed by Weng et al (2023), which were adapted from Kim and Ausar (2018). Weng et al (2023) found that Talent Management and Work Engagement were positively associated with Intention to Stay. The use of this construct is appropriate for the cross-sectional design of the present study because the data capture employees' perceptions and intentions at a single point in time rather than relying on administrative records of actual employee entry and exit.

In this study, Intention to Stay represents the tendency of private-sector employees in Makassar City to maintain their employment relationship and continue their careers with their current organizations.

2.2. Review of Empirical Studies

Previous studies have examined the relationships between Talent Management, Work Engagement, and employees' intention to remain with their organizations. Weng et al (2023) found that Talent Management was positively associated with Work Engagement and Intention to Stay, while Work Engagement also demonstrated a positive relationship with Intention to Stay. Their findings further established the mediating role of Work Engagement in the relationship between Talent Management and Intention to Stay. These results

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provide direct empirical support for the proposed research model.

Durai and Viji (2022) demonstrated that Talent Management practices were positively associated with employee engagement in start-up companies in India, highlighting the importance of talent attraction, identification, development, retention, and talent culture. Similarly, Saks (2006) explained employee engagement through the perspective of Social Exchange Theory, suggesting that organizational resources and support can encourage positive employee responses. De Vos and Meganck (2008) also emphasized the importance of career development and retention practices in understanding employees' decisions to remain with their organizations.

More recent studies have extended this discussion to employee retention and turnover-related outcomes. Alzghoul and Khaddam (2024) highlighted the contribution of Talent Management to employee retention in the banking sector, while Menezes et al. (2025) reported that Talent Management contributes to Employee Retention. Mohaimen et al. (2025) also examined the relationship between Work Engagement and talent turnover intention, providing a complementary perspective on the role of employee engagement in employment-related decisions.

Although these studies provide a foundation for understanding the relationships among the research variables, further examination is warranted in the context of private-sector employees in Makassar City. Differences in organizational environments and employee perceptions may influence how Talent Management practices relate to Work Engagement and Intention to Stay. Therefore, this study examines both the direct effects of Talent Management on Work Engagement and Intention to Stay and the mediating role of Work Engagement in the relationship between Talent Management and Intention to Stay.

2.3. Identification of the Research Gap

Previous studies have established the relevance of Talent Management in enhancing employee engagement and supporting employee retention. Weng et al (2023) provide the closest empirical foundation for this study by examining the relationships among Talent Management, Work Engagement, and Intention to Stay, including the mediating role of Work Engagement. Other studies have examined related outcomes, such as employee engagement, employee retention, and turnover intention, in different organizational settings (Durai & Viji, 2022; Alzghoul & Khaddam, 2024; Menezes et al., 2025; Mohaimen et al., 2025).

Nevertheless, the present study addresses a contextual gap by examining these relationships among private-sector employees in Makassar City. It also integrates the direct relationships between Talent Management and Intention to Stay, Talent Management and Work Engagement, and Work Engagement and Intention to Stay within a single research model, while assessing Work Engagement as a mediating variable. This integrated approach enables the study to examine not only whether Talent Management is associated with employees' intention to remain but also whether this relationship operates through employees' psychological engagement with their work.

The novelty of this study lies in applying the integrated research model to the context of private-sector employees in Makassar City, using Social Exchange Theory to explain the proposed relationships. Talent Management is conceptualized through talent attraction, talent development, and

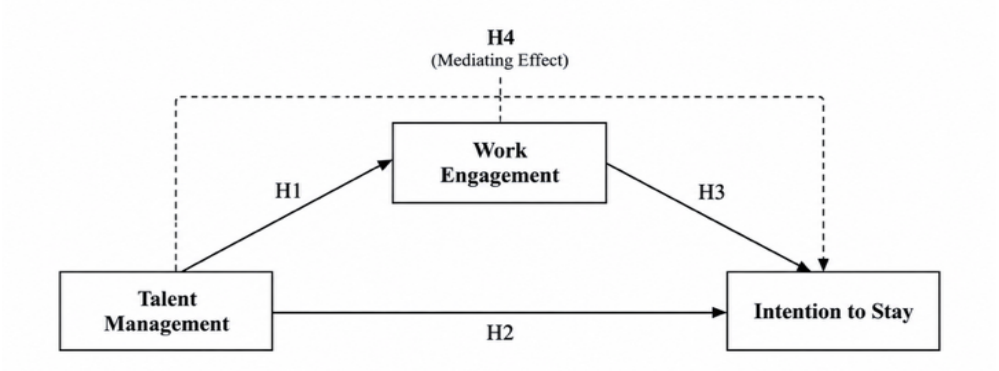


Fig. 1. Conceptual Framework

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talent retention; Work Engagement is examined as the mediating mechanism; and Intention to Stay represents employees' willingness to continue their employment relationship with their current organizations. Accordingly, this study is expected to contribute contextual evidence to the literature on Talent Management and employee retention-related outcomes.

2.4. Development of the Conceptual Framework

Based on the theoretical foundation and hypothesis development, this study positions Talent Management as the exogenous variable, Work Engagement as the mediating variable, and Intention to Stay as the endogenous variable.

2.5. Hypothesis Development Hypotheses or Research Propositions

2.5.1. Effect of Talent Management on Work Engagement

Talent Management reflects organizational investment in attracting and developing talent and creating conditions that support employee sustainability. According to Social Exchange Theory, such investment can generate reciprocal responses in the form of stronger engagement in work. This perspective is consistent with Saks (2006), who demonstrated that engagement can be understood through the principles of social exchange, whereby resources and support provided by the organization encourage positive responses from employees. Weng et al (2023) found a positive relationship between Talent Management and Work Engagement. Similarly, Durai and Viji (2022) showed that Talent Management practices were positively associated with engagement among employees of start-up companies. Based on these arguments, more positive employee perceptions of Talent Management are expected to result in higher levels of Work Engagement.

H1: Talent Management has a positive effect on Work Engagement.

2.5.2. Effect of Talent Management on Intention to Stay

Talent Management can help employees recognize opportunities for development and long-term career prospects within the organization. Career development opportunities and retention practices are also important factors in understanding why employees choose to maintain their employment relationship with an organization (De Vos & Meganck, 2008). Weng et al (2023) found a positive relationship between Talent Management and Intention to Stay. Findings related to employee retention also indicate a similar pattern. Alzghoul and Khaddam (2024) demonstrated the role of Talent Management in enhancing employee retention in the banking sector, while Menezes et al. (2025) showed that Talent Management contributes to Employee Retention. Therefore, positively perceived Talent Management practices are expected to strengthen employees' intention to remain with the organization.

H2: Talent Management has a positive effect on Intention to Stay.

2.5.3. Effect of Work Engagement on Intention to Stay

Employees with high levels of energy, dedication, and involvement in their work tend to develop a more positive relationship with their work. Weng et al (2023) found that Work Engagement was positively associated with Intention to Stay. Mohaimen et al. (2025) also demonstrated that Work Engagement is associated with talent turnover intention. These findings provide a basis for suggesting that stronger engagement with work can increase employees' intention to maintain their employment relationship with the organization.

H3: Work Engagement has a positive effect on Intention to Stay.

2.5.4. Mediating Role of Work Engagement

The effect of Talent Management on Intention to Stay may operate through employees' psychological responses to talent management practices. When Talent Management programs are genuinely perceived as organizational support for employee development and long-term career prospects, employees may exhibit higher levels of Work Engagement. This stronger engagement may subsequently increase their intention to remain with the organization.

Weng et al (2023) provide the most direct empirical evidence for this mechanism by confirming the mediating role of Work Engagement in the relationship between Talent Management and Intention to Stay. Based on Social Exchange Theory and these empirical findings, Work Engagement is

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expected to serve as a mechanism that links organizational investment through Talent Management with employees' intention to maintain their employment relationship with the organization. **H4:** Work Engagement mediates the effect of Talent Management on Intention to Stay.

3. Research Methods

3.1. Research Design

This study employed a quantitative approach with an explanatory, cross-sectional survey design to examine the effect of Talent Management on Intention to Stay through Work Engagement. This design was appropriate for testing the hypothesized relationships among the research variables based on data collected at a single point in time. Partial Least Squares Structural Equation Modeling (PLS-SEM) was used to evaluate the measurement and structural models.

3.2. Research Context and Setting

The study was conducted among private-sector employees in Makassar City, Indonesia. This setting was selected to examine how organizational talent management practices relate to employees' work engagement and intention to remain with their current organizations. The study focused on employees working in private-sector organizations rather than business owners or freelancers.

3.3. Population and Sample / Research Participants

The study population comprised private-sector employees in Makassar City, with a total of 200 respondents selected using purposive sampling. Eligible participants were permanent or contract employees who had worked for their current organizations for at least one year. Business owners and freelancers were excluded from the sample. Sample size adequacy for PLS-SEM was assessed using the inverse square root method developed by Kock and Hadaya (2018). Assuming a minimum path coefficient of 0.20 at a 5% significance level, the sample of 200 respondents met the minimum requirement for model testing.

3.4. Data Sources and Data Collection

Primary data were collected through a structured questionnaire administered to eligible private-sector employees in Makassar City. Before the main data collection, the questionnaire was pilot-tested on 30 respondents to assess its suitability for the research context. The main survey was designed to obtain employee perceptions of Talent Management, Work Engagement, and Intention to Stay.

3.3. Measurement of Variables and Research Instruments

Talent Management was measured using 11 items covering talent attraction, talent development, and talent retention, based on Weng et al (2023). Work Engagement was measured using eight items derived from the scale developed by Schaufeli et al. (2002), as employed by Weng et al (2023). Intention to Stay was measured using four items adapted from Kim and Ausar (2018). All measurement items employed a five-point Likert scale, with response options ranging from 1 to 5. These instruments were used to operationalize the three constructs consistently with the conceptual framework.

3.6. Data Analysis Techniques

Data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4. The analysis involved evaluating the measurement model and structural model. The structural model was assessed using the coefficient of determination (R^2) and path coefficients. Hypotheses were tested through bootstrapping with 5,000 subsamples. Direct and indirect effects were examined to determine the relationships among Talent Management, Work Engagement, and Intention to Stay, including the mediating role of Work Engagement.

3.7. Validity, Reliability, and Trustworthiness

The quality of the measurement model was assessed through reliability and validity testing. Internal consistency reliability was evaluated using Cronbach's alpha and composite reliability. Discriminant validity was examined using the Heterotrait-Monotrait Ratio (HTMT). These procedures were used to assess whether the measurement instruments demonstrated adequate reliability and whether the constructs were empirically distinguishable.

3.8. Ethical Considerations

The study involved collecting questionnaire

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responses from private-sector employees. Ethical considerations included informing participants about the purpose of the research, ensuring the confidentiality of their responses, and protecting the collected data. Details regarding formal ethical approval, informed consent procedures, and data protection measures should be reported in accordance with the procedures actually implemented during data collection.

3.9. Research Procedure

The research was conducted in several stages. First, the research model and hypotheses were established based on the theoretical foundations and previous empirical studies. Second, the measurement instruments were selected based on Weng et al (2023), Schaufeli et al. (2002), and Kim and Ausar (2018). Third, the questionnaire was pilot-tested on 30 respondents before the main survey was administered to 200 eligible employees. Fourth, the collected data were analyzed using SmartPLS 4 through measurement model assessment, structural model evaluation, hypothesis testing, and mediation analysis using 5,000 bootstrap subsamples.

3.10. Methodological Limitations

This study has several methodological limitations. First, its cross-sectional design captures employee perceptions at a single point in time and therefore limits the ability to establish causal relationships conclusively. Second, purposive sampling restricts the generalizability of the findings beyond the studied respondents and context. Third, the use of self-reported questionnaire data may introduce common method bias and response bias. Future research could employ longitudinal designs, broader sampling strategies, and additional data sources to strengthen causal interpretation and the generalizability of the findings.

4. Results and Discussion

4.1. Research Results

4.1.1. Sample Description and Descriptive Statistics

This study involved 200 private-sector employees in Makassar City. The respondents were permanent or contract employees who had worked for their respective organizations for at least one year. The sample was selected using purposive sampling based on the predetermined inclusion criteria. Detailed demographic characteristics and descriptive statistics, including frequencies, percentages, means, and standard deviations, should be presented if these data are available.

4.1.2. Data Quality and Preliminary Analysis

The measurement model was assessed to ensure construct reliability and discriminant validity. Reliability was evaluated using Cronbach's alpha and composite reliability, while discriminant validity was assessed using the Heterotrait-Monotrait Ratio (HTMT).

Table 1. Construct Reliability

Construct	Cronbach's Alpha	Composite Reliability	Assessment
Talent Management	0.817	0.864	Reliable
Work Engagement	0.914	0.929	Reliable
Intention to Stay	0.798	0.864	Reliable

Source: Processed primary data, 2026.

All constructs had Cronbach's alpha and composite reliability values above 0.70, indicating adequate internal consistency. Therefore, the measurement instruments demonstrated good reliability in measuring their respective constructs. Discriminant validity was subsequently assessed using HTMT with an acceptance threshold of < 0.90.

Table 2. Heterotrait-Monotrait Ratio (HTMT)

Construct Relationship	HTMT	Assessment
Talent Management – Intention to Stay	0.716	Satisfactory
Work Engagement – Intention to Stay	0.790	Satisfactory
Talent Management – Work Engagement	0.892	Satisfactory

Source: Processed primary data, 2026.

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All HTMT values were below 0.90, indicating that discriminant validity was established. The HTMT value between Talent Management and Work Engagement was the highest but remained within the acceptable threshold. These results indicate that the three constructs are empirically related while still representing distinct concepts.

4.1.3. Main Analytical Results

The structural model was evaluated using the coefficient of determination (R^2) and adjusted R^2 to assess the explanatory power of the endogenous constructs. The estimated structural relationships are illustrated in Figure 2, while the explanatory power of the model is reported in Table 3.

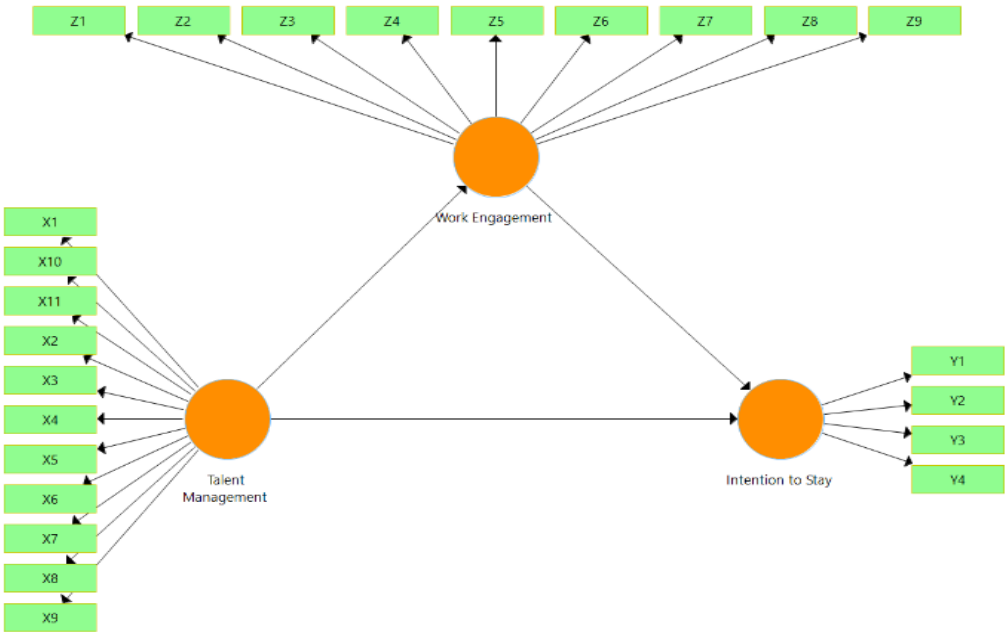


Fig. 2. PLS-SEM Structural Model Results

Figure 2 presents the structural model estimation results illustrating the relationships among Talent Management, Work Engagement, and Intention to Stay. The estimates indicate positive relationships between Talent Management and Work Engagement and between Work Engagement and Intention to Stay, whereas the direct effect of Talent Management on Intention to Stay is relatively weak. The statistical significance of the relationships among the constructs was subsequently assessed using a bootstrapping procedure.

The model's explanatory power for the endogenous constructs was assessed using R^2 values. The results are presented in Table 3.

Table 3. R-Squared Values

Endogenous Construct	R^2	Adjusted R^2
Work Engagement	0.634	0.632
Intention to Stay	0.523	0.518

Source: Processed primary data, 2026.

The R^2 value for Work Engagement indicates that Talent Management explains 63.4% of the variance in Work Engagement, while the remaining 36.6% is explained by factors outside the research model. Meanwhile, the R^2 value for Intention to Stay indicates that Talent Management and Work Engagement jointly explain 52.3% of the variance in Intention to Stay. Thus, the model demonstrates adequate explanatory power for both endogenous constructs.

4.1.4. Hypothesis Testing Results / Key Findings

Hypotheses were tested using a bootstrapping procedure. The results for the direct and indirect effects are presented in Table 4.

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Table 4. Hypothesis Testing Results

Hypothesis	Relationship	β	t-statistic	p-value	Decision
H1	Talent Management → Work Engagement	0.796	25.233	<0.001	Supported
H2	Talent Management → Intention to Stay	0.099	0.985	0.325	Not Supported
H3	Work Engagement → Intention to Stay	0.642	7.532	<0.001	Supported
H4	Talent Management → Work Engagement → Intention to Stay	0.511	7.659	<0.001	Supported

Source: Processed primary data, 2026.

The hypothesis testing results show that Talent Management has a positive and significant effect on Work Engagement, with a t-statistic of 25.233 > 1.96 and a p-value < 0.001 < 0.05. This result indicates that the effect is statistically significant; therefore, H1 is supported. In contrast, the direct effect of Talent Management on Intention to Stay has a t-statistic of 0.985 < 1.96 and a p-value of 0.325 > 0.05. As the significance criteria were not met, H2 is not supported, indicating that Talent Management was not found to have a statistically significant direct effect on Intention to Stay among the respondents in this study.

Furthermore, the effect of Work Engagement on Intention to Stay yielded a t-statistic of 7.532 > 1.96 and a p-value < 0.001 < 0.05, indicating a statistically significant effect; therefore, H3 is supported. The indirect effect of Talent Management on Intention to Stay through Work Engagement yielded a t-statistic of 7.659 > 1.96 and a p-value < 0.001 < 0.05; therefore, H4 is supported. This result demonstrates that Work Engagement significantly mediates the effect of Talent Management on Intention to Stay. Overall, of the four hypotheses tested, H1, H3, and H4 are supported because they meet the criteria of t-statistic > 1.96 and p-value < 0.05, whereas H2 is not supported because its t-statistic is < 1.96 and its p-value is > 0.05.

This pattern of results highlights the important role of Work Engagement in explaining the relationship between Talent Management and Intention to Stay. The significant indirect effect, combined with the non-significant direct effect, indicates an indirect-only mediation pattern.

4.1.5. Visual Presentation of Results

Figure 2 illustrates the estimated structural relationships among the three constructs, while Tables 1–4 summarize the construct reliability, discriminant validity, explanatory power, and hypothesis testing results, respectively. Together, these visual and tabular presentations provide a structured overview of the measurement and structural model results. The findings show that the indirect relationship between Talent Management and Intention to Stay through Work Engagement was statistically significant, whereas the direct relationship was not statistically significant.

4.2. Research Discussion

4.2.1. Interpretation of Key Findings

a. Effect of Talent Management on Work Engagement

The results show that Talent Management has a positive effect on Work Engagement. This finding indicates that the more positively employees perceive the organization's practices in attracting, developing, and retaining talent, the stronger their engagement with their work. Thus, talent management practices not only serve to ensure the availability of human resources that meet organizational needs but also contribute to creating positive work experiences.

This finding is consistent with Weng et al (2023), who found a positive relationship between Talent Management and Work Engagement. It is also in line with Durai and Viji (2022), who demonstrated that Talent Management practices are positively associated with employee engagement. The consistency of these findings across different research contexts indicates that talent management can serve as an organizational instrument for strengthening employees' engagement with their work.

This finding can be explained through Social Exchange Theory. In social exchange relationships, positive treatment received by employees from the organization can encourage reciprocal responses. This study positions Talent Management as a form of organizational investment through efforts to attract appropriate talent, provide development opportunities, and create conditions that support employees' long-term career prospects. When

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employees perceive that the organization is committed to their development, they may reciprocate through greater energy, dedication, and engagement in their work.

Therefore, Talent Management not only serves a strategic function in managing the availability of talent but also has psychological consequences for employees. Talent management practices that are genuinely perceived as beneficial can encourage employees to become more engaged in their work and willing to make greater contributions to the organization.

b. Effect of Talent Management on Intention to Stay

The results show that Talent Management does not have a significant direct effect on Intention to Stay. This finding indicates that the presence of talent management practices does not automatically lead employees to decide to remain with the organization. Employees may positively perceive talent development and management programs without necessarily considering them a direct reason for maintaining their employment relationship.

This finding is consistent with Weng et al (2023), who found that the direct effect of Talent Management on Intention to Stay was not statistically significant. Weng et al (2023) also noted that their finding was consistent with Bonneton et al., who previously reported a statistically non-significant relationship between Talent Management and Intention to Stay. Thus, the present findings provide further empirical support for the view that Talent Management does not necessarily generate employees' intention to stay through a direct mechanism.

Interestingly, Weng et al (2023) found that this relationship may differ depending on how employees perceive their position within the talent management system. When employees identified themselves as key talent, the relationship between Talent Management and intention to stay became positive and significant. This suggests that the effectiveness of Talent Management in shaping Intention to Stay may be context-dependent and influenced by how talent management practices are received and perceived by employees.

Nevertheless, the present findings differ from several previous studies indicating that Talent Management contributes to the continuity of the employment relationship. Alzghoul and Khaddam (2024) demonstrated the role of Talent Management in enhancing employee retention, while Menezes et al. (2025) showed that Talent Management contributes to Employee Retention. Therefore, previous empirical evidence suggests that the relationship between Talent Management and employees' intention to remain with an organization is not entirely consistent. These differences indicate that the effectiveness of Talent Management in retaining employees may depend not only on the existence of such practices but also on the conditions and work experiences that emerge after their implementation.

In the context of private-sector employees in Makassar City, the availability of talent development and management programs appears insufficient to directly influence employees' intention to stay. Employees may value development opportunities, career management, and retention practices provided by the organization, but these benefits may first need to be translated into positive work experiences before developing into an intention to maintain the employment relationship. This explanation is consistent with Weng et al (2023), who showed that although the direct effect of Talent Management on Intention to Stay was not significant, its indirect effect through Work Engagement was significant.

This finding can also be further explained through Social Exchange Theory. The principle of reciprocity in organization–employee relationships does not necessarily produce an immediate behavioral intention. Organizational investment through Talent Management may first generate positive psychological responses before developing into attitudes or behavioral intentions. Therefore, the non-significant direct effect of Talent Management on Intention to Stay does not imply that talent management is irrelevant to employees' decisions to remain. Instead, the finding suggests that the benefits of Talent Management need to be perceived and internalized by employees through their work experiences.

This interpretation is particularly relevant because employees' decisions to stay are not determined solely by talent management practices. Weng et al (2023) explained that intention to stay is also associated with attitudes toward work and the organization, commitment, job satisfaction, and work engagement. Employees may also consider

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development opportunities, fairness in pay and benefits, performance appraisal systems, recognition, and rewards when deciding whether to remain with an organization. This helps explain why Talent Management, as a single organizational practice, may not be sufficient to directly determine Intention to Stay.

Overall, these findings demonstrate that the effect of Talent Management on Intention to Stay is more complex than a simple direct relationship. The consistency of the present findings with Weng et al (2023) and the findings they cited from Bonneton et al. strengthens the argument that Talent Management requires certain psychological mechanisms to translate into employees' intention to stay. In this study, this mechanism is represented by Work Engagement, which was found to mediate the relationship between Talent Management and Intention to Stay.

c. Effect of Work Engagement on Intention to Stay

The results show that Work Engagement has a positive effect on Intention to Stay. Employees who are strongly engaged in their work tend to have a greater intention to maintain their employment relationship with the organization. In this study, Work Engagement represents a positive work-related state reflected in vigor, dedication, and absorption. Highly engaged employees demonstrate energy and persistence in performing their work, enthusiasm and pride in their jobs, and deep involvement in work activities. These conditions increase the psychological value of work and may consequently strengthen employees' intention to remain with the organization.

This finding is consistent with Weng et al (2023) who found a positive relationship between Work Engagement and Intention to Stay. It is also in line with Mohaimen et al. (2025), who demonstrated the relevance of Work Engagement in explaining talent turnover intention. These findings provide further evidence that engagement with work is an important factor in understanding the continuity of the employment relationship.

From the perspective of Social Exchange Theory, Work Engagement can be understood as a positive employee response to experiences and resources received from the organization. When the exchange relationship generates work experiences that employees perceive as valuable, they tend to invest greater energy and attention in their work. At the same time, these positive experiences provide psychological reasons for employees to maintain their employment relationship with the organization.

These findings suggest that employees' decisions to stay are not influenced solely by formal organizational policies. Employees' experiences while performing their work also play an important role. Employees who feel energetic, dedicated, and deeply involved in their work are more likely to develop a stronger intention to continue their employment with the organization.

d. Mediating Role of Work Engagement

The results show that Work Engagement mediates the effect of Talent Management on Intention to Stay. This finding is reinforced by the non-significant direct effect of Talent Management on Intention to Stay and the significant indirect effect through Work Engagement. This pattern indicates indirect-only mediation, suggesting that the effect of Talent Management on employees' intention to stay primarily operates through the development of Work Engagement.

This finding is consistent with Weng et al (2023). Their study showed that the direct effect of Talent Management on Intention to Stay was not significant, whereas the indirect effect through Work Engagement was significant. Thus, the present study provides additional empirical evidence that Work Engagement plays an important role in translating Talent Management practices into employees' intention to remain with the organization.

The consistency with Weng et al (2023) is important because it demonstrates that the benefits of Talent Management are not always directly reflected in Intention to Stay. Talent management practices may first need to generate work experiences that make employees feel more energetic, dedicated, and engaged in their work. Weng et al (2023) also demonstrated that Work Engagement is positively associated with Intention to Stay, suggesting that engagement serves as one of the mechanisms through which organizational practices can promote continuity in the employment relationship.

This finding can also be understood through Social Exchange Theory. In social exchange relationships, organizations provide various forms of investment through Talent Management practices,

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such as development opportunities, career management, and support for employees' career continuity. When these investments are perceived positively, employees may reciprocate through stronger engagement with their work. This engagement may subsequently develop into a greater intention to maintain their employment relationship with the organization. Thus, employees' reciprocal responses do not necessarily emerge immediately as an intention to stay but may first develop through positive psychological responses.

The results further demonstrate that Work Engagement is not merely an additional variable in the model but an important mechanism linking talent management practices to Intention to Stay. This helps explain why Talent Management did not have a significant direct effect on Intention to Stay in this study. Talent management practices may have greater implications for employee retention when they successfully create work experiences that strengthen employees' engagement with their work.

These findings also complement previous studies showing that the relationship between Talent Management and employee retention may operate through various psychological mechanisms. Menezes et al. (2025) for example, demonstrated the role of psychological empowerment in the relationship between Talent Management and Employee Retention, while Mohaimen et al. (2025) highlighted the relevance of Work Engagement in explaining talent turnover intention. This suggests that employees' decisions to stay are determined not only by the presence of Talent Management practices but also by how these practices shape employees' psychological states and work experiences.

Overall, the findings confirm that Work Engagement serves as an important mediating mechanism in the relationship between Talent Management and Intention to Stay. Among private-sector employees in Makassar City, Talent Management practices are more likely to strengthen employees' intention to stay when they successfully enhance their engagement with work. These findings reinforce previous empirical evidence and support Social Exchange Theory by demonstrating that organizational investment may generate reciprocal responses gradually, through the development of positive psychological states, before translating into an intention to maintain the employment relationship.

4.2.2. Comparison with Previous Studies

The positive effect of Talent Management on Work Engagement is consistent with Weng et al (2023) and Durai and Viji (2022), who demonstrated that talent management practices are positively associated with employee engagement. However, the non-significant direct effect of Talent Management on Intention to Stay contrasts with findings reported by Alzghoul and Khaddam (2024) and Menezes et al. (2025), which highlighted the contribution of Talent Management to employee retention. Nevertheless, this finding is consistent with Weng et al (2023), who also reported a non-significant direct relationship, consistent with the findings attributed to Bonneton et al. in their study. The positive effect of Work Engagement on Intention to Stay is also consistent with Weng et al (2023) and the turnover-related findings of Mohaimen et al. (2025). Moreover, the significant mediating effect of Work Engagement supports Weng et al (2023), while complementing Menezes et al. (2025), who examined psychological empowerment as a mechanism linking Talent Management and Employee Retention.

4.2.3. Theoretical Contributions

This study contributes to Social Exchange Theory by demonstrating that organizational investment in employees does not necessarily translate directly into their intention to stay. Instead, Talent Management practices, including talent attraction, development, and retention, are positively associated with Work Engagement, which subsequently strengthens Intention to Stay. These findings support the principle of reciprocity, whereby employees respond to perceived organizational investment through positive psychological states and stronger employment intentions. The significant indirect effect and non-significant direct effect further highlight the importance of considering psychological mechanisms when explaining the relationship between organizational practices and employees' intention to remain.

4.2.4. Practical and Policy Implications

For private-sector organizations in Makassar City, the findings suggest that implementing Talent Management practices alone may not be sufficient to strengthen employees' intention to stay. Managers should ensure that talent attraction, development

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opportunities, and retention practices contribute to meaningful and engaging work experiences. Organizations can support Work Engagement by providing relevant development opportunities, recognizing employee contributions, fostering meaningful responsibilities, and creating supportive working environments. Managers should also evaluate whether talent management initiatives improve employees' daily work experiences rather than relying solely on the availability of formal programs. These measures may help translate organizational investment into stronger employee engagement and a greater intention to remain with the organization.

4.2.5. Integration with the Research Gap

This study addresses the identified research gap by examining the relationships among Talent Management, Work Engagement, and Intention to Stay within a single model involving private-sector employees in Makassar City. The findings provide contextual evidence that Talent Management is significantly associated with Work Engagement but does not have a significant direct effect on Intention to Stay. Instead, its indirect effect through Work Engagement is significant. This pattern extends the discussion beyond the direct relationship between talent management practices and employees' intention to remain, highlighting the importance of Work Engagement as a mediating mechanism. The study therefore provides additional evidence supporting the integrated model proposed by Weng et al (2023) in the context examined.

4.2.6. Acknowledgement of Study Limitations

The findings should be interpreted in light of the study's context and scope. The respondents were private-sector employees in Makassar City; therefore, the results may not fully reflect the experiences of employees in other geographical areas or organizational settings. Furthermore, the findings indicate statistical relationships rather than definitive causal mechanisms. Although Work Engagement significantly mediates the relationship between Talent Management and Intention to Stay, other factors, including job satisfaction, organizational commitment, perceived fairness, compensation, recognition, and career opportunities, may also influence employees' decisions to remain. Future studies could examine these factors and compare different organizational contexts to develop a more comprehensive understanding of employee retention-related outcomes.

5. Conclusion

5.1. Summary of Key Findings

This study demonstrates that Talent Management has a positive and significant effect on Work Engagement, while Work Engagement has a positive and significant effect on Intention to Stay among private-sector employees in Makassar City. In contrast, Talent Management does not have a significant direct effect on Intention to Stay. However, the indirect effect of Talent Management on Intention to Stay through Work Engagement is significant, indicating an indirect-only mediation pattern. These findings indicate that Work Engagement serves as an important mechanism linking Talent Management practices to employees' intention to remain with their organizations.

5.2. Theoretical Contributions

The findings support Social Exchange Theory by demonstrating that organizational investment through Talent Management practices does not necessarily generate an immediate response in the form of employees' intention to stay. Positively perceived Talent Management practices may first strengthen employees' engagement with their work, which subsequently enhances their Intention to Stay. Thus, the study contributes to the understanding of Work Engagement as a mechanism linking Talent Management with Intention to Stay.

5.3. Practical and Policy Implications

From a practical perspective, organizations should ensure that Talent Management goes beyond the implementation of formal programs and creates meaningful work experiences that foster employees' energy, dedication, and involvement. Development opportunities, career support, and recognition of employee contributions should be directed toward strengthening Work Engagement, which in turn may enhance employees' intention to maintain their employment relationship with the organization.

5.4. Limitations of the Study

This study is limited to private-sector employees in Makassar City and employs a cross-sectional design. Therefore, the findings should be

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generalized with caution, particularly to employees in different geographical areas, sectors, or organizational contexts. In addition, the use of purposive sampling limits the generalizability of the findings beyond the characteristics of the respondents included in this study.

5.5. Directions for Future Research

Future research may extend the study across different sectors and geographical areas and employ longitudinal research designs to provide a broader understanding of the relationship between Talent Management, Work Engagement, and Intention to Stay. Future studies may also examine additional psychological and organizational factors that may mediate or moderate these relationships and test the proposed model across different industries or organizational settings.

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