

A Comprehensive Review on Evaluating Talent Management Practices and its Underlying Factors

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Abstract

The most critical challenge for today's organizations is to manage their pool of talent effectively. The managers need some strategic moves and practices to acquire, develop and retain the key employees. Despite of the fact that acquiring and managing high performing talent has gained a lot of attention from academicians and scholars, it still has several questions unanswered. The dimensions like specific definition, practices, factors and its outcomes are still not clear. This paper is an attempt to advance our knowledge about various aspects relating to managing talent by corporations. The definition, framework, practices and predictors of talent management are covered in the study based on previous domain of talent management. The conceptual study is conducted to cover the gap in existing literature. The study is based on secondary research related to talent management, its practices and various antecedents. The methodology followed is to have a systematic review of existing literature relating to TM field.

Keywords: Talent, develop, retain, employee branding, competitive.

Introduction

In a turbulent environment of today, organizations need to own specific kind of competitive advantage for surviving in the market. Some organizations focus on having an edge on the basis of their product, some on the basis of their pricing strategies or the resources owned. But the most important factor not to be missed is human resources. Every organization owns several kinds of resources to sustain and manage in the competitive markets. But amongst all the factors, human capital is considered as the most important of all. This creates a situation of war talent in the market as every organization aggressively tries to acquire the best talent and transform them into an asset. Thus talent management is the need of the hour for growing in the dynamic business scenario. This situation of talent war leads to development of new domain of talent management for both academicians and managers. The paper related to talent management was first noticed more than two decades back in management literature and since then it has become an important managerial and organizational topic of debate for academicians and scholars (Lewis and Heckman, 2006; Boudreau and Ramstad, 2007; Collings and Mellahi, 2009; and McDonnell, 2017). There is a need to move from old standardized functions of HR to more specific and differentiated approaches of talent management. This shift towards differentiated HR practices is derived from the resource based view approach, which considers valuable, inimitable and rare human resources as long and high performers (Barney, 1991 and Wright et al., 1995). It has become the most challenging task for the managers to identify and retain talented employees for a long duration of time in the organization. But this is the most difficult task for organizations due to huge gap between talent demand and its supply in the labour market. This domain of HRM is not new but it gained popularity in past few years. It

has become the hot selling topic due to several changes in the internal and external environment of the organizations like demographic changes, shifting from product to knowledge oriented economies, balancing between work and personal life etc. Despite the attractiveness of the construct, the research is not that vast. Talent management helps in attaining an edge over our competitors but due to changes in various demographic factors, socio-economic factors, globalization, and technology advancement, the management of human capital is becoming critical and challenging (Calo, 2008; Tarique and Schuler, 2010 and Groves, 2011). Thus talent management helps in getting talented people onboard and helps them in developing their potential to the full along with achievement of organizational goals. The management of high performing talent is the most crucial and challenging task for any organization. In order to have sustainable growth it is important to effectively attract, identify, develop, engage and retain those employees who create a value for the organization (Scullion, Collings and Caliguiri, 2010 and McDonnell, Hickey and Gunningle, 2011). The implementation of talent management system has an influence on overall organizational outcomes as well as on micro outcomes such as employee performance and attitude. Some of studies emphasize the creation of a ready to use pool of talent for pivotal key positions but some argues that talent needs to be identified at every level irrespective of their position (Boudreau and Ramstad, 2007 and Collings and Mellahi, 2009).

This particular field of human resource management needs more attention as it is still in infancy stage. The current research mainly focuses on the definition and basic terms relating to talent management. There is a need to have more systematic research on talent management domain but despite the fact, it is facing a shortage of both theoretical and practical knowledge development by scholars (Kontoghiroghe,

2015). Most of the research is primarily conducted in the U.S.A. and we can find their influence in the studies related to talent management. But the research is still lacking in other parts of world especially India, where there is huge availability of talented employees. Hence there is lack of empirical evidence to conclude talent management and its antecedents. Thus this paper aimed to provide insightful knowledge into the less explored area of TM by having systematic literature review of existing articles. To investigate the unexplored dimensions of TM, an attempt is made to contribute to the future research enquiries. The paper provides an insight into various definitions, practices and predictors impacting TM process based upon the existing work of different researchers. From the literature review of existing conceptual and exploratory studies, the paper further demonstrates some of gaps that exist in this particular field of knowledge. The present study will provide an enriched source of practical and theoretical knowledge to managers.

Review of Existing Literature on TM

One of the most challenging tasks for the companies in today's competitive business world is to acquire and retain the high performers. In the last few years many researchers are trying to provide the ways for attracting, developing and retaining talent in the organizations. However, in spite of the growing attention paid by scholars, there are still a great deal of concerns that have not been satisfactorily addressed. These problems are concerned with the ways that talent management (TM) is conceived of, set up, and evolved inside businesses. Though there is existence of many descriptive studies for TM but still no two studies agrees to a single definition of TM. According to the assessment, defining TM is difficult since there is misunderstanding between the words regarding talent administration, human

resources administration, leadership development, and talent planning (Lewis and Hackman, 2006). According to Iles (2010) there are four viewpoints of talent management which are, inclusive, exclusively person focused and position focused and lastly a social capital perspective. An inclusive approach suggests including every employee eligible for implementation of talent management program whereas an exclusive one differentiate key performers from average and low performers. The last category focuses on different individual factors responsible for talent management. Some considers all the terms as different while others use them interchangeably. TM is defined in literature as the process of attracting, developing and retaining the right employees (Pascal, 2004; Latukha, 2015 and Schuler, 2015). It is also defined as a new mindset required for effective succession planning to manage every employee for performing to the best of their potential (Creelman, 2004; Heinen and O'Neil, 2004; Redford, 2005). Talent can be studied with a context specific approach. In an external context, TM practices are framed in relation to various macro level policies implemented by a country whereas in organizational internal context, TM practices are framed according to the industry needs, employee needs and composition of workforce (Gallardo-Gallardo *et al.*, 2019).

Based on literature review, following definitions are included for talent management:

- It is a result oriented approach by which organizations forecast and create human capital based on their organizational goals (Cappelli 2008b).
- In order to maintain an ongoing competitive edge in the market, businesses concentrate their efforts on recognising the presence of key positions of power, establishing of a talent pool consisting of high performers, and the establishment, upkeep, and maintenance of a distinct human resource system for filled these

positions. This is done to ensure that employees are committed to the company(Collings and Mellahi 2009).

Thus a systematic approach is followed for attracting individuals, identifying talent from pool of employees, developing their potential, working on engagement and retention of high potential individuals generating high value to an organization. Despite the vast number of studies available and definition given for TM, there lies a gap in having clarity for the definition and meaning of talent management. There are different viewpoints for talent management like for some it is same old HRM function but managing employees at a faster rate like planning, recruiting, selection, directing, developing etc (Heinen and O'Neil, 2004 and McCauley and Wakefield (2006). While others consider it just the creation of pool ready stock of talent similar to succession planning and human resource planning. There is diversity in meaning and specific boundaries of talent management domain. Due to disagreement in the meaning, definition and practices of TM, it is becoming more difficult to analyze. No single study encompasses all the core activities of talent management through one model or framework (Lewis and Heckman, 2006; Collings and Mellahi, 2010).

Talent Management Practices

The traditional HRM is moving from a specific inclusive approach to a more exclusive and differentiated approach for each employee. This change will be adopted with the help of a talent management system. It differentiates among talent according to their performance and provides implementation of practices for a selective group of people. Talent management has its origin from strategic human resource management by combining HR strategy with business strategy. It implies the relationship between investment in employees and organizational outcomes. It is

possible to see it as a solution to the contemporary HR difficulties that businesses must overcome in order to achieve efficiency. According to Collings and Mellahi (2009), a system for talent management includes the implementation of initiatives relating to the recruitment and retention of employees. Some scholars identify performance management, identification of training needs and rewards. Lathukha and Selivanovskikh (2016) conducted their study based on three TM activities which are talent attraction, development and retention processes. Lewis and Hackman (2006) identified selection, recruiting, performance management, and compensation administration. "Talent management" follows an integrative approach by combining set of HR practices, such as recruitment, selection, development and performance appraisal (Hilton, 2000; Fegley, 2006) aimed at increasing the HR capacity of the organization. Oehley (2007) highlighted six talent skills, and including the ability to attract and recruit people, the ability to develop somebody else, the ability to establish and sustain strong relations, the ability to provide significant stimulating work, fair compensation and benefits, and the ability to strike a healthy balance between work and life. 'Talent on demand' is a concept that was designed by Cappelli (2008) in order to regulate the gap that exists between demand for talented persons and the supply of qualified workers. Ulrich and Ulrich (2010) identified six strategies for the development of internal talent such as buy and borrow strategies, building, bounding, bouncing and binding of key performers. Stahl *et al.* (2007) It has been said that components of effective talent management include maintaining a good balance between one's private and professional existence, having personalised career objectives, receiving an extremely competitive salary, and developing and delivering a staff proposition to staff that is appealing. Thunnisen (2013) identified three main practices of attraction, development and retention based upon extensive

literature summary from all databases. Kontoghiorghes (2015) identified two core activities under the scope of TM i.e. retention and attraction of talent. Taftiet *al.* (2017) The many different approaches to managing talent have been categorised into three distinct practises: talent acquisition, talent development, and talent retention. The activities of talent management that were taken into consideration demonstrated a talent governance mindset, hiring and attracting talent, identifying and distinguishing between talent, establishing others, developing and sustaining relationships, providing vital and demanding work, earning and highlighting fairly, and finally managing work life balance (Maurya and Agarwal, 2018). According to Yildiz and Esmar (2022), there are seven core talent management activities which are planning, identification, attraction, acquisition, development and retention of talent. The study also concluded that talent planning, development and retention are the most focused strategies for talent management. Abdullahi et al. (2022) identified talent recruitment practices, training and development practices and compensation practices as effective practices for talent management.

Antecedents of Talent Management

The influence of various factors can be understood after analyzing the strength, weakness, threats and opportunities specific to any corporation. According to Budhwar (2003), openness to performance evaluation system and existence of mutual trust between superior and subordinate, have an impact on effective TM implementation in organizations of a developing country like India. Cappelli (2008) considered the main reasons for failures of Mismatches of availability and demand are one of the challenges that may arise in talent management. Had an excessive number of personnel might result in company restructuring through layoffs. On the

other side, having an insufficient amount of talent can result in talent constraints. According to the findings of a previous exploratory research that was carried out, the change-driven component is a potent predictor of talent retention (Kontoghiorghes & Frangou, 2009). Collings and Mellahi (2010) categorised various factors available into several categories: economic, technological, environmental, political, legal and social factors. Festing et al. (2013) predicted three factors, employee rewards, working environment and top level commitment towards their employees. Gelens et al. (2014) carried out an experiment to evaluate the link between organizational justice and talent management practises, and analysing the results of the experiment. According to Bhatnagar (2007) and Tymon et al. (2010), the influence of intrinsic incentives on employee retention, career success, and job satisfaction is an essential aspect that has received very little attention in the academic literature. Kontaghiorghes (2015) conducted research to determine the effect that company culture and attitude among workers have on the process of attracting and retaining talented individuals. Tafti et al. (2017) recognised and categorised into eight different groups a number of obstacles and elements that contributed to the successful implementation of talent management. The obstacles and hurdles consisted of structural problems and barriers, physical obstacles and barriers, behavioural hurdles and barriers, and management obstacles and barriers, whilst the factors that drove success consisted of structural factors that contribute to success, natural success factors, and organizational success factors. Another important factor identified by Maurya and Aggarwal (2018) is employer branding as it helps in attracting good candidates in the organization. Davern (2021) explored the role of employer branding in having effective talent management, which in turn helps on enhancing employee commitment levels in Irish hotel industry. These were the

antecedents based upon the extensive study of existing research relating to talent management. The factors identified are country specific economic, social. Technological, environmental and legal factors; trust between superior and subordinate, organizational culture, organizational justice, employer branding, employee attitude, and role of intrinsic and extrinsic rewards.

Conclusion

The main aim of conceptual study was to bring clarity to the narrow and uni-dimensional literature of talent management. The academic literature related to talent management has grabbed huge attention. The scholars, organizations and academicians are focusing on developing and implementing talent management strategies. From the review of literature we can say that talent management has evolved, but it is still struggling to get a concise definition. There is lack of empirical studies relating to talent management and its practices. As opposed to empirical studies, there is high existence of conceptual studies on talent management. One important point to note here is that these conceptual studies are more focused on describing the meaning and basic framework of talent management but failed to explain more diverse terms and related concepts. The existing body of knowledge is unable to develop a measuring instrument for the construct. We can conclude that the field is growing from infancy but it will take a long time to reach to its adolescence. The literature of talent management seems to be uni-directional and narrow in terms of covered concepts. This study provided meaning and definitions of talent management derived from literature. The paper also then identified various practices of talent management but the core activities were attraction, development and retention. There is a need to study talent management from new perspective so

that it can become a major contributor in the field of HRM. Also most of the studies considered talent management for key employees only but only a few has regarded it necessary for all employees. There is no single universal model or framework suggested by literature that can be implemented by organizations. Thus every organization needs to frame and use their own set of practices for managing their key talent. According to the findings of our research, we are able to draw the conclusion that there is more hype around TM; yet, in fact, we still need greater clarity and knowledge on what occurs in practise.

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