TALENT-BASED HUMAN RESOURCE MANAGEMENT: A GROUNDED THEORY

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ABSTRACT

This qualitative study was conducted aiming to provide a model to manage talents and describing how it fits talent-based HRM of the public sector in Iran. To this end, semi-structured interviews used to collect data and systematic Grounded Theory approach was utilized to analyze data. To collect data, from different stockholders’ point of view, using Purposeful sampling method, we interviewed 22 of experts, talents, managers and policy makers of The Science, Research, and Technology Ministry. Literature and interviews texts were analyzed using Nvivo software. Findings suggest that, despite current global literature, there are no contexts to have dual-core HRM system. So, to manage talents perfectly, existed HRM system should be talent-based. It means current HRM system should pay special attention to talents in setting its goals and programs, besides ordinary HRM. To do this, there are organizational, meta organizational and human resource factors by which this system can be designed and implemented. Furthermore, with regard to contextual factors TM process can play an important role in optimization of its outcomes.

Keywords: Talent, Talent Management, Grounded Theory, Public Sector.

INTRODUCTION

In the era of technology dominance in all areas of business and organizations, talents play an unparalleled role in acquiring and maintaining competitive advantages (Schuler et al., 2011b). Since exposing the War for Talent for the first time by McKinsey Consultant Co. in 1990 until talking about victory of talents (Somaya et al., 2011), the discussion of Talent Management(TM) has had its vicissitudes. Although certain theorists believe that TM is still in its childhood (Vaiman et al., 2012), some others say it is approaching its maturity (Gallardo-Gallardo et al., 2017). However, there have always been several challenges facing directors in identifying, attracting, and retaining talents (Hiltrop, 1999). In spite of those challenges, enjoying talents is desirable for each organization. Today the issue of talent is considered as one of the most important strategies of many organizations, and TM has become one of the five top organizations’ priorities.

Along with the global wave of going to attract creative and innovative talents in the growth and survival of businesses and organizations, and increasing growth of empirical studies, (McDonnell, et al., 2017) in Iran, it has also become a serious subject to be considered.

Geliş tarihi/Recieved: 25.11.2017 – Kabul tarihi/Accepted: 22.01.2018 – Yayın tarihi/Published: 21.08.2018
Therefore, finding decent place for Iran, at both the regional and the global levels, depends on appropriate TM in organizations. In Iran, organizations face the same challenges of TM globally too.

Despite the increasing growth of interests in academic and executive spheres of talent at the global level (McDonnell et al., 2017), in Iran, as in the rest of the world, rather less attention has been paid to this issue in the public sector (Hosseini, 2010). The Ministry of Science, Research and Technology is an organization that is of particular significance due to its strategic role in the development of talent at the national level so that the organization's enjoyment of talents to manage and pursue organizational missions can lead to a more creative and innovative organization and consequently, desired training of future talents in Iran. Considering the critical missions of this organization's expert in realizing its missions and perspectives in line with Iran’s vision of 2023, one of the most important priorities of this organization is to enjoy talents and retain them. Additionally, a compilation of an optimal model has been one of the challenges facing this organization in terms of TM, so it is necessary to design a special model for this organization.

Regarding the specific requirements of each organization and rejection of benchmark in the TM field (Stahl et al., 2012), the need to develop a model that best suits the status of the organization, (Vaiman, et al., 2012, Sparrow et.al. 2013, Collings, & Mellahi, 2009, Boudreau & Ramstad, 2006; Pfeffer, 2001), methods should be used in developing models that can well reflect the specific conditions and structure of the organization. Thus, it is necessary to use qualitative research methods to investigate issues from different perspectives as well as greater depth and enjoy sufficient comprehensiveness (Creswell, 2007).

The main objective of this study is to assist academic and executive circles in understanding the TM model in Iranian organizations, especially the Science Ministry. The model may be employed to improve TM systems in other organizations in the future. It may even help other countries and organizations at the regional and global levels to use the experience of Iran and promote their TM system in public sector with similar conditions.

According to the above-mentioned requirements, the research is to use the Grounded Theory (GT) approach to utilize the individual, organizational, and meta-organizational experiences of the Ministry to develop a model for TM. Here, after describing the research method and the developed model, the literature related to the subject matter is presented and the paper ends with the presentation of related approaches to TM discussions.

**RESEARCH DESIGN**

Given that the TM phenomenon, as an obscure and complex phenomenon (Dries, 2013; Riccio, 2010), was unknown in the target community and its model needs to be designed and explored, the GT approach, as a suitable tool for the study of unknown phenomena, was employed (Glaser, 1992). Grounded theory is a general method of analysis that researchers utilize it aiming to generate an inductive theory in a real-life field (Glaser, 1992). One of the most important uses of the GT approach is the need to generate a novel theory (Glaser, 1965). Talent management is a field that is an area highly influential from context; therefore, according to experts' view, it is necessary that TM programs organized according to organizational requirements and it should avoid benchmarking. One of methods of developing a proportional model is its design using GT approach. With this method, the theory or model is
systematically and conceptually generated at the highest level of abstraction, and consequently, a process, action, or interaction is described in a particular domain (Creswell, 2012). In its simplest form, GT is to read and re-read texts from qualitative data collected through in-depth interviews. By analyzing these data, relevant data and interconnection between them are explored, and then the data are classified as concepts and categories. The power of such an inference is called theoretical sensitivity (Glaser, 1978). The GT consists of several interconnected steps, if properly run, will yield a quality data-based theory. In this research, the systematic GT approach has been used. The reason for choosing GT, here, is to provide a TM model using its stakeholders’ experience in the community (Creswell, 1998).

DATA COLLECTION

Grounded theory originates from the initial interviews for the systematic data collection, the identification of concepts, the association of concepts with each other, the formation of classes, and the generation of categories from the classification of categories, and finally drawing of a form or visual model, which is a general explanation of the phenomenon (Creswell, 2012; Corbin & Strauss, 2008).

The research statistical population consisted of stakeholders in TM at the Ministry, as well as professional academic elites in this field. By selecting the initial interviewees, in-depth, semi-structured interviews were conducted to collect data. Twenty-two interviews were conducted with interviewees selected via purposive sampling and with the aim of reaching the theoretical saturation point. The interviews were carried out 15 to 120 minutes depending on the interviewee's circumstances.

DATA ANALYSIS

To analyze the data, all the interviews were exactly transcribed and after typing, they were entered the NVivo software for analysis. After a detailed reading of each interview text and its interim analysis, the next interview was decided. Each interview text was read line-by-line, and labels, as codes, were given to each concept or meaning by identifying them. After open coding and applying each concept to a unit, axial coding was done, in such a way that the recognized open codes was grouped according to similarities and then was classified in categories. In the present research, classes are coded as categories. In the labeling of the categories, the literature has been used. NVivo software has been used for quality management of data encoding process (Hutchison, et al. 2010).

SAMPLING METHOD

The research population consisted of academic elites related to the TM issue, talents organization, director, and policymakers in the field of HR. The interviewees were selected via the purposive sampling method. Regarding the theoretical saturation criterion, 22 interviews were conducted so that reaching the 20th interview; saturation was achieved. Therefore, two other interviews were conducted to ensure saturation. The descriptive data of the interviewees showed the majority of them (15 interviewees) held a Ph.D.; Sixteen were male and the rest was female. The interviewees ranged in age from 25 to 67 years with an average age of 41 years. The length of the interview time ranged from 15 to 120 minutes.
RESULTS

According to the systematic analysis approach of GT, the version of Strauss and Corbin (1998) after the open, axial, and selective coding stages, a total of 15 categories and 37 concepts were identified and presented in six broad categories including axial categories, causal conditions, intervening conditions, context, strategies and outcomes in the following figure. In addition to the concepts and categories, the properties and dimensions of each category were also extracted according to the content of the interviewees' data and statements.

**Figure 1: Axial Coding Paradigm of TM Model**

**Phenomenon; HRM Focused on Talents**
Talent-Based HRM (TBHRM) is at the center of TM model because the footprint of this category can be observed in most of the data. According to interviewees, TM in the organization should be unique. That is, an HRM system for managing talents is needed separately. The very requirement for separating this system from the normal HRM of the organization is the enjoyment of the professional HRM system. In case of the absence of such a professional system, the organization's HRM system should be designed and implemented with a special focus on talent.

Interviewee # 2 stated that:
“The talent-based organization is where its talents have a special place in it. It treats its talents specially and uniquely. Its view towards them is strategic in nature. In fact, the organization must pay the cost when it expects special performance from its special staff. It should consider special systems with special advantages for its talents. As with his/her talent, he/she needs to be able to open a special account on his organization. Therefore, it is necessary that the organization should have a system that his business and concerns are involved in talent affairs”.

Causal Conditions
The causal conditions are those affecting the organization's talent-based HRM. According to interviews, TM is influenced by individual, organizational, and meta-organization factors.

- **Organizational Factors:** One of the most influential factors is Talent-Based HRM (TBHRM). Under this category, there are key concepts of senior management support, justice and equality, attitudes toward talents, and organizational climate. These factors are requirements for having an optimal TM system. For example, lack of adequate support received from senior directors for TM means an inefficient talent-based system in the organization. Interviewee # 21 speaks about the significance of the directors' support of talent-based approach in the organization;
  
  "Again, the role of senior directors of the organization is very important. Certainly their thoughts and the way they look at the talent issue will be spread throughout the organization. They should be able to support and defend talent-based mindset in the organization. No support of talents, no favorable destination for TM".

- **Meta-Organizational Factors:** they include laws and regulations, as well as centralization in legislation and enforcement of the laws and regulations governing talent affairs in such a way that impede the freedom of decision-making by government agencies in the TM and administration. For instance, with regard to working time regulations, national employment regulations have regulated 40 full-time working hours with a physical presence at work, which organizations have to comply with. But according to interviewees, such regulations actually impede the freedom of action, discretion, and thus wasting talents' time and energy in their workplace, while the working hours flexibility, the use of floating hours or doing things in the form of projects are not considered in the national employment regulations. Interviewee # 7 believes that:
  
  "Centralization in the government system is in contrast to the TM system in the organization. When a government has come to put the use of elites in its top priority, and then it goes and the next government pays little attention to this issue, is not the real solution for the problem. Or, even if the organization does not have the freedom and authority to do so ... it means that if a TM system can work in organizations, a degree of autonomy should be given to organizations at all stages of the process".

- **HR Factors:** The organization's employees, including non-talent staffs, organizational cooperators, directors, as well as the HR system are other important factors in the desired performance of the TM system. To have an optimal TM system, mature and competent organization and directors, especially a professional and powerful HR system are needed. Interviewee # 13 thinks that:
"In terms of the maturity of both TM and staff management as well as the maturity of leadership, etc., in these types of organizations, organizational maturity is high. That is for an immature organization, attracting talents may be a great advantage, but in fact, there is certainly no such a great and interesting thing for the talents”.

**Strategies**

Strategies are measures via which a phenomenon is being implemented and ultimately results in expected outcomes. In this research, the TBHRM can be realized in the organization through the development of a TM system and of the system institutionalization.

- **Design of TM System:** For TM in the organization, it is essential that a specific system be designed and implemented in such a way that the differentiation of talents be reflected in all components of the HRM system. Organizational talents must be identified in a variety of ways. Methods of attracting, employing, and retaining talents will certainly be different from the ordinary employees. First and foremost, having an integrated and coherent system is emphasized. Interviewee # 19 believes:

  "... In this organization, in principle, no real talent, namely the distinguished individuals on whom the organization invests for the future or to take key current positions, exists. I should say that there are talents in fact, but their identification is not systematic, but subjective. In the case of identification from inside the organization, there are usually no standardized codes that can be taken as the bases. However, there has been attempts to select the best ones, but the lack of criterion makes people don’t accept selectees as talents…”

- **Institutionalization TM System:** After designing a TM system, institutionalizing the system is so pivotal. This will result in system legitimacy and therefore it will be accompanied by directors and other staff to establish and implement the system. Interviewee # 6 believes that"

  "It is imperative that the TM system be put into operation before the start of the work so that most people agree with it and accept its talents. Entering talents snappily and recklessly into the organization may create sensitivity among the staff. In addition to socializing them, the organization should try to persuade organizational individuals to know about the talent capabilities. We need to inform the rest of the staff about the criteria by which we have identified the talents. When people are convinced they will try to get close to those criteria”.

**Intervening Conditions**

By the intervening conditions, we mean the factors and conditions that interfere with the implementation process. The intervening factors can help TM to realize its goals or prevent it. In this research, the intervening factors are talent adaptability, talent communication system, and preventive political behaviors.

- **Talent Adaptability:** it refers to the attributes of talents makes managing them complex or difficult or lessens complexity and difficulty. Some talents become people really difficult to manage. Interviewee # 12 states:

  "Talents are usually not good subordinates; they cannot wait very much for the rest or even directors' orders. If we do not understand them and expect them to be
subordinated forever, they may erupt under those pressures, show disobedience, and act destructively”

- **Talent Communication System**: It means having a coherent and targeted system for introducing a TM system to all staffs. They should have sufficient information about the talent identification criteria, attraction and development policies and plans, rules and regulations for the talents affair in the organization, etc. The lack of proper communication flow, leads to inappropriate performance of the TM system. Interviewee # 9 believes that:
  
  ".... Another important issue is that everyone needs to know how the process of selecting talents works, how the selection is done in the organization...."

- **Preventive Political Behaviors**: Another category that acts as a barrier of appropriateness of TM is preventive political behaviors of non-talented individuals who have interests in the organization. Conflict between the interests of individuals and the organization occurs when there is no rationality in TM, and therefore the organization's ordinary staff feels injustice and run counter to the TM system and commit destructive actions. Interviewee # 8 says;
  
  ".... Instead of trying to strengthen themselves, and remove their own weaknesses, they try to make talents ineffective by applying obstacles and barriers. These obstacles are the efforts to discourage talents and try to prove injustice among talents and others"

**Contexts**

Contexts provide the basis for emergence and deployment, as well as the desired function of TBHRM. They affect the whole process. In this study, context includes TM mindset, alignment of organizational value orientation and talents, as well as alignment of TM strategy and organization strategy.

- **TM mindset**: The requirement for TM is based on the existence of TM mindset among the top managers of the organization. If there is no such a thought the necessary, field for TBHRM won’t be provided. Enjoying TM mindset depends on the type of viewing on HR and the HR structuring.
  
  The interviewee # 15 believes:
  
  "... In order for the TM system to work properly, it is imperative and necessary to look at the talented staff, with the distinctive views. You should be able to distinguish them. They must be your capital. So without thinking like this, you should not design a system that may be likely useless".

- **The Alignment of Organizational and Talents Value Orientation**: the value-creating staffs are valuable to the organization. Therefore, the organization should be able to create value for these staff. In other words, the value of an organization for talents and the value of talents for an organization is a two-way event that one is less likely to occur without the other.
  
  Interviewee # 17 stated:
  
  "One of the problems that exist in TM in the organization is that when it comes to attracting a person to the organization, there are only attraction criteria and standards of the organization considered and checked while the criteria that talents
enjoy are important for working together too. In talents view, a favorable organization should ask about talents criteria and value them...."

**Outcomes**

Outcomes contain the results and revenues given to the organization as a result of the TM system implementation. Here, the outcomes include: personal and organizational outcomes.

- **Personal outcomes:** Deployment of a TM system leads to outcomes for talents, including greater motivation for staying in the job, achieving successes and progress, and consequently staying in the organization. According to interviewee #18:
  
  "...It seems to me if a talent is motivated and given sufficient time, if you have the necessary contrivance and you can manage the necessary field for the fruitful activities of the talent, the organization becomes dynamic spontaneously... In contrast, if the system does not work properly, not only does the performance improvements not occur, but it can even be said that it results in lowering motivations, and consequently leads to loss of performance".

- **Organizational outcomes:** means the results or effects expected to be generated by the central ability of the organization to achieve its goals. In this study, the interviewees considered the improvement of organizational performance, brand, and reputation of the organization, as well as the training of future directors as the main implications of the talent for the organization. As interviewee # 5 acknowledged:
  
  "... A talented individual can even create a fundamental transformation with a creative idea in the organization and bring about significant benefits for the organization. These benefits can be a range of return on investment and profitability to gain a reputation for the organization. However, it is necessary to exploit the talents correctly".

**DISCUSSION**

The aim this research was to develop a conceptual model of TM in the Ministry of Science, Research and Technology of Iran. The proposed model identifies the main components influencing the TM process in the Ministry and the effect of TM system. The required data for this study were collected via-depth interviewing technique and data analysis was done through Grounded Theory (Corbin & Strauss, 2008) at three of open, axial, and selective coding levels. In the open coding step, 318 codes and in the axial coding step, 15 categories were obtained. In the selective coding step, the main category with its classes was selected as phenomenon; talent-based HRM (TBHRM). The other categories, including causal conditions, intervening conditions, contexts, strategies, and outcomes, were correlated. This step resulted in the presentation of a coding paradigm diagram that depicts the internal relations of the above categories, as shown in Fig. 1.

According to the coding paradigm, from left to right, organizational, meta-organization and HR factors are causal factors influencing TBHRM. This Phenomenon, context, and intervening conditions affect TM system, and finally, the TM system affects personal and organizational performance. The result of the selective coding step conceptualizes the formation of a TBHRM model constructing the internal relations of the categories forming the model in this population.
Talent management, in this research, is defined as "a set of strategies, resources and systematic actions for identifying, attracting, employing, refining, substituting and retaining talents with focusing on the promotion of organizational and personal performance".

Consequently, with the emergence of TBHHRM, a broad view of the concepts constituting the TM model is obtained. According to the majority of interviewees, despite the emphasis of scholars of the TM field (Lapark & Snell, 1999; Lewis & Heckman, 2006; Collings & Mellahi, 2009; Phillips & Roper, 2009) on the separation of TM measures, from ordinary HRM measures, due to the lack of professionalism of HRM, there is no possibility of a dual core HRM. But in the current situation, in order to have a suitable TM system, it is necessary that the current HR system in developing strategies put talent-basedness in the center of its planning’s and programs.

As a result, to have a proper TBHHRM model in the Ministry, it is necessary to strength TM mindset among Managers. The organization should be strategy-oriented and eventually, organization and talents value orientation should be aligned. This conclusion acknowledges the literature conducted on TM (Michaels et al. 2001; Kehinde, 2012; Garavan et al. 2012; Thunnissen et al. 2013; Gallardo -Gallardo et.al. 2015; Collings et.al. 2015; Blass, 2007).

Besides appropriate context, TM, as other scholars’ fining and this field study, should meet specific needs to occur. Organizational and HR factors are among the most recognized ones (Cascio & Boudreau; 2016; Gelens & Pepermans, 2013; Swailes; 2013; Phillips & Roper 2009). Organizational, meta-organizational, and HR factors in this research are prerequisites for the occurrence of talent-basedness and TM process in the organization.

The most important component of TBHHRM organization is the TM process because the main activities occur in this section. Therefore, in this research, the TM process is investigated in six sections: identification, attraction, recruitment, development, succession, and retention. In each of these management strategies, talent-driven policy-making takes place. Here, despite the dominance of the concept of dual-core HR architecture in contemporary literature (Lewis, & Heckman, 2006; Collings & Mellahi, 2009; Collings et al. 2015; Lapark & Snell; 2000; Gallardo-Gallardo, et al., 2015), TM process occurs at the core of the current HRM process.In the process of implementing a TM system, factors named intervening factors such as talent adaptability, communication system of TM and preventive political behaviors can hinder or facilitate the goal achievement of the TM system (Stephen & Simon, 2013).

Research literature (Cascio & Boudreau; 2016; Collings & Mellahi, 2009; Swailes; 2013; Gelens & Pepermans, 2013); and the experts'viewpointsshow the importance of organizational and personal outcomes as a result of the TM system implementation. Sub-components such as promotion of organizational commitment and performance, organization brand and reputation and training the future directors are expected to be organizational outcomes. Motivation promotion, individual development, satisfaction, and of individual performance promotion are also expected.

Finally; the results of the present study are the first theoretical approach to understanding the effect of organizational, meta-organizational, and HR factors on TM process, and expected outcomes of the implementation of TM system in the Ministry of Science, Research and Technology. The main achievement is to provide an innovative link between inputs, processes, and outcomes of TM in this organization. The model provides a new conceptualization of how these concepts are shaped and how they influence organizational outcomes.
meta-organizational and HR factors act as a catalyst for TM processes that subsequently affect the outcomes of TM. In addition, the present study identifies the conceptual boundaries of TM for future research that will be useful in measuring and applying a TM model (Figure 2).

**Figure 2: Conceptual Model for TBHRM in Ministry of Science, Research and Technology**

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