Talent Management in the UK Higher Education Institutions – A Research Agenda

Abstract
As the changing landscape of UK higher education sector is propelling a transition towards greater competition among higher education institutions (HEIs), talent management is increasingly recognised as one of the most important human resource management issues in many of these higher education institutions. Yet, the nature of talent management in the UK HEIs has rarely been investigated. This paper evaluates the prospects of implementing talent management in the HE sector, with the aim of setting an agenda for an empirical research project on ‘Talent Management in the UK HEIs’

1. Introduction
The interest in talent management as a key management issue has grown exponentially. Attracting and retaining talented employees have been found to be the single most important concern of business leaders currently (e.g. Guthridge et al, 2008; Beechler and Woodward, 2009). Many of these leaders and human resource managers are busy devising and adjusting their strategies in order to meet the challenges of talent shortages and intensifying competition for talents (Economist, 2008; Deloitte, 2010). The increased importance of talent management has been attributed to several trends and factors characterising the current business environment; these include demographic changes caused by ageing workforce and increased workforce mobility, changes in the nature of work caused by rapid technological advancement and shift to knowledge-based economies, and intensifying competition caused by globalisation (Guthridge et al, 2008; Beechler and Woodward, 2009; Schuler et al, 2011; Thunnissen et al, 2013). It is claimed that the success of firms today will depend on the ability to identify and effectively manage their talent challenges and adapt to them as they evolve (Schuler et al, 2011; Thunnissen et al, 2013).

But these talent challenges are not restricted to the business sector alone. Chronic shortage of talented people in the higher education sector of some developed countries has been acknowledged in recent studies (e.g. Edward and Smith, 2010; Van den Brink et al, 2013). The ability to attract and retain top talents is fast becoming a key issue for the human
resource management in higher education institutions (HEIs) (Van den Brink et al, 2013; Metcalf et al, 2005). In the United Kingdom, where the changing landscape of higher education sector is propelling a transition towards greater competition among the HEIs (Clark, 2011; BIS, 2011; Adcroft, Teckman and Willis, 2010), talent management is increasingly recognised as one of the most important human resource management issues by many of these institutions (HEFCE, 2010). With the introduction of new funding and regulatory frameworks, which emphasizes quality, UK HEIs are now competing for the attraction of not only qualified prospective students and large research funding, but also increasingly for attraction of high-quality/talented academic staff. The importance of talent management is also being reinforced by the increasing emphasis on professional approach to management of academic staff, in which elements of ‘managerialism’ is fast replacing the traditional collegial model. However, despite the growing importance, the nature of talent management in the UK HEIs has rarely been investigated. The questions of how is ‘talent’ defined in the UK higher education context, what talent management strategies/approaches exist and how the higher education context influences talent management approaches and practices, need to be addressed.

The purpose of this paper is to evaluate the changing context of the UK HEIs and the prospects of implementing talent management as a source of competitive advantage. The aim is to set agenda for the empirical research project on ‘Talent management in the UK HEIs’. With this paper and the subsequent empirical research project, we intend to answer recent calls for the study of talent management in organisations operating in other contexts such as public and non-profit sectors (Thunnissen et al, 2013).

The rest of the paper is organised as follows: section 2, which is the next section, gives a brief overview of the concept of talent management, particularly the definitions of talent and the various perspectives on talent management. Section 3 presents the recent changes in the UK higher education context, highlighting the growing need for effective talent management as well as the potential dilemma/challenges. This is followed by section 4, which sets agenda for the proposed empirical research project.

2. The concept of Talent Management

2.1 Defining Talent and Talent Management
The literature on talent management abounds with various definitions of ‘talent’ in organisational context, which have also led to different definitions of ‘talent management’. Tansley (2011) pointed out that some of the definitions of talent are so broad and vague that the essence of using the term “talent” could be questioned, while some other definitions tend to be very restrictive that it could make it impossible to even find evidence to characterise talent. For instance, some authors define talent as people, who work in organisations (subject approach) and therefore the terms ‘talent’ and ‘people’ are often used interchangeably (e.g. Cheese et al 2008), while some other authors see talent as characteristics of people such as abilities, competencies and knowledge, and therefore the term ‘talent’ is used by some to refer to those who are identified as having the potential to reach the high levels of achievement (e.g. Michaels et al, 2001). Yet, for some other authors, the term ‘talent’ refers to those who rank at the top in terms of their current capability and performance (e.g. McDonnell, 2011). The variety of definitions of talent is also prevalent in the practice as the findings from a research conducted by the Chartered Institute of Personnel and Development (CIPD) in 2007 show that the definitions of ‘talent’ by the case study organisations were organisationally specific and dependent on the size, industry and nature of work of the organisations (CIPD, 2007). Tansley, Kirk and Tietze (2013) conclude that all definitions of talent are context-driven and therefore cannot be universal. For the purpose of this paper, our definitions of ‘talent’ and ‘talent management’ aligns with the CIPD’s (2007) as this enables consideration of all key elements in a talent framework: ‘Talent consists of those individuals who can make a difference to organisational performance, either through their immediate contribution or in the longer term by demonstrating the highest levels of potential.’ Therefore, ‘talent management’ can be defined as the systematic attraction, identification, development, engagement, retention and deployment of those individuals who are of particular value to an organisation, either in view of their ‘high potential’ for the future or because they are fulfilling business/operation-critical roles’(CIPD, 2015).

However, although there is lack of consensus on a definition of talent management, there is a broad agreement that talent management is or should be a strategic process aligned to organisational strategy. It is argued that that effective identification, development, deployment and retention of talents in an organisation positively impact the competitive advantage of the organisation through the outstanding performance of the talents (Collings and Mellahi, 2009; Lewis and Heckman, 2006). Talent management exists to support organisation’s overall objective, rather than to merely fulfil the needs for staff (Cappelli,
Therefore talent management processes and practices should be conceived to contribute to overall organisational performance (Frank and Taylor, 2004; Collings and Mellahi, 2009).

Although talent management is a relatively new approach distinct from regular HRM, it makes use of relevant HRM practices as building blocks, which are applied in different ways such as discussed in the next section. Thunnissen et al (2013) conclude that major TM practices revolve around recruitment, development and retention of talents.

3.2 Talent Management Approaches

Similarly to the varying definitions of talent and talent management, four distinctive streams of perspectives regarding talent management have been identified in the literature (e.g. Thunnissen et al, 2013; Iles et al, 2010; Collings and Mellahi, 2009; Lewis and Heckman, 2006), which also reflect different approaches adopted by organisations in the design and implementation of talent management policies. The first stream is the inclusive-label approach, in which regular HRM practices are labelled ‘talent management’, sometimes with minor differences. In this approach, talents are understood to be the entire human resources of an organisation, which need to be recruited, developed and retained. The literature representing this view is dominated mainly by practice-based authors, who often limit their focus on particular HR practices such as recruitment, leadership development, succession planning, etc. (Collings and Mellahi, 2009). Organisations operating within this stream merely use the label ‘talent management’ in place of their human resource management practices, perhaps to give the impression of adaptability to current competitive environment. The second stream is the inclusive-people approach, in which all employees are seen as having ‘talents’ that need to be identified, developed and effectively deployed. In this approach, talent management conception takes a humanistic stance and recognises that every employee in the organisation has the capability and potential to display talent, and that the major task is to manage employees to deliver high performance (Iles et al, 2010). Talent management policies of organisations within this stream of thoughts often require that all employees should, for instance, go through the same talent identification process and that opportunities are provided for all employees to display their talents. Although this approach can be characterised as a positive approach to HRM as it propagates training and development of exceptional abilities of all employees (Thunnissen et al, 2013), it can equally be criticized as repetitive and
perhaps needless as similar perspective already exists with such concepts as human resource development and competency management.

In contrast to the two inclusive perspectives on talent management, the third stream of thoughts, exclusive-people approach, focuses on differentiation and management of a small segment of the workforce as ‘talents.’ In this approach, talent management concentrates on those employees who have been identified to have exceptional abilities and are able to apply those abilities to achieve excellent performance (Thunnissen et al., 2013). Proponents of this perspective on talent management often argue that it is both reasonable and essential to invest scarce developmental assignments and resources on the most promising talent, although this should not be at the expense or neglect of other employees (e.g. Walker and LaRocco, 2002). Without focusing on a segment, managers would treat all employees as equally valuable, regardless of their performance, competence, potential, or other features, and this arguably would lead to unnecessarily high costs of managing human resources (Iles et al., 2010). Organisations operating within this stream of talent management perspective often divide their workforce into categories such as “A performers” (representing the top 10-20 percent performing staff), followed by the “B performer” and then the “C performers” (Iles et al., 2010). It is argued that all roles in organisation should be filled by the “A performers” and that consistently poor performers should be managed out of the organisation (Michaels et al., 2001). This approach to talent management has been criticised for its narrow focus on the top performers as the “happy few”, which often leads to neglect of other employees (Pfeffer, 2001; Collings and Mellahi, 2009). Finally, the fourth stream is the exclusive-position approach, which also takes a narrow view, but focuses on ‘positions’ rather than ‘talented people’. In this approach, talent management is focused on identification of key/pivotal positions in the organisation and investing resources to attract, recruit, develop and deploy top performers to the positions. “Key/pivotal positions” are those positions that have the potential to differentially contribute to competitive advantage of the organisation (Huselid et al., 2005 cited in Collings and Mellahi, 2009). Emphasis is on the development of ‘talent pool’ of high potential and high performing incumbents, from which the identified key/pivotal positions are filled (Collings and Mellahi, 2009). A commonly used differentiation in this stream is the executive/managerial functions, which often make ‘leadership & management development’ as well as ‘succession planning’ the dominant talent management activities in this strand. CIPD’s Learning and Talent Development Survey
(CIPD, 2013) indicates this to be the case with more than 60 percent of organisations surveyed across all sectors.

In general, these approaches have found resonance by both academics and practitioners. Talent management practices of organisations can often be classified along these lines. For instance, Stahl et al (2012) found, in their study on global talent management, that both inclusive and exclusive approaches are being used in organisations, but pointed out that exclusive approaches seem to be most preferred. The authors suggested that a hybrid of both inclusive and exclusive approaches would allow for differentiation, and at the same time, avoids the controversial issue of whether some employee groups are more valuable than others.

In summary, the literature on talent management remains predominantly conceptual despite the report by Thunnissen et al (2013) of a growing number of empirical research papers since 2010. There is dearth of literature on empirical study with regards to talent management in the higher education context, which positions the proposed empirical research project on ‘talent management in the UK HEIs’ for a valuable contribution to the talent management literature.

3. Talent management and the UK Higher Education Context

3.1 The Changing Context of HEIs in the UK

With the release of the white paper on higher education reform titled “students at the heart of the system” in 2011, the then coalition government set the stage for yet another radical changes in the UK higher education sector after the ones of the 1980s and 1990s. The major highlight of the new reform policy was the drastic reduction of government’s direct funding of higher education. The new policy established ‘tuition fees’ paid by students as the main source of funding for the higher education, with the government providing loans for students to enable them pay the fees and the universities having free hand to charge fees within the particular range set by the government (see BIS, 2011). Moreover, the usual cap on number of student admissions was removed, which now allows HEIs to recruit as many students as they like or as their capacities allow. Measures were also introduced to improve prospective students’ access to quality information about courses and wider learning experiences at HEIs.
As a result of these market-orientated reform policies, ‘student choice’ and competition now play a more significant role in the HE sector, with greater share of the funding coming directly from the student fees (CMA, 2015). Armed with information sources such as the results of national student survey (NSS) and various league table rankings, prospective students and their parents easily compare programmes and make more informed choices about higher education, while HEIs compete with one another for attraction of best students and for meeting increasing student expectations. Various HEIs now adopt various strategies of attracting and recruiting new students. For instance, according a recent report in the Telegraph, increasing number of HEIs go to the extent of offering cash gifts and other incentives to recruit students with best A-level grades (Paton and Kavanagh, 2014). The competitive context of the HE sector is even heightened by the growing competition for international students with universities from both English-speaking countries such as USA and Australia, and non-English-speaking countries such as Germany and France. A survey by the British Council in 2014 shows that the number of UK students who would consider studying overseas has significantly increased compared to previous years (British Council, 2014). According to the survey, the number one destination for UK students is the USA, chosen by 33 percent of the participating students; this is followed by Australia with 9 percent and Germany with 5 percent (British Council, 2014). The changing landscape of the UK HEIs also includes an intensified competition for research funding, in which universities are continuously faced with the challenges of meeting the increasingly sophisticated funding criteria set out by both local and international providers of research funding. Further connected to the competitions is also the increasing level of scrutiny and regulation induced by various initiatives aimed at promoting quality and standards as well as meeting ever increasing expectations from students who now act as customers of higher education. Both external and internal regulatory agencies such as HEFCE (Higher Education Funding Council for England) and QAA (Quality Assurance Agency) continue to recommend stringent guidelines and quality codes, which should be met by HEIs in order to ensure academic standards and best practices.

One of the combined effects of the new competitive and regulatory contexts is that the staff of HEIs is continuously under pressure to achieve more work with lesser resources. Professional management of the academic staff has therefore been espoused as the panacea to the current competitive challenges. Managerial concepts such as ‘performance management’ and ‘performance appraisal’ which were predominantly private-sector-based, are now
increasingly being adopted by HEIs (even though with some difficult challenges) to replace the traditional “collegial model” of management of academic staff (Egginton, 2010; Deem, 1998). Recent reports by HEFCE and other HE sector-based bodies have highlighted the need for effective talent management in the sector as a source of competitive advantage. HEFCE (2010) identified talent management as one of the most important human resource management issues in many higher education institutions in the UK today. However, it is yet unclear how talent is defined in the HE context and how talent management is implemented in the HEIs.

3.2 The Dilemma

Although strong case for talent management in the UK higher education institutions has been made, particularly through the increased competition in the sector and the increasing need for high quality staff, some traditional characteristics of the higher education context may constitute challenges to effective talent management in the sector. These characteristics include the traditional sense of ‘autonomy and independence’ of academics prevalent in the HEIs, the great emphasis on ‘equality’ of academic colleagues and the diverse nature of HEIs’ staff and their contributions.

Historically, HEIs have been independent institutions backed by the traditional notion of ‘academic freedom’, which led staff (and individual subject disciplines within the HEIs) to expect and enjoy high levels of independence and autonomy (Egginton, 2010), i.e. the freedom of individual academics to speak their own mind, to teach and research in accordance with their own interests and to enjoy security of job and tenure (Nixon et al, 1998). Although this sense of autonomy of academics is gradually being threatened by recent changes in the HE sector, which have seen growing influence of external regulatory agencies as well as increasing import of private sector-based managerial concepts to HEIs, the fact remains that strong sense of independence and autonomy still persists among staff and subject disciplines of the HEIs, which may constitute challenges to effective implementation of talent management in the HEIs. For instance, in his analysis of the introduction of formal performance appraisal of academics in a UK HEI, Egginton (2010) shows that tensions exist between the ‘autonomy/freedom of academic thought’ and the need for establishing common standards for performance appraisal across the departments of the institution. Also, in their study of HEIs in the Netherlands, Van den Brink et al (2013) found that different subfields of academic departments have their own way of recruiting candidates for junior and senior
academic positions and that tensions exist between the desire of HR managers for to control
and objectify recruitment and the strong desire for academic freedom displayed by academics
within individual subfields. These two HR practices reported here, namely performance
appraisal and recruitment, constitute important parts of talent management activities.

Closely linked to the issue of autonomy is also the sense of equality and equity prevalent
among academic colleagues within higher education institutions, who often see themselves as
communities of scholars researching and teaching together in collegial ways. This emphasis
on equality has been responsible for overtly preference of subject disciplines within the HEIs
for collegial self-governance model with minimal hierarchy and maximum trust (Deem,
1998). Therefore, attempts at introduction of hierarchy and competition among the staff may
be stiffly resisted.

A further key characteristic of higher education institutions is the diversity of staff and
patterns of their contribution. Staff members come to HEIs with different academic and
professional interests, different industry backgrounds and different priorities and aspirations,
which require greater level of flexibility to manage (Egginton, 2010). The diversity in the
HEIs is even heightened by different academic subcultures prevalent through different
subject disciplines of HEIs, and also by the dichotomy between academic and administrative
staff. As talent management implies emphasis on segregation of staff and use of objective
instruments of performance management that induce competition among staff, these
identified characteristics of HE context may pose difficult challenges for adoption of
effective talent management practices in the HEIs.

In the view of the varying definitions of talent and various approaches to talent management
in the literature as well as the identified dilemmas in the context of higher education, the key
pertinent questions that arise include: how is talent defined in the HE context? Which of the
approaches to talent management are adopted by the HEIs?

4. Setting the Research Agenda

4.1 The Aim of the Research

The purpose of the proposed empirical study is to explore the nature of talent management in the
context of UK HEIs, with the aim of evaluating relevance of talent management as a source of
competitive advantage for the HEIs. In pursuit of this aim, the empirical study intends to answer the following research questions:

(1) Has talent management become part of the HR policies of HEIs

(2) How does the context of HE influence the implementation of talent management practices?

(3) What are the prospects of talent management as a source of competitive advantage for the HEIs?

4.2 Research Methodology

Following the dearth of academic literature and empirical research on talent management in the HE sector, the proposed empirical research is designed as an exploratory case study to explore the process of implementing talent management in the HE sector. Therefore, as an exploratory study, we do not develop testable hypotheses or propositions prior to the conduct of the empirical study, but rather, an inductive approach will be used to generate theoretical propositions from the results of the empirical study (Eriksson and Kovalainen, 2008). And as a case study design, the research will involve about six HEIs in the UK selected randomly based on the current league table ranking.

Research method generally plays a key role in the conduct of an empirical study and must prove to be consistent with the research issues being pursued through the empirical study (Myer, 2009). For instance, qualitative research methods are usually appropriate for studying phenomena that are not yet well understood (Eisenhardt, 1989). Therefore, the method of research adopted for this study is qualitative, and the primary source of data collection will be qualitative interviews in the form of semi-structured qualitative expert-interviews. Under this type of interviews, the researcher is guided by pre-formulated questions, which are open in character. The pre-formulated questions serve only as a means of structuring the interview discourse, while the sequence and manner of asking the questions is freely determined by the
researcher. The interviews will be targeted at members of senior management teams, senior HR managers and heads of departments in the selected higher education institutions.

The collected interview data will be analysed using qualitative content analytical methods in the form of ‘grounded theory’ (Glaser & Strauss, 1967) or ‘interactive model’ (Miles & Huberman, 1994). These types of qualitative analytical methods interpret content of interview data through systematic process of coding and identification of themes and patterns and building categories with the aim of creating theoretical propositions out of the available data.

5. Conclusion

In conclusion, it can be argued that a strong case for talent management in the UK higher education institutions has been made, particularly through the increased competition in the sector and the increasing need for high quality staff. However, the extent of realising the promises of talent management in the sector may largely depend on the level difficulties posed by the entrenched traditional characteristics of the higher education context to implementation of the talent management practices. The proposed empirical study will contribute to exploring these issues.
References


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