

Talent Management Practices and Turnover Intention in Hospitals: The Roles of Job Satisfaction and External Employability

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DOI Link: <http://dx.doi.org/10.6007/IJARBSS/v16-i3/27966>

Published Date: 15 March 2026

Abstract

Hospitals face growing challenges in retaining healthcare professionals, particularly after COVID-19. High turnover intention is often caused by heavy workload, burnout, and limited career growth, along with attractive external job opportunities. Talent Management Practices (TMP)—such as recruitment, training, performance management, career development, compensation, and succession planning—are viewed as strategic tools for employee retention. This study examines how TMP influence turnover intention among employees in public hospitals in Kunming, China. Guided by Social Exchange Theory and Human Capital Theory, the model proposes job satisfaction as a mediator and perceived external employability as a moderator. A quantitative cross-sectional survey will be conducted, and data will be analyzed using PLS-SEM. Expected findings suggest that TMP reduce turnover intention directly and indirectly by increasing job satisfaction. However, when employees perceive strong employment opportunities outside the hospital, the positive effect of TMP on job satisfaction weakens. The study provides theoretical and practical insights into talent retention in hospitals.

Keywords: Talent Management Practices, Job Satisfaction, Perceived External Employability, Turnover Intention, Public Hospitals

Introduction

In recent years, hospitals around the world have found themselves confronted with a critical workforce dilemma – employees are leaving more rapidly than organizations are able to recruit to fill those positions and develop those employees. This pressure has intensified subsequently to the COVID-19 pandemic, which did not only unleash anew the ways in which healthcare is provided, but also dramatically changed the way that healthcare employees perceive their careers, work/life balance and personal well-being.

According to the World Health Organization (WHO, 2023), the health care system worldwide may suffer a serious shortage of 18 million health workers by 2030, as a result of the aging of the population in rapid succession, the increasing need for health services and inadequate development of the health worker force. These shortages are especially serious among those who are nurses, physicians and allied health workers who have had extensive training and are expensive to replace when turnover occurs.

This situation is not unique to undeveloped countries or underfunded systems. In the United States for example, the U.S. Bureau of Labor Statistics (2023) indicated that over 500,000 health workers left the job between 2020 to 2022, the brunt of the employees lost amongst nurses. In a McKinsey & Company (2024) survey, it was learned that 32% of the nurses employed indicated they would leave the immediate employer within one year, with burnout, emotional exhaustion and lack of job development opportunities being the chief causes.

A similar pattern has been seen throughout Asia. According to Hong Kong's Hospital Authority, there has been a loss of more than 8,500 medical personnel from 2020 to 2023 (Hong Kong Hospital Authority, 2024). In Malaysia, 1,217 specialist doctors resigned from their positions over 3 years (Ministry of Health Malaysia, 2024), while Taiwan continues to experience the most serious nursing shortage in 30 years, even with increased salary increases (Taiwan Ministry of Health, 2023).

China's public hospitals are facing similar problems. Liu et al. (2021) showed that the intention to leave the profession of Chinese medical personnel reached an average of moderately to high level (mean= 3.52/5). It has been consistently found that high caseloads, limited development opportunities and bureaucratic promotion systems are among the most relevant causes of turnover in Chinese hospitals (Zhou et al., 2022). Compared to private hospitals, public hospitals tend to see a greater number of patients and less reward, thus increasing the stress on employees and leading to less commitment in the long run.

A significant issue behind this turnover propensity, is the lack of structured Talent Management Practices (TMP). In a theoretical sense, TMP can include recruitment, training and development, performance management, career planning, compensation and rewards, and succession planning (Collings & Mellahi, 2009). When implemented positively TMP leads to improved quality of training, clarification of training paths and result in improved levels of staff motivation and commitment. But in many cases, this is lacking in Chinese public hospitals, quickly displaying a fragmented and reactive Talent Management Practices (TMP).

Training tends to focus on short-term operational needs, while promotions are made on the basis of seniority rather than previous achievement. Performance evaluations are not used as guidelines for staff development.

It has been shown that if employees consider that the organisation in which they work is supportive of their growth and development then in return they remain loyal and express a reduced intention to leave the organisation. This issue falls within the parameters of Social Exchange Theory (Blau, 1964), and can be restated that if hospitals invest in the growth and development of their people, the people will be more likely to invest in the particular hospital.

However, TMP alone cannot totally explain the propensity to leave or otherwise. The external labour market is also a significant part of the equation. If employees believe that external to the organization in-which they are working, that there are attractive job offers for which they are suitable, then their intention to leave will increase. This is termed Perceived External Employability (PEE) Berntson et al. (2006). This perspective is consistent with Human Capital Theory (Becker, 1964), which suggests that if individuals through a process of learning, improve their skills then the overall value on the market for the individual increases. As individuals become better skilled and therefore more desirable employees, so naturally the propensity to leave their employer increases.

In regard to the above deficiencies, this study will consider four constructs: Talent Management Practices (TMP), Job Satisfaction (JS), Turnover Intention (TI), Perceived External Employability (PEE) (moderating factor).

This study is currently a proposal in progress and aims to investigate the impact of Talent Management Practices on turnover intention among hospital employees. The research model is proposed and theoretical assumptions have been established.

This study can be considered as a contribution to the literature in two ways. First of all, it considers TMP in a holistic rather than single HR process basis, i.e. do not consider aspects of TMP such as pay or workload, but rather link TMP to the intention to leave. Secondly, it introduces the perceptions of PEE as a moderating variable in relation to the hospital as an organisational context, which has had very little empirical attention associated with it in the existing literature.

This knowledge should provide considerable significance in terms of the consequences and understanding of such relationships associated with them, particularly to Chinese public hospitals in which Talent shortages are becoming progressively worse and higher levels of turnover results in increased labour costs, delays in service delivery and reduced satisfaction levels with patients.

Problem Statement

Public hospitals in China are facing increasing turnover intention among healthcare employees. Although hospitals have implemented certain administrative human resource activities, these practices are fragmented, reactive, and lack strategic integration. As a result, employees often perceive limited support for career development, insufficient opportunities for professional growth, and unfair promotion mechanisms, which reduce job satisfaction and

increase turnover intention. Meanwhile, due to strong demand in the healthcare labor market, external job opportunities are abundant, and employees with improved skills become more confident to leave. Prior studies have focused on burnout, workload, or compensation as predictors of turnover, but few have examined Talent Management Practices (TMP) as a comprehensive HRM strategy within Chinese public hospitals. Even fewer studies have empirically considered the mediating role of job satisfaction and the moderating role of perceived external employability. Therefore, there is a need to investigate whether strategic talent management can improve job satisfaction and reduce turnover intention, and how external employability affects this relationship.

Research Questions

Based on the research gaps identified, the study aims to answer the following questions:

1. Do Talent Management Practices (TMP) reduce turnover intention among hospital employees?
2. Do Talent Management Practices improve employees' job satisfaction?
3. Does job satisfaction mediate the relationship between Talent Management Practices and turnover intention?
4. Does perceived external employability moderate the relationship between Talent Management Practices and job satisfaction?

Research Objectives

Aligned with the research questions, the study seeks to achieve the following objectives:

1. To examine the effect of Talent Management Practices on turnover intention among hospital employees.
2. To investigate the relationship between Talent Management Practices and job satisfaction.
3. To determine whether job satisfaction mediates the relationship between Talent Management Practices and turnover intention.
4. To assess whether perceived external employability moderates the relationship between Talent Management Practices and job satisfaction.

Literature Review & Hypothesis Development

Theoretical Foundation

This research relies on two main theories to explain why Talent Management Practices (TMP) have an effect on turnover behavior: the Social Exchange Theory (SET) and the Human Capital Theory (HCT). These theories help to explain how TMP affects employees in general terms, but they also clarify why employees stay or leave overall, even if organizational practices seem supportive.

Social Exchange Theory (SET)

Blau's (1964) Social Exchange Theory suggests that relationships (personal and organizational) are based on reciprocity. When applied to organizations, Social Exchange Theory posits that employees will respond to feeling valued, supported, and treated fairly by performing positive work behaviors such as loyalty and commitment.

TMP represents the hospital's investment in its employees. Meaningful hiring, meaningful education, and meaningful promotion are all signs of the organization's investment and active

concern for the growth of persons and the job. Employees receiving this message often respond with increased job satisfaction and lower turnover intention (Lu et al., 2019).

Put simply: When hospitals invest in employees, employees are more willing to invest in the hospital.

Based on SET, TMP → positive psychological response (Job Satisfaction) → lower Turnover Intention.

Human Capital Theory (HCT)

Human Capital Theory (Becker, 1964) views employees as valuable assets whose skills and competencies increase through investment in training, development, and education. As employees accumulate skills, their value in the labor market increases—and so does the number of job opportunities available to them.

From this perspective, talent management produces two simultaneous effects: TMP increases knowledge and competence (a positive internal outcome), but those enhanced skills also improve employability in the external labor market (a potential turnover risk).

Therefore, employees may become more confident to leave precisely because the organization helped them grow.

Summary of theories

Theory	How it applies in this study
Social Exchange Theory	TMP increases job satisfaction, reducing turnover intention.
Human Capital Theory	TMP enhances external employability, which may lead to turnover.

These theories form the basis of the relationships and hypotheses in this research.

Talent Management Practices (TMP)

Talent Management Practices refer to the structured human resources processes used to attract, develop, motivate and retain skilled people (Collings & Mellahi, 2009). In health care, there is TMP (Talent Management Practices) which is not only a human resources task, but also a means of survival. Hospitals with weak TMP are faced with greater turnover, higher recruiting costs and varying quality of service (NSI Nursing Report, 2024).

In this study, TMP consists of 6 strategic HR dimensions. All dimensions are expected to negatively influence turnover intention.

Recruitment and Selection

Recruitment involves more than simply filling an opening. It includes the creation of clear job descriptions, which ensure potential candidates understand the expectations of the role. Transparent recruitment criteria are crucial for ensuring fairness in the process, allowing all candidates to be evaluated based on their qualifications. Finally, a fair assessment and evaluation process contributes to a more equitable selection process, helping the organization choose candidates who are best suited for the role.

H1a:The hypothesis H1a suggests that recruitment and selection have a negative influence on turnover intention. This is supported by research indicating that fair and transparent recruitment processes not only improve employee fit but also increase organizational commitment, reducing turnover intention (Searle,2021;Allen,2020).

Training and Development

The aspect of training and development indicates the extent to which an organization is ready to invest in its personnel. In the healthcare industry, training is not limited to enhancing clinical and technical competencies but also includes Continuing Medical Education (CME), which ensures that employees stay up-to-date with the latest medical practices. Furthermore, leadership development is essential for preparing future managers, thus ensuring the hospital has the necessary leadership for sustainable growth.

H1b:The hypothesis H1b posits that training and development negatively influence turnover intention. Previous studies have found that organizations investing in continuous development opportunities see higher retention rates, as employees perceive these opportunities as signals of long-term commitment (Al Zamel et al., 2020).

Performance Management

Performance management encompasses several key practices, including formal reviews of employee performance. These reviews allow employees to receive feedback on their strengths and areas for improvement. The application of SMART goals (Specific, Measurable, Achievable, Relevant, Time-bound) ensures that performance expectations are clear and attainable. Regular calls for feedback and communication mechanisms provide employees with the opportunity to understand how their work aligns with organizational goals and to take necessary actions for improvement.

H1c:The hypothesis H1c proposes that performance management has a negative impact on turnover intention. Effective performance management practices, such as regular feedback and clear career pathways, can lead to greater employee satisfaction, which in turn reduces the likelihood of turnover (Deery et al., 2015).

Career Planning and Promotion

Career planning sends a signal to employees that the hospital is making a long-term commitment to its employees. When career paths are not clearly defined, hospitals push employees to look for opportunities elsewhere.

H1d:The hypothesis H1d asserts that career planning and promotion negatively influence turnover intention. This hypothesis is based on the premise that employees are more likely to stay with organizations that offer clear career progression opportunities, thereby enhancing job satisfaction and reducing turnover (McKinsey, 2024).

Compensation and Rewards

Compensation is understood as pay, bonuses, and rewards both monetary and non-monetary forms. Feeling worthy is connected to commitment.

H1e:The hypothesis H1e suggests that compensation and rewards are negatively related to turnover intention. Competitive compensation packages have been consistently linked to lower turnover rates, particularly when non-monetary rewards, such as recognition and career development opportunities are included (Lu et al. 2019)

Retention and Succession Planning

Succession planning determines future leaders, especially in units such as ICUs and others like the operating room.

H1f:The hypothesis H1f argues that retention and succession planning negatively influence turnover intention. Employees are more likely to remain with an organization that actively plans for their future development and leadership roles (Collings, 2014).

Attributable to all dimensions:

H1:Talent Management Practices negatively influence turnover intention.

Job Satisfaction (JS)

Job Satisfaction is the subjective affective evaluation that employees make about their job (Spector, 1997).

H2:The hypothesis H2 proposes that talent management practices positively influence job satisfaction. Research shows that employees who perceive their organization as investing in their development tend to report higher levels of job satisfaction, which ultimately reduces turnover intention (Lu et al., 2019).

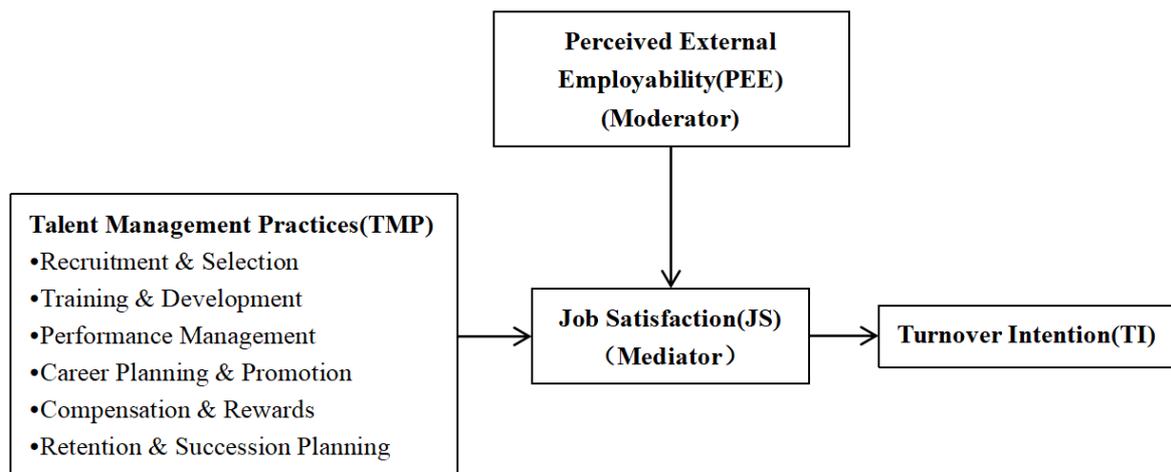
H3:The hypothesis H3 states that job satisfaction negatively influencesturnover intention. Higher levels of job satisfaction are strongly correlated withlower turnover rates, as satisfied employees are more likely to remain with their employer and contribute to organizational stability (Spector, 1997).

Perceived External Employability (PEE)

Perceived External Employability refers to an employee's subjective opinion regarding the certainty with which they could secure a job(absent from their current employer).

H4:The hypothesis H4 suggests that job satisfaction mediates the relationship between talent management practices and turnover intention. This relationshipis grounded in the notion that effective talent management practices lead to higher job satisfaction, which in turn reduces employees' intention to leave (Luet al. 2019).

H5:The hypothesis H5 posits that perceived external employability moderatesthe relationship between talent management practices and job satisfaction. Aemployees perceive better job opportunities outside their current organizationthe effectiveness of TMP in improving job satisfaction may weaken (Berntsonet al.. 2006).

Research Framework**Methodology***Research Design*

The study used a cross-sectional survey methodology, as is common in research on the influence of various organizational practices on employee attitudes and feelings. The purpose is to test the proposed model and determine if Talent Management Practices (TMP) influence job satisfaction and turnover intention, and whether perceived external employability moderates these relationships.

A structured questionnaire was used to collect data on a large scale, since it is the most efficient method of gauging employees' perceptions of those factors in the organisation which are less readily visible and observable. The nature of the research is suited to a quantitative design, which allows for the testing of hypotheses and the statistical analysis of relationships between latent constructs.

Partial Least Squares—Structural Equation Modeling (PLS-SEM) is employed in the data analysis. PLS-SEM is especially applicable to this study since:

- 1.The theoretical framework comprises mediating properties (JS) as well as moderating effects (PEE).
- 2.The model is prediction-oriented and has a focus on explaining the variance in turnover intention.
- 3.It handles complex models with multiple constructs and indicators more efficiently than covariance-based SEM (Hair et al., 2022).

Thus, PLS-SEM enables the assessment of both the reliability of the measurement model and the significance of structural relationships.

Target Population

The target population for this study includes employees working in municipal public hospitals in Kunming, Yunnan Province, China, consisting of both clinical and non-clinical staff. Clinical staff includes physicians, nurses, pharmacists, and medical technicians, while non-clinical staff includes HR personnel, administrative staff, finance, and logistics.

Public hospitals were chosen for this study because they face significantly higher workforce turnover pressures compared to private hospitals. One of the key factors contributing to this is that public hospitals often have more rigid and bureaucratic promotion and career advancement systems, which can limit employees' opportunities for growth and progression within the organization. Moreover, employee satisfaction levels in public hospitals tend to be lower, which is a contributing factor to the increased turnover intention among staff members. According to Liu et al. (2021), these factors collectively heighten the likelihood of employees considering leaving their positions.

Therefore, this context provides a relevant setting to evaluate whether TMP influences retention.

Sampling Technique

A stratified random sampling strategy was used to ensure that participants represent different hospital departments and job categories. Each hospital department (e.g., internal medicine, surgery, ICU/ER, administration) was treated as a separate stratum, and respondents within each stratum were selected proportionally.

This approach increases sample representativeness and reduces selection bias.

Sample Size Justification

Two established methods justify the sample size:

Method	Requirement	Application in this study
Hair et al. (2022) PLS-SEM rule	10 × the largest number of paths leading to a construct	Maximum number of paths = 2 (TMP → JS; PEE → JS). Required ≥ 80
Krejcie & Morgan (1970) sample size formula	For large populations (N > 5,000)	Required ≥ 384

Based on these, the target sample size is **at least 400 valid responses**, ensuring reasonable statistical power and model stability.

Measurement Instruments

The survey contains multiple constructs measured using instruments adapted from established research scales. All items are rated on a **5-point Likert scale**: 1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly agree.

Construct	No. of items	Scale sources (APA citation)
Talent Management Practices (6 dimensions × 4 items = 24 items)	24	Collings (2014); Deery & Jago (2015)
Job Satisfaction	5	Spector (1997); Lu et al. (2019)
Perceived External Employability	4	Berntson et al. (2006)
Turnover Intention	3	Mobley et al. (1978)

Operational Definition of Variables

Variable	Type	Operational definition	Example item
Talent Management Practices (TMP)	Independent variable	Perception of organizational practices designed to attract, develop, and retain talent	"I receive sufficient training to perform my job effectively."
Job Satisfaction (JS)	Mediator	Emotional evaluation of one's job experience	"Overall, I am satisfied with my job."
Perceived External Employability (PEE)	Moderator	Perceived ability to get alternative employment outside current hospital	"I could easily find a similar job in another hospital."
Turnover Intention (TI)	Dependent variable	Conscious intention to leave the organization	"I often think about quitting my job."

All variables are modeled as **reflective constructs**.

This study, in its current conceptual phase, will use qualitative methods to gather insights into the current challenges faced by hospital staff in terms of Talent Management Practices. The study will be further refined to incorporate quantitative methods in the later stages.

Data Collection Procedure

The data collection procedure consists of obtaining approval from the hospital's administration and ethics committee to ensure that the study meets all ethical standards. The survey will be distributed to hospital staff through online links or paper forms, depending on the preference and availability of the participants. Participation is entirely voluntary, and all responses will be kept confidential to protect the privacy of the participants.

Data Analysis Techniques

The data will be treated using SPSS 26 and SmartPLS 4.

Data Cleaning (SPSS)

Data cleaning will involve detecting missing data, identifying outliers using Mahalanobis distance, and testing for normality using skewness and kurtosis metrics.

Measurement Model Assessment (PLS-SEM)

Reliability and validity will be tested using:

Assessment	Threshold	Purpose
Cronbach's alpha	≥ 0.70	Internal consistency
Composite Reliability (CR)	≥ 0.70	Reliability across indicators
AVE (Average Variance Extracted)	≥ 0.50	Convergent validity
HTMT ratio	< 0.85	Discriminant validity

Structural Model Assessment (PLS-SEM)

The structural model assessment will be conducted using PLS-SEM to evaluate the significance of direct effects, mediation, and moderation. Bootstrapping with 5,000 resamples will be used to assess the relationships.

Conclusion

Healthcare organizations, especially public hospitals, are experiencing increased turnover rates and ongoing shortages of skilled workers. While previous research has investigated

burnout, workload or compensation as possible antecedents of turnover intention, fewer studies have investigated whether strategic Talent Management Practices can be effective in retaining hospital employees. In addition, the perception of employees' external employability has received little attention in the public health sector.

The purpose of this study was to investigate: 1. the effect of talent management practices on turnover intention, 2. whether job satisfaction serves as a psychological mechanism to link the two, and 3. whether perceived external employability weakens the relationship with talent management practices.

Acknowledgments

This research was undertaken as part of Young and Middle-aged Teachers' Education and Research Projects in 2025 of Fujian Provincial Department of Education: Grant No. JAS25089.

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