

Human Resource Practices for Retaining Creative and Innovative Talent: A Factor Analytical Study

¹Dr. Shilpa Ajay, ²Ms. Vanaja V

¹Professor and Head, Department of Management Studies, Nitte Meenakshi Institute of Technology, Nitte (Deemed to be University), Bangalore, Karnataka.

²Research Scholar, Department of Management Studies, Nitte Meenakshi Institute of Technology, Nitte (Deemed to be University), Assistant Professor, Sindhi Institute of Management, Bangalore, Karnataka.
Email: vanaja.vd@gmail.com ORCID: 0000-0002-9823-8775

Abstract

The retention of creative and innovative employees has become a strategic priority for organizations operating in knowledge-intensive industries. In highly competitive business environments, organizations increasingly rely on talented employees who contribute to innovation, problem-solving, and organizational growth. However, attracting and retaining such employees remains a significant challenge due to increasing employment opportunities and evolving workforce expectations. The present study examines the various human resource practices adopted by organizations to retain creative and innovative talent in Bangalore, India's leading technology and innovation hub. Primary data were collected from employees working in information technology, consulting, research, and knowledge-based organizations. Exploratory Factor Analysis (EFA) was employed to identify the underlying dimensions of HR practices influencing talent retention. The results revealed five major factors, namely Recruitment and Attraction, Compensation and Rewards, Development Opportunities, Behavioural and Managerial Retention Practices, and Innovative Talent Engagement. The findings suggest that organizations need to adopt a comprehensive and integrated talent retention strategy that combines financial rewards, career development opportunities, supportive leadership, and employee engagement initiatives. The study provides practical insights for HR managers and organizational leaders seeking to strengthen talent retention and sustain innovation-driven competitiveness.

Keywords: Talent Retention, Creative Talent, Innovative Employees, Human Resource Practices, Factor Analysis, Bangalore.

1. Introduction

The modern business environment is increasingly characterized by rapid technological advancement, digital transformation, and intense global competition. Under such circumstances, organizational success depends largely on the ability to attract, develop, and retain employees who possess creativity, innovation capability, and specialized knowledge. Creative and innovative employees contribute significantly to organizational performance through the generation of new ideas, product development, process improvement, and strategic problem-solving. Consequently, organizations have shifted their focus from merely managing human resources to strategically managing talent.

Bangalore, often referred to as the Silicon Valley of India, hosts a large concentration of information technology companies, research institutions, start-ups, multinational corporations, and innovation-driven enterprises. These organizations operate in highly dynamic environments where employee knowledge and innovation serve as critical competitive resources. However, high employee mobility and increasing opportunities in the labour market create substantial challenges for retaining talented professionals. As a result, organizations invest considerable resources in developing HR practices that enhance employee commitment and reduce turnover intentions.

Human Resource Management plays a crucial role in creating an organizational environment that supports employee growth, recognition, engagement, and career advancement. Effective HR practices not only improve employee satisfaction but also strengthen organizational loyalty and retention. Previous studies have highlighted the importance of compensation systems, career development opportunities, recognition mechanisms, leadership support, and employee engagement initiatives in influencing retention outcomes. Nevertheless, limited empirical research has focused specifically on identifying the HR practices that contribute to retaining creative and innovative talent within the Bangalore context.

The present study seeks to address this gap by examining the underlying dimensions of HR practices that influence the retention of creative and innovative employees. Through factor analysis, the study identifies the key organizational practices that contribute to talent retention and provides practical implications for organizations seeking to maintain a sustainable competitive advantage through human capital.

2. Literature Review

The concept of talent retention has gained considerable importance in contemporary human resource management literature. Talent retention refers to organizational efforts aimed at reducing employee turnover and maintaining a stable workforce comprising high-performing and high-potential employees. According to Armstrong and Taylor (2023), retaining talented employees is essential because they possess critical knowledge, skills, and innovative capabilities that contribute directly to organizational success.

The retention of talented employees has become a critical concern for organizations operating in knowledge-driven environments. Armstrong and Taylor (2023) emphasized that effective talent retention strategies are essential for sustaining organizational performance and maintaining a competitive advantage, particularly in industries dependent on innovation and intellectual capital. Noe (2023) argued that organizations that invest in employee training, career development, and continuous learning opportunities experience higher levels of employee commitment and lower turnover intentions. Similarly, Milkovich, Newman, and Gerhart (2024) found that equitable compensation and reward systems significantly influence employee satisfaction and retention by recognizing employee contributions and enhancing motivation. Saks (2022) highlighted employee engagement as a crucial determinant of retention, suggesting that engaged employees demonstrate stronger emotional attachment and organizational commitment. Collings, Mellahi, and Cascio (2019) observed that strategic talent management practices help organizations identify, develop, and retain high-performing employees who contribute to long-term organizational success. Allen, Bryant, and Vardaman (2010) reported that retention is influenced by a combination of organizational support, career opportunities, and workplace relationships rather than solely financial incentives. Hausknecht, Rodda, and Howard (2009) found that employees often remain with organizations due to positive work environments, growth opportunities, and meaningful job roles. Hom, Lee, Shaw, and Hausknecht (2017) further noted that employee retention is shaped by multiple organizational and psychological factors, including job satisfaction, leadership quality, and organizational commitment. Scullion, Collings, and Caligiuri (2010) emphasized that organizations operating in global and technology-intensive environments must adopt integrated talent management systems to retain highly skilled employees. More recently, Bone et al. (2023) highlighted that skill development initiatives, internal mobility opportunities, and competency-based HR practices have become increasingly important for retaining innovative professionals in rapidly evolving industries. Collectively, these studies indicate that employee retention is a multidimensional phenomenon influenced by compensation, career development, engagement, leadership support, organizational culture, and talent management practices, thereby underscoring the importance of comprehensive HR strategies for retaining creative and innovative talent.

Research suggests that compensation and reward systems play a significant role in influencing employee retention. Employees who perceive their compensation as fair and competitive are more likely to remain committed to their organizations. Milkovich, Newman, and Gerhart (2024) argue that reward systems serve not only as financial incentives but also as signals of organizational appreciation and recognition.

Career development opportunities have also been identified as critical determinants of employee retention. Employees prefer organizations that provide continuous learning opportunities, training programmes, mentoring, and career advancement prospects. Noe (2023) emphasizes that developmental HR practices enhance employee employability while simultaneously increasing organizational commitment.

Leadership and managerial support represent another important factor influencing retention. Supportive supervisors create positive work environments that encourage employee engagement and job satisfaction. Studies have demonstrated that employees are less likely to leave organizations where they receive guidance, recognition, and emotional support from managers.

Employee engagement has emerged as a significant predictor of retention outcomes. Engaged employees demonstrate higher levels of enthusiasm, commitment, and discretionary effort. Saks (2022) notes that engagement initiatives strengthen employees' psychological attachment to organizations, thereby reducing turnover intentions.

Recruitment and attraction strategies also influence long-term retention. Organizations that effectively communicate their employer brand, organizational culture, and career opportunities tend to attract candidates whose values align with organizational objectives. Such alignment increases the likelihood of employee retention and organizational commitment.

Despite extensive research on talent management, studies focusing specifically on creative and innovative employees remain relatively limited, particularly within the Indian context. Creative professionals often possess unique motivational needs and career aspirations that differ from traditional workforce segments. Therefore, understanding the HR practices that effectively retain such employees is critical for sustaining organizational innovation and competitiveness.

3. Objectives of the Study

1. To identify the various human resource practices adopted by organizations for retaining creative and innovative talent in Bangalore.
2. To provide managerial recommendations for improving talent retention strategies in knowledge-intensive organizations.

4. Methodology

The present study adopted a descriptive and quantitative research design to examine the human resource practices employed by organizations for retaining creative and innovative talent. The study was conducted in **Bangalore, Karnataka**, a prominent technology and innovation hub that hosts numerous information technology firms, multinational corporations, start-ups, consulting organizations, and research institutions. Primary data were collected through a structured questionnaire administered to employees working in knowledge-intensive and innovation-driven organizations. Respondents were selected using a combination of convenience and purposive sampling techniques to ensure the inclusion of individuals engaged in creative and innovative roles. Secondary data were gathered from scholarly journals, books, industry reports, HR publications, and relevant organizational documents to support the theoretical framework of the study. The sample comprised employees from various sectors, including information technology, software services, consulting, research and development, and innovation-focused enterprises operating in Bangalore. Data analysis was carried out using SPSS software, and Exploratory Factor Analysis (EFA) employing Principal Component Analysis with Varimax Rotation was applied to identify the underlying dimensions of HR practices influencing the retention of creative and innovative talent. The adequacy of the data for factor analysis was confirmed through the Kaiser-Meyer-Olkin (KMO) measure and Bartlett's Test of Sphericity.

5. Result and Analysis

Table 1. Demographic Profile of Respondents (N = 235)

Variable	Category	Frequency	Percentage (%)
Gender	Male	138	58.7
	Female	97	41.3
Age	Below 25 years	42	17.9
	25–35 years	96	40.9
	36–45 years	63	26.8
	Above 45 years	34	14.4
Education	Undergraduate	68	28.9
	Postgraduate	123	52.3
	Doctorate/Professional Qualification	44	18.8
Experience	Below 5 Years	71	30.2
	5–10 Years	94	40.0
	11–15 Years	42	17.9
	Above 15 Years	28	11.9
Organization Type	IT/Software	102	43.4
	Start-up	41	17.4
	Consulting	37	15.7
	R&D/Innovation Firms	31	13.2
	Other Knowledge-Based Organizations	24	10.3

Table 1 presents the demographic profile of the 235 respondents included in the study. Male respondents constituted 58.7% of the sample, while females accounted for 41.3%. The majority of respondents (40.9%) belonged to the 25–35 years age group, indicating a relatively young workforce. More than half of the participants (52.3%) possessed postgraduate qualifications, reflecting the highly educated nature of employees in knowledge-based organizations. In terms of experience, 40.0% had between 5 and 10 years of work experience. The largest proportion of respondents (43.4%) were employed in IT and software companies, followed by start-ups, consulting firms, and R&D organizations. Overall, the demographic composition represents professionals working in innovation-driven and knowledge-intensive sectors in Bangalore.

Table 2: KMO

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.913
Bartlett's Test of Sphericity	Approx. Chi-Square	5869.479
	df	861
	Sig.	.000

Table 2 presents the results of the Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy and Bartlett's Test of Sphericity. The KMO value of 0.913 indicates excellent sampling adequacy, suggesting that the data are highly suitable for factor analysis. Furthermore, Bartlett's Test of Sphericity was found to be statistically significant ($\chi^2 = 5869.479$, $df = 861$, $p < 0.001$), indicating that the correlation matrix is not an identity matrix and that sufficient interrelationships exist among the variables. Therefore, the dataset satisfies the necessary conditions for conducting Exploratory Factor Analysis (EFA).

Table 3: Total variance extracted

Total Variance Explained									
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	18.718	44.568	44.568	18.718	44.568	44.568	6.900	16.428	16.428
2	4.035	9.608	54.175	4.035	9.608	54.175	6.630	15.787	32.215
3	3.217	7.659	61.835	3.217	7.659	61.835	6.387	15.206	47.421
4	2.254	5.366	67.201	2.254	5.366	67.201	6.143	14.626	62.047
5	1.753	4.175	71.376	1.753	4.175	71.376	3.918	9.329	71.376
6	.973	2.317	73.693						
7	.857	2.041	75.734						
8	.828	1.971	77.705						
9	.674	1.605	79.311						
10	.651	1.549	80.860						

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11	.583	1.388	82.248						
12	.570	1.357	83.606						
13	.524	1.248	84.853						
14	.492	1.173	86.026						
15	.456	1.086	87.112						
16	.418	.996	88.108						
17	.390	.929	89.038						
18	.362	.862	89.899						
19	.354	.842	90.741						
20	.336	.800	91.541						
21	.317	.756	92.297						
22	.307	.730	93.027						
23	.280	.667	93.694						
24	.268	.639	94.333						
25	.258	.615	94.948						
26	.219	.521	95.469						
27	.218	.520	95.989						
28	.195	.465	96.454						
29	.178	.425	96.878						
30	.162	.387	97.265						
31	.158	.377	97.642						
32	.146	.347	97.989						
33	.129	.306	98.295						
34	.116	.277	98.573						
35	.109	.260	98.832						
36	.098	.234	99.066						
37	.092	.218	99.285						
38	.086	.204	99.489						
39	.072	.170	99.659						
40	.065	.154	99.813						

41	.059	.141	99.954						
42	.019	.046	100.000						
Extraction Method: Principal Component Analysis.									

Table 3 presents the total variance explained by the extracted factors. Using Principal Component Analysis, five factors with eigenvalues greater than one were identified. Together, these five factors accounted for 71.376% of the total variance, which exceeds the recommended threshold of 60% for social science research. The first factor explained 44.568% of the variance, followed by the second factor (9.608%), third factor (7.659%), fourth factor (5.366%), and fifth factor (4.175%). The substantial cumulative variance explained indicates that the extracted factors adequately represent the underlying dimensions of HR practices adopted for retaining creative and innovative talent.

Table 4: Rotation component matrix

Rotated Component Matrix ^a					
	Component				
	1	2	3	4	5
RA1	.792				
RA2	.787				
RA3	.781				
RA4	.739				
RA5	.724				
CR1		.811			
CR2		.781			
CR3		.763			
CR4		.746			
CR5		.742			
DE1			.831		
DE2			.830		
DE3			.805		
DE4			.804		
DE5			.799		
DE6			.747		
BMR1				.823	
BMR2				.810	

BMR3				.795	
BMR4				.760	
BMR5				.751	
BMR6				.723	
BMR7				.709	
ITE1					.800
ITE2					.775
ITE3					.723
ITE4					.711
ITE5					.703
Extraction Method: Principal Component Analysis.					
Rotation Method: Varimax with Kaiser Normalization.					
a. Rotation converged in 6 iterations.					

Table 4 presents the rotated component matrix obtained through Varimax rotation. The factor loadings reveal a clear grouping of variables into five distinct dimensions. The first factor consists of Recruitment and Attraction (RA) items with loadings ranging from 0.724 to 0.792. The second factor comprises Compensation and Rewards (CR) items with loadings between 0.742 and 0.811. The third factor includes Development Opportunities (DE) items with loadings ranging from 0.747 to 0.831. The fourth factor represents Behavioural and Managerial Retention (BMR) practices with loadings between 0.709 and 0.823. The fifth factor comprises Innovative Talent Engagement (ITE) items with loadings ranging from 0.703 to 0.800. Since all factor loadings exceed the recommended threshold of 0.70, the results demonstrate strong construct validity and confirm the existence of five significant HR practice dimensions influencing the retention of creative and innovative employees.

6. Discussion

The findings of the study demonstrate that retaining creative and innovative talent requires a multidimensional HR approach rather than reliance on a single retention mechanism. The factor analysis identified five critical HR practice dimensions that collectively influence employee retention in knowledge-intensive organizations. Recruitment and Attraction emerged as an important factor, indicating that organizations must attract individuals whose values, aspirations, and competencies align with organizational objectives. Effective employer branding and talent acquisition practices help establish long-term employee commitment.

Compensation and Rewards were identified as another significant factor influencing retention. Creative employees often seek not only competitive salaries but also recognition and performance-based rewards that acknowledge their contributions. Consistent with talent management literature, equitable reward systems strengthen employee motivation and organizational loyalty.

Development Opportunities formed a major dimension, highlighting the importance of continuous learning, career advancement, skill enhancement, mentoring, and professional growth. Creative employees are more likely to remain in organizations that provide opportunities for personal and professional development. Similarly,

Behavioural and Managerial Retention Practices emphasize the role of supportive leadership, effective communication, trust, and positive workplace relationships in fostering employee commitment.

The emergence of Innovative Talent Engagement as a separate factor indicates that engagement initiatives specifically targeted toward creativity and innovation are essential. Employees who feel empowered, involved in decision-making, and encouraged to contribute new ideas are more likely to remain committed to their organizations. These findings reinforce the notion that innovative talent retention is influenced by both tangible and intangible HR practices.

7. Managerial Implications

The study offers several practical implications for HR managers and organizational leaders. First, organizations should develop integrated talent retention strategies that combine recruitment, rewards, development, managerial support, and engagement initiatives. Second, compensation policies should extend beyond financial rewards to include recognition programmes, innovation awards, and career-based incentives. Third, organizations should invest in training, mentoring, leadership development, and career planning programmes to enhance employee growth opportunities. Fourth, managers should cultivate supportive work environments characterized by trust, communication, collaboration, and employee empowerment. Finally, organizations should establish innovation-friendly cultures that encourage creativity, experimentation, knowledge sharing, and employee participation in decision-making processes. Such practices can strengthen employee commitment and reduce turnover among high-performing talent.

8. Conclusion

The study successfully identified the key human resource practices adopted by organizations for retaining creative and innovative talent in Bangalore's knowledge-intensive sectors. The exploratory factor analysis revealed five significant dimensions: Recruitment and Attraction, Compensation and Rewards, Development Opportunities, Behavioural and Managerial Retention Practices, and Innovative Talent Engagement. Together, these factors explained 71.376% of the total variance, demonstrating their substantial contribution to talent retention. The findings highlight that retaining innovative employees requires a holistic HR strategy that addresses both economic and psychological needs. Organizations that effectively integrate these HR practices are more likely to retain valuable talent, sustain innovation, and achieve long-term competitive advantage in dynamic business environments.

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