



# The Impact of Talent Management Practices on Non-talent Employees

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**Abstract.** An exclusive talent management approach prioritizes the practices of differentiation among employees into talented and non-talented categories. In Empirical studies of talent management currently, no one has explicitly examined the reactions of non-talented employees. There is an issue of unfairness in the implementation of exclusive talent management because it is driven by an unbalanced allocation of resources between talent and non-talent employees and unequal opportunities in terms of promotion or career development. This paper will present a conceptual framework to explore the influence of talent management practices on the turnover intention of non-talented employees and the role of perceived distributive justice as mediation. This study uses a literature review related to talent management which is sourced from various online database sources which are then reviewed and analyzed. Based on the results of the literature review, it can be concluded that talent management that is done will lead to distributive justice that is felt by talented and non-talented employees. The proposition that was developed from the results of the literature review is that talent management influences perceived distributive justice. The presence of distributive justice felt by non-talent employees will reduce turnover intention. The conceptual framework is something new that has never been done before. This research will provide theoretical and practical benefits regarding the reactions of non-talented employees and will add to the repertoire of talent management research because the influence of talent management on non-talented employees is still a black box.

**Keywords:** Talent Management Practices · Perceived Distributive Justice · Turnover Intention · Non-talent Employees

## 1 Introduction

Talent management has been an important part of human resource management practice since McKinsey published the talent wars around 1997. Every organization strives to win the competition through human resources as a source of competitive advantage. The existence of a talent war has an impact on high turnover, thus encouraging every organization or company to find ways to retain the best employees not leave and move to other companies. Talent management is seen as an important element in modern organizations [1, 2] because talent management is believed to be one of the best ways to retain talented employees.

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Based on a review of the existing literature, shows that there are differences in the application of talent management depending on the context in which talent management is applied [3]. The talent management approach is often used, namely the exclusive and inclusive approach [4]. The exclusive approach believes that there are differences between employees, where employees who are identified as talents are believed to show more positive work attitudes, cognitions, and behaviors compared to employees who are not identified as talents. The exclusive approach is the most widely applied in practice [2] and the most widely used by the majority of companies [5]. The inclusive approach views that all employees have their talents and can contribute according to their respective talents [5].

Empirical research related to the influence of talent management on employee reactions still has to be carried out because there are still many research gaps, namely the limited number of empirical research, inconsistent research results, and research focus that does not pay attention to non-talented employees. Talent management programs have proven to create a good work culture as well as increase employee value and reduce turnover rates [6]. Based on the literature we studied, there were many criticisms from experts related to the field of talent management, including: (1) the limited empirical research that discusses the influence of talent management practices on turnover intention. Empirical research discusses the impact of talent management on the organization, whereas the impact on the organization is driven by the impact at the individual level. Employee reactions to talent management practices are divided into 3, namely affective, cognitive, and behavioral reactions [4] where the turnover intention is included in behavioral reactions; (2) turnover intention as the influence of talent management practices on talent and non-talent employees have not shown consistent results. Significant differences in turnover intention between talent and non-talent employees were revealed by [7, 8], while [9] did not find any significant differences where talent and non-talent employees have the same desire to leave the company when they do not get something as expected; (3) There is an issue of unfairness in the implementation of exclusive talent management because it is driven by an unbalanced allocation of resources between talent and non-talent employees and also unequal opportunities in terms of promotion or career development.

Research [10] found similar research results, namely talent management has been shown to influence turnover intention among Malaysian ICT industry employees. Research [11] reveals different results where talent management practices do not significantly affect turnover intention. Research [7] revealed that individuals who felt identified as talented were less likely to have the intention to switch compared to those who felt they were not identified as talented. Research [9] revealed that there was no significant difference in intention to stay between talent and non-talent employees.

Companies need to ascertain whether the talent management practices that are implemented encourage the desire of non-talented employees to leave the company because of the different treatment they receive compared to talented employees. Non-talented employees still need attention because there are more of them and after all, non-talented employees have a role in supporting the company's success. Organizational success does not only depend on talented employees but also on the contribution of all employees [11] including non-talented employees. Empirical studies of talent management are currently

more focused on talented employees than non-talents even to date no research explicitly examines the reactions of non-talented employees to talent management where this is the most important remaining gap in research related to employee reactions to talent management [4]. The importance of examining the reactions of non-talented employees to talent management practices was also revealed [12] that not paying attention to the reactions of non-talented employees is a problem because it will affect the total effect of talent appointments on organizational outcomes, so future research should explore further the reactions of non-talented employees to appointments talent and analyze their impact.

Departing from the limited number of empirical studies that discuss employee reactions to the influence of talent management practices and also the focus of research that ignores the reactions of non-talented employees, this paper attempts to present a conceptual framework for the reactions of non-talented employees to talent management practices. The reaction of employees in this paper is focused on turnover intention because it considers the current condition where the composition of the workforce has been dominated by the millennial generation, where they are not only looking for financial benefits and quick promotions [12]. Millennials like a challenge so it will push the desire to change jobs to be higher when they don't get what they expect.

Another interesting thing from this paper is the discussion regarding perceived distributive justice as [13] recommends studying fairness and justice issues related to talent management. The results of empirical research related to the influence of talent management practices on turnover intention have not shown consistent results, so this paper proposes a mediating variable. Perceived distributive justice is seen as an appropriate mediating variable based on one of the theories related to turnover intention, namely the concept of justice as referred to in the equity theory pioneered by Adams (1963) [14].

Based on the description above, the problems discussed in this paper are whether talent management practices have a significant effect on the turnover intention of non-talented employees and whether perceived distributive justice can act as mediation on the influence of talent management practices on the turnover intention of non-talented employees. This paper will present a conceptual framework to explore the influence of talent management practices on the turnover intention of non-talented employees and the role of perceived distributive justice as mediation.

The conceptual framework in this paper can offer new insights for both academics and HR practitioners. From a theoretical point of view, this paper can provide benefits to the development of talent management theory and the role of perceived distributive justice in mediating the influence of talent management practices on turnover intention. This paper will guide future research regarding employee reactions to talent management practices, which are still very limited in number and only focus on talented employees. From a practical point of view, this paper can encourage HR practitioners to assess the impact of talent management practices on non-talented employees so that in the future improvement measures can be formulated so that talent management practices have a positive impact on all employees, both talent and non-talent.

## 2 Research Method

The methodology used in this study is a literature review that aims to produce a conceptual framework based on existing literature. The main sources of literature are obtained from online databases, namely Google Scholar, Web of Science, and Science Direct. Literature was selected based on the keyword “talent management” published from 2000 to 2021. The articles obtained were then sorted again with the keywords “turnover intention”, “distributive justice, or organizational justice”, and then reviewed and analyzed.

## 3 Results and Discussions

### 3.1 The Effect of Talent Management Practices on Turnover Intention

Talent management practices are one of the efforts made by the company to retain employees. Turnover intention is an important reaction because turnover intention is the best predictor of whether employees will leave the organization or not [15]. The highest factor that causes turnover intention is the relationship of employees with superiors and the work environment, the reward system is another major factor that initiates employees to leave the organization [16]. Hay (2002) in [17] found that most employees choose career, learning, and development opportunities as the main reasons for staying in the organization. Research [6, 18–21] revealed that talent management practices have a significant negative effect on turnover intention.

The influence of talent management practices on turnover intention refers to the social exchange theory, which in principle; the organization assumes that when the organization invests in employees, the organization is entitled to commensurate reciprocity. Social exchange theory suggests that when companies invest in their employees, they tend to reciprocate this company’s investment in a positive way [22]. Based on the employee’s point of view that the employee’s attitude or reaction to the organization is a form of the psychological contract, which focuses on the individual’s perception of what the organization has to offer and whether employees are required to contribute in return (Conway & Briner, 2002, 2005; Guest, 2004) in [7].

Based on the results of empirical research and social exchange theory, talent management practices run by the company are expected to reduce the turnover intention of both talent and non-talent employees. Talent management practices that are carried out properly will provide equal opportunities to all employees to get a promotion or career development opportunities. Non-talented employees will survive because the practice of talent management motivates them to work even better and hopes to become talented in the future. Based on the description above, the proposed propositions are:

P1: Talent management practices have a significant effect on the turnover intention of non-talented employees.

### 3.2 The Effect of Talent Management Practices on Perceived Distributive Justice

Distributive justice stems from the equity theory proposed by Adams (1963) in [22] which states that individuals compare their input-output ratios with others to determine the

level of justice. To determine the level of fairness, employees calculate the ratio of their contribution to their outcomes and compare it with the ratios of other co-workers [23]. Perceived distributive justice shapes employee behavioural, cognitive, and emotional reactions [24]. Talent management practices as part of HR management are expected to influence perceived distributive justice. The human resource management climate itself consists of resourcing, training, rewards, and relations that affect organizational justice [24]. Research [22] found a positive relationship between performance appraisal and perceived distributive justice. Related to organizational justice, it is necessary to understand how talent management results have an impact on employee reactions [25].

Talent management is a supportive HR management that can influence employees' perceptions of their organizational support [26]. Identification of employees as high potential employees will be associated with more favorable perceived distributive justice [27], however [28] states that employees should have equal opportunities to demonstrate their potential to contribute. Employees who do not have such opportunities, they can get the impression like contributions and results are invalid and based on unrepresentative information. Talent management practices that are implemented properly are expected to encourage all employees, both talented and non-talent to feel the existence of distributive justice. Non-talented employees will realize that they do not deserve to be appointed as talents, so they are encouraged to prepare themselves to become talents in the future. Based on the description above, the proposed propositions are:

P2: Talent management practices have a significant effect on the perceived distributive justice of non-talented employee.

### 3.3 The Effect of Perceived Distributive on Turnover Intention

Forms of organizational justice according to [26] include distributional justice, namely "fairness of distribution of results and allocations" (Thunnissen et al., 2013b, p.332), procedural justice, namely perceived justice and allocation processes (Gelens et al., 2014), and interactional justice, namely the quality of interpersonal handling that people receive when the procedure is applied (Thunnissen et al., 2013b, p. 332). [27] of Wooten and Cobb (1999, p. 177) state that career development interventions are "vulnerable to perceptions of distributive, procedural, and interactional justice". To determine the level of fairness, employees calculate the ratio of their contribution to their outcomes and compare it with the ratios of other co-workers [25]. Perceived distributive justice shapes employee behavioural, cognitive, and emotional reactions [24].

Perceived distributive justice according to [24] forms employee behavioural, cognitive, and emotional reactions. Research [29] found that distributive justice has the strongest negative relationship with turnover intention. This finding is supported by the results of research [30] which state that high perceived distributive justice can help reduce turnover intention and [27] which finds distributive justice is significantly negatively related to turnover intention. The results of several empirical studies can be used as a reference that there is an influence of perceived distributive justice on turnover intention, where the higher perceived distributive justice will encourage lower turnover intention.

The study [31] found differences in levels of organizational justice among medical doctors, paramedics, and support staff in teaching hospitals in Nigeria. The difference in

the level of organizational justice is driven by differences in employee status. The results of the empirical research show that if the perceived distributive justice is high, it will encourage the low desire of employees to leave the company. Based on the description, the proposed propositions are:

P3: Perceived distributive justice has a significant effect on the turnover intention of non-talented employees.

### **3.4 Perceived Distributive Justice as Mediating Effect of Talent Management Practices on Turnover Position**

Talent management practices that are carried out well by the organization are expected to encourage employees to feel the existence of distributive justice as stated [32] that talent management procedures that are carried out fairly will reduce the impact of perceived distributive justice. As referred to in the equity theory pioneered by Adams (1963), in principle, employees who feel an unfair distribution of resources will have the intention to move voluntarily. Talent management practices that use an exclusive approach clearly distinguish talent and non-talent employees, so perceived distributive justice is an important factor that can affect the relationship between talent management practices to turnover intention. Employees whose contributions are not reciprocated by the organization will be more likely to perceive distributive justice that is less favourable and vice versa who are selected as talents will feel greater distributive justice [33]. Ideally, talent management practices can provide a sense of justice for all employees, so that perceived distributive justice for all employees will encourage non-talented employees to also have low turnover intentions.

The role of perceived distributive justice as mediating the influence of talent management practices on turnover intention refers to research [26] that found that human resource management affects organizational justice. Talented employees have higher perceived distributive justice than non-talented employees even though the difference is not significant in the study [33]. The effect of perceived distributive justice on turnover intention was revealed from the results of research [34, 29] which found that the results of distributive, procedural, and interactional justice had a significant impact on turnover intention. Likewise, research [30, 35] revealed similar results, namely high distributive justice has an impact on reducing turnover intention. Based on the description, the proposed propositions are:

P4: Perceived distributive justice mediates the influence of talent management practices on the turnover intention of non-talented employees.

## **4 Conclusion and Recommendations**

### **4.1 Conclusion**

This paper develops a proposition to encourage talent management research to be carried out comprehensively by looking at the impact not only on talented employees but also paying attention to the reactions of non-talented employees. Talent management that uses an exclusive approach leaves homework related to the issue of fairness felt by

non-talented employees. Talent management practices must be implemented fairly to encourage all employees, both talented and non-talent to feel the existence of distributive justice.

The level of perceived distributive justice of non-talented employees will affect their behavior to stay or intent to find other alternative jobs in other companies. Distributive justice is a sensitive issue that must be followed up with corrective steps in the implementation of talent management so that the applied talent management practices can provide a sense of justice for all employees, both talent and non-talent, and then with highly perceived distributive justice will reduce turnover intention.

## 4.2 Future Research Recommendations

The proposition built in this paper needs to be followed up with relevant future research so that it can encourage empirical research in the field of talent management and provide an optimal impact both theoretically and practically. The recommended future research is research based on positivism to test this proposition. The research that will be conducted is to look at the perceptions of non-talent employees towards talent management practices and to find out the effect of talent management practices on the intention to leave directly or through perceived distributive justice. The research specifically uses non-talented employee respondents in various industrial sectors. Similar research needs to be done also in public sector organizations because empirical research on talent management in the public sector is currently not widely carried out.

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