

Talent Management : A Literature Review

Manajemen Bakat : Sebuah Tinjauan Pustaka

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ABSTRACT

The volume of literature in popular media and among practitioners serves as a guide for practitioners in human resource management, particularly in Talent Management within the business context. However, what constitutes Talent Management and its foundations in the scientific principles of human resources and management? In this writing, we address these questions by examining the issues with the definition of Talent Management and the lack of data supporting many practitioner claims. Subsequently, we outline research that supports a definition of Talent Management as a system-oriented approach focused on strategic talent management. We then delineate future research directions to further develop the field of Talent Management and align it more closely with the extensive body of work in strategic human resource management.

Keywords: Talent Management, Strategic HRM, Organization

ABSTRAK

Banyaknya literatur di media populer dan di kalangan praktisi menjadi panduan bagi para praktisi di bidang manajemen sumber daya manusia, khususnya Manajemen Talenta dalam konteks bisnis. Namun, apa yang dimaksud dengan Manajemen Talenta dan dasar-dasarnya dalam prinsip-prinsip ilmiah sumber daya manusia dan manajemen? Dalam tulisan ini, kami menjawab pertanyaan-pertanyaan tersebut dengan mengkaji isu-isu terkait definisi Manajemen Talenta dan kurangnya data yang mendukung klaim-klaim para praktisi. Selanjutnya, kami menguraikan penelitian yang mendukung definisi Manajemen Talenta sebagai pendekatan berorientasi sistem yang berfokus pada manajemen talenta strategis. Kami kemudian menggambarkan arah penelitian di masa depan untuk lebih mengembangkan bidang Manajemen Talenta dan menyelaraskannya lebih dekat dengan bidang kerja yang luas dalam manajemen sumber daya manusia strategis.

Kata Kunci: Manajemen Talenta, Manajemen Sumber Daya Manusia Strategis, Organisasi

1. Introduction

The most crucial organizational resource is human resources. The performance of an organization often heavily relies on the achievements and capabilities of its employees. In the management concept of improving performance, there are two approaches: competency-based human resource development and talent-based human resource development. With the emergence of the term talent management, many companies and organizations have engaged in Talent Management, leading to an increase in the number of articles and books on this topic. Talent management has become a well-defined field of practice, supported by extensive research and a set of core principles, driven by the prevalent issues faced by companies. Organizations make great efforts to attract employees to their companies, but they dedicate little time to effectively utilizing and managing talent. Talent management presents a management challenge, which is winning the talent war. The talent war refers to a situation where companies compete against each other to acquire the best talents available in the labor market. This brings consequences for companies to enhance their talent selection processes and improve their skills in developing existing talent. (Sukoco & Fadillah, 2016)

2. Research Methods

This study is a literature review that uses secondary data such as books, research reports, and scientific journals related to Talent Management conceptually, theoretically and empirically. Furthermore, this material was analyzed using an interpretive descriptive approach.

3. Results and Discussion

What is Talent Management?

In the development of talented employees, it should ideally be carried out within a comprehensive talent management context. With appropriate development, both the company and employees can reap optimal benefits and advantages. Effective talent management can assist the company in swiftly identifying the best individuals for the business, effectively developing and harnessing their talents, aligning their efforts with the company's objectives, and maintaining top performance within the organization. However, we have found that this is not the issue at hand. A literature review focused on talent management reveals a disruptive lack of clarity regarding the definition, scope, and overall goals of talent management. In this paper, we examine practitioner-oriented publications that host the majority of discussions on talent management and identify several issues with how talent management is defined, operationalized, and supported. We then draw from peer-reviewed literature in strategic human resource management (HRM) to determine implications for talent management.

Furthermore, we identify several research paths and theories that can serve as the foundation for a rigorous, scientifically based approach to talent management. Finally, we offer three suggested research avenues that complement the literature in strategic human resources management and bring it closer to a framework of strategic-based talent management. It is challenging to pinpoint the exact meaning of talent management due to the confusion surrounding definitions and terminology, as well as the numerous assumptions made by authors writing about talent management. The terms talent management, talent strategy, succession management, and "human resource planning" are often used interchangeably. Consider, for instance, the following statement regarding the process of managing individuals within an organization to ensure that the right people are in the right jobs at the right time. (Cappelli & Keller, 2014) Deliberate and systematic efforts by an organization to ensure leadership continuity in key positions and foster individual progression. (King & Vaiman, 2019) In addition, managing the supply, demand, and flow of talent through the human capital engine (Claus, 2019) that is used to define human resource planning, succession planning, and talent management. While each of these terms focuses on managing employees, their real similarity blurs the issue that the first definition refers to outcomes, the second to a process, and the third to specific decisions. Therefore, the terms used in the Talent Management debate, centered on effective employee talent management, are both unclear and confusing, as they conflate outcomes with processes and alternative decisions. Beyond the confusion in definitions, we believe this is an issue because, until recently, planning and managing employee acquisitions, selections, and careers were within the purview of Human Resources. Why the change in terminology and what, specifically, is Talent Management? Some recent articles in practitioner-oriented literature describe Talent Management as a pattern of thinking (Saling & Do, 2020) The key components for effective succession planning are highlighted in a study by (Kaliannan et al., 2023) which emphasizes the importance of ensuring that individuals at all levels work to their fullest potential (Montero Guerra et al., 2023). However, some authors have failed to provide a consistent or concise definition of the term (Masduki &

Sopiyan, 2021) . There is no singular definition that is universally agreed upon. Nevertheless, Ashton and Morton note that good talent management is a strategic imperative.

Despite this initial disadvantage, we delved deeper and discovered three distinct streams of thought regarding Talent Management. The first defines Talent Management as a collection of practices, functions, activities, or specialized areas within the human resources department, such as recruitment, selection, development, and career and succession management. (Sukoco & Fadillah, 2016)

Managing Talent, according to these authors, entails doing what HR has always done but doing it faster (through the internet or outsourcing) or across the entire organization (rather than within a department or function). The characteristics and processes of recruitment and department-oriented staffing in traditional companies need to be transformed into broad-based efforts to attract and retain human talent (Dermawan et al., 2022). While many proponents of this perspective view Talent Management broadly, there is a tendency among practitioners who primarily focus on sub-disciplines or specialized areas within HR to narrow down the definition of Talent Management. For instance, recruiters tend to discuss Talent Management in terms of finding the best candidates, while training and development advocates emphasize nurturing talent through the use of training/leadership development programs (Plecas et al., 2018) Compensation experts tend to emphasize the use of compensation and performance management processes, while authors focusing on leadership highlight succession planning and leader development (Ilyas et al., 2017). Regardless of the breadth of their perspectives or their limitations, these authors replace the traditional term Human Resources with Talent Management.

The second perspective on Talent Management primarily focuses on the concept of talent pools. Talent Management is seen as a set of processes designed to ensure an adequate flow of employees into jobs throughout the organization (King & Vaiman, 2019), The changing face of Talent Management in this approach often closely aligns with what is typically known as succession planning or human resource planning (Claus, 2019) but it can also encompass typical HR practices and processes such as recruitment and selection (Kaliannan et al., 2023). The core of this approach is projecting employee/staff needs and managing employee development through positions, often facilitated through the use of software systems across the company. In this case, the focus is generally more internal than external (Saling & Do, 2020) offer a distinctive perspective on this approach, stating, "The first step in Talent Management is to gain a solid understanding of the internal workforce. It may surprise many HR practitioners that the problem of ensuring an adequate talent flow into positions while optimizing organizational resources has long been an intriguing topic for researchers in the field of industrial engineering and management. Commonly known as workforce or manpower planning, this approach typically involves modeling organizational career flows by encoding hierarchy levels, rules for entry and exit from a position, and parameters such as costs, anticipated tenure, and supply and demand (Kaliannan et al., 2023). Developing individuals through positions based on growth, friction, and other programmed factors into the model has been used to simulate various organizational and workforce planning issues. A company's Talent Management system that catalogs the skills of the workforce and the demand and supply of employees has the advantage of considering more jobs simultaneously than most workforce models but essentially performs the same task.

The third perspective on Talent Management focuses on talent in a general sense, without considering organizational boundaries or specific positions. In this perspective, two common views on talent emerge. The first view regards talent (typically referring to high-performing and high-potential individuals) as a scarce commodity and a resource that needs to be managed primarily based on performance level. This means that highly competent players should be sought, hired, and rewarded differently regardless of their specific role or, in some

cases, specific organizational needs. Therefore, unlike the second perspective outlined above, organizations are encouraged to manage a general pool of high-performing talent rather than a succession pool for specific jobs. Supporters of this approach classify employees based on performance level (for example, using levels A, B, and C to indicate top, competent, and underperforming players, respectively) and advocate for strict cessation of C-level players (the "War for Talent" approach advocated by (Meyers et al., 2013) or exclusively topgrading the organization by hiring A-level players. For example, topgrading is defined as "packing the entire company with high-performing A players," from senior management to employees at minimum wage who are in the top 10% of talent for their salary level.

The second perspective on generic talent regards it as an undifferentiated commodity and arises from a humanistic and demographic standpoint. Talent is seen as highly important because it is a strong HR function to manage everyone for high performance (Kaposy & Whatmore, 2008) or due to demographic and business trends that make talent in general more valuable.

Issues with current Talent Management definition

The aforementioned explanation highlights that the term "Talent Management" lacks a clear and universally agreed-upon definition. It is utilized in various ways and often serves as a means to emphasize the strategic importance of HR specializations such as recruitment, selection, and development. Additionally, it is used to convey engaging anecdotes about the significance of managing talent effectively. The concept of "talent" essentially serves as a euphemism for referring to individuals, and due to the diverse perspectives on how individuals can and should be managed, the literature on Talent Management may present contradictory recommendations, such as the War for Talent approach versus topgrading.

The three perspectives on Talent Management that emerged from our literature review are also unsatisfactory. Defining Talent Management in terms of traditional HR functions performed faster (or through the internet or software systems across the company) does not enhance our understanding of how to effectively manage talent. Managing recruitment, selection, and employee affairs through the internet may require the addition of some new skills to the generalist HR or recruitment expertise, but it does not fundamentally change the underlying principles of good recruitment, selection, and employee affairs. Thus, the first usage of Talent Management is unhelpful. It may serve the purpose of rebranding HR practices to appear new and fresh, but it does not advance our understanding of strategic and effective Talent Management

The second perspective merely reiterates much of the work already done in succession planning and workforce planning, thus failing to advance HR theory or practice. This does not imply that advancements in succession management techniques or closer integration with organizational staffing models developed in management science would not yield results. In fact, we believe that succession planning work driven by HR could greatly benefit from reviewing the relevant literature. Our suggestion is simply that labeling this approach as "Talent Management" creates the same issue as the first perspective—it does not provide additional understanding and therefore is unnecessary.

The third perspective of Talent Management may be the most problematic. On one hand, it conveys an appealing message on at least two levels. We suspect that most HR practitioners would resonate with the following quote: "If we are dealing only with programs and processes, then we are never touching what ultimately becomes our biggest strategic differentiator: the talent that resides in every person, one individual at a time." In the same vein, most high performers would prefer to be surrounded by other high-performing individuals rather than underperformers, and initially filling every job with top percentile players seems like a sensible way to enhance organizational performance.

However, on the other hand, the aspirational message and intriguing anecdotes underlying this approach mask certain issues. Firstly, the notion of managing the "talent that resides in every person" is well-intentioned but not necessarily strategic. It does not offer guidance on determining how many resources should be allocated to uncover the talent of each employee and seems to assume that all employees are equally valuable to the company from an economic and developmental perspective. This harkens back to traditional HR views (such as the notion of providing 40 hours of training for everyone) that are inconsistent with current demands (Edward et al., 2022). If managing the talent of every person to its fullest potential means finding a wise way to separate low performers from the organization while providing relevant opportunities to others, then this approach simply reduces the definition of Talent Management to HR.

Advocating for managing talent by categorizing individuals based on their performance is also non-strategic. The idea that a certain percentage of players should be routinely removed from the organization (or that all positions should be filled with exceptionally high performers) overlooks the possibility that, for some jobs, competent performance may be sufficient or that the organization may want to maximize its organizational capabilities in specific competencies while not emphasizing others (Anggraini & Agustiningsih, 2022). Even if such an approach makes sense for an organization, its proponents offer limited practical guidance on its implementation. For instance, while some advocate for rigorous talent reviews involving discussions on the performance and potential of every individual in the organization, the extensive literature on issues related to the purpose and biases in performance assessment is often overlooked (Sunaryo et al., 2022).

Indeed, this may indicate a core problem with the Talent Management approach; it is rooted more in advice and anecdotes rather than data and constructing arguments based on selective self-reports from executives. A typical example is provided by (Michaels, Ed; Handfield-Jones, Helen; Axelrod, 2001) A CEO leading a struggling company realizes that talent is the key to growth and staffs the organization with high-quality personnel. "Over the next three years, the company's performance improves dramatically

Up to this point, criticisms of the "War for Talent" approach to Talent Management have equally not been burdened by rigorous data analysis detailing the pitfalls of implementing talent review processes and their adverse effects, as seen in the case of Enron (Saling & Do, 2020) Critics of this approach argue that it promotes an almost exclusive focus on individuals rather than the many organizational attributes that support them.

In summary, the topic of Talent Management has been enthusiastically pursued in trade and popular media without being systematically linked to research-based findings reviewed by peers. Moreover, it has been largely defined in ways that do not contribute to our understanding of managing talent within organizations. Talent Management appears to be a new phrase designed to repackage standard solutions to HR challenges (such as selecting, staffing, and developing "talent") or to emphasize the need to respond to demographic changes. Popular books written by practitioners propose broad concepts for managing talent (such as aligning your people with your strategy, enhancing your organization's talent) illustrated with carefully selected analogies and anecdotes that are otherwise unsupported. As far as research literature is cited in these publications, the prescriptions tend to merely reiterate or repackage sound HR practices rooted in academic literature (e.g., using validated selection instruments, setting challenging goals and providing feedback, rotating employees through challenging roles). In these cases, Talent Management is nothing more than the implementation of sound HR practices. However, often authors propose contradictory practices

Grounding Talent Management in research

Although the term "Talent Management" does not appear in peer-reviewed literature, substantial research has been conducted by prominent research institutions to examine the relationship between investment in human resource management (HRM) practices and organizational outcomes. Empirical evidence supporting this relationship has been demonstrated within established and respected research streams (Sunaryo et al., 2022). This field is widely recognized as strategic human resource management (SHRM)

Robust human resource practices have been systematically associated with personnel metrics such as turnover, as well as objective and subjective measures of organizational performance. These findings have been replicated across industries and at various levels of organizational analysis, revealing a relationship between a company's adoption of HR practices and its profitability. However, the strength of this relationship varies across industries. In general, this body of research demonstrates the value of high-quality HR practices and has elucidated how the relationship can be contingent upon the business strategy or the people adopted by the company, as well as the environmental or technical complexity. From these studies, models have emerged that attempt to integrate strategy, HR practices, and talent (Meyers et al., 2013).

Finally, and most significantly, studies on HR practices have not explicitly investigated how practice choices relate to strategy. Instead, they have primarily focused on measuring the extent of practice variation across industries. As noted by Viany & Susilo, (2018) the variation in HR practices may reflect differences in competitive climates, geographic regions, and socio-economic variables. We believe this represents a significant limitation in establishing Talent Management as a strategic and value-added term. If the broad definition of Talent Management only entails responding to strategic demands or environmental factors with high-quality HR practices that yield business outcomes, then the term itself fails to progressively enhance our current understanding of highly functioning HR departments and their operations.

Developing strategic Talent Management

When embarking on the process of building a structure, there are different approaches one can take. One approach would be to gather a group of highly skilled professionals in each required craft and let them define the building for you. Alternatively, you could start by analyzing the relationship between construction practices and the desired outcomes. Are these objectives appealing to the target customers (renters or buyers)? What alternatives exist to orient the building on its site to best achieve its goals?

We believe the analogy of Talent Management to architecture best captures the initial supporting vision of managing talent and offers a strategic, systemic-level perspective that positions Talent Management as a value-adding concept and opens up possibilities for new research. While other authors have acknowledged the need for Talent Management to adopt a systemic or strategic framework, they have failed to articulate how this should occur (Schuler et al., 2017)

One of the earliest efforts to explicitly link business strategy with human resource management (HRM) is through the concept of strategic HRM. The best HRM practices support and drive HR departments to become more strategic by understanding the organization's business strategy and restructuring HRM and practices to align with it (Ladjin, Litriani, Sahamony, Kusumaningrum, Maulina, Siregar, Hubbansyah, Solikin, Silitonga, Soeyatno, Asyari, Sinaga, 2022) They outline how HR planning activities can be linked to organizational variables across multiple time horizons.

Thunnissen & Gallardo-Gallardo, (2019) The classification presented above has several strategic talent implications, which can be translated into specific actions. For instance, low-value and difficult-to-replace talent can generate higher value if their jobs are made more

consultative and information-rich. Jobs in the bottom-right quadrant (easy to replace, high value-added) should be redesigned to be unique and differentiated from the competition (making them harder to replace) or outsourced. (Thunnissen & Gallardo-Gallardo, 2019) While Thunnissen and Gallardo-Gallardo focus specifically on the talent implications of technological changes, the same analysis can be applied to demographic changes and business conditions.

If Talent Management is to become as strategic as its advocates expect, it should shape organizational strategy, rather than simply responding to its implications. Talent Management needs to develop a perspective on how talent decisions are made (Sparrow, 2019). Human Resources should have a unique perspective that focuses on talent to enhance decision-making, rather than being solely a process for implementing decisions.

A company controls scarce resources rather than abundant ones, and resources can be effectively duplicated or replaced by substitutes. Resources that are difficult to imitate are likely to provide long-term advantages. According to (King & Vaiman, 2019) A company's resources and capabilities encompass all the financial, physical, human, and organizational assets used by the company to develop, produce, and deliver products or services to its customers. The value, scarcity, and imitability of resources can change over time. Therefore, categorizing resources according to these three dimensions in response to external threats is crucial to understand the alternatives and potential outcomes available to the company. An organization with valuable resources may transition from a position of competitive advantage to one of competitive parity. Organizations with resources or capabilities that are difficult to imitate, but no longer hold value, also lose their competitive advantage. Having valuable and scarce resources can provide temporary advantages that erode over time as other organizations duplicate resources or find cost-effective substitutes.

Indeed, talent can be categorized as valuable, rare, and difficult to imitate, but specific prescriptions regarding talent are not always clear. For instance, when discussing valuable resources (Claus, 2019) addresses organizational-level competencies that involve having talented individuals, but it is not clear how to separate the contribution to technological value from the individuals themselves. Scarcity also has implications for talent, but the contribution of talent to developing scarce resources is also unclear as the unit of analysis is the organization, not a collection of talents.

The main challenge in this research is to describe the process that explains the relationship between practices and organizational performance. Wright and Haggerty (2005) note that the practice-performance relationship, as operationalized in research studies and theoretical models, is generally distal, and the level of analysis is the firm. In other words, individuals (often referred to as "talent" by Talent Management practitioners) are omitted from the model. Wright and Haggerty (2005) call attention to the need for developing a more comprehensive strategic Human Resources Management model that takes into account various levels of analysis, time influences, and causality.

According to Ade et al., (2021) bridging this gap is achieved by outlining a model that positions strategic talent resource management on par with the theoretical frameworks that drive strategic decisions in other respected business functions such as finance and marketing. They note that HRM needs to develop the science of decision-making that enhances decisions about talent resources in the same way that finance has developed the science of decision-making to facilitate business decisions separate from accounting measures. The value of doing so is that talent becomes embedded in talent decisions wherever they are made within the organization.

Efficiency is a measure of the amount of activity generated for a given investment. Decisions in HRM are typically made based on efficiency measures, such as the number of people trained per training session, cost per recruitment, and the ratio of HR staff to total employees. Boudreau and Ramstad note that a focus on efficiency, without a focus on

effectiveness and impact, leads to low-cost, standardized, and centralized HR practices. Decisions made purely based on efficiency can emphasize metrics without a proper understanding of the implications of those metrics. For example, what does it mean to have one-third of the HR staff compared to a similarly sized organization? Without measures of effectiveness and impact, one cannot determine whether the HR staff is accomplishing one-third of the work of a comparable organization or three times more effectively.

A note about Talent Management analytics

After agreeing that Talent Management is important, the trade and professional press now seem to be focusing on workforce analytics. Just as the term Talent Management, it is difficult to precisely define what constitutes workforce analytics.

If you do proper workforce analysis and planning, then you know who to recruit, who to develop, who to reassign and where to move them, whether you should hire someone externally or promote from within, and whether you should seek contingent workers, contractors, or full-time employees. Workforce planning and analysis can help you make the best Talent Management decisions and align them with the company's goals.

The push to develop talent analytics seems to be a result of the increased use of software systems across organizations. The promise of software and data management systems that capture HR, financial, and operational data is that this data can be mined to gain insights regarding talent that were previously hard to obtain. At one level, we agree that previous research required collecting data from various organizational databases, manipulating and inputting the data, and merging it to the appropriate level of analysis certainly made the task of conducting research more difficult. However, the ease of tabular data connecting HR with data can tend to pose problems if there is no conceptual model to guide which questions to investigate, which data to connect, or if decision-makers lack the context to interpret the results. While practitioner literature tends to emphasize the power and ease of analyzable data, we see little discussion of framing the analytic questions that are deemed answerable and how decision-makers will use those answers to influence talent change.

The process required to influence talent decisions. First, a logical structure or conceptual model connecting the set of talents to organizational competitive advantage is needed to generate meaningful talent questions. Analytics require intelligence in drawing from data sources to answer questions guided by the logic structure. Measures include typical HR measures such as headcount and turnover rates. The challenge regarding measures is balancing precision with utility.

Balancing attention to the four elements of the LAMP framework is critical. Overemphasizing analytics can lead to sophisticated analysis without a connection to talent decisions, while overemphasizing processes can steer the organization toward strategically irrelevant goals. In developing the LAMP framework, Boudreau and Ramstad note that "analytics" is not "a new class of business intelligence" or a series of actions organized into a dashboard. Because it lacks a conceptual model to guide the analysis, or processes to implement the results, practitioners' focus on "analytics" tends to lead the field toward highly elegant and demanding analyses that fail to meet talent decision-makers' needs.

Future directions for research

There are several research areas that need to be pursued in order for Talent Management to make a lasting contribution to the field of human resources.

1. Firstly, the core elements of the decision architecture of Talent Management need to be identified and thoroughly tested. Doing so enables the development of talent theories that facilitate the development and testing of fully specified Talent Management models.

2. Analytical techniques that allow for system-level analysis need to be investigated and more comprehensively integrated into Talent Management work. This includes analysis at various organizational levels and specifying the impact of talent-related decisions across the organization

Finally, steps consistent with the talent architecture and system analysis need to be developed and held to professionally recognized standards of reliability and validity. Each of these research needs will be considered in turn.

Talent Management decision architecture

Typical research studies within the larger body of literature on Strategic Human Resources Management begin by examining an organization's HR practices and talent investment decisions and determining the strength of their relationship with strategically relevant outcomes (such as profitability and stock prices) or tactically relevant outcomes (such as turnover). However, the decision processes leading to these initial conditions why an organization chose to invest in a strong selection system or a leadership development program in the first place have often been left unexamined. Yet, understanding these initial conditions is crucial for interpreting the relationships between HR practices and outcomes. At least one frequently cited study found a negative relationship between general HR practices (such as the use of multi-rater feedback tools) and organizational performance (Thunnissen & Gallardo-Gallardo, 2019)

Without understanding the decision context for implementing multi-rater interventions—why certain interventions were chosen and the goals in implementing them—it becomes impossible to evaluate their impact. It is possible that high-performing organizations that do not implement multi-rater tools facilitate feedback through other equally effective means, and organizations experiencing low returns do so due to factors other than multi-rater tools.

The call by (Putranto et al., 2022) to develop a decision science that frames talent-related decisions deserves attention. A more robust specification of the decision framework also enables the proactive use of talent resource classification approaches effectively utilized by (Putranto et al., 2022) For instance, categorizing low-replaceability jobs as "high-value" does not address the question of when one should inform the job. In other words, the preconditions for that decision are not specified. Similarly, classifying talent as "difficult to imitate" does not advance the discussion on when investments should be directed to create a pool of difficult-to-imitate talent.

Therefore, while we know from the strategic Human Resources Management literature that well-developed practices can impact organizational outcomes, we lack clear theories or principles to guide when or which sets of organizations should be targeted. These decisions are crucial—allocating organizational resources to one talent pool or another (or to talent in general instead of investing in technology or marketing) should be maintained not solely based on some outcome metrics but also on the basis of strong relationships with strategy and framing strategic options.

In this regard, it is possible to propose a high-level hierarchy of Talent Management process components. This hierarchy is by no means intended to be a fully specified model. Instead, it is a conceptual framework that begins to separate the questions addressed in Talent Management and strategic Human Resources Management literature, thus providing a perspective.

The outcomes of decisions at each level that impact the preceding ones are illustrated. Starting with outcomes that are desirable for most organizations and their strategies and sustainable competitive advantages, organizations can use the decision science of Talent Management to identify strategic implications regarding talent. Questions at this level primarily

concern how talent pools can be segmented (King, 2015) focuses on the strategic impact of talent, while (Oussama Ouriemmi&Wafa Ben Khaled, 2020) focuses on high-value or hard-to-replace talent. It may also be useful to consider critical pathway talent skills that may be required at specific times to achieve the strategy. The main task at this level is to segment talent in a manner consistent with the organization's strategy and address the strategic implications for talent.

Once the talent pool is identified and segmented, it becomes possible to develop talent pool strategies. For example, once an organization understands that one talent pool is highly critical while others are not, the organization can then implement different strategic approaches to compensation, performance management, job design, and other talent management practices. Designing performance management or compensation practices - goal setting, feedback, and reward principles still apply, and the same performance management and compensation systems can accommodate both talent pools. The question at this level is not how do we implement practices? but what do we want these practices to do for our talent pool?

Moving up the hierarchy, we have the Talent Management system (comprising the core competency architecture and company-wide software systems) and talent practices (including selection, recruitment, training and development, among others). While robust analysis can support each level within the hierarchy, practitioners often find it suitable to position analytics at the level of the Talent Management system, as this is where the relevant data is typically centralized. The effectiveness of analytics in guiding talent practices depends on factors such as the organization's competency architecture (i.e., the extent to which jobs are linked by common competencies or streams) and the ease of data collection. Talent practices encompass the efficient administration of HR specializations and generalist areas such as performance management and training and development.

We believe that each of these levels can benefit from future work that develops connections among them and explores the underlying elements in greater depth. We believe there are even opportunities for areas that have been extensively researched. For instance, in strategic research, it is common to assess practices by noting the quantity or quality of practices implemented by an organization and then linking them to outcomes such as profitability. It is rare, however, to explain whether the measured practices are coordinated in any way. We have not found studies that examine whether selection practices, for example, are related to training and development interventions. Accounting for the extent to which practices are coordinated, such as whether applicants for a role are selected and developed around a set of related competencies, could serve to further clarify the impact of HR practices on proximal outcomes for leaders and team members involved and distal improvements in business performance.

In conclusion, it is important to examine the nonrecursive impacts of decisions at each level of the hierarchy. Implementing high-quality talent practices is likely to have transformative effects on the talent pool, making the organization more attractive and selective. Consequently, this can lead to changes in talent pool strategy, with certain groups becoming more important or value-added. It is worth considering whether the development of new talent segments can create new competitive advantages and business opportunities.

These insights highlight strategic opportunities often associated with talent practices and organizational outcomes, without adequately assessing the intervening steps. Advocates of Talent Management have made notable progress in moving from loosely defined strategic implications to the development of talent management systems or practices. However, proponents of analytics often overlook the contextual interpretation of their analyses.

Further research is needed to explore these dynamics and unravel the intricate relationships between talent practices, strategic implications, and organizational outcomes. By

doing so, a more comprehensive understanding can be achieved, enabling organizations to make informed decisions regarding talent management strategies and practices.

A special case for talent pool strategy research

Numerous strategic studies have consistently focused on organizational-level variables but have yet to pursue research examining the impact of talent management at various talent levels within an organization. While workforce management models in management literature often depict the flow of individuals across jobs and organizational levels (Rejeki, 2016) & (Gidley & Palmer, 2021) individual differences are typically overlooked. Consequently, these models generally fail to differentiate between high-performing and low-performing individuals.

However, it is precisely this type of research that would greatly benefit HR practitioners. For instance, organizations commonly pursue competitive advantage through an internal talent pool strategy, which implies linking selection and development interventions across talent pools. In the retail industry, for example, entry-level employees constitute a feeder group for assistant manager positions, which, in turn, serve as a feeder group for store manager positions, and so on for multi-unit management roles

While the selection and placement of staff for specific positions within the organizational hierarchy are well understood in both theory and practice, the implications of considering all four levels simultaneously remain unclear. Taking the example of competencies and traits that predict high performance in entry-level retail employees differing from those predicting high performance in multi-unit store managers, the application of selection tools to maximize performance within the entry-level talent pool may inadvertently create a talent pool that lacks the capabilities to excel at higher levels. This can hinder an organization's ability to effectively pursue an internal promotion strategy. This raises pertinent questions, such as how to establish selection test cut-off scores that ensure a consistent flow of employees across organizational levels aligned with anticipated growth, potentially requiring strategic shifts like external recruitment. Furthermore, it is important to explore the unintended consequences that may arise from deviating from a purely internal promotion strategy.

These considerations underscore the need for further research to comprehensively examine the implications and address the complexities of talent management across different levels within the organizational hierarchy. By understanding the distinct competencies and traits necessary for success at each level, organizations can make informed decisions regarding talent selection and development, aligning their strategies with desired outcomes. Striking the right balance between optimizing performance within specific talent pools and cultivating a talent pipeline that effectively contributes to higher-level positions is crucial. This requires a systematic approach that integrates the principles of talent management with a thorough understanding of the organizational context and its strategic goals.

In conclusion, research is needed to pursue the development of models and analytical approaches that enable the analysis of talent decision systems across the entire organization. Once the strategic direction of talent is determined (through a decision framework), the focus shifts towards optimizing the system. This involves determining a set of HRM practices applied across relevant talent pools that result in the achievement of strategic goals. It is possible that achieving system optimization may require sub-optimization of certain talent pools or decisions while optimizing others. This underscores the need for a holistic and integrated approach to talent management that considers the interdependencies and trade-offs among different talent segments to maximize overall organizational effectiveness. Further research in this area will contribute to a more comprehensive understanding of talent management and enhance the effectiveness of decision-making processes in organizations.

Develop Talent Management steps

Adhering to a rigorous, science-based approach requires compliance with scientific measurement standards. However, it is perplexing to observe the extent to which fundamental measurement principles are overlooked in the Talent Management literature. The current popularity of workforce analytics poses a risk of enabling the rapid creation of metrics and dashboards with little consideration for the validity of these measures. As previously noted, there is ambiguity in interpreting most benchmarking measures (Claus, 2019) and there is a danger in developing HR scorecards that contain hundreds of indices and data elements without a guiding framework, hoping that business leaders will possess the necessary decision science to use them wisely.

Poor measurement seems to be not only a characteristic of newly created measures. Unfortunately, it also appears common to avoid assessing the measurement properties of core HRM practices. For instance, during a roundtable discussion on Talent Management at a major academic conference, a large group of industrial-organizational psychologists were asked to raise their hands if they used performance management ratings to identify high performers as part of their organizational Talent management process. Nearly all practitioners in the room raised their hands. However, when asked how many of them had assessed the validity of their performance management process to ensure it accurately identified high performers, very few hands were raised (Gidley & Palmer, 2021).

This is an acknowledged non-scientific finding, but it raises questions about the extent to which benchmarks, implementation or application of typical HRM practices, or the push to integrate HRM and financial systems result in meaningful metrics. Even well-researched processes such as performance appraisal with dimensional issues and rater bias (Botto & Rochat, 2018) appear commonly used for talent identification. Instead of creating new metrics, it may be useful to explore the application of standard metrics in new ways (Olavarrieta, 2022) notes that metrics with impact in business are those applicable to decisions wherever they are made, not just within the function where they are developed. For example, line managers investing in low-return projects (a financial measure) cannot blame finance for their poor decisions. However, HR practitioners know that a manager experiencing high turnover due to poor management or recruitment will generally attribute the outcome to HR.

No literature has been found that examines the process of ensuring that metrics are effectively communicated back to decision-makers (such as hiring managers, supervisors, etc.) regarding the talent decisions they frequently make. The validity of managerial choices, such as selecting an individual for a development program, choosing one candidate over another for a job position, or nominating someone for a high-potential talent pool, can be assessed using meaningful metrics that have the potential to significantly enhance organizational talent decisions. However, the reporting of these metrics and the necessary accountability framework to ensure actionable outcomes have yet to be studied.

4. Conclusions

Researchers have the opportunity to bring clarity and thought leadership to popular topics that lack coherence and precision, such as Talent Management. The term "Talent Management" as commonly used lacks specificity. By grounding Talent Management within a framework of strategic decision-making that clearly guides talent decisions, developing multi-level system models that capture the impact of talent choices across various talent pools, and establishing reliable, valid, and theoretically meaningful measures, researchers can significantly enhance the quality of talent conversations within organizations.

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