A THEORETICAL PERSPECTIVE OF TALENT MANAGEMENT

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Abstract: Human resources are in high demand in today's fast-paced economies. The Resource-Based View (RBV) theory emphasizes the importance of effective resource management for organizations to gain a competitive advantage. Talent is regarded as the main driving force behind any organization, and finding the right persons and placing them in the right positions becomes a necessity. Talent Management (TM) has become a buzzword for how businesses can attract, identify, develop, and retain people with the right aptitude and abilities to meet current and future organizational needs. Even though TM is considered important for organizations, there is a lack of understanding of what it is and how it can be most effectively implemented. There is no agreement on the definition and theoretical foundations of TM. Even though several authors have conducted research in this area, there are theoretical because they do not provide organizations with a vision and direction in the area of talent management. As a result, evaluation of TM is required to help fill these theoretical gaps. The purpose of this review was to discuss existing perspectives and approaches in order to gain a better understanding of TM applicability, adoption, and limits to its implementation. To provide researchers with a mechanism to evaluate the domain of talent management, an evaluation framework is proposed.

Keywords: Human Resource, Talent, Talent Management, Talent Management Practices, Global

1. INTRODUCTION

It has been established by both theorists and practitioners that human resource is one of the world’s important resources because of the strategic role it plays in achieving organizational objectives (Lewis and Heckman, 2006; Thunnissen et al., 2013; Cascio and Boudrea, 2016; Tetik, 2017;). This is in line with Byremo's (2015) assertion that well-managed human resources are productive and will assist organizations in meeting their objectives. This means that companies with well-managed employee’s talents can achieve better results. This argument is based on the Resource-Based View theory, which states that for an organizational resources to be highly competitive and serve the organizational and societal needs, they need to be managed well (Barney, 2002).

Talent Management (TM) has emerged as a critical management issue for businesses in today's dynamic and competitive global environment. This is due to the fact that organizations must adapt to the changing needs of the organization in a competitive world. As a result, business leaders are paying more attention to talent as a competitive strategy for their companies' success (Vaiman et al., 2012; Thunnissen et al., 2013). According to Vaiman et al. (2017), the increased demand for talent has made it difficult for organizations to attract, manage, and retain the quality and quantity of talents needed to deliver on their strategic agenda. Because of the increased demand for talents by organizations, there has been a surge in academic interest in talent issues around the world (Bolander et al., 2017).

Talent is regarded as a critical component of human resources in achieving organizational goals. According to PWC (2016), the lack of available talents and skills is a major constraint to an organization's growth prospects. This is supported by Gnanasekaran & Balamurugan (2017), who indicate that talent is the main driving force behind any organization and it becomes a necessity for an organization to find talented individuals who can fill up positions to drive the organization to a competitive edge. Ruona (2014) also claims that TM is a strategically aligned practice that is critical in ensuring that the right people with the right skills are in the right place at the right time. When a worker is placed in the wrong position, it can lead to low productivity, dissatisfaction, low morale, and negative behaviour (Tetik, 2017). According to the Resource Based View (RBV) theory, owning or possessing organizational resources alone does not provide a competitive advantage to the organization; rather, it is how effectively these resources are managed that provides a competitive advantage (Barney, 2002). This necessitates the need for leaders to pay particular attention to talent management.

Talent Management is any conscious and systematic approach taken by organizations to attract, identify, develop and retain people with the right aptitude and abilities to meet current and future organizational needs by fulfilling the
business/operation critical roles (Elia et al., 2017). Armstrong and Taylor (2017) have also explained that Talent Management is the process of recruiting, planning, developing, managing, and compensating employees throughout the organization. Talent Management, therefore, is all about appreciating a person's skills, personality, traits, and offering an appropriate and matching job. Therefore, it is the process of managing the supply and demand of talents to achieve optimal business performance in alignment with organizational goals. Many writers, including Elia et al. (2017), Muoz-Pascual and Galende (2020), and Segbenya and Ansa (2020), have established that every individual has a unique talent that suits a specific type of job profile, and placing that individual in any other position will cause problems for both the employee and the organization. As a result, it is the responsibility of management, particularly the human resources department, to properly analyze and assist candidates before placing them in appropriate positions.

Despite significant research into understanding Talent Management, there remains a challenge in understanding and addressing talent management issues because the TM concept remains complex, challenging, and constantly evolving for organizations. The struggle for organizations to source and retain the quality and quantity of talent required to deliver on strategic agendas continues to be a challenge. As a result, an assessment of how organizations can implement strategies to help them manage talent is required. As a result, this paper contributes to the advancement of talent management research and the key issues that must be addressed when managing talent. A framework is proposed to researchers in order to provide a mechanism for evaluating Talent Management.

2. MEANING AND SIGNIFICANCE OF TALENT MANAGEMENT

Talent is an ability of an individual to learn and develop in the event of new challenges and make a difference in organizational performance, either through their immediate contribution or in the long term by demonstrating the highest level of potential (Armstrong and Taylor, 2017). It is considered as the main driving force behind any organization and it becomes a necessity for an organization to find the right person and put them in the right position. According to Cappelli (2008), Talent Management is a conscious and systematic approach taken by organizations to attract, identify, develop and retain people with the right aptitude and abilities to meet current and future organizational needs. In other words, it is the art of recognizing a person’s inherent skills, traits, personality and offering him/her a matching job profile. Elia et al. (2017) have also defined Talent Management as the process of recruiting, planning, developing, managing, and compensating employees throughout the organization.

The need for Talent Management has been stressed by Cappelli (2008); Elia et al. (2017); Wuttaphan (2020) as very important because of three reasons namely, the key enabler of any organization is talent, the quality of the people is the competitive differentiator and that talent drives performance of every organization. It must also be argued that organizations that refuse to manage their talents will face some consequences. According to Armstrong and Taylor (2017), organizations will have to face the following problems, if they fail to manage talent. The result of failure in managing talent can lead to loss of key employees and sometimes not finding even an appropriate replacement, high turnover of key employees from an organization will affect the work culture within the organization, poor performance of employees can affect the targets and productivity of an organization and lastly, may lead to financial crisis.

The influence of TM on the performance of organizations permeates globally in many areas and it is useful to both the organization and the employees. Specifically, TM is beneficial for organizations as it increases productivity and capability, provides a better link between an individual’s efforts and business goals, and also reduces employees turnover, and increases bench strength (Elia et al., 2017). With respect to the benefits that go to the employees, Armstrong and Taylor (2017) have indicated that TM provides various benefits such as providing higher motivation and commitment, career development, increased knowledge and contribution to company goals, and job satisfaction. In a nutshell, effective management of talents ensures employee engagement, retention, and binding to the strategic goals, helps to determine the future leadership of organizations, increased productivity, and culture of excellence.
3. TYPES OF TALENT MANAGEMENT

Bolander et al. (2017) identified TM as either subject or object, inclusive or exclusive, innate or acquired, input of output, remains unchanged when transferred between contexts or emerges and recognized only in a specific context. They identified four types of Talent Management in their study:

Humanistic TM: This type of TM is concerned with the development of each employee's talent. Humanistic TM organizations literally identify all employees as talents. They are more concerned with how the employee wishes to develop and what she or he would enjoy working with than with how well he or she has performed in the past. With the adoption of humanistic TM, there is less reliance on external talent recruitment because the organization relies on its employees to develop their talent over time. Talent development is the primary practice.

Competitive TM: The identification of a few talents occurs in this type of TM. Organizations with competitive TM exclusively view a group of employees who stand out due to their excellent performance and high potential. Talent processes in this type of TM are aimed at identifying and concentrating all efforts on the few who have the potential to rise to the top. Organizations that use this type of TM view talent as a skill rather than input-related factors like motivation and interest. These organizations prioritize hiring highly talented individuals over developing them. The most important practice is talent identification.

Elitist TM: This type of TM entails recruiting the most talented among talents. There is a selective recruitment process in place to identify talents that can move up the career ladder more quickly. In addition, talents are identified as potential partners. Elitist TM organizations view talent as having the ability to deliver in their professional role. Recruitment is the practice in elitist TM.

Entrepreneurial TM: This type of TM provides opportunities for talents to shine. Organizations with entrepreneurial TM believe that if the right environment is provided, all employees have the potential to become talents. Because these organizations are very result-oriented, they provide opportunities to individuals who seek challenges and are willing to take on new responsibilities. These organizations place a high value on cultural fit. Talent identification in organizations with entrepreneurial TM is based on self-identification rather than talent reviews.

4. TALENT MANAGEMENT PRACTICES

Talent Management refers to the systems or processes that enable organizations to identify and predict long-term and short-term human capital requirements, as well as how to meet them. Bolander et al. (2017) identified five key practices:

Recruitment: These are the activities that are carried out in order to identify and hire talented external job applicants. These activities involve organizations that rely heavily on recruitment to hire talented individuals for all positions or develop a strategy to hire primarily at the entry level. Organizations can also use fast-track programs that are tailored to specific talents or to regular entry-level positions. Finally, organizations may use formal selection procedures or rely primarily on personal judgment in making selection decisions.

Talent Identification: This includes activities aimed at identifying talent among current employees. These activities entail reviewing talents on a regular basis in order to create latent pools. Regular reviews will aid in identifying either top performers or each employee's strengths. It also entails relying on formal procedures. Talent can also be identified based on input or output.

Talent Development: This includes activities to develop talent. Talent development activities can be program-based or experience-based. Furthermore, development activities can be exclusive, where admission is by nomination, or inclusive, where learning opportunities are provided to the workforce. Finally, it entails the coordination of talent pool activities.

Career Management and Succession Planning: This practice's activities are aimed at ensuring that organizations make the best use of their talented employees by facilitating their flow into the right jobs. This practice focuses on career management, providing clear career paths, vertical or horizontal promotion, and facilitating how employees flow into appropriate jobs.
Retention Management: This includes activities aimed at reducing employee turnover. This practice focuses on developing a strong employer brand. It also investigates how organizations can take specific measures to increase talent loyalty.

Lewis and Heckman (2006) also identified five major components:

Strategy for Sustainable Competitive Advantage: This is where organizations can use talent management decision science to identify the strategic implications of talent.

Strategy Implications for Talent: Organizations will consider "critical path" talent-skills that may be required at certain times to achieve a strategy. The main task is to segment talent in a way that is consistent with the organization's strategy and addresses talent's strategic implications.

Talent Pool Strategy: Once talent pools have been identified and segmented, talent pool strategies can be developed. This will assist organizations in implementing various strategic approaches to compensation, performance management, job design, and other talent management practices.

Talent Management Systems: This is the core competency architecture, as well as the HRIS or enterprise software systems.

Talent Practices: These practices involve selection, recruiting, training and development, etc.

The four approaches identified for TM by Ruona (2014) are:

High Performers: Concentrating on the highest performing individuals in the organization in order to ensure that the organization is made up of high performers in as many roles as possible.

Leadership Pipelining: Focusing on building the organization's "bench strength" or leadership pipeline to ensure that the organization has the leaders it requires in the short and long term.

Pivotal talent pools: Concentrating on talent pools where improvements in capabilities would have the greatest impact on strategic success.

Specific Talent Segments: Talent that should be prioritized (above the rest of the workforce) in order to effectively address key organizational goals, values, or challenges.

5. TALENT MANAGEMENT PROCESSES

Tetik (2017) classifies three main processes.

Defining Process
Under this process, there are three main practices:

Attracting talent: Defining employees based on their performance for the organization is a critical process, and various channels to attract them are required. To attract talents, several key areas must be addressed, including organizational culture, employer brand, the TM approach itself, activities for managerial development of talents, which include training opportunities, succession planning, and a flexible compensation system, career opportunities, and the organization's vision.

Acquiring, and identification of talents: The term "talent acquisition" refers to a broader concept than "recruitment." It does not directly address recruitment, but rather focuses on methods of sourcing (outsourcing and insourcing).

Developing talent pool: Current talent management trends indicate that organizations prioritize high-potential employees and assess and develop smaller groups in accordance with their business strategy. As a result, various practices and approaches to talent management emerge, such as developing talent pools by selecting and developing specific pools of talent from within the organization. A talent pool is a group of people within a company who are thought to be high potential and high performers and are candidates for positions at the next level. Talent pools can be developed in a variety of ways.

Developing Talent Process: This process involves:

Training: Training is a critical component of the talent management process, along with recruiting and hiring, career development onboarding, performance management, succession management, and leadership. A company's
training is a planned effort to facilitate employees' learning of job-related competencies, knowledge, skills, and behaviors.

**Career Management:** Employees can better understand and develop their career skills and interests with the help of career management. Within organizations, a method of developing high-potential individuals through frequent movement is used. Retention strategies are an important aspect of career development.

**Coaching:** Coaching focuses on the application of skills that improve the individual's work in his or her organization by providing strong support and challenge. A coach's role is to motivate employees and encourage them to develop their skills. The best coaches should be empathetic, supportive, practical, and self-assured. Effective communication is required for successful talent management, which can be achieved through coaching. Feedback is an important activity in coaching. Managers are expected to observe and identify people's behaviors in order to pursue an effective feedback system.

**Mentoring:** Mentorship is an interpersonal relationship-based activity that includes encouragement and support. A mentor can be a more experienced employee or a manager who assists less experienced employees and those labeled as talents. Coaching and mentoring are two terms that are closely related and important managerial skills.

**Leadership Development:** Leader development programs are becoming increasingly important as a result of intense competition and a leadership shortage. Integrating the talent management process with leader development programs is one of the most effective ways to develop leaders. Leadership development is one of the most effective talent management strategies. Experiences and leadership competencies may be included in leadership development programs.

**Retaining Talent Process:** Under this last process, performance management, succession planning are the key practices.

**Performance Management:** Because the performance management process assists employees in improving their performance, it is regarded as a critical process of organizational effectiveness. Additionally, performance management assists organizations in clarifying an employee's role and ensuring employee development on competencies that affect organizational effectiveness.

**Succession Planning:** The process of succession planning and management aids in the stabilization of personnel tenure. It seeks to design an organization that will provide continuous performance by ensuring the development and replacement of key personnel. The primary goal of succession planning is to develop future leaders.

### 6. CHALLENGES

Talent Management comes with its own set of issues that must be addressed to improve implementation. There are several challenges but few are discussed under this section.

**Political Climate**

Vaiman et al. (2017) identified the first challenge as the political climate in some economies exacerbating talent challenges. According to Vaiman et al. (2012), the rapid economic, social, and political transformation in most countries, particularly Central and Eastern Europe (CEE), makes talent management decision making more complex and uncertain, and it also presents challenges for researchers due to a lack of knowledge of management practices and work relationships. As a result, there is an urgent need to conduct empirical research on the relevance and operation of constructs to critical organizational issues, particularly in non-Western cultures. For example, recent changes to immigration programs, such as the H1-B visa program in the United States, have compelled companies like Microsoft to reconsider their talent strategies. This is demonstrated by the establishment of a satellite office in Vancouver, Canada, to capitalize on the more favorable environment for talent attraction, including Canadian immigration policy. Similarly, the recent Brexit vote in the United Kingdom has already had an impact on the number of job applications from international applicants, with professional services firm KPMG reporting that over a million skilled professionals plan to leave the country post-Brexit (Vaiman et al., 2017).
Creating a Psychological Climate for Talents

Another challenge identified is the need to create a psychological "climate for talent." According to Bolander et al. (2017), TM has two main shortcomings: conceptual ambiguity and the lack of empirical research. It has been observed that there is a lack of understanding of what TM is and the need to move away from assumptions and hypotheses. Gallardo-Gallardo & Thunnissen (2016) agree that there is no consensus over the definition, theoretical backgrounds, and scope of TM. Tetik (2017) argues that it is difficult to define TM due to the confusion caused by the interchangeable use of the term’s talent management, succession planning, and human resource planning. It is difficult to support talent with empirical evidence if these key terms are not distinguished.

Use and application of TM

Another significant challenge identified by Tetik (2017) is the use and application of a TM system to all members of an organization, regardless of their performance or potential. According to Tetik (2017), this makes it difficult to identify talent appropriately. Ansar and Baloch (2018) identified a challenge in the use of "right" talent, which is still undefined because every organization has a different context and requirement that necessitates a different "right" talent. According to Ansar and Baloch (2018), there is a sense of camaraderie among all researchers. As a result, they assert that talent "is the possession by an individual of certain attributes or behavior (things that an individual does more efficiently or easily than others around him/her) that make the individual 'right' for that specific role."

7. EVALUATION FRAMEWORK FOR TM

Based on the review of the various articles, an evaluation framework is proposed to provide researchers with a method of evaluating TM. Relevant concepts and ideas are debated in order to provide a framework for future research and practice. The evaluation framework is comprised of four components, as shown in Figure 1. The following elements are discussed further below:

- **Talent Management Drivers**
- **Skills**
- **Talent Management System**
- **Talent Management Practices**

**Talent Management Drivers**

Every organization is influenced by forces or drivers that can be external or internal to the organization. These factors have an impact on how organizations attract, develop, retain, and mobilize talents. Tarique and Schuler (2012) identified four major global talent management drivers that shape organizations. These drivers are: Shortage of talented workers; changing demographics; changing attitude towards work and structure of work; and country culture differences. The identification of an organization’s talent management drivers will be crucial when an organization wants to manage its talent.

**Skills**

Every organization has its own set of critical skills that enable the organization and its employees to succeed. Davies et al. (2011) provided skills that are thought to be critical to an organization's success. These are:
- Sense-making
- Social intelligence
- Adaptive thinking
- Cross-cultural competency
- Computational thinking and data-based reasoning
- New-media literacy and persuasiveness
- Trans-discipline understanding and integration
- Design mindset in external environments
- Cognitive load management
Virtual collaboration

According to Cascio and Boudreau (2016), research has not focused on these trends in depth. As a result, when dealing with TM, researchers must take this into account.

Talent Management System
Talent management systems are the core competency architecture and HRIS or enterprise software systems (Lewis & Heckman, 2006). Adapting information systems as a key component of a talent management system entails a variety of methods and practices. These systems can be used to assess, identify, analyze, and comprehend the organization's human capital (Tetik, 2017). The adaptation of talent management systems poses the risk of obstructing talent identification if not done correctly. As a result, evaluating appropriate practices and processes will have an impact on the implementation of a talent management system in an organization.

Talent Management Practices
Some TM practices have been identified by several researchers. These practices share some similarities. Recruitment, performance management, career management, compensation management, and succession planning are all common practices identified by the authors. There is also the need of a Talent Pool Strategy as a TM component. The primary activities in TM are to attract, identify, develop, and retain talent, on which these practices rely solely. It is necessary to broaden the scope of these practices. Additionally, if these activities are evaluated, new practices may emerge.

The fundamental goal of TM is to place the right people with the right skills in the right jobs at the right time. The framework provides four main drivers that should structure and underpin a discussion about TM practice. The drivers' goal is to attract, select, develop, manage, and retain talent in order to achieve strategic goals and meet future business needs. To investigate dynamism in TM, a comprehensive and holistic evaluation of these drivers is required. For successful TM, each element necessitates a solid strategy and architecture. Highlighting a link between these drivers can help with talent deployment to build specific organizational capabilities. As the framework provides valuable insight into the practice of TM in the global context, it is critical for organizations to identify strategies for sourcing and retaining the talent required to deliver on their strategic agenda. It is also beneficial for an organization to explicitly provide TM goals.

8. CONCLUSION
Every company uses strategies to gain a competitive advantage in fast-growing economies. As a result, attracting people with the right skills to drive the organization's needs and strategies is essential. This necessitates the need to manage talent within an organization. In humans, talent is regarded as a desirable trait. Even though TM has grown in popularity over time, there is no empirical evidence to back it up. Several researchers have shed light on various aspects and perspectives of TM. An evaluation framework was proposed to guide future works and expand the concept of TM.

9. REFERENCES


