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# Talent Management: An integrative review of theoretical and industrial practices

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## Abstract

Although the term Talent Management (TM) has been around for a long time, the application of the theoretical findings in the very field is still lacking. This phenomenon is also prevalent in the hospitality industry where – although it seems counter-intuitive as the hospitality industry is a people-driven industry – the employees are just regarded as just another person on the payroll hired to do a task or a job and not a person or a commodity with ability that could be nurtured also enhanced for the betterment of the organisation. One of the most common issues faced by the hospitality industry is that of employee retention hence it is pertinent that "talent" is handled or managed systematically and with a more calculated thought process. This paper is therefore written with the idea of bridging that gap of knowledge found between the theoretical application and industrial application thus further elaborating the concept of TM through an integrative review process.

## Keywords:

*Talent management; human resource management; employee retention*

# 1   Introduction

The hospitality industry relies heavily on talented individuals to provide warmth and excellence in service to their guests. This labour-intensive nature of the industry requires it to have a steady supply of talent on hand to support the right goals set but the industry also faces a well-documented problem in turnover and the inability to retain talent (Lee, Hom, Eberly, & Li, 2018; Mustapha, Ibrahim, Saber, Salim, & Rohiat, 2018; Brown, Thomas, & Bosselman, 2015; Mohsin, Lengler, & Aguzzoli, 2015; Savanevičienė, Vaitkevičius, Čiutienė, & Meilienė, 2015; Anvari, JianFu, & Chermahini, 2014; Tews, Stafford, & Michel, 2014; Mustapha, Salman, & Radzi, 2012; Yang, Wan, & Fu, 2012). Hence it is pertinent that talent is handled or managed systematically and with a more calculated thought process.

Talent Management (TM) was first established by Mckinsey where it is used to elaborate on the need for a more systematic approach in ensuring that there is good supply of potential leaders in a certain organization (Chambers, Foulon, Handfield-Jones, Hankin, & Michaels, 1998). The issue then and is still prevalent now is that the talent market is evolving and developing to being more and more volatile, where it is not uncommon to see employees jumping from one company to another as opposed to sticking to one. With that said, TM is not only about retention and maintaining a status quo in terms of talent but it is also about providing a platform or an environment for available talent to grow whilst keeping an eye on potential talents to be brought into the organisation.

Based on the development of TM, there seems to be a certain dissonance between what has been covered theoretically and the industrial practice. Organisations are not able to discern the difference between TM and Human Resource Management. Adding to that is the fact that TM as a construct is seen to be too ambiguous in its definition and might mean differently to varying Human Resource practitioner (Nilsson, 2011). The lack of reliable empirical studies also somewhat dampens the credibility of TM (Collings, Scullion, & Vaiman, 2015; Al Ariss, Cascio, & Paauwe, 2014).

This paper is therefore written with the idea of bridging that gap of knowledge found between the theoretical application and industrial application thus further elaborating the concept of TM. The scope covered in this review consists of an overview of TM theoretically, the difference between Human Resource Management and TM and the challenges faced. The industrial practices aspect is discussed in the section that elaborates on TM and Human Resource and further covered in the challenges section. Another thing to note is that as the hospitality industry is of a similar nature to most business organisations – barring the "hospitality" factor - the concept of TM in this paper is discussed in a manner that would be applicable to it and any relevant industries.

## 2    Literature Review

In its infancy, TM highlighted the need to be competitive not only in generating profit but also in attracting potential talents to the organisation. "The War for Talent" (Chambers et al., 1998) proposes that the talent pool is a competitive environment where organisations should strive to poach the best employees from whichever sources – usually from other organisations – and also strive to keep them (the talent) away from others who thinks the same way.   This is achieved by creating an environment of high value to attract talent and retaining them. The idea is described by the following excerpt: "Creating a winning employee value proposition means tailoring a company's "brand" and "products" – the jobs it has to offer – to appeal to the specific people it wants to find and keep. It also means paying what it takes to attract and retain strong performers (the "price")" (Chambers et al., 1998, p. 50). It is with this original idea that TM was constructed where organisations are urged to gather up all the best talent albeit locally or globally and place importance on value creation.   A review of the current literature reveals that there are a number of contemporary views with regards to TM.

### 2.1  The talent

Meyers (2019), proposed that TM is not a one-sided affair where the organisation is solely responsible for the efforts for talent development.  Her paper suggested that the talent proactiveness in terms of behaviour also plays a part in them receiving any of the practices set aside for TM.  Viewing that the employees should also play an active part in terms of their or development. Employee engagement and commitment was also addressed by Pandita and Ray (2018) were through their conceptual argument found that TM efforts done by organisations promote the idea of engagement and commitment of the employees towards the organisation thus creating value as mentioned earlier which ultimately leads to retention of employees.

### 2.2  The organisation

In a qualitative study conducted by Tafti Mahmoudsalehi and Amri (2017) on experts and managers of Human Resource, it is found that TM consists of three key components which are talent acquisition, talent development and talent retention. The success of the said three components is dependent on the organisation having a clear structure or process, environmental factors and managerial factors.   This is supported by other researchers who believe that the success of any organisation derives from a calculated and strategic TM plan or process (Gregory & Member, 2018; Alziari, 2017; Meng et al., 2016; Collings et al., 2015; Garavan, Nilsson, & Ellström, 2012).

Meyers and van Woerkom (2014) gathered four philosophies based on a few parameters which are namely: i) exclusivity; ii) inclusivity; iii) stable; and iv) developable.  The first two parameters refer to the position that the organisation or establishment focuses on when determining their talent development.  When viewed

exclusively, the organisation is making a decision that refers talent as a unique group of people with potential and only they are deemed necessary to be developed as opposed to inclusivity which focuses on every single employee without discrimination and bias. The stable parameter refers to whether the organisation view talent as an innate ability and belong to certain individuals whereas the other view (developable) proposes that talent is attainable and able to be trained.

The problem with the practice TM in organisations and industry is that Human Resource practitioner regards it as a concept that holds more ground theoretically and may not be something that is applicable since it was developed by academics that may have little to no exposure to the real working environment(Claus, 2019). Coupled this with the notion that the concept is just another fancy word for what they have been doing all the while, there is no sense of cohesiveness and acknowledgement between the two groups and their findings.

As highlighted by Cascio & Boudreau (2016), academic field of TM is characterized by a lack of theoretical frameworks (Al Ariss et al., 2014; Lewis & Heckman, 2006; Scullion et al., 2010). Research on TM has been lagging behind businesses in offering vision and leadership in this field. In fact, the lack of consistent definitions appears to be the reason why there are at least four different ways of interpreting TM in practice: (1) as a new term for common HR practices (old wine in new bottles), (2) succession-planning practices, (3) a focus on strategic, core jobs that are critical to creating competitive advantage; or (4), more generically, as the management of talented employees (Al Ariss et al., 2014; Collings & Mellahi, 2009; Lewis & Heckman, 2006; Tarique & Schuler, 2012).

## 3   Human resource management vs TM

The premise of this section is that there is a certain confusion when it comes to TM and closely resembles Human Resource Management. This is supported by previous authors (Al Ariss et al., 2014; Lewis & Heckman, 2006) which highlights the fact that the industry is unable to differentiate between the concepts as mentioned above. This ambiguity resulted in a nominal and basic approach to TM and not developing it to help in the effort of economical or business resilience. Examples of this lack of clarity can be seen from the works of previous authors (Meng et al., 2016; Lewis & Heckman, 2006) where the meaning of TM may depend on the inclination or the orientation of the person providing its definition. Consider the following excerpt: "For instance, recruiters have a tendency to discuss TM in terms of sourcing the best candidates possible ("How a TM plan", 2004; Sullivan, 2005), training and development advocates encourage "growing talent" through the use of training/leader development programs (Cohn, Khurana, & Reeves, 2005, p. 64), compensation experts tend to emphasise the use of compensation and performance management processes (Garger, 1999), while leadership-focused writers stress succession planning and leader development (Conger & Fulmer, 2003). Regardless of the breadth of their point of view, or lack thereof,

these authors replace the traditional term "Human Resources" with "TM" (Lewis & Heckman, 2006, p.140)

This sense of similarity may also stem from the fact TM utilizes the same process that could be found in Human Resource Management.  As mentioned by Garavan, Nilsson and Ellström(2012) where "TM is associated with different human resource department practices, such as the strategic recruitment, retention, development, and training of talented high-performing or high-potential employees." (Garavan et al., 2012, p. 30). The idea of the Human Resource as a function, as explained by previous authors (Meyers & van Woerkom, 2014) is to perform utilitarian tasks based on the needs (resource-wise) of the organisation.  Tasks ranging from maintaining a healthy number of employees for any given department to training but all in all it is viewed in a shorter-term solution to problems faced in the now whilst TM requires long term planning in a view to promote sustainability of the organisation against future challenges.

In a paper written by Alziari (2017), he highlighted the need to view TM holistically and not just a menial task of the Human Resource Department.  He proposed that it should be a more systematic and calculated process in an organisation. The decision for management of talent should be based and derived from the organisational needs whilst not generalizing in the effort of talent development at the micro/employee level.  TM should be viewed as a business strategy to promote and improve the ability of organisations to compete, not just to fill empty spots in a department.

In addressing the issue of similarity of TM and Human Resource Practices, it could be summarized that although TM goes through the process of recruitment, development and retention (all related to Human Resource), the difference is that the thought process that goes to the decision of all the said processes is seen from a more analytical view. Calculated TM proactively charts the course for the organisation by maintaining or improving their competitive edge.

## 4   Challenges in TM

In a more meso level, TM faces specific challenges in its implementation.  Previous authors (Tafti et al., 2017) highlighted that the short-sightedness of the managers or decision-makers and their overall lack of commitment and involvement in the talent development efforts presents itself as a stumbling block to effective TM.  If TM continues to be viewed not as a business strategy, it will just be another task for the Human Resource department to handle.

Several recent events and trends have affected organisations as a whole which in turn forces organisations to put importance in more effective TM. In a report prepared by the World Travel and Tourism Council (2015) about the trends and issues of talent globally, it is reported that one of the future issues is the increase of talent demand and the lack of talent supply.  Out of the 46 countries highlighted, 36 were projected to have a shortage of talent and the list includes Malaysia, Thailand, Singapore and

bigger nations such as the United States of America, Japan and the United Kingdom. This is supported by several authors (Dogru, McGinley, Line, & Szende, 2019; Zopiatis, Constanti, & Theocharous, 2014). This deficit of talent would translate to a more competitive environment – more so than the current one– talent pool-wise. With the emergence of new markets such as China and India that may influence the movement of talents across borders, it makes it more and more pertinent that organisation strive to create value for the talent not to leave (Meyers & van Woerkom, 2014).

This issue of talent deficit is also compounded by the fact that there seem to be a gap in talent where there is a lacking talent supply from the younger generation especially in the hospitality industry where it is reported that the rate of employment of youth is declining citing "young people remaining in education for longer, skills shortages, and at times employers' focus on retention rather than recruitment" to be the reason for the decline.

## 5    Conclusion

At the start of this paper, we have highlighted that TM could be utilized to alleviate or at least lessen the impact of employee turnover, which has been one of the major issues plaguing the hospitality industry but only if TM is truly understood and applied correctly. The literature revealed that there is still a sort of misrepresentation when it comes to TM, where in some cases the concept is oversimplified and ends up being similar to a typical Human Resource process hence the need to understand the concept fully. The TM concept also seems ambiguous and practitioners are not inclined to accept new findings due to the fact that a number of studies on TM are conceptual in nature as opposed to a more empirical and relatable study.

Through the brief review of TM, it is found that TM works in two levels i.e. the talent and the organisation, further highlighting the fact that TM is not a concept that blankets everything but should be tailored to the needs of the hospitality establishment in order to stay competitive in an ever-changing and challenging tourism climate. As mentioned, the issue of talent deficit challenges establishments to really think about the TM as the "fight for talent" will most likely be difficult as the years go by and the fact that the youth are deciding against going into the hospitality industry will make it harder to recruit the talent in the first place.

The TM construct is far from being perfect and holistically covered. Therefore, more studies on both the theoretical and applied view should continue to be conducted to reconcile between the findings of both academician and practitioner, thus, creating a construct that could be accepted and practiced globally. TM should also be seen as an opportunity for organisations to be resilient and compete for the future.

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