



THEORETICAL JOURNEY OF TALENT MANAGEMENT: EGALITARIAN AND ELITIST APPROACH

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ABSTRACT

Talented employees are the most important value-created resources for the organizations. Talent and Talent Management (TM) concepts have been discussed in strategic human resource literature and business life for several years. The culture of those group of people, learning capabilities are strengths of companies to create high-performance and a culture of innovation. In this context it is critically important to attract, develop and retain talented employees to the organization to gain competitive advantage. Nowadays, the perception of talent management activities varies from company to company. Even the organizations have many conflicts and misunderstandings about talent management practices, some of the organizations apply talent management formally and the others apply it informally. This confusion is a problem area that must be solved for today's value-added and innovative enterprises. Accordingly, the aim of this descriptive study is to investigate the perspectives such as egalitarian and elitist approach on talent management to understand the problem area in talent management activities.

Keywords: Talent; Talent Management; Strategic Human Resource Management; Egalitarian and Elitist Approach

JEL Classification: J24, M54, C19

1. INTRODUCTION

Globalization and today's competitive environment, much more emphasizes the importance of internal resources of the organizations. As revealed by the resource-based view that organizations in order to provide competitive advantage focus on internal resources and managing them effectively and efficiently. One of the most important internal resources of the organizations is human. It is very important to invest in human which is a value-created resource for the organizations because in the long run it provides sustainable competitive advantage and high performance. It is also crucial to place the right people at the right time and right place to achieve strategic objectives in the long term and survive in the competitive environment.

Human resource management is examined in two parts; the first part is related with the coordination and interaction between sub-components of Human Resource (HR) function and the second part is evaluated in terms of being a supportive strategic partner and contributing to the organization's strategic objectives. When the sub-factors of human resource management which are selection, recruitment, development and retention support the strategic goals of organization than strategic HR perspective can be explained in that case. The HR function which is critically important to attract, develop and retain talent employees for organizational goals has come from classical personnel management to today's strategic human resource point of view. Organizations, today are facing difficulties to achieve talented human resources. One of the example of these barriers are the competitors' aggressive and competitive behaviors in talent wars.

On the other hand, it is difficult to find and attract talent employee because it is the most scarced resource for the organizations. In addition, organizations also facing problems about creation favorable business environment for the new talented generation. The talent management is an area which arised after talent wars resulting that organizations have yet differences and conflicts in practice. Talent management is an important element of strategic human resources, lead to differences in perception of organizational respect. Some organizations, describing the training and development function of human resources under talent management however some organizations define talent management programs as increasing the brand value of the organizations and creating awareness.

The aim of this study is to explore talent management theories in social sciences literature. This study was performed as a descriptive through using qualitative research methods. A comprehensive literature review was conducted to demonstrate theories.

2. LITERATURE REVIEW

2.1.Talent

“Talent” has been defined in different ways by the social sciences researchers. According to McKinsey & Company, talent is composed of ‘the sum of a person’s abilities which his or her intrinsic gifts, skills, knowledge, experience, intelligence, judgment, attitude, character and drive. Michaels et al. 2001 emphasized that talent includes the person’s ability to learn and grow. On the other hand, Ulrich (cited in Beechler and Woodward 2009) pointed out that it balanced the interaction of ‘competence, commitment and contribution’.

Gagne (2004) claimed that talent is the result of systematically developed skills that leads to expertise. In addition to intelligence, talent development is composed of factors such as motivation, environment, continuity, creativity.

Alternatively, Uren (2007), suggested that talent people symbolize an organisation’s origin of competitive advantage. Talent is a code word for employees at low-middle-top levels who are the key successors of the company’s performance (Michaels, Handfield-Jones & Axelrod, 2001), they also have competencies, networks or skills that are difficult to take place (Ingham, 2006).

On the whole, in social sciences literature, talent employees have been identified as the people who can make the maximal distinction to organisational performance with their direct contribution or in the longer period by representing the highest levels of potential (Tansley and Sempik 2008). The researchers assumed that individual high performance is subject to high potential. For this reason, talent wants to be at the strategic heart of the organisation, seeing that they can both offer actual high-quality services and move as innovators of product and service cases.

2.2.Talent Management

Recruit, retain, develop, reward and make people perform in the organization is part of talent management which referred as Strategic HR. Companies that engage in talent management are strategic and deliberate in how they source, attract, select, train, develop, retain, promote, and move employees through the organization. Academics, practitioners and consultants argued that if HRM wants to create added value for the organization, it has to become a strategic partner with the business in achieving its business goals. Recent studies have stated that, HR becoming a unique and differentiating asset, playing an increasingly important role in organization (Chanda, Shen, D’Netto and Monga, 2009).

Talent management which is one of the most significant functions of strategic human resource management reveals that the most valuable and important resource for the company is human. In terms of competence, it is very important for the strategic implementations to discover and develop bright and promising employees. Talent management applications are not just for discovering and educating the abilities, they are also for promoting the position to the potential or talent employee without holding them too much. Namely, successful employees can be realized by the manager at the beginning of their career and it is important to let them rise or show their potentials and abilities rather than stop their actions or obstruct the opportunity in the organization. At this point, flexibility and openness is important within the company. According to the

researchers, talent management overlap practically about all activities of human resource management, such as recruitment, selection, hiring, developing, rewarding, etc., however the substance of these activities has particular differences. As a consequence, theoretically different perspectives arises such as the focus and application of talent management (Petkovic and Dordevic, 2013).

Talent management has been a fast growing area and researchers in the field continue to debate on this concept and discuss the theoretical boundaries of talent management (Collings and Mellahi 2009). As a matter of fact, the effectiveness of TM and its value creation for organizations has been poorly evaluated in national and organizational contexts. Since 1990s, there has been a remarkable debate on talent management which McKinsey consultants have introduced the concept named as 'the war for talent' (cited in McDonnell 2011).

Organizations globally have challenges in talent management activities in order to survive in global competition (Tarique and Schuler 2010). Lewis and Heckman, 2006 emphasized in their study that the definition and the scope of talent management not been understood clearly both in business and academic area. To date, there is growing recognition of the differences in how TM is defined and conducted in different types of organizations (cited in Mellahi and Collings 2010).

3. THE PHILOSOPHY OF TALENT MANAGEMENT

According to the literature, there are different perspectives and theories which explain talent management in organizations. Iles, Chuai & Preece, 2010; Iles, Preece & Chuai, 2010 as cited in Ariss, Cascio and Paauwe, 2014 suggested that there are two perspectives on talent management applications. One of them is inclusive (egalitarian) or strengths-based approach and the other one is exclusive approach (elitist). Egalitarian perspective stated that talent management is related with managing the talent of all employees. According to the view, all employees in the organization have the potential to become talent. Elitist approach on the other hand, deals with only the talents of high-potential or high performing employees who are separated by their added value to the organization.

Moczyłowska, 2012 stated that elitist approach is opposed to the opinion that all employees regarded as talent. According to the elitist approach employees can be regarded as talent if they have high level of key qualifications for the organization and are able to contribute substantially to its development. Some of the researchers used the concept interchangeably which is *elitist approach* as *differentiated approach*. They emphasized that talent management practices are limited to high potential employees. On the other hand, in the literature there are many theories which have clarified talent management through individual-based or organizational-based perspective. For instance, Høglund (2012) emphasized psychological-contract theory which observe employee perceptions of the rewarding practices about talent qualities and the effect of such perceptions on employee-felt responsibilities to develop skills.

Moreover, person-organization fit theory and attraction-selection-attribution framework supported Kim et al.'s findings which workcentric, money-oriented, and collectivistic job-seekers were more attracted to Japanese companies (Ariss, Cascio and Paauwe, 2014). Farndale, Pai, Sparrow and Scullion (2010) claimed that global talent management can be explained by mutual-benefits perspective which point out the balancing act between organization-assigned expatriate assignments and self-initiated assignments by employees. As a matter of fact, social exchange theory emphasized that when organizations invest in their employees, they are eventually respond these corporate investments in positive ways (Cropanzano & Mitchell, 2005).

Organizational Support Theory has investigated employee reactions concerning how the organization values talent employees' contributions and take care of their wellbeing (Eisenberger, Fasolo, & Davis-LaMastro, 1990). On the other hand, Festinger, 1957 introduced cognitive dissonance theory which stated that, employees who haven't been regarded as talent might cope with this idea by de-emphasize the importance of being a member of a talent pool. Additionally, equity theory suggested that if employees have information about the talent status of their colleagues, this situation can be regarded as a variable in order to discover employees' attitudinal reactions (as cited in Bjorkman, et.al., 2013).

Talent management has been explained also by economic theories such as human capital theory. The theory has emerged during 1776 when Adam Smith bring out "The Wealth of Nations". Human capital theory as cited

in Sparrow and Makram, 2015 suggested that the costs related with the development and retention of talent employees should be considered as investments for the benefits of the firm. Moreover, Wilson (2015) also emphasized the human capital theory to explicate talent management in organizations. The theory suggested that investment is the main driver for the process of the organization which includes the correlation between inputs and outputs. According to the researchers the correlation between input and output leads to organizational performance.

Accordingly, human capital theory (HCT) in terms of financial view, emphasized talent management as an investment that gained high returns for shareholders (Axelrod, 2001). In other words, the researchers explained that, HCT focused on the organization's investment in a talent employees' development and training. Becker (1964) considers that this kind of investment is as equally considerable as investing in equipment and technology. This perspective reveal that organizations may improve productivity if they invest in talent through education, training and reward management system. The strategic goal of talent management is supported by expert knowledge which is the most important measure of capital that effect competitive positioning (Wilson, 2015).

On the other hand, resource-based view also explains talent management as Petkovic and Dordevic, 2013 suggested that if organizations need to achieve sustainable competitive advantage, they have to engage valuable resources (Barney, 1986). If valuable resources are considered in terms of talents who have strategic value with their contribution in their area of expertise is substantially higher than the other employees.

Folger, 1986 as cited in Gelens, Hofmans, Dries and Pepermans, 2013 suggested referent cognitions theory which is considered in individual context. The theory emphasized that when talent management procedures are seemed as fair, employees will not search and imagine situations that are better than their current situations. Alternatively, self-interest theory defends the same idea with referent cognition theory. Namely, employees want to increase their outcomes. If talent management procedures are unfair and seemed inequitable and unpredictable so employees will feel unsure about future outcomes. This ambiguity forces them to rely more on their current outcomes (Thibault and Walker, 1975). However, social capital theory investigates the importance of the work context such as teams and leadership to identify high potentials even if there is a great focus on talents as individuals (Gelens, Hofmans, Dries and Pepermans, 2013).

Finally, Lawler and Worley (2006) has brought about built-to-change theory considered that talent management initiatives must be a part of the integrated strategy. However, many companies do not view talent in their strategy. The talent employees and skill sets that are precious in a company may change and an organization should be able to make ready and change for the future.

Table 1: The Philosophy of Talent Management

Built-to-Change theory	Lawler and Worley 2006	<i>Talent management initiatives must be a piece of the integrated strategy.</i>
Inclusive (Egalitarian) or Strengths-based approach	Iles, Chuai,&Preece, 2010	<i>TM is about managing the talent of all employees. All employees have the potential to demonstrate talent</i>
Exclusive approach (Elitist)	Iles, Chuai,&Preece, 2010	<i>It is about the talents of high-potential or high performing employees only employees are differentiated according to their added value to the organisation</i>
Person–OrganizationFit theory/	Kim et al.	<i>Workcentric, money-oriented, and collectivistic job-seekers were more attracted to Japanese companies. (Attraction–Selection–Attrition framework)</i>
Referent cognitions theory	Folger, 1986	<i>When procedures are perceived as fair, employees will find it more difficult to imagine outcomes that are better than their current outcomes.</i>

Self-interest theory	Thibault and Walker, 1975	<i>Employees want to maximize their outcomes. Unfair procedures are considered arbitrary and unpredictable, which makes employees feel unsure about future outcomes.</i>
Social capital perspective	Iles et al. 2010	<i>As a reaction to the dominant focus on talents as individuals – stresses the importance of considering the impact of the work context (e.g. teams, leadership) when identifying high potentials.</i>
Organizational Support Theory	Eisenberger, Fasolo, & Davis-LaMastro, 1990	<i>employee reactions to their beliefs regarding how the organization values their contributions and cares about their wellbeing</i>

Egalitarian approach suggested that all the employees in the organization must regarded as talent and offered that all talent practices should cover all the employees in the organization whether they are talent or not. On the other hand elitist approach recognized that the talent practices are only for talented employees. In this context, there are also strategic approaches related with the applications of TM. Strategic approaches are linked with TM model and they are presented as; competitive, process, HR, developed, cultural and change management models.

Elitist approach has seen talent exclusively in terms of high performers (Hi-Per) and high potential (Hi-Po), however egalitarian approach has examined talent in a more general, universal and inclusive way, that almost all employees regarded as talent (Lewis and Heckman 2006; Collings and Mellahi 2009; Schuler et al. 2011 as cited in Festinga, Schafera and Scullion, 2013). It means TM has divided into two approaches at the beginning and these two approaches which are egalitarian and elitist has guided to other perspectives under their practice.

4. CONCLUSION

Talent management is a rapidly growing area, although there is a serious debate on conceptual framework, the definition, context and the criteria about the practice of talent management. In addition, the effectiveness and value to the organization have not been extensively evaluated in both national and international context.

Talent management has been strategically important by the companies and the concept elucidated by several theories and perspectives. TM has been explained by the approaches through individual, organizational and inter-organizational context. However, all the perspectives gather under egalitarian and elitist approach because these two exclusive and inclusive view pay attention to the practice of talent management.

Elitist approach sees talent exclusively in terms of high performers and high potential, however egalitarian approach examines talent in a more general, universal and inclusive way, that almost all employees regarded as talent (Lewis and Heckman 2006; Collings and Mellahi 2009; Schuler et al. 2011 as cited in Festinga, Schafera and Scullion, 2013).

It means TM has divided into two approaches at the beginning and these two approaches which are egalitarian and elitist has guided to other perspectives under their practice. As a result of these facts, theories and perspectives have emerged to explain and understand the problem area in talent management. For further studies, researchers may investigate the practice of talent management within companies in the light of these approaches. Additionally, the comparison between elitist and egalitarian approach can be studied by practice in the organizations.

In this study talent management concept is examined from different point of views. This study was performed as a descriptive study and it is realized with a comprehensive literature review. Talent management has been clarified by the theories and perspectives which have emerged from the further studies and they have underpinned talent management in both practice and individual context.

For further studies, talent management practices in different industries can be observed or investigated in the light of talent management perspectives within both individual and practice context.

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