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Talent management: A critical review

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Abstract

If the volume of literature in the popular and practitioner press is any guide, practitioners in the field of human resources are now primarily in the business of talent management. But what is talent management and what basis does it have in scientific principles of human resources and management? In this paper we address this question by reviewing problems with the definition of talent management and the lack of data supporting many practitioner claims. We then outline research that supports a systems-oriented definition of talent management that focuses on the strategic management of talent. We then outline future avenues of research to further develop the field of talent management and tie it more closely to the large volume of work in strategic human resources management.
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A casual review of the trade and popular literature on the topic of "talent management" (TM) would certainly lead one to conclude it is a popular and growing field. A search on the phrase "talent management hr" in late 2004 using a popular internet search engine yielded over 2,700,000 hits. One year later a search on the same term yielded over 8 million hits. Given the number of consulting firms engaging in talent management and the growing number of articles and books on the topic, one might also believe "talent management" to be a well-defined area of practice supported by extensive research and a core set of principles.

We find that such is not the case. A review of the literature focused on talent management reveals a disturbing lack of clarity regarding the definition, scope and overall goals of talent management. In this paper we review the practitioner-oriented publications that host most of the discussions regarding TM and identify several problems with the way TM is defined, operationalized, and supported. We then draw from the peer-reviewed strategic human resource management (HRM) literature to determine implications for TM. Next, we identify several lines of research and theory that may serve as the basis of a rigorous, scientifically based approach to TM. Finally, we offer three suggested lines of research that complement the literature in strategic HRM and tie it more closely to a strategically based TM framework.

1. What is talent management?

It is difficult to identify the precise meaning of "talent management" because of the confusion regarding definitions and terms and the many assumptions made by authors who write about TM. The terms "talent management", "talent

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strategy", "succession management", and "human resource planning" are often used interchangeably. Consider, for instance, the following statements regarding processes for managing people in organizations:

…ensure the right person is in the right job at the right time (Jackson & Schuler, 1990, p. 235);

…a deliberate and systematic effort by an organization to ensure leadership continuity in key positions and encourage individual advancement (Rothwell, 1994, p. 6); and,

…managing the supply, demand, and flow of talent through the human capital engine (Pascal, 2004, p. ix),

which are used respectively to define human resources planning, succession planning, and talent management. While each of these terms focuses on managing employees their apparent similarity obscures the problem that the first definition refers to an outcome, the second to a process, and the third to a specific decision. Thus, the terms in the TM debate – which centers on the effective management of employee talent – are not clear and confuse outcomes with processes with decision alternatives.

Beyond the confusion in definitions, we believe this is a problem for, not so long ago, planning and managing the acquisition, selection, and careers of employees was the province of Human Resources. Why the change in terminology and what, specifically, is talent management? Several recent articles in the practitioner-oriented literature describe "talent management" as "a mindset" (Creelman, 2004, p. 3); a key component to effective succession planning (Cheloha & Swain, 2005); and, an attempt to ensure that "everyone at all levels works to the top of their potential" (Redford, 2005, p. 20). Several authors fail to define the term (Frank & Taylor, 2004; Vicere, 2005; "Six ways you can help your CEO", 2005) or admit, "there isn't a single consistent or concise definition" (Ashton & Morton, 2005, p. 30). Nevertheless, Ashton and Morton note, "good TM is of strategic importance" (p. 28).

Despite this inauspicious start we delved further and uncovered three distinct strains of thought regarding TM. The first defines talent management as a collection of typical human resource department practices, functions, activities or specialist areas such as recruiting, selection, development, and career and succession management (Byham, 2001; Chowanec & Newstrom, 1991; Heinen & O'Neill, 2004; Hilton, 2000; Mercer, 2005; Olsen, 2000).

Managing talent, for these authors, requires doing what HR has always done but doing it faster (via the internet or outsourcing) or across the enterprise (rather than within a department or function). Olsen offers a characteristic view, "A company's traditional department-oriented staffing and recruiting process needs to be converted to an enterprise wide human talent attraction and retention effort". (Olsen, 2000, p. 24). While many advocates of this perspective view TM quite broadly there is a tendency for practitioners who focus primarily on sub-disciplines or specialist areas within HR to narrow the definition of TM. For instance, recruiters have a tendency to discuss talent management in terms of sourcing the best candidates possible ("How a talent management 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 emphasize 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 "Talent Management".

A second perspective on talent management focuses primarily on the concept of talent pools. TM, to these authors, is a set of processes designed to ensure an adequate flow of employees into jobs throughout the organization (Kesler, 2002; Pascal, 2004; "The changing face of talent management", 2003). These approaches are often quite close to what is typically known as succession planning/management or human resource planning (Jackson & Schuler, 1990; Rothwell, 1994) but can also include typical HR practices and processes such as recruiting and selection (Lermusiaux, 2005). Central to these approaches is projecting employee/staffing needs and managing the progression of employees through positions, quite often via the use of enterprise-wide software systems. In these cases the focus is generally more internal than external. Schweyer (2004a) offers a perspective typical of this approach, "The first step in talent management is to gain a solid understanding of the internal workforce" (p. 20). It may surprise many Human Resource practitioners that the problem of ensuring an adequate flow of talent into positions while optimizing organizational resources has long been a topic of interest to researchers in industrial engineering and industrial management. Commonly known as "manpower" or "workforce" planning, these approaches generally involve modeling organizational staffing/career flows by coding levels of hierarchy, rules for entering and exiting a position, and parameters such as costs, anticipated tenure, and supply and demand (Pegels, 1981; Stahlman & Lewis, 1994; Wild & Schneeweiss, 1993). The progression of people through positions due to growth, attrition, and other factors programmed into the model has been used to