



Employee Engagement, Talent Management, and Organizational Performance: A Review of Literature

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Abstract

This review synthesizes empirical and theoretical research on employee engagement, talent management, and their effects on organizational performance published between 2015 and 2024. Drawing on 94 peer-reviewed articles selected through PRISMA-guided systematic screening of Web of Science and Scopus, the review examines the conceptual development of employee engagement, the strategic talent management practices most strongly associated with engagement and retention, and the performance outcomes of high engagement workforces. The paper traces the evolution of engagement theory from Kahn's (1990) foundational conceptualization through to multi-dimensional frameworks incorporating cognitive, emotional, and behavioural engagement dimensions. Talent management practices including selective hiring, developmental investments, performance management systems, and inclusive leadership are synthesized for their engagement effects. The review documents robust evidence that employee engagement is positively associated with organizational citizenship behaviour, customer satisfaction, productivity, and reduced turnover intention, with effect sizes in the range of $r = 0.40$ to $r = 0.55$ across performance outcomes. Emerging themes including remote work and virtual engagement, generational workforce transitions, and artificial intelligence applications in talent management are examined. A future research agenda centred on sustainable engagement, diversity and inclusion as engagement drivers, and engagement in gig and platform economy contexts is proposed.

Keywords: - Employee Engagement, Talent Management, Organizational Performance, Turnover Intention, Human Resource Management, Organizational Behaviour, Leadership.

I. INTRODUCTION

1.1. Background and Significance

Employee engagement, broadly defined as the degree to which employees are cognitively, emotionally, and behaviourally invested in their work and their employing organization (Kahn, 1990; Schaufeli et al., 2002), has emerged as one of the most commercially significant constructs in organizational behaviour and human resource management scholarship. Organizations with highly engaged workforces demonstrate measurably superior performance across multiple dimensions: Gallup's State of the Global Workplace surveys consistently document that business units in the top quartile of engagement scores outperform bottom-quartile units by 21% in profitability, 17% in productivity, and 41% in quality, while experiencing 43% lower absenteeism and 18% lower turnover (Gallup, 2023).

Despite, or perhaps because of, its commercial salience, employee engagement has attracted critical theoretical scrutiny regarding its conceptual distinctiveness from related constructs including job satisfaction, organizational commitment, and psychological well-being. The period 2015 to 2024 has witnessed both theoretical refinement, with multi-dimensional engagement models gaining acceptance, and methodological advancement, with experience sampling methodologies and longitudinal designs providing more nuanced evidence on engagement dynamics than the cross-sectional surveys that dominate

the pre-2015 literature. Simultaneously, dramatic changes in work arrangements, including the COVID-19-driven transition to remote and hybrid work, have raised new questions about engagement drivers and barriers that existing models did not anticipate.

1.2. Review Objectives

- To synthesize the conceptual and theoretical development of employee engagement as an organizational behaviour construct from 2015 to 2024.
- To identify the talent management practices most consistently associated with employee engagement and retention.
- To document the empirical evidence on the organizational performance consequences of employee engagement.
- To examine emerging themes and propose a future research agenda.

II. METHODOLOGY

2.1. Search and Selection

A structured database search was conducted in October 2024 using Web of Science and Scopus. The search string combined: ("employee engagement" OR "work engagement" OR "talent management") AND ("organizational performance" OR "productivity" OR "turnover" OR "retention" OR "organizational citizenship"). The temporal restriction was January 2015 to December 2024. Following deduplication of 2,287 initial records, title and abstract screening eliminated 1,764 records. Full-text review of 523 records yielded 94 articles for inclusion. Inter-rater reliability for full-text decisions yielded a Cohen's kappa of 0.80.

III. CONCEPTUAL FOUNDATIONS OF EMPLOYEE ENGAGEMENT

3.1. Definitional Evolution

The conceptual landscape of employee engagement is characterized by theoretical richness and definitional plurality. Kahn's (1990) foundational conceptualization defined engagement as the simultaneous employment and expression of a person's preferred self in task behaviour, encompassing cognitive, emotional, and physical dimensions. Schaufeli et al.'s (2002) operationalization as a positive, fulfilling, work-related state of mind characterized by vigour, dedication, and absorption became the most widely employed empirical framework, underpinning the Utrecht Work Engagement Scale (UWES) that dominates quantitative engagement research.

The review documents a productive definitional debate in the period: Macey and Schneider (2008) distinguished between trait engagement (dispositional tendency to experience work engagement), state engagement (the psychological experience), and behavioural engagement (the discretionary effort and organizational citizenship manifestations), arguing that conflating these levels of analysis has impeded theoretical progress. The review documents increasing acceptance of this multi-level framework in the post-2015 literature, with a growing proportion of studies explicitly specifying which engagement dimension they are measuring and theorizing.

3.2. Theoretical Drivers: Job Demands-Resources Model

The Job Demands-Resources (JD-R) model (Bakker & Demerouti, 2007) is the most frequently employed theoretical framework in the review corpus, appearing in 58 of 94 articles. The model posits that work characteristics can be classified into demands (physical, psychological, social, or organizational aspects of the job that require sustained effort or skill) and resources (physical, psychological, social, or organizational aspects that are functional in achieving work goals, reducing demands, or stimulating growth). Engagement is predicted by the balance between demands and resources: high resources buffer the negative effects of high demands, while high demands without adequate resources lead to burnout rather than engagement.

The review documents important extensions of the JD-R model in the period: the inclusion of personal resources (psychological capital, self-efficacy, optimism, resilience) as engagement predictors alongside job resources; the modelling of engagement as a mediator between resources and performance outcomes; and the cross-level extension to team and organizational engagement. The JD-R model's flexibility in accommodating diverse occupational contexts has sustained its prominence across a wide variety of industries and national contexts in the review corpus.

IV. TALENT MANAGEMENT PRACTICES AND ENGAGEMENT

4.1. Selective Hiring and Person-Organization Fit

Selective hiring practices that identify candidates with strong person-organization (P-O) fit, assessed along value congruence, personality compatibility, and cultural alignment dimensions, are consistently positively associated with subsequent employee engagement levels. The review documents a mean effect size of $r = 0.31$ for the P-O fit-engagement relationship across 19 studies, with the relationship stronger in organizations with distinctive, strong organizational cultures. The mechanism operates through a needs-supplies perspective: employees whose personal values align with organizational values experience greater meaningfulness in their work, a primary psychological condition for engagement (May et al., 2004).

4.2. Learning and Development Investment

Organizational investment in employee learning and development, encompassing formal training, mentoring, coaching, job rotation, and developmental assignment programs, demonstrates consistent positive associations with engagement across the review corpus. The review documents 31 articles examining learning-engagement relationships, with 26 reporting significant positive effects and a mean effect size of $r = 0.38$. The mechanism operates through multiple pathways: skill

development increases perceived competence and self-efficacy (a personal resource in the JD-R framework); developmental investment signals organizational valuation of the employee, strengthening perceived organizational support; and access to learning opportunities increases job resource levels directly.

The review identifies a significant moderation by perceived fairness of learning access: when employees perceive that developmental opportunities are allocated based on performance and merit, learning investment has stronger engagement effects than when access is perceived as political or arbitrary. This fairness moderation has important implications for talent management design, suggesting that the process equity of developmental allocation may matter as much as the volume of investment.

4.3. Performance Management and Feedback

Performance management systems, specifically those emphasizing developmental feedback, goal-setting transparency, and regular manager-employee dialogue, are consistently associated with higher engagement, while purely evaluative, backward-looking appraisal systems demonstrate neutral or negative engagement effects. The review documents 22 articles examining performance management-engagement relationships, with evidence converging on continuous feedback and coaching-oriented conversations as the engagement-relevant elements, in contrast with annual performance ratings whose engagement effects are minimal or negative. This finding is consistent with the shift in practitioner performance management philosophy toward continuous conversations and developmental check-ins that has characterized the review period.

4.4. Leadership and Inclusive Management

Leadership quality, particularly transformational leadership and inclusive leadership behaviors, is one of the most consistently significant organizational-level drivers of employee engagement in the review corpus. Transformational leadership, characterized by inspirational motivation, intellectual stimulation, individual consideration, and idealized influence (Bass, 1985), demonstrates mean effect sizes of $r = 0.46$ to $r = 0.52$ in its relationship with employee engagement across the reviewed studies, making it the strongest organizational-level engagement predictor documented.

Inclusive leadership, defined as behaviors demonstrating openness, accessibility, and availability toward followers (Carmeli et al., 2010), has emerged as a significant new leadership construct in the review period, particularly in the context of diverse workforces. The review documents 18 articles examining inclusive leadership-engagement relationships published from 2018 onward, with consistent evidence that inclusive leadership is positively associated with engagement among minority, marginalized, and diverse employee groups, with stronger effects for employees with lower organizational status and higher identity threat.

V. ENGAGEMENT AND ORGANIZATIONAL PERFORMANCE

5.1. Productivity and Quality

The engagement-productivity relationship is one of the most extensively documented in the organizational behaviour literature, with meta-analytic evidence from Christian et al. (2011) reporting a corrected effect size of $r = 0.43$ for the engagement-task performance relationship. The review period provides additional evidence confirming this relationship across diverse occupational contexts, with particularly strong effects documented in service industries where employee emotional investment directly translates into customer experience quality. The review documents consistent evidence that engagement effects on productivity are mediated by organizational citizenship behaviour: engaged employees invest discretionary effort in task and contextual performance beyond their formally defined job requirements.

5.2. Turnover Intention and Retention

Turnover intention, the cognitive precursor to actual employee departure, is consistently negatively associated with engagement, with effect sizes of $r = -0.45$ to $r = -0.55$ across the review corpus. The review documents that the engagement-turnover intention relationship is partially mediated by organizational commitment and job embeddedness, suggesting that engagement influences retention both directly through experienced meaningfulness and indirectly through strengthening the relational and community ties that bind employees to their organizations.

5.3. Innovation and Creativity

An emerging literature examines the engagement-innovation relationship, with 16 articles in the review corpus documenting positive associations between engagement and creative performance, idea generation, and innovative behaviour. Engaged employees demonstrate greater psychological safety in proposing novel ideas, higher intrinsic motivation to experiment and take creative risks, and greater persistence through the iterative failure cycles inherent in innovation processes. The review documents a moderation by job autonomy: the engagement-creativity relationship is stronger in roles with high task autonomy, where engaged employees have the freedom to direct their energy toward novel approaches rather than prescribed procedures.

VI. EMERGING THEMES

6.1. Remote Work and Virtual Engagement

The COVID-19 pandemic's forced experiment in mass remote working has generated a substantial literature on virtual engagement, with 21 articles in the review corpus published from 2020 onward addressing this theme. The evidence on remote work engagement effects is heterogeneous: some studies document increased engagement for employees with high autonomy preferences and strong home working conditions, while others document engagement erosion from social isolation, blurred work-life boundaries, and reduced access to managerial support. The review identifies the quality of virtual leadership, digital

communication tool design, and organizational policies on connection and collaboration as the primary moderators of remote engagement outcomes.

6.2. Generational Workforce Transitions

The increasing representation of Generation Z (born 1997 to 2012) in the workforce has prompted research on generational differences in engagement drivers and expectations. Generation Z employees demonstrate stronger preferences for purpose-driven work, digital-native work environments, mental health support, and authentic organizational values than preceding cohorts, with traditional engagement levers including financial rewards and job security demonstrating attenuated effects. The review identifies generational workforce management as an emerging research priority, noting that most existing engagement research was conducted on Millennial and Generation X samples whose preferences may not generalize to Generation Z populations.

6.3. AI in Talent Management

The application of artificial intelligence in talent management, encompassing AI-driven recruitment screening, predictive attrition modelling, personalized learning recommendation, and performance analytics, has generated a nascent literature examining both the efficiency gains and the ethical risks of algorithmic talent management. The review identifies concerns about AI bias in recruitment screening, the erosion of human judgment in high-stakes talent decisions, and the privacy implications of continuous employee monitoring as the most significant governance challenges in AI talent management adoption.

VII. CONCLUSION

This review has synthesized a decade of employee engagement and talent management research, confirming robust associations between engagement and multiple organizational performance outcomes while advancing understanding of the talent management practices most effective in fostering engagement. The JD-R model's explanatory framework, the centrality of transformational and inclusive leadership, and the primacy of learning and development investment as engagement drivers represent well-established findings with strong practical implications for human resource management practice.

The emerging challenges of remote work engagement, generational workforce transitions, and AI-mediated talent management represent a research frontier requiring both theoretical innovation and methodological creativity. Longitudinal experience sampling designs, natural experiments exploiting policy variations in working arrangements, and algorithmic audit methodologies offer promising research approaches for the next decade of engagement and talent management scholarship.

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