

Talent Management: A Critical Review Of Literature

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Abstract:

In contemporary times talent is extremely crucial for sustenance of organisational success. The hiring of right talented employees is equally important in the organisation and to retain and reward them who bring value to the table. A talented workforce is the backbone of every successful organisation. This study focuses on the various literature review of talent management in the context of different organizations.

Talent Management (TM) has become one of the strategic topics for managers in global organizations and businesses in general. Despite the importance of talent management, researches in the area are still few, mainly conceptual research. The purpose of this article is to enhance the readers understanding of the domain of talent management concept perspectives, importance and the main practices.

Keywords: Human Resources Management, Attraction, Development, Workforce planning, Retention

1. Introduction

The literature review helps in scheming the impact of latest information in the field by drawing their progress of knowledge. It provides information for relevancy and coherency to check the research. Moreover literature review justifies the research and sets up the research question. It justifies the need for conducting the particular research in a specified field. The available literature related to the Talent management activities in the organizations of various sectors have been reviewed by the research in the present study.

In recent years organizations are required to distinguish between their employees according to their performances (Kontoghiorghe, 2016; Mensah, 2015). Human capital is the mixture of skills, experiences, knowledge, motivation, and capabilities of the employees. Because of that, it is important to recognize how to manage and control the talented employee, to invest in their skills, experience, knowledge and to enhance productivity and performance of organization (Burbach and Royle, 2010; Máté et al., 2016).

Most booming businesses recognized years ago that the most efficient practices of talent management are directly associated with the organizations culture and strategy (Gamama et al., 2018). In the current business environment, there is a high demand for talented employees in organizations (Cappelli, 2008). Although most of the organizations apply the practices of talent management there are a lot of mysterious issues that need to be cleared (Van Zyl et al., 2017).

The organizations focused on their intangible assets like knowledge and talented employees because the business environment is characterized by uncertainty, complexity, and unpredictability (Chuai et al., 2008; Dajnoki and Héder, 2017). By keeping an eye on successful organizations one can observe that the organization which is hiring, managing and retaining high performed and talented employees have a high level of organizational success,

which explains the increasing demand and competition for skilled employees on a global level (McDonnell et al., 2017).

It's become obvious that the essential asset of a successful organization is human capital because it plays a fundamental role in the competitiveness and growth of the organization (Lockwood, 2006) that, put the human resources management on the front line and a strategic business partner in the organization (Collings et al., 2019). So as a result, human resources management (HRM) and human resources (HR) practices have become important, thus, they are trying to find a strong framework and develop the efficiency of their practices (Collings and Mellahi, 2009).

Based on the reviewed literature which was chosen based on the relevance to the talent management issue, the article concentrated on clarifying what is the main perspectives which define talent management, why it is important to adopt talent management and what is the most common applied practices. Due to that, a synopsis will be provided to readers about the best practices and how they are defined in literature.

2. Literature Review

2.1 Talent management definitions

Opinions differ about the definition of talent management, but it is recognized that the idea of the concept of talent management has appeared in the research published by McKinsey studies "talent war" (Michaels et al., 2001). Then it was developed to be published as a book in 2001 (Nilsson and Ellström, 2012). So it is not a new concept as maintained before, but the researches are still few (Brbach and Royle, 2010) and recently it has become a vital part of business human resource strategies and has lately had a growing interest in the area of human resources management researches (Capelli, 2008).

On the other hand, there is no agreement about the definition of talent, and there are no specific and clear conceptual borders of talent management either (Collings and Mellahi, 2009). In the literature though, the concept in general is still not well-defined according to the process and decision alternatives (Gallardo et al., 2013). Though the idea emerges to be closely connected to concepts that include human resource management, workforce planning, and employability (Lewis and Heckman, 2006). Having reviewed the literature, there are three main perspectives of the definition of talent management (Lewis and Heckman, 2006):

In the first perspective of talent management it is considered as a set of function and practices which are the typical practices and functions of human resources management (Mucha, 2004). According to this perspective it is related to the same function of HRM practices such as planning, training, development and retaining (Iles et al., 2010; Schiemann, 2014). For example, Creelman (2004) defines TM as a process of recruitment, development and maintaining talents which is close to the traditional definition of HRM. The second perspective says that the organization is designing talent pools of employees who are called exclusive people, people who can make a vital change into the future and current performance of the firms (Rothwell, 2011).

The third perspective assumed that talent management is related to specific positions which are called key positions in firms or Exclusive position (Anlesinya et al., 2019). This perspective is considered as an approach that begins with identifying crucial jobs for those positions that need highly performed and talented people (Tarique and Schuler, 2010; Sparrow et al., 2014).

Maximizing profits is an essential aim for each organization all over the world along with minimizing the costs (Allen, 2004). From this point, we can consider TM as an important tool to minimize the cost of hiring new employees by keeping talented employees in the staff and improve their skills, hence, the talented employees turn out to be a core asset in any organization (Nalbantian and Guzzo, 2009).

TM in general, aims at workforce planning, attracting talented employees, developing these employees and retaining these employees (Rothwell, 2011).

Lewis and Heckman (2006) say that talent management has prospected from three different angles. The first one declares that TM is a human resources management department which makes all employees stand on the same side of the ship with no differences between them even when it comes to talents (Snell, 2007). The second one demands to build talented pools by means of securing current talented personnel and developing them (Creelman, 2004). The third one focuses on separate employees' performance where evaluation plans are set to identify and keep class A and B employees and expel grade C employees (Rothwell, 2011). Another definition is that talent management is about positive things, doing things for your best people, investing in developing them, building their potential and assisting people to make the best use of their strengths (Garrow and Hirsh, 2008).

Based on previous efforts afforded in defining talent management, a certain definition for talent management is concluded like this: it is an integrated process that contains several specified procedures that contribute overwhelmingly in the success of the organization and these procedures are workforce planning, talented employee's acquirement, developing and training these talented employees, and sustaining them as assets of the organization (Iles et al., 2010).

2.2 The Importance of Talent Management

Since a competitive advantage is essential for any organization (Gelens et al., 2013), and according to the fact that talented employees are considered as an essential asset of any organization (Li and Devos, 2008), the need for talented employees rises because of the contribution of their knowledge and experience on the performance of the organization (Schuler et al., 2011). Moreover, an organization's performance directly affects business result which affects the profit and productivity of that organization (Hills, 2009).

Retaining talented employees will affect the organization from various aspects, these aspects may include the costs of recruiting talented employees, in addition to the time, effort, and costs needed to develop these talents according to the needs of the organization. (Rothwell, 2011). Also, either in the cases of uncertainty or the cases of flourishing, the need for talented employees arises from the depths of the ocean of failure (Brown and Tannock, 2009).

The importance also comes from the definition where Talent management is defined as a systematic attraction, identification, development, engagement, retention, and deployment of those individuals who possess a high potential that creates a particular value to an organization (Krishnan and Scullion, 2017).

When the organization is applying TM, it creates tremendous opportunities for competitive advantages (Schuler et al., 2011). Also, the organization's position in its industry is determined by its ability to retain, engage, and develop talents which turned TM into a factor

of failure or success for an organization (Luna-Arocas and Morley, 2015).

2.3 Talent Management practices

As mentioned previously, talent management shares several similarities with human resources management, moreover, they share some of the same practices that are applied in both departments that eventually lead to the success of the organization (Schuler et al., 2011). Mastery of management appears in the organizations' abilities to enhance strategies, policies, and programs for attracting, developing, and retaining talented employees (Snell, 2007).

That can be achieved by determining what the organization needs of either current capabilities or envisioned talents required (Ready, 2007). To apply talent management professionally, the human resources department needs the assistance of the top management of that organization to be highly effective and fruitful starting from workforce planning until talent retention and passing attracting talented employees and developing them (Cappelli, 2008; Shrimali and Gidwani, 2012).

2.3.1 Talented workforce planning

In business, it is often stated that the highest value of an organisation is provided by the employees working there (Héder et al., 2018). According to workforce planning, it must be comprehended by the managers that their HR tasks and the process of attracting, recruiting, developing and retaining efforts are directly connected to the main goals of the organization (Creelman, 2004), which leads managers to afford extra effort to achieve their duties upon realizing the importance of their role for the sake of the whole organization's excellence (Schweyer, 2010). The roles of talented workforce planning conclude envisioning future business and environmental demands to meet with the HR requirements obliged by these circumstances (Creelman, 2004).

To conclude, talented workforce-planning aims at allocating specific employees with specific talents to specified jobs at the correct time with the convenient skills required to fulfill these jobs (Dries, 2013). So, talent management is how the organization implements its strategic workforce plan. It is also the mechanism by which the organization adjusts its talent supply, based on changing business needs and the organization needs as well (Morgan and Jardin, 2010). Furthermore, it is considered as one of the analytic, forecasting, and planning procedures (Sheehan and Anderson, 2015), that is connected to talent management activities to ensure an organization has the right people in the right places at the right time and at the right price to implement its business strategy (Tucker et al., 2005)

2.3.2 Talent Attraction

One of the most important practices of talent management is to attract talented employees and mastering that practice (Pruis, 2011). The study of Shrimali and Giwani (2012) states that the reputation of an organization is an important factor in attracting key employees. The study of Lyria et al. (2017) clarified the factors (monetary and non-monetary) which made people get attracted to a certain organization. These factors affected individuals' choices concerning the work opportunity in an organization and the selection of an organization, as well (Jenkins, 2009).

Factors like work-life balance, competitive payment, and challenging work are some of the significant factors to attract employees (Pruis, 2011). Organizations should follow specific

procedures to attract talented employees (Lockwood, 2006), through establishing a clear strategy to attract talented employees from outside the organization and improve the skills of the other talented employees inside the organization (Chuai et al., 2008).

Talent attraction also depends on the branding of how organization is represented in the market, i.e. people are excited about working for the organization and companies can be selective in the approach culture of the organization (Moczydłowska, 2012). According to Collings and Mellahi (2009), all talented employees in different sectors are looking for an organization that offers exciting challenges, great development opportunities and meaningful work in a successful organization, where great leaders can lead them (Csordás, 2020). Whilst substantial payment is a significant attractor, talented individuals appear more attracted by the prospect of meaningful work in an open, trusting and performance-oriented culture, rather than by salary alone (Lewis and Heckman, 2006; Dajnoki and Kun, 2016).

The quality of an organization is the quality of the workforce it possesses. The best way to have talent at the top is to have talent at the bottom; their development needs career inspirations, strengths and weaknesses, abilities, likes and dislikes. It is easier, therefore, to determine what motivates whom and this helps a lot in the job enrichment process (Iles et al., 2010; Héder and Dajnoki, 2017a).

2.3.3 Talent Development

Talent development can go through several stages, such as developing subordinates, managers, and certification. Each organization in the world has its own talent development policy (Cheloha and Swain, 2005), because there are no common standards which should be applied in all organizations (Lehmann, 2009). There are some mutual concepts on how to deal with employees that exceed the expectations in performance which allows the company to have a long-term vision to change its recruiting policy from “hiring people to fill up chairs” to “hiring people and developing them to serve future opportunities and needs” (Gandz, 2006). According to Pruis (2011), a company would hire highly qualified and talented employees that were not needed at the moment they were hired (Lockwood and Nancy, 2006), but they had the potential for imminent strategic demands or that they had required future skills which will grant the company the advantage of acquiring a variety of talents (Khilji et al., 2015). On the other hand, these organizations would not keep in mind the factor, which can cause mediocre performance amongst the other employees (Schweyer, 2010).

One of the main purposes of talent management is to classify employees in categories according to their skills (Thomas, 2009), to determine who are highly qualified and who are the poor performers (Hills, 2009). Upon identifying poor performers, the talent management process must be able to take actions to specify whether the employee is unskilled which will urge the need to train him (McDonnel et al., 2017),

Conclusions

The contribution of this paper is two-folded; to develop a clear and short definition of talent management from different perspectives as mentioned above. The first perspective defined it as typical practices and functions of human resources management. However, the second one assumed to design talent pools for exclusive employees, who could make a vital change in the whole performance. Finally, the last perspective focuses on the key positions which need highly talented employees. Thus, practitioners and managers could have a better chance to

understand by which perspective they could define talent management, and how they could use it to improve performance.

In addition, practitioners and managers have the potential to determine, according to the three main practices mentioned in this paper, which one is more proper to be applied and has a direct effect on employees' performance and loyalty, as well. By applying that managers can develop and improve the strategy of the firm.

Aforementioned, talent management has a strong effect on maintaining employees and performance, thus managers should pay attention to have systematic programs for developing and training talented employees. To convert their implicit knowledge and skills to explicit knowledge, which could be shared with all the staff.

This is generally accepted in the reviewed literature, from which we can draw the conclusion that the importance of talent management lies in helping the firm to reduce the cost of hiring new employees through retaining talented employees and developing them by specific training programs

This literature review concluded that talent management helps the organisation to maximize the value of employees. It is also committed to hire, manage, develop, and retain the most talented and excellent employees in the industry. In fact, talent management plays an important role in the business strategy since it manages one of the important assets of the company—its people. Through the reviews of topic related literature, it is concluded that the majority of studies have been done with a very limited purpose, that is focusing only on the significance of talent management in the organization.

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