

Analysis of the Impact of Talent Retention and Competency Development Programs on Turnover Intention and Organizational Effectiveness in Banking Companies in Central Java

Imas Komariyah¹, Gilang Sekar Tadjie²

¹ Sekolah Tinggi Ilmu Ekonomi Miftahul Huda and komariyahimas26@gmail.com

² Sekolah Tinggi Ilmu Ekonomi Miftahul Huda and gilangst@stiemifdasubang.ac.id

ABSTRACT

This study examines the impact of Talent Retention and Competency Development Programs on Turnover Intention and Organizational Effectiveness in banking companies in Central Java, utilizing a quantitative analysis with a sample size of 140 respondents. Data were analyzed using Structural Equation Modeling (SEM-PLS 3). The results show that both Talent Retention and Competency Development Programs positively influence Organizational Effectiveness, respectively. However, an unexpected positive relationship between Competency Development Programs and Turnover Intention suggests that employees may feel more competitive in the job market, prompting higher turnover intentions despite enhanced skills. Moreover, Talent Retention significantly reduces turnover intention. The findings emphasize the importance of a strategic approach to talent management that aligns competency development with employee satisfaction and organizational culture. The study provides actionable insights for banking companies seeking to enhance organizational performance while mitigating turnover risks.

Keywords: Talent Retention, Competency Development Programs, Turnover Intention, Organizational Effectiveness.

1. INTRODUCTION

Retaining skilled employees and developing their competencies are critical strategies for banking companies to maintain a competitive edge, as high turnover rates can lead to financial losses and disrupt organizational stability. Research indicates that work-life balance, job satisfaction, and stress management are pivotal in enhancing employee retention. Work-life balance significantly enhances job satisfaction and reduces stress levels, which are crucial for retaining talent in the banking sector [1]. Additionally, job satisfaction is linked to improved employee engagement, motivation, and customer service quality, collectively contributing to lower turnover rates [2]. Effective human resource management practices, such as training and development, compensation, and succession planning, play significant roles in reducing turnover intentions and fostering employee growth. Training and development programs enhance employees' skills and competencies, increasing their commitment to the organization [3]. Financial management education and training significantly improve employee capabilities, leading to better performance and confidence in task execution [4]. Succession planning ensures that high-performing employees are retained and prepared for leadership roles, which is vital for organizational sustainability and performance [5]. Effective succession planning involves identifying skill gaps and investing in training to develop necessary competencies for future leadership positions [5].

Talent retention and competency development are pivotal human resource practices that significantly influence employee turnover intentions and organizational effectiveness, as retaining talent involves keeping employees engaged and committed, while competency development focuses on enhancing their skills and performance capabilities. These interlinked practices are essential for reducing turnover and improving organizational outcomes. Organizations should adopt a

comprehensive strategy that includes talent development, work-life balance, and a supportive organizational culture to enhance retention [6]. Effective leadership that recognizes and encourages high performers while addressing underperformance is crucial for retention [7]. Additionally, integrating employee engagement initiatives into talent management strategies, with continuous feedback and mentoring, can lead to higher job satisfaction and reduced turnover rates [8]. Providing opportunities for career development and lifelong learning is essential for employee retention, as it enhances their skills and career success [9]. Effective onboarding and continuous development programs are critical in fostering long-term employee commitment and reducing turnover intentions [10]. Furthermore, a supportive organizational culture that promotes open communication and feedback mechanisms is vital for retaining valuable employees [6]. Ensuring that employees' roles and development plans align with organizational goals can enhance their commitment and reduce turnover [7].

The banking sector in Central Java, Indonesia, is facing several challenges related to employee retention, which affects the continuity of service quality and customer satisfaction. As a result, understanding the relationship between talent retention, competency development, turnover intention, and organizational effectiveness is vital for managers and policymakers in the banking industry. This study seeks to explore how talent retention and competency development programs influence employees' turnover intentions and the effectiveness of banking companies in Central Java.

The primary objectives of this research are twofold: first, to assess the impact of talent retention programs on employees' intention to leave the organization, and second, to examine how competency development initiatives affect organizational effectiveness. By focusing on these factors, the study aims to provide valuable insights that can inform human resource practices and contribute to the broader understanding of employee engagement and organizational performance in the banking industry.

2. LITERATURE REVIEW

2.1 *Talent Retention*

Talent retention is crucial for organizational success, especially in competitive sectors like banking, where skilled employees ensure continuity and expertise. Effective strategies reduce turnover costs while strengthening organizational culture and customer relationships. The adoption of AI-driven recruitment and virtual development initiatives has reshaped talent management, requiring cohesive acquisition and retention efforts. Retaining skilled employees enhances performance and client satisfaction [10], [11], while high attrition rates disrupt culture and customer relations, causing financial losses [12]. Competitive compensation, career growth opportunities, and a supportive work environment are key to retention [11], [13]. Leadership and succession planning sustain continuity and develop future leaders [7]. The COVID-19 pandemic has accelerated remote onboarding and virtual talent development, emphasizing the need for flexible retention strategies [10]. Organizations must continuously adapt talent management to evolving business needs and employee expectations [12].

2.2 Competency Development

Competency development in the banking sector is crucial for enhancing employee performance and ensuring organizational success through strategic training and development in areas such as customer service, financial expertise, and compliance knowledge. Effective competency development programs not only improve individual skills but also enhance employee engagement and job satisfaction, leading to better retention rates. Training programs play a vital role in career advancement by equipping employees with necessary skills and knowledge, thereby increasing their competitiveness within the organization [14]. Continuous training is especially essential in the digital transformation era, where technological advancements require new competencies [15]. Competency development significantly impacts employee performance by reducing turnover and increasing productivity, ultimately contributing to higher financial returns for organizations [16]. Strategies such as mentoring and self-directed learning foster a culture of continuous learning and innovation, which is key to maintaining a competitive advantage [17]. Additionally, competency analysis is a critical tool for identifying gaps between job demands and individual skills, allowing organizations to design targeted training programs that ensure employees meet performance expectations [18].

2.3 Turnover Intention

Turnover intention in the banking sector is influenced by factors such as job satisfaction, organizational commitment, and work-family conflict, all of which affect organizational stability and customer satisfaction. Addressing these factors through effective human resource management practices can mitigate turnover intention and enhance employee retention. High levels of job satisfaction and organizational commitment are linked to lower turnover intention, while dissatisfaction and lack of commitment increase the likelihood of employees leaving [19], [20]. Work-family conflict also significantly impacts retention, and organizations that support work-life balance can reduce turnover intention [19]. Adequate compensation and access to training opportunities are crucial in retaining employees, as fair compensation and professional development enhance job satisfaction and commitment [3], [21]. Additionally, a supportive work environment and empowering leadership play a vital role in reducing turnover intention, whereas a lack of support and leadership can drive employees to leave [22].

2.4 Organizational Effectiveness

Organizational effectiveness in the banking sector relies on aligning human resource practices with strategic goals to enhance service quality, financial performance, and employee productivity. Adaptability, positive culture, and continuous improvement are key, with leadership, training, and development playing crucial roles. Effective leadership aligns team efforts with corporate objectives [23], while a supportive culture enhances engagement and performance [24]. Training and competency development ensure adaptability to technological changes and evolving customer needs [25]. A structured framework with clear objectives and stakeholder satisfaction enables performance assessment [26]. Organizations must remain flexible, monitoring external

trends and managing change effectively, while leadership, culture, and communication foster alignment and a supportive workplace [27].

2.5 Conceptual Framework

Based on the literature reviewed, the conceptual framework for this study posits that talent retention and competency development programs positively influence turnover intention and organizational effectiveness. The following hypotheses are derived from the framework:

- H1: Talent retention programs have a negative impact on turnover intention.
- H2: Competency development programs have a negative impact on turnover intention.
- H3: Talent retention programs have a positive impact on organizational effectiveness.
- H4: Competency development programs have a positive impact on organizational effectiveness.

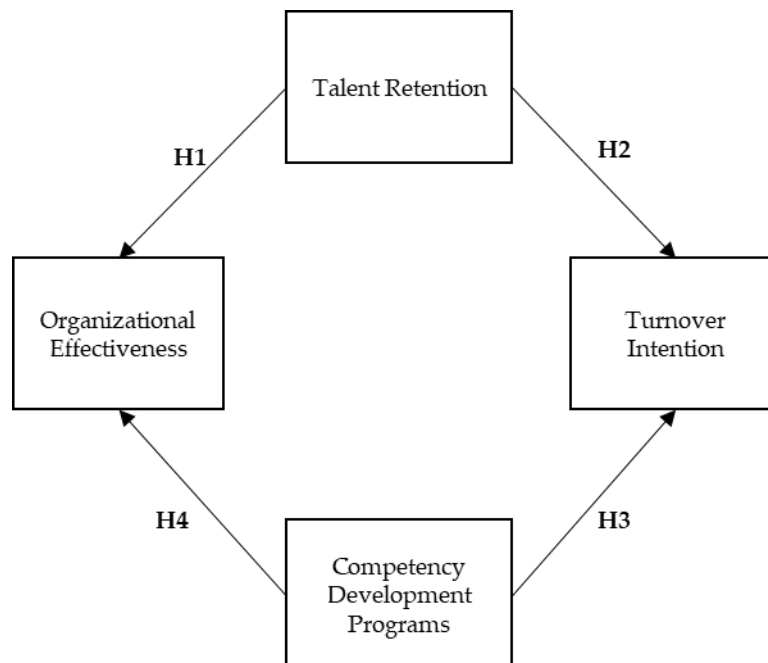


Figure 1. Conceptual Framework

3. METHODS

3.1 Research Design

The research adopts a descriptive and causal-comparative design. This design is appropriate for examining the relationships between multiple variables, such as talent retention, competency development, turnover intention, and organizational effectiveness. The study aims to describe the current state of these factors within banking companies in Central Java and explore the causal links between them. By using a quantitative approach, the study seeks to provide objective, measurable insights into how these variables interact.

3.2 Population and Sample

The population for this study consists of employees working in banking companies located in Central Java, Indonesia. These employees were selected based on their experience within the

organization and exposure to talent retention and competency development programs. The target population includes employees from various levels within the organization, such as frontline staff, middle managers, and senior managers, all of whom are affected by HR practices and organizational effectiveness.

A non-probability convenience sampling method was employed to select the sample for this study. The final sample consists of 140 employees from different banking institutions in Central Java. This sample size is adequate for structural equation modeling, which typically requires a sample size ranging from 100 to 200 participants to ensure reliable results. The participants were chosen based on their willingness to participate in the study and their knowledge of the talent retention and competency development programs offered by their respective organizations.

3.3 Data Collection

Data was collected using a self-administered survey distributed to selected employees, consisting of sections addressing key variables: talent retention, competency development, turnover intention, and organizational effectiveness. The survey items were developed based on established scales from previous research and adapted to the banking industry context. A 5-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree) was used for most items, allowing participants to rate their agreement with various statements. To ensure clarity and reliability, the items were designed to be concise and easily understood. The survey was administered online, with participants given two weeks to complete it, and follow-up reminders were sent to maximize the response rate. The final dataset was cleaned and validated for completeness and accuracy before analysis.

3.4 Data Analysis

The data collected from the survey was analyzed using Structural Equation Modeling - Partial Least Squares (SEM-PLS 3) to test the relationships between the variables, a statistical technique useful for modeling complex relationships with multiple constructs and variables. SEM-PLS 3 estimates path coefficients, indicating the strength and direction of relationships while accommodating both reflective and formative measurement models. The analysis follows two main stages: Measurement Model Evaluation, which assesses construct reliability and validity using indicators like Cronbach's Alpha, Composite Reliability, Average Variance Extracted (AVE), and factor loadings to ensure consistency and accuracy; and Structural Model Evaluation, which tests hypotheses and relationships by calculating path coefficients, R-squared values, and t-statistics, with significance determined by a t-statistic exceeding 1.96 at a 95% confidence level. The SEM-PLS analysis provides insights into how talent retention and competency development influence turnover intention and organizational effectiveness, including potential indirect effects through mediating variables, offering a comprehensive understanding of the dynamics within the banking sector.

4. RESULTS AND DISCUSSION

4.1 Demographic Sample

The demographic characteristics of the sample provide important context for understanding the study's findings, with 140 banking employees from Central Java participating. The sample consisted of 60% male (84 participants) and 40% female (56 participants), reflecting the typical gender distribution in the banking sector, where males often dominate higher-level and operational positions. In terms of age, the majority (40%) were between 31-40 years old, followed by 32.14% aged 21-30 years, 21.43% aged 41-50 years, and 6.43% aged 51 years and above, indicating that mid-career employees form a significant portion of the workforce. Regarding education level, 88.57% held a Bachelor's degree, 9.29% had a Master's degree, and only 2.14% had a high school diploma, reflecting the industry's preference for higher education qualifications. Experience levels varied, with 41.43% having 6-10 years of experience, followed by 27.86% with 0-5 years, 20.71% with 11-15 years, and

10% with over 16 years, ensuring a balanced representation of both new and experienced employees. This demographic diversity provides valuable insights into talent retention and competency development programs across different career stages.

4.2 Measurement Model

In this study, the measurement model is assessed to evaluate the reliability and validity of the latent variables: Talent Retention (TRE), Competency Development Programs (CDP), Turnover Intention (TIN), and Organizational Effectiveness (OFT). The measurement model is tested using indicators that reflect the underlying constructs, and their performance is analyzed in terms of loading factors, Cronbach's Alpha, Composite Reliability (CR), and Average Variance Extracted (AVE). Below is a detailed discussion of each variable.

Table 1. Measurement Model

Variable	Code	Loading Factor	Cronbach's Alpha	Composite Reliability	Average Variant Extracted
Talent Retention	TRE.1	0.873	0.895	0.935	0.827
	TRE.2	0.952			
	TRE.3	0.901			
Competency Development Programs	CDP.1	0.855	0.848	0.908	0.767
	CDP.2	0.884			
	CDP.3	0.887			
Turnover Intention	TIN.1	0.864	0.796	0.879	0.707
	TIN.2	0.803			
	TIN.3	0.854			
Organizational Effectiveness	OFT.1	0.830	0.899	0.926	0.714
	OFT.2	0.868			
	OFT.3	0.888			
	OFT.4	0.901			
	OFT.5	0.727			

Source: Data Processing Results (2025)

The measurement model assessment confirms the reliability and validity of the study's constructs. Talent Retention (TRE) has three indicators with strong loadings (≥ 0.7), the highest being TRE.2 (0.952), supported by a high Cronbach's Alpha (0.895), Composite Reliability (0.935), and AVE (0.827). Competency Development Programs (CDP) also show strong loadings, with CDP.3 (0.887) as the highest, and reliability confirmed by Cronbach's Alpha (0.848), Composite Reliability (0.908), and AVE (0.767). Turnover Intention (TIN) indicators exceed 0.7, with TIN.1 (0.864) as the highest, and reliability supported by Cronbach's Alpha (0.796), Composite Reliability (0.879), and AVE (0.707). Organizational Effectiveness (OFT) has five indicators, with OFT.4 (0.901) as the highest and OFT.5 (0.727) as the lowest but still acceptable, backed by Cronbach's Alpha (0.899), Composite Reliability (0.926), and AVE (0.714). Overall, all constructs demonstrate strong internal consistency and validity, ensuring their suitability for the study.

Discriminant validity refers to the extent to which a construct is truly distinct from other constructs in the model. In the context of Structural Equation Modeling (SEM), one method of assessing discriminant validity is through the Heterotrait-Monotrait Ratio (HTMT). HTMT evaluates the correlations between constructs based on their indicators, where values below a certain threshold (commonly 0.85 or 0.90) are considered acceptable for establishing discriminant validity.

Table 2. Discriminant Validity

	CDP	OFT	TRE	TIN
Competency Development Programs				

Organizational Effectiveness	0.768		
Talent Retention	0.815	0.823	
Turnover Intention	0.851	0.771	0.785

Source: Data Processing Results (2025)

The HTMT analysis confirms adequate discriminant validity among the constructs. The HTMT value between Competency Development Programs (CDP) and Organizational Effectiveness (OFT) is 0.768, below the 0.85 threshold, indicating distinct constructs. Similarly, the HTMT value between CDP and Talent Retention (TRE) is 0.815, confirming no significant overlap. The HTMT value between CDP and Turnover Intention (TIN) is 0.851, slightly above the conventional threshold but within a tolerable range, suggesting sufficient distinctiveness. Organizational Effectiveness (OFT) and Talent Retention (TRE) have an HTMT value of 0.823, supporting their distinction. The HTMT value between OFT and TIN is 0.771, indicating no significant overlap. Lastly, Talent Retention (TRE) and Turnover Intention (TIN) have an HTMT value of 0.785, further demonstrating discriminant validity. Overall, the results confirm that all constructs remain sufficiently distinct for the study.

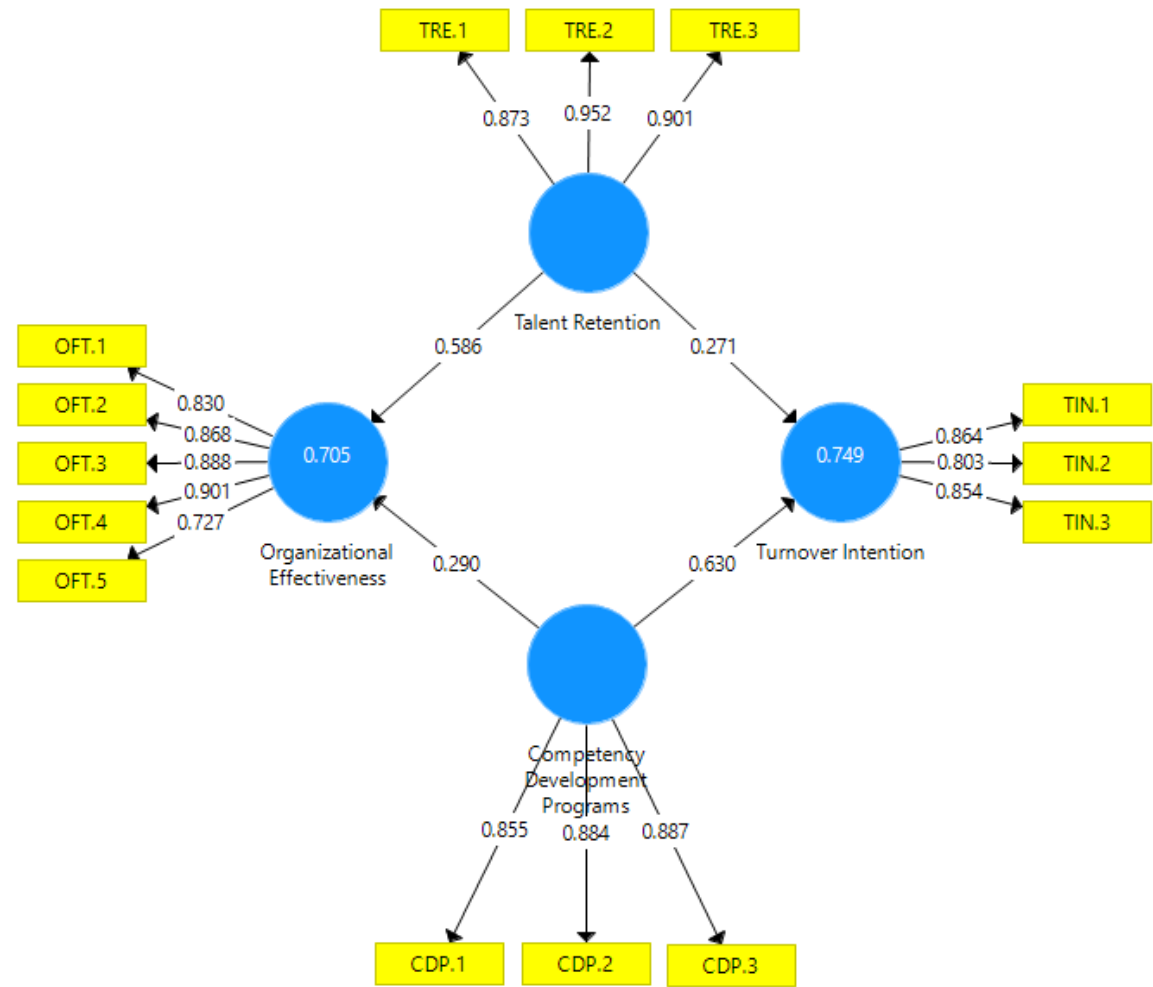


Figure 2. Model Results
Source: Data Processed by Researchers, 2025

4.3 Model Fit

In Structural Equation Modeling (SEM), evaluating the fit of the model is crucial to determine whether the model adequately represents the data. The overall fit of the model can be assessed using several fit indices, including SRMR (Standardized Root Mean Square Residual), d_ULS (Unweighted Least Squares Distance), d_G (Geodesic Distance), Chi-Square, and NFI (Normed Fit Index). These indices help evaluate the discrepancy between the observed and the estimated covariance matrices and provide insights into how well the model fits the data.

Table 3. Model Fit Results Test

	Saturated Model	Estimated Model
SRMR	0.099	0.100
d_ULS	1.029	1.042
d_G	0.634	0.651
Chi-Square	405.126	408.171
NFI	0.747	0.745

Source: Process Data Analysis (2025)

The model fit assessment evaluates various indices to determine the adequacy of the structural model. The SRMR values for both the saturated (0.099) and estimated (0.100) models are slightly above the 0.08 threshold, suggesting an acceptable fit with minor room for improvement. The d_ULS values (1.029 for the saturated model and 1.042 for the estimated model) indicate minimal discrepancy between observed and estimated covariance matrices, supporting an acceptable fit. Similarly, the d_G values (0.634 for the saturated model and 0.651 for the estimated model) show a close fit, particularly for non-linear relationships. The Chi-Square test results (405.126 for the saturated model and 408.171 for the estimated model) are significant, which is common in large samples and does not necessarily indicate poor fit. The NFI values (0.747 for the saturated model and 0.745 for the estimated model) fall below the 0.90 threshold, suggesting that while the model is adequate, it could benefit from refinement. Overall, the model demonstrates an acceptable fit, though minor improvements could enhance its robustness.

Table 4. Coefficient Model

	R Square	Q2
Organizational Effectiveness	0.705	0.700
Turnover Intention	0.749	0.744

Source: Data Processing Results (2025)

The R-Square values of 0.705 for Organizational Effectiveness (OFT) and 0.749 for Turnover Intention (TIN) indicate that the model explains a significant portion of the variance in these variables, confirming the strong impact of Talent Retention and Competency Development Programs on these outcomes. Additionally, the Q² values of 0.700 for OFT and 0.744 for TIN exceed the threshold of 0, demonstrating high predictive relevance. These results suggest that the model not only fits the data well but also effectively predicts the key outcomes, reinforcing its robustness and validity.

4.4 Structural Model

The structural model examines the relationships between the latent constructs in the proposed model. It shows how the independent variables (Talent Retention and Competency Development Programs) influence the dependent variables (Organizational Effectiveness and Turnover Intention). The following analysis interprets the path coefficients, t-statistics, and p-values, which provide insight into the strength and significance of these relationships.

Table 5. Hypothesis Testing

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics	P Values
Competency Development Programs - > Organizational Effectiveness	0.290	0.281	0.121	2.390	0.004
Competency Development Programs - > Turnover Intention	0.630	0.626	0.086	7.347	0.000
Talent Retention -> Organizational Effectiveness	0.586	0.595	0.121	4.482	0.000
Talent Retention -> Turnover Intention	0.310	0.311	0.090	2.996	0.000

Source: Process Data Analysis (2025)

The path analysis results highlight significant relationships among the study variables. Competency Development Programs (CDP) positively impact Organizational Effectiveness (OFT) with a coefficient of 0.290 ($t = 2.390$, $p = 0.004$), confirming that enhanced competency development improves organizational performance. However, CDP is also strongly associated with higher Turnover Intention (TIN) (0.630, $t = 7.347$, $p = 0.000$), suggesting that while these programs develop employee skills, they may inadvertently increase turnover. Talent Retention (TRE) positively influences OFT (0.586, $t = 4.482$, $p = 0.000$), reinforcing the importance of retaining skilled employees. Interestingly, TRE also correlates with higher TIN (0.310, $t = 2.996$, $p = 0.000$), implying that dissatisfaction, limited career growth, or poor organizational culture may drive employees to leave despite retention efforts. These findings provide key insights into the interplay between competency development, talent retention, and organizational effectiveness in the banking sector.

Discussion

1. Impact of Competency Development Programs on Organizational Effectiveness

The positive and significant relationship between Competency Development Programs (CDP) and Organizational Effectiveness (OFT) suggests that investment in developing employees' competencies has a favorable impact on the overall performance and effectiveness of banking organizations. This finding aligns with previous research, which indicates that when organizations focus on enhancing the skills and competencies of their workforce, it leads to better service quality, improved customer satisfaction, and higher overall productivity [28]–[30]. The result supports the idea that Competency Development Programs are a key mechanism for improving organizational performance, particularly in industries like banking, where employees' skills directly influence customer interactions and operational efficiency.

However, while the relationship is statistically significant, the moderate path coefficient (0.290) suggests that Competency Development Programs, by themselves, may not be sufficient to drive substantial improvements in organizational effectiveness. This implies that the effectiveness of such programs might depend on other factors, such as organizational culture, leadership, and employee motivation. Further research could explore the moderating or mediating factors that influence how competency development translates into improved organizational outcomes.

2. Impact of Competency Development Programs on Turnover Intention

In contrast to its positive impact on Organizational Effectiveness, Competency Development Programs exhibit a strong positive relationship with Turnover Intention, with a path coefficient of 0.630. This result is particularly striking because, typically, one would expect competency development efforts to reduce turnover intention by increasing employee satisfaction, engagement, and perceived career growth opportunities [31]–[33]. The significant positive path suggests that employees may feel that such programs are not aligned with their career aspirations, or they may

perceive limited opportunities for advancement, which ultimately leads them to seek employment elsewhere.

One possible explanation for this unexpected outcome could be that employees who undergo competency development programs may feel more qualified or competitive in the job market and, as a result, may be more inclined to explore new opportunities. Additionally, it is possible that the programs, while enhancing skills, do not address the broader factors that contribute to job satisfaction and organizational commitment, such as work-life balance, compensation, and recognition. These insights suggest that banking organizations may need to reconsider the design and implementation of their Competency Development Programs to ensure that they meet employees' needs for both professional growth and job satisfaction.

3. Impact of Talent Retention on Organizational Effectiveness

The relationship between Talent Retention (TRE) and Organizational Effectiveness (OFT) is strongly positive and significant, with a path coefficient of 0.586. This supports the hypothesis that retaining skilled and competent employees is crucial to enhancing organizational effectiveness. In line with human capital theory, employees who stay with the organization accumulate valuable knowledge and experience that contribute to higher performance [34], [35]. Retention also reduces the costs associated with employee turnover, such as recruitment and training, which can have a direct impact on organizational efficiency [36], [37].

Moreover, the high significance of this relationship emphasizes the importance of a strategic approach to talent management, where organizations not only attract but also retain skilled workers through effective retention strategies such as career development opportunities, competitive compensation, and a supportive work environment. The findings underline that talent retention is not just about keeping employees but about creating an environment that supports long-term engagement and commitment.

4. Impact of Talent Retention on Turnover Intention

While Talent Retention is generally associated with a decrease in turnover intention, the positive path coefficient (0.310) from Talent Retention to Turnover Intention suggests a paradoxical relationship in this context. This implies that even though retention programs are in place, employees may still harbor intentions to leave. There could be several reasons for this phenomenon, including a lack of job satisfaction, limited career advancement opportunities, or dissatisfaction with other organizational factors that retention programs alone may not address.

This unexpected result calls for further exploration into the factors that contribute to turnover intention beyond retention efforts. For example, research by [38]–[40] suggests that perceived organizational justice, job fit, and employee well-being are key factors influencing turnover intention, suggesting that talent retention efforts should go beyond just offering competitive packages and include elements that address employees' psychological and emotional needs.

5. Implications for Practice

The findings have several important implications for banking organizations in Central Java. While Competency Development Programs and Talent Retention positively influence Organizational Effectiveness, the unexpected positive relationship between Competency Development Programs and Turnover Intention suggests that organizations should carefully assess how these programs are structured and perceived. Development initiatives should align with employees' career expectations and provide clear pathways for growth within the organization to prevent unintended turnover. Ensuring that competency programs contribute to both skill enhancement and long-term employee commitment is crucial.

Additionally, the strong positive link between Talent Retention and Organizational Effectiveness highlights the importance of investing in comprehensive retention strategies that go beyond compensation. Employee engagement, work-life balance, and career advancement opportunities play critical roles in fostering long-term commitment and sustaining motivation. Since Turnover Intention is influenced by multiple factors beyond retention and competency programs, banks should adopt a holistic approach that considers job satisfaction, organizational culture, leadership, and work conditions to effectively reduce turnover and enhance overall performance.

6. Limitations and Directions for Future Research

This study has several limitations that future research could address. First, the cross-sectional nature of the data means that causal relationships cannot be definitively established. Longitudinal studies could provide more robust evidence of the long-term effects of competency development and retention programs on turnover intention and organizational effectiveness. Second, the study focused on banking organizations in Central Java, and the findings may not be generalizable to other sectors or regions. Future studies could extend the research to other industries or regions to test the robustness of the findings. Finally, other variables, such as organizational culture, leadership style, and job satisfaction, could be included in future models to provide a more comprehensive understanding of the factors influencing turnover intention and organizational effectiveness.

CONCLUSION

This study highlights the significant roles of Talent Retention and Competency Development Programs in shaping the Organizational Effectiveness of banking organizations in Central Java. While competency development efforts generally enhance organizational performance, they may unintentionally increase turnover intention if employees feel overqualified or if the programs fail to address broader job satisfaction factors. Additionally, Talent Retention positively impacts organizational effectiveness and reduces turnover intention, emphasizing the need for strategic retention efforts to sustain a committed workforce.

The findings suggest that to optimize both organizational outcomes and employee retention, banking companies must align competency development programs with employees' career aspirations while providing broader support through career advancement opportunities, work-life balance, and competitive compensation. A holistic approach that integrates Talent Retention strategies with comprehensive competency development can help reduce turnover intention and improve overall organizational performance. Future research could explore longitudinal data to establish causal relationships and examine additional factors such as organizational culture and leadership style to gain a deeper understanding of the dynamics influencing turnover intention and organizational effectiveness.

REFERENCES

- [1] M. T. Herawaty, I. Asmadi, E. I. H. Rahayu, and Z. Zahra, "Impact of Work-Life Balance, Job Satisfaction, and Stress Levels on Employee Retention in Banking Sector Companies," *Int. J. Business, Law, Educ.*, vol. 5, no. 2, pp. 2405–2417, 2024.
- [2] J. M. D. Wilson, and D. Williams, "The Influence of Job Satisfaction on Employees in The Banking Industry," *Int. Res. J. Adv. Eng. Manag.*, vol. 2, pp. 3075–3078, Sep. 2024, doi: 10.47392/IRJAEM.2024.0453.
- [3] B. B. H. Roy and A. Aimi, "The determinants of turnover intention among employees in banking industry," *Environ. Soc. Psychol.*, vol. 9, no. 9, p. 2975, 2024.
- [4] Z. Siregar, R. Napitupulu, D. Prayogi, P. A. M. Zer, M. Sihombing, and A. Damanik, "Peran Pendidikan dan Pelatihan Manajemen Keuangan dalam Meningkatkan Kapabilitas Karyawan Bank BCA Pematangsiantar," *J. Educ.*, vol. 7, pp. 3609–3617, Aug. 2024, doi: 10.31004/joe.v7i1.6950.
- [5] A. Kumari and D. A. Agnihotri, "Effect of Succession Planning in Banking Industry," *INTERANTIONAL J. Sci. Res. Eng. Manag.*, 2024, [Online]. Available: <https://api.semanticscholar.org/CorpusID:271349654>
- [6] A. S. Wahyudi, A. Y. Syauki, L. J. Sunaeni, and M. Irfan, "Strategies for Enhancing Employee Retention: A Qualitative

- Study on Modern Human Resource Management Practices”.
- [7] U. U.A, S. Ismail, M. Franklin, E. Omweno, and U. Ugonna, “Talent retention and leadership effectiveness in workplace: Implications for learning organizations,” *African Multidiscip. J. Dev.*, vol. 12, pp. 368–383, Dec. 2023, doi: 10.59568/AMJD-2023-12-3-28.
 - [8] S. R. Behera, “PERSONNEL ENGAGEMENT AND RETENTION IN ORGANIZATIONS: A REVIEW OF LITERATURE,” *JAIN Coll. MCA&MBA*, p. 33, 2024.
 - [9] T. Sovannara, L. Sovang, and L. Bunteng, “THE FACTORS AFFECTING EMPLOYEE RETENTION: A Case Study of Employee Training Development at ACLEDA Bank Plc.,” *Srawung J. Soc. Sci. Humanit.*, pp. 67–93, 2023.
 - [10] D. Bhargava and D. Johri, “TALENT ACQUISITION AND RETENTION: A CRITICAL REVIEW OF THE LATEST INNOVATIONS & CHALLENGES IN TALENT MANAGEMENT,” 2024, pp. 76–84. doi: 10.58532/V3BHMA28P5CH2.
 - [11] V. Chaudhary and M. Sharma, “A Review of Employee Retention as a Strategy for Organizational Success,” *Int. J. Sci. Res. Eng. Manag.*, vol. 8, no. 01, pp. 1–6, 2024.
 - [12] D. Douson and E. Lysenko, “A SYSTEMATIC REVIEW OF THE MECHANISMS THAT INFLUENCE TALENT MANAGEMENT PRACTICES ON ORGANIZATIONAL EFFECTIVENESS,” *Manag. Pers. Intellect. Resour. Russ.*, vol. 13, pp. 78–81, Feb. 2024, doi: 10.12737/2305-7807-2024-13-1-78-81.
 - [13] D. Vijayalakshmi, “Strategies for Enhancing Employee Retention in Multinational Organizations: A Comprehensive Review and Analysis,” *Shanlax Int. J. Manag.*, vol. 11, pp. 178–182, Jan. 2024, doi: 10.34293/management.v11i1S1-Jan.7161.
 - [14] A. Muzakky and P. Wulansari, “The Effect of Training and Competency on Career Development: A Conceptual Framework,” *J. Bus. Manag. Stud.*, vol. 6, no. 4, pp. 163–167, 2024.
 - [15] D. Kristanti and S. Hariyanti, “Employee Competency Development Strategy in the Digital Transformation Era: Approach from an HR Development Perspective,” *J. Manaj. Bisnis, Akunt. dan Keuang.*, vol. 3, no. 1, pp. 13–20, 2024.
 - [16] M. Salmina, A. Y. Ding, and M. Yu, “Human Resources Strategy to Improve HR Competencies,” *J. Work. Competency Perform. Vol.*, vol. 1, p. 2, 2021.
 - [17] S. Sutrisno, A. M. A. Ausat, S. Suherlan, and S. Rijal, “Towards Competitive Advantage: Employee Competency Development Strategies in Promoting Business Innovation,” *J. Penelit. Inov.*, vol. 4, no. 2, pp. 601–608, 2024.
 - [18] S. R., “A Study on Competency Analysis of Employees in Information Technology Sector,” *Shanlax Int. J. Manag.*, 2024, [Online]. Available: <https://api.semanticscholar.org/CorpusID:273623439>
 - [19] S. Y. Sari, Z. Yenni, and M. H. Aima, “Determinants of Turnover Intention: Job Satisfaction, Employee Retention, Work-Family Conflict and Organisational Commitment,” *Int. Rev. Manag. Mark.*, vol. 14, no. 6, pp. 26–36, 2024.
 - [20] Y. Fajriansyah, L. Kalangi, and R. Lambey, “The influence of job stress, job satisfaction, and organizational commitment on turnover intention of accounting and finance employees at PT. Multi Nabati Sulawesi,” *Contrar. Financ. Accounting, Bus. Res.*, vol. 3, no. 2, pp. 86–95, 2024.
 - [21] S. Wijaya, “PENGARUH LINGKUNGAN KERJA DAN KOMPENSASI YANG DI MEDIASI OLEH MOTIVASI KERJA TERHADAP TURNOVER INTENTION (STUDI PADA PT. GRANDI),” *DeReMa (Development Res. Manag. J. Manaj.*, vol. 19, no. 1, 2024.
 - [22] T. B. Hartwig, T. M. dos Santos, and R. H. Bemvenuti, “The principal organizational factors that lead to turnover intention: a systematic literature review,” *Rev. Gestão da Produção Operações e Sist.*, vol. 1, 2024.
 - [23] D. Chatsama, “Effective Organizational Leadership,” in *Building Business Knowledge for Complex Modern Business Environments*, IGI Global, 2025, pp. 209–236.
 - [24] G. Hong, J. Deutsch, P. Kress, J. Eos Trinidad, and Z. Xu, “Organizational Effectiveness: A New Strategy to Leverage Multisite Randomized Trials for Valid Assessment,” *arXiv e-prints*, p. arXiv-2407, 2024.
 - [25] N. T., “Impact of Training and Development on Organizational Effectiveness: A Study on Private Sector Bank,” *GBS Impact J. Multi Discip. Res.*, vol. 9, pp. 94–102, Aug. 2023, doi: 10.58419/gbs.v9i1.912310.
 - [26] V. Pavlov, “Organizational effectiveness – conceptual framework, criteria and models,” *Bulg. J. Agric. Econ. Manag.*, 2024, [Online]. Available: <https://api.semanticscholar.org/CorpusID:273030895>
 - [27] Chandra Reddy Kurri and Dr. V. Tulasi Das, “Organizational Initiatives: a Strategy for Organizational Effectiveness,” *EPRA Int. J. Econ. Bus. Manag. Stud.*, no. July, pp. 37–48, 2023, doi: 10.36713/epra13814.
 - [28] P. T. Rajakumar and R. Yasodha, “Employee competency and understanding capability in gear manufacturing companies in Coimbatore, Tamil Nadu,” *Asian J. Manag.*, vol. 14, no. 2, pp. 113–117, 2023.
 - [29] R. Sabuhari, A. Sudiro, D. Irawanto, and M. Rahayu, “The effects of human resource flexibility, employee competency, organizational culture adaptation and job satisfaction on employee performance,” *Manag. Sci. Lett.*, vol. 10, no. 8, pp. 1775–1786, 2020.
 - [30] A. Prabowo and A. Anas, “THE ROLE OF COMPETENCY ON EMPLOYEE PERFORMANCE ACHIEVEMENT: A LITERATURE REVIEW,” *AmaNU J. Manaj. dan Ekon.*, vol. 4, no. 1, pp. 1–17, 2021.
 - [31] E. Rusyani, “The Effect of Job Satisfaction, Workload and Organizational Climate on Turnover Intention of Employees,” *Cent. Eur. Manag. J.*, vol. 30, no. 4, pp. 931–938, 2022.
 - [32] A. Oktavio, M. Laurent, and V. Wijaya, “Memprediksi turnover intention melalui employee motivation dan employee engagement di Hotel W Bali-Seminyak,” *JKBK (JURNAL KONSEP BISNIS DAN MANAJEMEN)*, vol. 6, no. 2, pp. 188–198, 2020.
 - [33] M. S. S. Adfa and D. Indiyati, “Impact of work environment and job characteristics on turnover intention with

- employee engagement as intervening variables on the talent of the millennials generation in Indonesia," in *Sustainable Future: Trends, Strategies and Development*, Routledge, 2022, pp. 244–247.
- [34] L. D. Mubarik, B. K. Iskanto, and K. N. Sakib, "Entrepreneurial Competencies and Success of SMEs in Changwon, South Korea," *J. Entrep. Proj. Manag.*, vol. 7, no. 8 SE-Articles, pp. 1–11, Jul. 2023, doi: 10.53819/81018102t5206.
- [35] Fahma Diena Achmada, Budi Eko Soetjipto, and Sopiah, "the Effect of Talent Management on Employee Engagement and Employee Retention in Improving Employee Performance," *Lit. Int. Sci. Journals Soc. Educ. Humanit.*, vol. 1, no. 3, pp. 80–94, 2022, doi: 10.56910/literacy.v1i3.320.
- [36] A. Alhmoud and H. Rjoub, "Total Rewards and Employee Retention in a Middle Eastern Context," *SAGE Open*, vol. 9, no. 2, 2019, doi: 10.1177/2158244019840118.
- [37] T. Agarwal, "Effect of talent management practices and organisational performance on employee retention: Evidence from Indian IT Firms," *J. Internet Bank. Commer.*, vol. 23, no. 1, pp. 1–16, 2018.
- [38] E. T. Ampofo and O. M. Karatepe, "The effects of on-the-job embeddedness and its sub-dimensions on small-sized hotel employees' organizational commitment, work engagement and turnover intentions," *Int. J. Contemp. Hosp. Manag.*, vol. 34, no. 2, pp. 509–533, 2022.
- [39] M. Sutikno, "Pengaruh Beban Kerja Dan Kompensasi Terhadap Turnover Intention dengan Kepuasan Kerja Sebagai Variabel Intervening (Studi Pada Karyawan PT. Delta Dunia Sandang Tekstil)," *Pros. Konstelasi Ilm. Mhs. Unissula Klaster Ekon.*, 2020.
- [40] R. A. Authar, "Analisis Pengaruh Beban Kerja dan Komitmen Organisasi terhadap Kinerja Karyawan melalui Turnover Intention sebagai Variabel Intervening," *Bus. Manag. Anal. J.*, vol. 2, no. 2, pp. 79–94, 2019.