TALENT MANAGEMENT IN PRACTICE

An Integrated and Dynamic Approach

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An Integrated and Dynamic Approach

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ABOUT THE AUTHORS

Marian Thunnissen works as a Professor at the school of HRM and Applied Psychology of Fontys University of Applied Sciences in Eindhoven (The Netherlands). She has over 20 years of experience in research, consulting, and teaching. Her current research is focused on the identification, attraction, and development of talent, in particular in the public sector. Her recent interests concern a "teambased" TM approach, the role of the line manager in TM, and the dilemma's and tensions organizations experience in developing and implementing TM. She finds it very important to share her knowledge with organizations and HR practitioners, in order to support them in an evidence-based TM approach.

Her work is published in *Human Resource Management Review*, *International Journal of HRM*, *Personnel Review*, and *Employee Relations*. Marian has (co-)authored several book chapters on TM, e.g., on TM in knowledge intensive organizations, TM in the public sector and TM in academia. She frequently reviews articles for academic journals such as *Career Development International* and *Journal of Organizational Behavior*. Marian is the editor-in-chief of the *Dutch Journal of HRM*.

Eva Gallardo-Gallardo holds a PhD and MSc in Management from the Universitat de Barcelona (UB), and two postgraduate degrees in University Teaching from the UB.

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Her research focuses on talent management, with a particular interest in understanding the formation and evolution of the field, its dynamics, and its conceptual boundaries. Her research is published in *Human Resource Management Review, Journal of World Business, International Journal of Contemporary Hospitality Management,* and *Employee Relations.* She is referee of academic journals such as *Journal of World Business, Journal of Management Inquiry, Scientometrics, European Management Review,* and *International Journal of Contemporary Hospitality Management.*
She is member of the Editorial Board of the *International Journal of Human Resource Management (IJHRM)* and the *Journal of Organisational Effectiveness: People and Performance (JOEPP).*

FOREWORD

For more than a decade Talent Management (TM) is a critical agenda item for senior managers (Skuza et al., 2013; Boston Consulting Group, 2014). Employers acknowledge that an engaged, skilled, and motivated workforce is the key to achieve growth and competitive advantage. Organizations are increasingly hiring TM officers and implementing TM strategies and programs to attract and retain the best employees. However, they still face difficulties to find a successful TM approach (BCG, 2014). Yet, academic research in the field of TM does not give much support in finding the right TM solutions (Al Ariss et al., 2014; Cappelli & Keller, 2014; Collings et al., 2011). Despite the enormous expansion of research on TM, there still is a gap between theory and practice. A certain degree of ambiguity about definitions and conceptual boundaries remains, and there is little knowledge about the nature of TM in practice, the best way of implementing it, and the evolution of TM over time.

This finding was for us an important reason to write a book on TM in practice. With this book, we aim to offer an integrated and contextualized TM framework, which addresses both the nature of TM in organizations as its dynamics. We created a TM model based on lessons learned from previous academic empirical research on the one hand, and on established theoretical frameworks from related academic fields on the other hand. We hope that this book helps in building a bridge between theory and practice, and that

the framework guides TM researchers in their future research on the TM process, and helps managers and practitioners when implementing and improving their TM approach.

The book is based on several papers we have presented at the annual meetings of the EIASM Workshop on Talent Management. We would like to thank the chairs of the workshop — David Collings, Hugh Scullion, and Vlad Vaiman — and the attendants of the annual EIASM Workshop for their valuable feedback and support.

CHAPTER 1

INTRODUCTION

1.1. QUEST FOR EXCELLENCE

In the early 1980s, McKinsey consultants Peters and Waterman (1982) published their bestseller "In search for excellence" in which they identified key characteristics of successful and high performing organizations in the United States. According to these authors, recognizing and treating employees as a source of quality was one of the key drivers for organizational excellence. Instead of being seen as the major operating cost for organizations, employees started to be considered as important human and social capital assets, and the key to long-term organizational success (Beer, Boselie, & Brewster, 2015). In a time of increasing globalization and competitiveness, their book was embraced by consultants and managers from all over the world to guide them in their quest for excellence and competitive advantage.

In 2001, another group of McKinsey consultants again caused considerable excitement in the business world when they coined the term "War for Talent" (Michaels, Handfield-Jones, & Axelrod, 2001). Again they underlined the importance of human capital in achieving organizational excellence,

as they warned for an increasing need for talented employees and expected talent shortages, and advised businesses to fight harder to attract, recruit, and retain "the best employees." Specifically, they suggested that the war for attracting and retaining talent would make the difference between winning, surviving, and losing companies. It was not only a question of focusing on recognizing and treating employees well, but also of having the right employees (i.e., the best ones, those that excel) at the right place at the right time.

Fifteen years after this second "wake-up call" of McKinsey, excellence and performance management are still popular themes (Schuler, 2015), and more than ever the presence of qualified staff is regarded as a prerequisite for achieving organizational excellence and success (Schuler, 2015; Schuler, Jackson, & Tarique, 2011; Stahl et al., 2012). In fact, managing talent effectively is considered totally essential for organizational sustainability and competitive advantage, and talent management (TM) has become one of the most discussed issues in the world of business (Schuler, 2015). Even during the most recent worldwide financial crisis, TM has gained a greater strategic role within organizations (Gunnigle, Lavelle, & Monaghan, 2013). To survive in today's dynamic and competitive environment, organizations need to excel and continuously perform better than their competitors. Hence, organizations consider attracting and retaining excellent staff as a critical determinant of organizational growth and success (Bhattacharyya, 2015; Iles, Chuai, & Preece, 2010; Ulrich & Allen, 2014). Organizations are hiring TM officers and implementing TM strategies and programs to attract and retain the best employees, yet they still find it difficult to find a successful TM approach (Boston Consulting Group (BCG), 2014). Unfortunately, academic research in the field of TM does not give much support in finding the right TM solutions. In fact, research on TM has

been accused of lagging behind in offering organizations vision and direction on the matter (Al Ariss, Cascio, & Paauwe, 2014; Cappelli & Keller, 2014; Collings, Scullion, & Vaiman, 2011). The academic field of TM is known for its fast development, which goes hand in hand with some short-comings (Collings, Scullion, & Vaiman, 2015). In the next section, we discuss the strengths and limitations of academic TM literature in more detail, which will lead us to the aim of the book.

1.2. LESSONS LEARNED SO FAR: ADVANCEMENTS IN THE ACADEMIC FIELD OF TM

TM can be described as the activities and processes that involve the systematic attraction, identification, development, engagement, retention, and deployment of those talents which are of particular value to an organization in order to create strategic sustainable success (e.g., Boudreau & Ramstad, 2005; Collings & Mellahi, 2009; Scullion, Collings, & Caligiuri, 2010). The study of McKinsey showed that in the late 1990s some companies and large government offices in the United States were already running variations of TM programs to keep ahead of the competition (Swailes, 2016). Yet, publishing their influential study and proclaiming the "War for Talent" (Michaels et al., 2001) was a starting point for both the popular and the academic press to embrace the topic. In popular and practitioner oriented literature, online magazines and on social networking sites there is an intensive debate on the talent challenges organizations are confronted with (Iles et al., 2010). Internet bookstore Amazon.com has over 3,000 books on TM, and LinkedIn has nearly 1,000 professional groups discussing the ins and outs of TM.

Scholars also have produced a considerable number of publications on talent and TM over the course of the past decade (Gallardo-Gallardo, Nijs, Dries, & Gallo, 2015; Thunnissen, Boselie, & Fruytier, 2013a), but at first the academic interest wasn't as intense as the practitioner interest, illustrating a gap between the practitioner and academic interest in the subject (Cappelli & Keller, 2014; Lewis & Heckman, 2006). The first peer-reviewed article on TM appeared in 2001, but the majority of academic papers were published after 2010 (Gallardo-Gallardo et al., 2015). There were some peaks caused by seven special issues on TM published between 2010 and 2016 (Al Ariss et al., 2014; Collings et al., 2011; Dries, 2013; McDonnell, Collings, & Burgess, 2012; Scullion et al., 2010; Scullion, Vaiman, & Collings, 2016; Vaiman & Collings, 2013). In other words, TM became a serious academic topic of interest almost a decade after it emerged as a "hot topic" in practice (Chambers, Foulon, Handfield-Jones, Hankin, & Michaels, 1998). Currently, TM is one of the fastest growing areas in the academic field of management studies (Collings et al., 2015).

Especially in the first decade, the academic community explored the conceptual boundaries of the talent concept and of TM. These conceptual papers have explored the field in all possible directions using a broad range of academic traditions, for example, international HRM, strategic HRM, career management, and organizational behavior (see Gallardo-Gallardo et al., 2015). Not with much success though. In 2006, Lewis and Heckman concluded that despite the volume of literature the academic field of TM was still in its infancy; it lacked a clear and consistent definition and scope, as well as a conceptual framework based on empirical research. They pled for more clarity, coherence, and rigor in academic TM research, and for more empirical evidence. Three years later this call was repeated by Collings and Mellahi (2009). Due to these

calls, the amount of empirical publications increased significantly, and since 2010 there are even more empirical research papers than conceptual TM papers published each year (Gallardo-Gallardo et al., 2015). Also the plea for more consensus on definitions seems to be heard. In 2015, Gallardo-Gallardo et al. conclude that there appears to be a growing consensus about the definition of talent and TM (Gallardo-Gallardo et al., 2015), although definitions are still not very precise. They also argue that, thanks to the significant progresses made in recent years, the relatively young field of TM is going to change drastically and rapidly in the next few years as it shifts from a "growing" to a "mature" field of study.

1.3. LACUNAS IN ACADEMIC TM LITERATURE

According to Sparrow and Makram (2015), the field's development is at "an important juncture." Yet, in order to support the field to further advancements four significant shortcomings in the academic TM literature need to be settled.

First, despite the progress since the seminal paper of Lewis and Heckman (2006), the field of TM still lacks a stable theoretical foundation. Indeed, the academic TM literature explores the field in all possible directions but theoretical approaches are hardly integrated or linked (Thunnissen et al., 2013a). This narrow and one-dimensional approach often results in ambiguity regarding TM definitions and principles (Collings & Mellahi, 2009; Lewis & Heckman, 2006; Nijs, Gallardo-Gallardo, Dries, & Sels, 2014), and in thinking in contrasts instead of mutual opportunities and contributions. Thunnissen et al. (2013a) therefore stress the importance of a multidisciplinary approach to TM issues, and advise scholars to blend HRM and organizational theories into their TM frameworks. Moreover, Gallardo-Gallardo

et al. (2015) argue that, instead of agreeing on which specific theoretical frameworks to use, it is more important that scholars make deliberate choices in terms of theoretical framing and apply these frameworks consistently within their research project. According to Dries (2013, p. 3), the current "vague but appealing rhetoric" in academic TM literature even causes critics to question whether TM is just a management fad.

Second, the academic TM literature presents an instrumental and managerial approach to talent and TM in which the organizational perspective is underlined (Collings, 2014; Thunnissen et al., 2013a). Collings (2014) argues that the failure to effectively manage and develop talent can be traced to a narrow conceptualization of outcomes in terms of shareholder returns, such as performance, organizational efficiency and flexibility (Thunnissen, Boselie, & Fruytier, 2013b). Both Collings (2014) and Thunnissen et al. (2013b) claim that the value of TM for all internal and external stakeholders has to be taken into account and maximized. This implies that at least the value of TM for employees needs to be considered, and preferably also for society at large (Thunnissen et al., 2013b). However, just a few empirical studies examine the value of TM from an employees' perspective (e.g., Björkman, Ehrnrooth, Mäkelä, Smale, & Sumelius, 2013; Dries & Pepermans, 2012). In most empirical TM studies, HR professionals, managers, and executives are the commonly targeted research population, and their experiences and perceptions mainly reflect the organizations' interest (e.g., Stahl et al., 2012). So, even though talented employees are the central subjects in TM, there is little interest in their experiences and opinions.

Third, several scholars remark that the TM literature highlights talent issues in a select category of organizations. There is a strong focus on US-based organizations, organizations in

the private sector and multinationals (MNCs) (e.g., Boselie & Thunnissen, 2017; Collings et al., 2011; Powell, Duberley, Exworthy, Macfarlane, & Moss, 2013). Yet, many scholars present their models and research findings as general models, suitable to explain TM in all kinds of organizations. Collings et al. (2011) therefore urge the need for new influences on the TM debate in order to frame TM in more novel ways.

A fourth, related critique concerns the lack of academic attention for the internal and external organizational context on the conceptualization and implementation of TM (Thunnissen et al., 2013b). Despite the advice on a "best fit" approach to TM (e.g., Garrow & Hirsh, 2008; Stahl et al., 2012) and the consensus reached regarding the contextual relevance of TM (Gallardo-Gallardo et al., 2015), the academic TM literature fails to use the organizational context to explain what happens in practice and why. We see that several authors advise to contextualize TM in both theoretical frameworks and in research design (e.g., Collings et al., 2011; Thunnissen et al., 2013a; Meyers & Van Woerkom, 2014).

Finally, despite the increase in empirical TM research, we see a bias in the topics studied. Not all topics are equally addressed in TM research. The intended TM approach in terms of TM practices, the conceptualization of talent and of TM, is the dominant topic in TM research (Thunnissen et al., 2013a), but little interest has been shown in how TM works in practice or can be improved, and the effects of TM. As a result, we still haven't got the complete picture of what actually happens in practice, how TM benefits organizations and employees, and whether and how TM develops and evolves within organizations. Just few empirical studies focus on the complete TM process (e.g., Buttiens, 2016; Thunnissen, 2016). Interestingly, these studies show that there is a discrepancy between the intended TM policy and the actual practice, indicating that organizations adjust their TM approach over

time due to changes in the internal and external context and in the actors involved in TM. Yet, this hint to a dynamic and complex TM process is ignored in the TM literature until now. More specifically, the field generally presents a rather instrumental and static view on managing talent (Thunnissen et al., 2013a). TM is presented as a simple and stand-alone transformation process (input, process and output), in which talent(s) are used as input, and can be "processed" and developed with TM practices in order to get the desired output (being high performance) (Thunnissen et al., 2013a). One of the few attempts to offer a more holistic approach to TM recognizing the crucial role of participants was recently made by King (2015). She presented a multiple-actor model for global TM operating within firm in an employee-centric system. However, her proposed framework is informed from an organization-specific business strategy and aligns to business specific strategic requirements, neglecting other components and factors that can affect TM design, implementation and effectiveness (e.g., environmental context, organizational culture). Therefore, an overall and comprehensive view on the key actors, underlying processes, the outcomes of TM, and the dynamics caused by the organizational context is absent.

1.4. AIM OF THE BOOK

In sum, we notice that business leaders and practitioners attach great value to talent and TM, and are looking for the right solutions for their talent issues. Yet, the academic community does not pay full attention to the complexity of TM in practice. Although the academic field of TM has advanced since the McKinsey consultants coined the term "War for Talent" nearly two decades ago, the assumptions, viewpoints, and actions in current TM literature appear to be based on a

narrow and biased TM "paradigm." As a result we still haven't got a clear picture of how and how well (and according to whom) TM really works. Boxall, Purcell, and Wright (2007) argue that the academic field of HRM should not propagate best practices and plead for more "practice based evidence" based on careful descriptive research to identify and clarify what happens in practice. They stress the importance of integrating models and theories from related academic subfields in models on the HRM process, contextually based research designs, and assessing outcomes at multiple levels. With this book we aim to bridge the gap between theory and practice, and we want to increase our understanding of the complexity and dynamics of TM in practice. This book contributes to the field of TM by offering an integrated and contextualized TM framework that addresses both the nature of TM in organizations and its dynamics. This model is based on the lessons learned from previous empirical research on TM on the one hand, and on established theoretical frameworks from related academic fields on the other. This framework will guide TM researchers in their future research on the TM process, and can help managers and practitioners while implementing TM and setting directions for improvement in their TM programs.

The book is organized as follows. We start by framing the empirical literature on TM published up until 2016 in Chapters 2 and 3. Chapter 2 describes how TM is studied, and presents empirical research in terms of authors, journals, number of publications, and research designs. Chapter 3 focuses on the content in TM empirical research and provides a clear and comprehensive picture of the dominant topics under investigation, and the conceptualization of talent and TM in empirical TM research. We will also discuss possible omissions and limitations in the literature reviewed.

This overview of the lessons learned is the starting point for the development of our TM framework. In Chapter 4, we will use perspectives from the fields of Strategic Management, Organizational Theory and Strategic HRM to build a comprehensive and integrated TM model that characterizes the nature and scope of the TM approach in an organization. In Chapter 5, we approach TM from a dynamic perspective and identify what the dynamics in managing talent are, what causes these dynamics, and how organizations (can) deal with that. Finally, Chapter 6 presents the complete model, discusses its strengths and limitations, and presents some avenues for future research.