The development of integrated approaches to talent management in the organization

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Abstract. The article discusses the conceptual aspects of applying various approaches to talent management. It should be noted that most of the methods and technologies of talent management described in science are quite inflexible, since they do not take into account the influence of modern trends and are more focused on long-term strategic planning. The main focus of this paper is to attain a clear picture of global talent management as an integral part of personnel management in the conditions of Industry 4.0 enablers and barriers, and to establish the link between application of the concepts of exclusive and inclusive approaches in modern conditions. Conclusions are presented regarding their compatibility and feasibility of application in a modern organization. Based on the concepts of action analysis authors isolated the main destinations, which must determine the development of talents management theory. This has made possible the human-machine interconnection in Cyber-physical systems context utilizing the information generated from different smart devices. Under current conditions in this article these are the trends of the modern economy, including digital transformation and the exponential pace of development affecting the management mechanisms within the organization, which must also quickly adapt to new conditions. With regard to talent management, this means that the personnel management system should increase its flexibility in assessing and developing the potential of employees.

Keywords: talent management, competence approach, exclusive and inclusive approaches, talent pool, high potential employees.

1. Introduction

Talent management in an organization refers to a fragmented area of knowledge. Moreover, the importance of research in this direction is not in doubt. The modern view of talent management theory has encountered difficult to resolve contradictions, which are expressed in the growing contrast of exclusive and inclusive approaches in scientific theory. On the one hand, it takes time to expand the field of scientific knowledge about the nature and mechanisms of talent management, clarify definitions, and create prerequisites for applying interdisciplinary approaches. Such difficult tasks expand the field of scientific knowledge and at the same time make the path to search more difficult scientific truth in this matter. On the other hand, a description of a new clearly expressed concept that could “reconcile” exclusive and inclusive approaches and offer practical methods and technologies is required now (McDonnell et. al., 2017). This is due to the increasing pace of development and the global crisis, which are based on social, economic and political problems.

The purpose of this article is to consider the theoretical foundations of talent management through the prism of existing concepts for the search for the possibility of integrating two opposed approaches. The narrative and logic of the article are structured in such a way as to present the possibilities and limitations of the integrated application of the concepts of exclusive and inclusive approaches in modern conditions. To solve this problem, it is necessary to determine the concepts and assumptions used in this analysis. By talent management, we understand the organization’s activities aimed at creating a system and managing processes to create an environment that allows to reveal individual human potential and use it to achieve the organization’s goals.

The concept presented is broader than the definitions of the term “talent management” adopted in Russian science. And this is a principled position, since following modern management concepts (Sparrow et. al., 2019), we strive to show the complexity and depth of the issue considered in this article. Moreover, the
problem of talent management can be highlighted from a different perspective, if you imagine the organization as a model of society from sociological and economic points of view. The findings obtained in this way can be tried to translate into the concept of global talent management (GTM), as well as a number of other interdisciplinary concepts that explore issues of social interaction and the global development of society. It must be borne in mind that understanding the essence of talent affects the technology for managing it. That is why the article draws attention to the importance of a broad contextual understanding of this definition.

2. Materials and methods

Under current conditions in this article we will mean the following. First of all, these are the trends of the modern economy, including digital transformation and the exponential pace of development. Predictive manufacturing systems would become reality. Fog computing being a solution for Internet of Things applications is considered with limitations such as networking, computing and storing (Atlam et al., 2018). Cloud manufacturing can enable on-demand manufacturing services via Internet (Lu and Xu, 2019) and the cloud based cyberphysical production systems will be implemented. Cyberphysical production system being a paradigm shift in manufacturing process delivers the benefits in optimizing the production processes which become resource-efficient and human-centered (Cardin, 2019). Cyberphysical production system including manufacturing activities are self-configured (Lu, Peng, and Xu, 2019). These findings argued that Cyberphysical production system refers to the entities of the manufacturing process with human-robot collaboration contributing towards sustainable manufacturing (Liu et al., 2018). Digital transformation of manufacturing process considers that heterogeneous data are shared between the physical and real environment, so Industrial Internet of Things (IIoT), Cloud computing, Big data, Simulation and Autonomous Robots should be studied as the key technologies of Industry 4.0 (Alacer & Machado, 2019; Duan, Edwards, & Dwivedi, 2019; Frank, Dalenogare, & Ayala, 2019). Therefore, it is necessary to pay attention to the fact that the development of scientific and technological progress directly affected the validation composition of work in any organization. The share of intellectual labor in the global economy is growing every year. For this reason, the responsibility of employees, whose work becomes intellectually more complex, even in the positions of performers, is also increasing. Difficulties arise with the assessment of the quality of labor of narrow specialists, and the assessment of their contribution to the overall result of the organization. In this context, the concept of “strong”, dividing personnel into categories A, B and C (Huselid et. al., 2017) by the principle of their exclusivity, does not look convincing enough. It becomes obvious that certain abilities of some employees may be missed and underestimated due to the lack of experts and suitable assessment mechanisms.

The rapid pace of development of the economy and society as a whole affects the management mechanisms within the organization, which must also quickly adapt to new conditions. With regard to talent management, this means that the personnel management system should increase its flexibility in assessing and developing the potential of employees. There is also an inertia of established theoretical and practical principles in the management of talent in organizations. Today, most of the methods and technologies of talent management described in science are quite inflexible, since they do not take into account the influence of modern trends and are more focused on long-term strategic planning.

Secondly, changes in the working conditions of organizations are due to social trends. The requirements of society for social responsibility of business are increasing, which in practice means a wide range of issues, including relations to a product or service produced by a company, environmental responsibility, attitude of a company to customers and surrounding society, etc. It is this trend that has contributed to the development of an inclusive concept in talent management. The division of personnel into “stars” and other employees by the methods of exclusive management increases the negative trends in the stratification of society. Promotion of "strong", expressed in increased attention, the provision of resources, raising salaries and various bonuses and privileges, creates tension in any society, including, in the organization. The pressure exerted by this environment and the values that it creates negatively affects those who are not in the pool of the “chosen ones”, lowers motivation and job satisfaction. Unfortunately, it was not possible to find empirical studies that
would assess the economic damage associated with the described trends. It is possible, the size of this damage exceeds the size of the profit received from investments in the development of employees with high potential in one organization. However, evidence etc. can serve as a historical example of Russian enterprises in the 90s. Many growing authors wrote about the growing problems of social injustice associated with the underestimation of labor, including the intellectual, of the majority of the working population (Ilyinsky et. al., 2015). The consequences of these trends were expressed in the skepticism of society towards the development of professional skills, the degradation of the educational system, the decline in labor productivity, motivation and initiative of both the adult population and youth.

The third factor that changes the conditions of activity of the modern organization, is the increase of labor market flexibility. It should be noted that to a greater extent this trend is inherent in the labor market of developed and developing countries and, to a lesser extent, to regions where there is no possibility of obtaining a quality education and demand on the labor market is limited. In addition, if earlier wages were a decisive factor in hiring, then with an increase in the share of intellectual workers, a shift in priorities occurs when choosing a job. Here we can see a direct relationship with social moods in society, when a person needs an ideological component, interest in the work in which he is engaged and the benefits that he brings for satisfaction with work. Of course, all this also affects the development of talent management methods and leads to a theoretical rethinking of classical approaches.

Taking into account all the described trends, we can distinguish a list of conditions that generally reflect the state in which the modern organization is. These conditions largely determine the methodology of working with the potential and talents of employees. Analyzing the experience of using exclusive and inclusive approaches to working with talents taking into account these conditions, it will be possible to form a general idea of the possibility of their further integration instead of contrasting them.

It would be wrong when analyzing the two main approaches to talent management not to take into account the concepts that had a significant impact on the development and establishment of these approaches in science. In total, during the development of the theory of talent management, six such concepts are distinguished, calling them stimulating (Sparrow et. al., 2014).

The first concept is the Life Cycle Perspective concept, based on the idea of managing the life cycle of an employee in an organization. A concept oriented human resource management processes in the long-term stay in an employee organization, as reflected in the talent management methodology. Talent management was seen as the regular attraction, identification, involvement, development of potential and retention of employees whose potential, according to preliminary estimates, could have a positive impact on the effectiveness of the organization in the long run. The emphasis in this concept was reduced to a long period of work in the organization, in which investments in employees should have paid off. In this approach, there is no clear focus on the theory of talent management towards exclusivity. When viewed from the standpoint of experience of Japanese companies, the incentive concept fits well with the concept of lifetime employment, when the company becomes economically advantageous to maintain long-term employment relationship with the employee s in which s funds were invested. It turns out that the orientation of the concept in this case depends only on to what percentage of the workforce its methods are applied. If the company considers relations with all employees as long-term, then, in our opinion, the concept becomes inclusive. In this case, it is possible to develop the potential of many workers, rather than a separate pool of "stars". This approach is quite possible in individual companies. For example, in a branch ah foreign companies in developing countries or in the companies, which are located in areas with limited demand on the labor market. On the other hand, this approach is clearly limited in the conditions of the active labor market of large cities or in industries where a periodic change of work is a necessary step for professional development.

The second concept is based on a competency-based approach that emphasizes the individualization of the company and its employees. It focuses on ways to identify and develop employee competencies (Donskoy D.A. et. al., 2015). The object of management in the personnel management system is competency, around which all processes are built. The idea of talent development through competency
management is based on the assertion that the competencies of the company and its employees have a direct relationship (Prahalad et al., 2004). Therefore, if you identify and develop employees whose competencies are more consistent with the organization’s competency model, this will increase the likelihood of achieving its goals. The weakness of the approach is the relatively high cost of a qualitative assessment of competencies. In addition, he largely continues the concept of the employee’s life cycle perspective, as the development of competencies involves a long term. A competency-based approach can also be applied both to the development of a talent pool, and to disclose the individual characteristics of each employee. But if we consider it in accordance with the conditions and modern organization, then in its application there are serious limitations associated with reducing the time spent by employees at one place of work. In addition, the application of this approach can be non-forestry from an economic point of view in the face of frequent changes in the organization. Because in this case, the competency model will also change, respectively, the costs of the entire competency management system will increase.

The third concept is based on the effectiveness of portfolio investments in employees with high potential. It is based on the classification of employees, mainly managers, according to a two-dimensional matrix with productivity along one axis and potential along the other (S.A. Kartashov et al., 2013). Here, in its purest form, the theory of exclusive talent management is observed. Major investments focus on HiPo pool employees and are provided with significant privileges and resources. Obviously, the personal attention of the company in many cases contributes to the achievements of employees who are already owners of talent. In addition, working with a talent pool can be quite flexible, which is often required in these conditions. However, this concept is not supported by social trends and experts who claim that it has a negative impact on the activities of other employees of the organization and the overall corporate climate. This is a powerful argument that cannot be ignored when developing integrated approaches. The most obvious solution in this case is to reduce attention to “stars”. More effective, in our opinion, will be increased attention to projects that are implemented by employees with high potential. This will shift the focus from the personality to its real actions and results.

The fourth concept defines the need for planning and forecasting staff to meet the prospective needs of the business and reduce the risks of loss of competence with the departure of employees (Fitz-enz et al., 2000). The competency-based approach here is expressed in the application of an expanded system of competencies, which allows you to identify more talents, employees who are able to develop a business in different scales and directions. In practice, this is very similar to talent management via portfolio investments, as more development opportunities still get by employees giving more visible results. Although in theory this concept involves the full development of human resources. The fifth concept is due to the technological development and informatization of society. It is based on the value of so-called “informative” jobs in which people with relevant abilities can create a new understanding of strategy and results. These people should be considered as a strategic asset. This approach is in tune with the need and desire of companies to be more systematic, although it is difficult to put into practice. Nevertheless, the usefulness of this approach is due to the conditions we have selected, in particular digitalization. And here again is obvious approach "exclusivity" in relation to employees who have the necessary skills to effectively work in the "informative" jobs. Integration with a socially oriented “inclusive” approach, in our opinion, is difficult in this case. How equal are opportunities in this case for employees who do not have the skills required to work in an “informative” place? And most importantly, is it possible within large communities to achieve the required level of skills for most of its members? These very interesting questions are beyond the scope of this study and require separate consideration.

The sixth concept is consonant with the previous one, since it offers to pay for the work of talented workers individually, and not based on the list of works determined by the job description (King A.K., Vaiman V., 2019). On the one hand, this position allows you to stimulate employees who show high labor results and apply their special competencies or talents to the benefit of the organization. T Which approach may seem exclusive, if the focus on employee talent pool. But, on the other hand, its application is not limited to the "chosen ones." On the contrary, this method allows you to evaluate
the contribution of each employee to achieving the goals of the organization fairly objectively based on personal skills and abilities.

3. Results. Integration Issues

It is obvious that the integration of approaches to talent management is not only possible but also partly used. Of course, there is not enough empirical experience, studies revealing the structure of this integration. However, the general conclusions that can be drawn from the analysis are as follows.

Globalization trends and trends in widening the gap between lagging and catch-up communities complicate the task of identifying common approaches in the field of talent management. It is worth recognizing that there is no universal “silver bullet”, a single approach that would be equally effective for all organizations. Moreover, some concepts and theories are limited in application due to a lack of experts and the existing quality of management. Under these conditions, it still seems possible for us to single out the main areas that should determine the development of the theory of talent management in the future:

Increasing the impact of an inclusive approach in competency management. The shortage of personnel around the world, especially in the ever-growing sphere of high technology, will gradually force employers not to chase single talents, but to work with the bulk of employees, supporting them in acquiring the necessary skills, increasing satisfaction and involvement in the organization’s goals. This trend is already observed in many countries.

Preservation of special types of encouragement and support for people with high potential and outstanding work results. At the same time, the focus in promotion methods should shift from overstated bonuses and privileges towards expanding functions and professional opportunities for the self-realization of talents. This trend is also observed and is obviously useful for both parties - both the employee and the organization. In addition, in this case, the psychological pressure on other employees and other negative consequences are reduced.

Increasing the flexibility and adaptability of the talent management system. The talent management system should become flexible, taking into account the characteristics of the organization, external conditions and the stage of business development. Therefore, the main trend will be a fairly frequent change in specific techniques and technologies in talent management, as well as a combination of different approaches in one organization.

These three main areas, in our opinion, should determine the area of further research in talent management. Moreover, today in practice there are methods that largely meet the needs of modern conditions and correspond to certain areas of research data. Basically, they are developed and applied by large companies in the industrial sphere. The companies need to retain the stability of the system due to the coordinated work of the basic personnel structure and at the same neck to find employees with outstanding abilities and unique skills to implement breakthrough ideas and changes in the business.

4. Conclusion. Practical Experience

The basis of these techniques and technologies, as a rule, is based on several basic methods. Methods of material incentives, based on an evaluation of the KPI, make it possible to link the results of the employees with the company’s objectives, support behavior conducive to the achievement of these objectives, and promote the outstanding achievements that go beyond job responsibilities. The talent management discloses some important features of making various decisions in digital economy (Perlovsky, L., 2019; Yadykin, V., 2019). Project management methods allow you to train employees with high potential in a real project, thereby ensuring the development of the necessary competencies and a specific financial result. Personnel reserve programs that use project management methods are quite common not only in foreign, but in Russian practice. However, some of them still do not have the scientific justification required to develop the theory of talent management. As an example, the technology GMT (Growing Managers Technology), developed by the Institute of the management, innovation and business analysis (St. Petersburg), authored by K. Naumov (Syso, 2008). The presented
technology for over 10 years successfully implemented at a number of Russian enterprises of the industrial sector and the results of its application, is described in a number of practical publications. The technology is based on a combination of methods that makes it possible to quickly identify employees with high potential and provide them with the conditions for implementing individual unique projects that bring a positive economic result. It is also important that this technology is simultaneously combined with the theory of exclusivity and inclusiveness in talent management. On the one hand, it provides an opportunity to show their abilities to most employees, regardless of their current status and position. And, on the other hand, it does not elevate them to the rank of “stars,” since the basis of motivation is not so much material encouragement or career growth as the possibility of realizing your idea and developing personal and professional skills. Certainly, further research and empirical data are required for the development of GMT technology as a scientifically based method.

In general, we can say that certain prerequisites for the integration of approaches are quite obvious. Moreover, while in theory the debate about the ethics of the exclusive approach does not stop, in practice we have some evidence of its compatibility with the inclusive approach. And most importantly, this compatibility is possible and even advisable taking into account modern trends in the development of the economy and society as a whole.

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