THE IMPACT OF TALENT MANAGEMENT STRATEGIES ON EMPLOYEE PERFORMANCE: A REVIEW

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ABSTRACT

The increasingly complexity and volatile environment of the current business context due to the advancement in technology and changes of workforce demographics have increased the need for organizations to identify, recruit and retain their talented employees. Talent management strategies become a priority for all organizations to ensure their competitive advantage. Recognizing its importance, an extensive research on talent management has been conducted by researchers, covering different emphasis. This paper aims to provide a review of research related to talent management and job performance. Drawn from an analysis of 20 related studies, several research gaps are identified, and these research gaps relate to the diversified perspectives and conceptualisation of talent management, the underpinning theories and the contexts and industrial sectors of research in talent management and the constructs and their relationships investigated in research of talent management. These findings are valuable for researchers to embark in future research on the impact of talent management strategies and job performance.

Keywords: Talent management strategies, job performance, literature review, theories, constructs

1.0   INTRODUCTION

In the age of global rivalry in which organizations are striving for competitive advantage, talent management has become one of the most important elements of human resource management, and it is one of the most critical issues in organizations. The emphasis on the talent management indicates the importance of identifying and managing talent for the right position and at the right time for the success of organization (Kim and McLean, 2012; Hugh, 2020). Anlesinya, Amponsah-Tawiah and Dartey-Baah (2019) argued that

talent management has become a top priority for organizations as there is a continuous competition among organizations globally for the attraction and retention of scarce talented employees.

Recognizing the importance of optimizing human values for the success of organization, research on talent management has been growing extensively. Several efforts have been made by researchers to provide a review of the research development of talent management. Specifically, researchers (eg. Gallardo-Gallardo and Thunnissen, 2016; McDonnell, Collings, Mellahi and Schuler, 2017; Anlesinya, et al., 2019) have presented reviews on the existing literature in the field of talent management that represents the landscape of the various research of talent management. According to Gallardo-Gallardo and Thunissen, (2016), majority of scholarly talent management literature is positioned within the strategic human resource management literature. Further, Mc Donnell et al., (2017) assert that "the field of talent management at the intersection of HRM, strategy, international business and other related fields" (p. 90).

An area of concern in relation to talent management is the diverse and multiple conceptualization of talent management. Scholars have highlighted the lack of consistent definition and conceptual boundaries (Gallardo-Gallardo and Thunnissen, 2016, Narayan et al., 2019). Lewis and Heckman (2006) asserted that there is a lack of clarity regarding the definition of, scope and overall goals of talent management, which result in fragmented knowledge of talent management. Similarly, the perspectives of TM determine and shape its practices, which subsequently drives the outcomes at the employee and organizational levels (Mensha, 2015, Meyers et al., 2020). Hence, it is necessary to position the research to a specific view of talent management as the adoption of different view determines and shape the practices of talent management (Meyers et al., 2020). Al Ariss, Cascio and Paauwe (2014) highlighted that what talent means and what it will contain depend on the decision of the different levels of managers, each of whom has different perspectives on the competitive advantage of the organizations.

2.0   LITERATURE REVIEW

The common perspective of talent management derives from the belief that talent is either innate or acquired (Thunnissen et al., 2013). Meyers et al., (2013) view talent as an innate skill in which, talent is an individual natural

capacity to do good things without acquiring learning. Two common talent management perspectives are the inclusive versus the exclusive approach. While the inclusive perspective views that all people are talented, the exclusive talent management approach argues that only few in the workforce are talented. Recently, a hybrid talent perspective has emerged to bridge the gap between the exclusive and inclusive talent management philosophy. It is "an integrative and inclusive philosophy of talent management, whereby the organization's full workforce is seen as organizational talent in complement to the differentiated identification of specific workforce segments and individuals "(King and Vaiman, 2019). However, studies related to talent management has been mainly focused on exclusive talent management practice, ignoring the inclusive perspective. The dichotomy of inclusive and exclusivity may lead to many ethical issues pertaining to elite perspective on talent management.

Research related to talent management can be categorized as conceptual, drawn from meta-analysis (Pandita and Ray, 2018; Narayanan et al., 2019) and empirically drawn research. The majority of talent management research still focus at organizational (meso) level, with only limited attention being paid to individual level research (King, 2015; McDonnell et al., 2017), while the talent management practices not only affect macro-outcomes, but also employee attitudes and behaviours. Further, Thunnissen et al. (2013) highlighted their concerns that the investigations of the effect of talent management on performance have been mainly drawn from the opinion of human resource managers, while ignoring the experiences and opinions of employees. According to Anlesinya et al., (2019), there is a dearth of study on employee level outcomes.

The objective of this paper is to conduct a review of the existing studies on the impact of talent management strategies on employee performance, focusing on identifying the research gaps that can be addressed for future research. In doing so, this paper captures the various conceptualization of talent management, the context of the studies, the underpinning theories and the constructs used to study the outcome of talent management practices on job performance.

The review of the related papers was conducted, involving three stages which are searching for the relevant papers, selecting papers for the review and conducting the analysis. Two established online databases, namely the

Scopus and Emerald database were assessed for the selection of the relevant paper. The search of articles were based on two key words, which are "Talent Management" and "Job Performance". We used Boolean AND operator to link the two terminologies. For the scope of the review, we restricted the search for publications from 2015 until 2021 and include empirical studies only. Review papers, book chapter, conference papers are excluded. Further, occurrences of duplication of articles from both databases were addressed by selecting only one paper from either of the two databases.

3.0   RESULTS AND DISCUSSIONS

Drawn from the analysis of the selected papers, four main findings were identified ,and these findings are categorised into four themes, which are i) conceptualization of talent management, ii) underpinning theories, iii) context and sectors of studies, and iv) constructs and their relationships. The following provides the discussion related to the four themes.

3.1   Conceptualization of Talent Management

Talent management has received many interpretations that lead to different emphasis of managing talent. Figure 1 summarises the multi-faceted conceptualisation talent management advocated by various research. As shown in Figure 1, there are nine sub elements of talent management and 'others.' The nine sub-elements are the elements that were documented more than three times, while 'others' were all the sub-constructs that were documented three times and lesser. The highest documented sub-construct is 'other', which implies the diversified sub-constructs of talent management. This this regard, the highest documented sub-construct is the i) development (11), ii) retention (10), iii attraction (6), iv) identification (6), v) deployment/utilization (6), vi) engagement (5), vii) recruitment (5), viii) capability (4), and ix) management mindset (4). Among these, the most common conceptualization of talent management perceives talent management as developmental activities towards achieving the organizational goals or effectiveness. It is important to note that the various conceptualisation of talent management is drawn from the different perceptions of talent management.
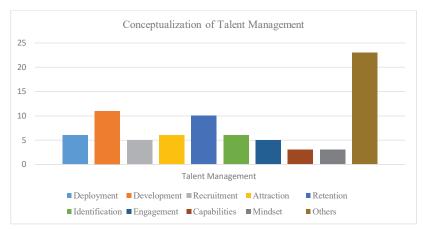
Figure 1: Various conceptualization of Talent Management

Based on the analysis, studies of talent management has adopted different perspectives leading to different conceptualisation. This leads to the lack of consistent definition and conceptual boundaries. Hence, there is a need to carefully position the underpinning perspectives of the talent management concept to avoid fragmented understanding of talent management. It can be highlighted that, these studies tend to investigate talent management from various perspectives of talent management conceptualisation, which may result in a biased perspective (Thunnissen, 2016; Anlesinya et al., 2019).

3.2   Underpinning Theories

Many have argued that the investigation of talent management tends to be practice oriented rather than theoretical (Collings, 2014; Luna-Arocas et al., 2020). On the other hand, several theories have been adopted by research to gain the understanding of the impact of talent management on performance. Among the theories adopted such researchers are, such as resource-based view (Bhatnagar, 2007; Gallardo-Gallardo et al., 2015; Tatoglu, Glaister and Demirbag, 2016; Narayan, et al., 2019; Aina and Atan, 2020; Luna-Arocas et al., 2020) , social-exchange theory (Khoreva, Vaiman and Van Zalk, 2017; O'Connor and Crowley-Henry, 2019; Dang et al., 2020; Younas and Bari, 2020), human capital theory (Collings, 2014), equity theory (O'Connor and Croweley, 2019), attitude, motivaton and opportunity (AMO) (Mensah and Bawole, 2017); and job-resource demand (Malik and Singh, 2020) as the lens to gain understanding of the issues investigated. Figure 2 shows the variety of theories used in talent management research.

Based on Figure 2, it is found that the common underpinning theories adopted by researchers are the resource-based view and social-exchange theory. However, in this review, the majority of the studies adopted social exchange theory, followed by resource-based view, equity theory, job-demand resource and AMO. It is important to note that majority of the studies adopted social exchange theory due to the fact that the selections of the study are limited to employee performance, that is at individual level. There are also studies who adopted more than one theory in their studies, for example (O' Conner and Crowle y-Henry, 2019; Malik and Singh, 2020). Thirdly, social exchange theory (SET) is mainly used to gain understanding of the impact of talent management at micro level, namely employee level while resource-based theory is used mainly to gain understanding of the impact of talent management at organizational level. This finding is supported by Gallardo-Gallardo et al., (2015) that concluded resource-based view is the most used in examining the role of talent management as it offers a good explanation.
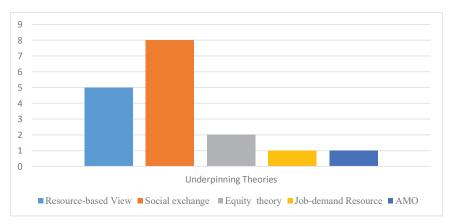

Figure 2: Underpinning Theories

3.3 Context and Sectors of Studies

An analysis of the context and sectors of studies has also been conducted and Figure 3 shows the context of studies of the reviewed papers. Based on Figure 3, it was found that the context of the studies can be classified into four regions which are Asia, Africa, Middle East and Europe. Specifically, the majority of the studies are contextualised within Middle East, and Asia in comparison to Africa and Europe. For the Middle East region, studies were contextualised in Qatar, Arab Saudi and Turkey, while for the Asia region, the countries identified are India, Indonesia, Malaysia and Vietnam. This indicates that

research in talent management is increasingly developed in the developing countries in comparison to the developed countries.

An analysis of the specific sectors was also conducted and it was found that the specific sectors identified were such as banking (Mensah, 2015; Dang et al., 2020), healthcare (Bani-Hani, 2021), mining (Maurya and Agarwal, 2018), hospitality and tourism (Alferaih, 2017), automotive (Alferaih et al., 2018), Information and Communication technology (Younas and Bari, 2020) and large public organizations (Mahfoozi et al., 2018). It was also found that, while there are studies of talent management in mixed organizations and sectors, there are also related studies conducted in specific sectors such as healthcare, hospitality and tourism. As such, empirical studies contextualised within specific context organization and socio-economic background represent a real issue specific to the context valuable knowledge as few studies have conducted empirical research on talent management practices in a specific-context organization.
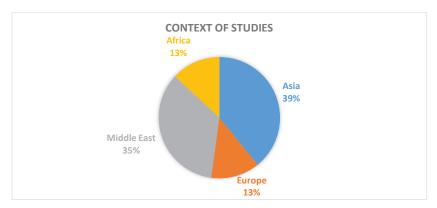

Figure 3: Context of Studies

3.4   Constructs and their Relationship

A review was also conducted to in relation to the constructs investigated in the talent management strategies and employee performance. The results of the analysis are provided in Table 1, which summarises the constructs used by the researchers with respect to the four types of variables, namely independent, dependent, moderating and mediating variables. Some of these variables were not specifically for independent or dependent variables, but they were also used for mediating or moderating. For example, the construct of talent management was also used as mediating variable, besides using it

as independent variable. In addition, the impact of talent management on performance include aspects such as employee engagement and commitment (Bhatnagar, 2007; Dang et al., 2020), retention and turnover (Alferaih et al., 2018; Narayanan et al., 2018; Younas and Bari, 2020), innovation (Altindag and Akturk, 2020), satisfaction (Alferaih et al., 2018; Luna-Arocas et al., 2020) and competencies (Bani-Hani, 2021).

Table 1: Constructs of Talent Management Research according to types of variable

No	Types of Variables	Constructs
1	Independent	Talent Management, Innovation Capability, Learning Organization, Ambidexterity, Organizational justice, Technology Usage, Person-organization Fit, Employee Recognition
2	Dependent	Employee Performance, Counter Productive Behaviour, Organizational Citizenship, Loyalty, Core Competencies, Employee Branding, Organizational Performance, Voluntary Turnover, Talent Retention, Role Conflict, Job Satisfaction, Extrinsic Reward
3	Moderating	Work Engagement, Strategic Thinking, Job Satisfaction, Talent Management, Employee Recognition
4	Mediating	Affective Commitment, Pay Satisfaction, Job Satisfaction, Employee Commitment, Employee Engagement

These themes can be categorised into the talent management practices /model (Mahfoozi et al., 2018; King and Vaiman, 2019; Anlesinya et al., 2019; Anlesinya and Amponsah-Tawiah, 2020), the outcome of talent management practices (Maurya and Agarwal, 2017; Alferaih et al., 2018; Aina and Atan, 2020; Dang et al., 2020; Luna-Arocas, et al., 2020; Younas and Bari, 2020; Bani-Hani, 2021), and the challenges and success factors of talent management (Tafti et al., 2017).

As shown in Table 1, there are also studies that include either a mediator or moderator or both, that are used to examine the significant impact of talent management and employee performance, Among the constructs included as the mediator are affective commitment (Dang et al., 2020), job satisfaction (Luna-Arocas and Morley, 2015; Mensah et al., 2015), work engagement (Abdullah et al.,2020).Moderating variables are such as, job satisfaction and commitment (Mensah et al., 2015) and two studies (Sopiah et al., 2020; Barkhulzen and Gumede, 2021), which include work engagement and job satisfaction as a moderator respectively. All of these studies found that the mediators mediate

the relationship between talent management and job performance; hence, the relationship between talent management and employee performance is significant. There are three studies (Bhatnagar, 2007; Bibi, 2018; Masri and Suliman, 2019), which investigate direct relationship only, indicating that these studies tend be simplistic.

Another issue that needs to be highlighted is that the effect of talent management on performance have been mainly drawn from the opinion of human resource managers, while ignoring the experiences and opinions of employees. In this case, the effect of talent management on employee outcomes from the perspectives of the employees is still under explored.

4.0   CONCLUSIONS

This review focuses on the analysis of empirical studies related to the impact of talent management practices on employee performance, drawn from 20 empirical studies, The analysis of the papers focuses on four aspects which are the conceptualization of talent management, theories underpinning research of talent management, context and sectors of studies, and constructs and their relationships investigated in the studies. Based on the analysis, it can be concluded that firstly, researchers tend to have different conceptualization of talent management, influenced by their different perspectives. Secondly, main theories framed the research of talent management are the resource based view and social exchange theory. Thirdly, there has been a growing studies in the context of developing countries, such as Asian and Middle East. Finally, variety of constructs have been included in the investigation of talent management and these constructs are also used as mediating and moderating variables. It is expected that this review can be used as a basis for researchers to embark in future research of the outcome of talent management on employee performance.

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