

Strategic Talent Management.

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Hugh Scullion*,

Professor of International HRM
J.E. Cairnes School of Business & Economics,
National University of Ireland, Galway,
Galway,
Ireland
Tel. +35391

Email. Hugh.scullion@nuigalway.ie

Vlad Vaiman

Associate Dean and Professor of International Management
School of Management
California Lutheran University
60 West Olsen Road #3550
Thousand Oaks, CA 91360
USA
Tel +1805.493.3892

Email. vvaiman@callutheran.edu

David G. Collings

Professor of HRM
Leadership & Talent Institute
DCU Business School
Dublin City University
Glasnevin
Dublin 9
Ireland
Tel. +35317006973

Email. David.collings@dcu.ie

* Corresponding author

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Introductionⁱ

This special issue draws on a series of papers presented at the third EIASM workshop on talent management, which was hosted by ESCP Europe Berlin in October 2014. In briefly presenting the special issue this introduction provides a contextual overview of the evolution of strategic talent management as an area of study.

The intellectual roots of talent management can be traced back to the HR planning movement of the 1980s and 1990s with a focus on linking staffing needs to meet business needs and succession planning. There followed a focus on recruitment, career development and talent pools and with the emergence of the HR function as a strategic business partner, and it was increasingly argued that organizations should see talent as a strategic resource (Silzer and Dowell, 2010).

The term “strategic talent management” (STM) became more commonly used towards the end of the last decade reflecting a greater focus on the strategic deployment of talent. There are four major trends that precipitated this importance. First, the changing global economic context resulting in greater global talent shortages. Second, rapid transformations in the nature of work with technological advances and greater globalization changing the nature of supply chains and the global distribution of work. Third, the growing recognition of the value of diverse workforce and the resultant efforts to increase gender and cultural diversity of global workforce. Fourth, shifting demographics and the ageing of the workforce which further reinforced talent shortages in key developed economies (Vaiman, Scullion, and Collings, 2012; Scullion and Collings, 2011; Scullion, Collings, and Vaiman, 2011).

Sparrow and colleagues (2014) highlight two key elements of a strategic talent management approach as (1) linking talent management with business strategy, with strong linkages to the strategic human resource management (SHRM) literature and (2) linking business planning and operational cycles to talent planning with links to the supply chain literature (see for example Cappelli, 2008). Further from a strategic talent management perspective, TM was increasingly

viewed as a core business process with engaging talent identified as a key element of a TM approach (Scullion, Collings, and Vaiman, 2011).

There is little consensus on the definition of strategic talent management with different authors foregrounding different key elements. For example, Cheese et al (2008) argue a strategic talent management approach requires three key elements: (a) A close fit between employees' talents and the strategic goals of the organization; (b) Expanding an organization's capabilities by leveraging individual strengths and knowledge; and (c) Knowledge sharing across the organization. For Avendon and Scholes (2010), on the other hand, the test of strategic talent management is the extent to which an organization had developed processes which could differentiate which talent pools are the most valuable. Avendon and Scholes (2010) identified four talent pools: (1) Leadership talent; (2) Talent for strategic functions; (3) Talent for strategic technologies; and (4) Talent for strategic geographies, although it is clear that the nature of talent pools should be specific to a particular organizational context.

A highly influential and widely cited framework (see Gallardo-Gallardo et al, 2015) of strategic talent management was developed by Collings and Mellahi (2009). They argue that strategic talent management focuses on "activities and processes that involve the systematic identification of key positions which differentially contribute to the organization's sustainable competitive advantage" (Collings and Mellahi, 2009). While much of the literature emphasizes the idea that employees can contribute to the firm's strategic goals owing to their value and uniqueness, this perspective highlights the importance of identification of key positions and suggests that differentiation should begin with identifying key roles and not individual employees. The value of the "position approach" grows in the context of high levels of strategic uncertainty and business model change, as it facilitates the development of TM systems, which are more aligned to changes in strategy.

Silver and Dowell (2010) identified three tests of talent-management processes before they could be considered strategic: Individuals must be identified with competencies which enhance competitive advantage; Different talents should be identified for different strategies; The attraction and retention of global talent to support internationalization strategies must be implemented.

A key debate that emerged in this literature was about which function should have operational responsibility for talent management (Silver and McDowell, 2010). It was increasingly recognized that this was too important to be handled by specialist functions such as HR (EIU, 2006), and that a more strategic approach was required, as talent was becoming a more complex and critical issue due to factors such as those identified above (Cheese et al, 2008). These concerns also reflect apprehensions among senior executives about the capability of HR in relation to talent management, particularly in the key areas of sourcing and retaining key talent globally and supporting the strategic globalization of the business (KPMG, 2012; Sparrow et al, 2014). Indeed, the limited capability of the HR function to manage key talent issues is widely acknowledged in the practitioner literature (see BCG, 2007).

One interesting trend, which emerged in more recent debates on strategic talent management, was the tendency to integrate a number of related theoretical approaches to the study of STM (Sparrow et al, 2014). A number of authors highlight that talent management is increasingly seen in the context of managing organizational capabilities, and that organizations and scholars increasingly explored the links between talent management and other areas of study. For example, organizations are becoming increasingly interested in the links between talent management, strategic workforce planning and globalization strategy. Generally a more strategic talent management approach requires a more cross-disciplinary methodology which draws on a wider range of theories from a number of different fields, such as the resource based view of the firm, dynamic capabilities, organizational learning, branding and reputation management, among others (Cheese et al, 2008; Sparrow et al, 2014).

Yet, surprisingly little has been written in the TM literature about the challenge of strategic alignment. In this context, Bowman and Hird (2014) raise some key questions: Are the most valuable and firm-specific capabilities, to which talent contributes, more easily built rather than bought? The implication is that we can gain greater insights into talent management by drawing more on our knowledge of strategy. What are the different human–capital sourcing strategies available to firms, and how do they ensure a sufficient supply of human capital? (Keller and Capelli, 2014). Also, how do organizations align their TM policies and practices to the business strategy and the HR strategy (Collings, 2014; Tarique and Schuler, 2014)?

We suggest that these questions raise some important issues about the future shape of the field, and we support the view of Sparrow et al (2014) that strategic talent management is best seen as a bridge field, and that greater understanding is required of the connections which we identify above. To date, a relatively small number of theories have been dominant in the TM field. These include human capital theory, resource based view, and expectancy theory with a strong influence of international HRM also (Gallardo-Gallardo et al, 2015). However, a strategic TM approach involves the need for additional theoretical insights from organizational learning, risk management, employer branding, etc. (Sparrow et al, 2014). Finally, a major challenge for the talent management function is how to globalize itself (Scullion and Collings, 2011). This will require STM to pay an increasing attention to the emerging markets, as the major shift of the center of the global economy away from the developed to the emerging markets has major implications for human capital and TM strategies (Horwitz and Mellahi, 2009; Horwitz and Budhwar, 2014), and recent research suggests that TM challenges are more acute in emerging markets (Li and Scullion, 2010; Scullion and Collings, 2011). Finally, further research is required on the factors influencing the successful implementation of Strategic TM approaches in different contexts (Sparrow et al, 2014).

We now outline the contributions to the special issue.

The contributions to the special issue

The first paper by Yvonne McNulty and Helen DeCieri considers the under-researched area of the attraction, development and attrition factors that impact on expatriates' decision-making in relation to international assignment opportunities. It further explores how global mobility outcomes impact on global talent management (GTM). McNulty and DeCieri conceptualize the attraction, development and attrition of expatriates as a process that is focused on two core elements of expatriate return on investment (eROI) - corporate ROI (cROI) and individual ROI (iROI). Drawing on psychological contract theory, the study uses empirical data to contrast the perspectives of mobility managers (the cROI inputs) with those of long-term assignees (expatriates; the iROI inputs) to identify how global mobility outcomes can impact on GTM. Their findings point to both synergies and conflicts in the desired support provided for, and outcomes expected from, global mobility and GTM programs.

In the second paper in the issue Eva Gallardo-Gallardo and Marian Thunnissen present a review of empirical research on talent management with the aim of providing a comprehensive overview of the topics under investigation, the conceptualization of TM, and underexplored areas. This was achieved through a systematic literature review that covered empirical research published in academic peer-reviewed journals on TM published between 2006 and 2014. Their results demonstrate that the Anglo-Saxon context (in particular EU) has had a great impact on empirical TM research. It also paints a critical picture of the level of rigor of empirical work. They also demonstrate that empirical TM research is predominantly built on an exclusive approach to TM. The paper concludes with some suggestions for further study.

The third paper by Marian Thunnissen is attempting to address the dearth of information on how TM functions in practice. In order to contribute to the building of a more comprehensive and sensible theoretical framework for TM, which takes into account the impact of both the organizational context and its actors, and using the analytical HRM approach, the author aims to detect and elucidate what actually transpires in practice when TM activities are employed. The study in this paper is focused on TM in a specific context, that of publicly funded Dutch universities. The author also investigates the TM outcomes at multiple levels, since the interests and perceptions of both the organization and talented employees are considered in this research. The paper concludes with a discussion of the theoretical and practical implications of the study.

The fourth paper in the issue by Nicole Böhmer and Heike Shinnenburg endeavors to further develop both GTM and the career literature by exploring an important connection between modern career concepts and GTM. To accomplish that, the authors propose a model that highlights the differences in career orientation during a talent's lifelong career path, from entering the workforce until retiring, while paying special attention to gender. Their paper makes a clear contribution to the current GTM discussion by looking into the realities and perspectives of female talent, while emphasizing that the lack of these perspectives has undoubtedly led to the underutilization of female competencies in their MNCs. The authors' main objective is to provide GTM with a fresh, well-rounded approach that improves the outlooks of both talented employees and their organizations. The proposed model should also help practitioners to develop a meaningful and

gender-conscious GTM system and assist academics by providing a relatively new set of approaches for future research.

In the next paper, Karin King's purpose is to develop a systematic understanding of the employee response to strategic talent management (STM) activities by introducing the so-called "talent deal", which the author defines as "*the modified psychological contract and exchange expectations of talented employees resulting from perceived talent status*". The author argues that the "talent deal" puts every individual employee at the very center of STM. She also explores the widely known assumption that STM activities improve the relationship that organizations have with talented employees and attract attention to various risks of augmented employees' expectations and a possible breach of psychological contract, thereby addressing a significant theoretical gap. The author furthermore argues that understanding of the employee response to STM within the STM-performance framework warrants thorough further investigation.

The final paper in the issue by Stephen Swales and Michelle Blackburn aims to contribute to the somewhat limited literature on the effects of talent pool inclusion and exclusion on the employees in an organization. To do that, the authors draw upon several samples of employees within the same organization who were examined (with the help of surveys) on a set of factors, in an attempt to get a better grasp on employee reactions towards being included to or excluded from talent pools. Empirically, the study focuses on a large state-owned specialist technology company that has gone through some considerable structural and management changes over its lifetime as a result of changing government policy. Towards the end, the paper offers some theoretical and practical considerations aimed at minimizing negative organizational outcomes of talent pool dynamics.

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ⁱ This section draws on ideas from chapters one and two of Sparrow et al (2014) of which the first author was an author.