Chapter 3
In Search of Balance between Talent Management and Employee Engagement in Human Resource Management

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ABSTRACT

Talent management is regarded as a top priority by organisations as an approach for fundamentally convalescing human capital productivity to coerce superior values for an organisation. Recently, talent management and employee engagement have come under public and media attack. Whilst a number of practitioners and scholars have attempted to address the underlying reasons, there seems to be limited discussion on how talent management is inextricably linked to employee engagement. As a response, this chapter aims to provide a systemic framework for understanding talent management and employee engagement.

INTRODUCTION

Talent management is regarded as a top priority by organisations as an approach for fundamentally convalescing human capital productivity to coerce superior values for an organisation. The main objective of the chapter is to provide a relational perspective on employee engagement by demonstrating how developing talent management strategies can be applied. Talent management practices have been developed and adapted through the 1990s ended with a call-to-arms to fight the 'war for talent'. While the war for
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talent cooled in the early stages of the 21st century, it is still dampened in the economic doldrums. The real battle to attract, develop, engage and retain talent to keep organisations operating efficiently and competitively is still an important consideration. The looming demographic time bomb has made talent management a top priority for organisations. Evolutionary, and in some cases revolutionary, changes are underway that will permanently affect how we approach talent management. Strategists of talent management must prepare for what is likely to be a roller coaster ride. Cost cutting and boosting productivity are corporate mainstays, while people related costs have risen to more than two-thirds of organisational spending. Increasingly, workforce optimisation is viewed as a significant driver of shareholder value and bottom-line results. As the importance of people to the bottom line grows, the rules for managing people are dramatically changing (Ariss, et al. 2014).

Theoretical Context

The term ‘talent management’ carries different meanings to different people (Cheloha and Swain, 2005; Jackson and Schuler, 1990; Kesler, 2002). To some, it means the management of high-worth individuals, whilst to others it is generally about how talent is identified, managed and liberated. This view is associated with competency based human resource management practices. Talent management decisions are often driven by a set of organisational core competencies as well as position-specific competencies (Valverde, et al., 2013). There are numerous articles and literature primarily in the popular and practitioner related press directed towards the field of talent management (Nolan, 2011). However, there is lack of clarity regarding the scope and goals of talent management. This chapter aims to provide some insights on management in developing countries. Lewis and Heckman (2006) conducted a review of the literature and concluded that there were several distinct streams of definitions and various degrees to which organisations have utilised each of them. One definition simply replaces the term human resources with talent management (Cohn, Khurana and Reeves, 2005; Conger and Fulmer, 2003; Garger, 1999). Talent management is a collection of human resource functions and practices like recruitment, selection, development and succession planning (Byham, 2001; Heinen and O’Neill, 2004; Olsen, 2000). It can also include any area related to organisation development as well as employee relations. However, ‘talent management’ is seen as an improved version of the former ‘personnel’ description by positively investing and managing employees as organisational assets.

Another definition of talent management considers the internal pool of resources as it focuses on human resource and succession planning (Cheloha and Swain, 2005). Jackson and Schuler (1990) define it as an architecture where a set of processes are designed to ensure there is an adequate supply of employees for duties within an organisation. It is about having the right resources available at the right time for the right job (Kesler, 2002). Many organisations consider talent management as an over-arching recruitment tool that utilises technology to assist in identifying the correct resources. A third definition focuses on managing talent according to performance and views it as an ‘undifferentiated good’ that emerges from humanistic and demographic perceptions (Buckingham and Vosburgh, 2001). This generic perspective of talent management does not focus on specific positions or boundaries. Critical to this stream of thought is the ability to manage people to their highest potential toward a high performance organisation. It includes the development of people and managing that process. This requires cooperation and communication among managers at all levels (McCaulay and Wakefield, 2006; Redford, 2005). Whilst these definitions have credibility, the term talent management in the 21st century needs to incorporate these diverse concepts.