

The Impact of Exclusive Talent Management Philosophy on Employee Engagement in ABC Company

Liediawaty Shahaan¹⁾; Hary Febriansyah²⁾

¹⁾ liediawaty_shahaan@sbm-itb.ac.id, School of Business and Management, Bandung Institute of Technology, Indonesia

²⁾ hary@sbm-itb.ac.id, School of Business and Management, Bandung Institute of Technology, Indonesia

<p>Article Information:</p>	<p><i>Abstract</i></p>
<p>Keywords: Talent Management; Exclusive Talent Management; Engagement; Healthcare; Work behavior;</p>	<p><i>This study investigates the effects of exclusive talent management philosophies on employee engagement within Company ABC, a multinational private healthcare corporation. The research focuses on how talent management strategies influence employees' levels of engagement. Company ABC, facing significant business challenges due to its dominant exclusive talent management strategy, emphasizes external recruitment and the development of a small group of high-potential employees. This approach has led to a decline in morale, employee engagement, and perceptions of fairness, as employees feel undervalued and overlooked. Primary data were collected through surveys administered to 104 Company ABC employees, ranging from entry-level to junior managers. The study employs quantitative analysis to assess the relationship between the company's talent management philosophy and employee engagement levels. Pearson Correlation technique was used to analyze the data. Findings reveal a negative correlation between exclusive talent management and employee engagement, indicating that a focus on a small group of employees can lead to feelings of exclusion and decreased motivation across the workforce. The thesis concludes with recommendations for Company ABC to transition to a more inclusive talent management approach. It advocates policies ensuring fair and equal treatment, development opportunities for all employees, and a culture that values diversity and inclusion. These changes are expected to enhance overall engagement, satisfaction, and organizational performance, aligning talent management with long-term business success.</i></p>
<p>Article History: Received : December 19, 2023 Revised : January 15, 2024 Accepted : February 1, 2024</p>	
<p>Cite This Article: Shahaan, L., & Febriansyah, H. (2024). The Impact of Exclusive Talent Management Philosophy on Employee Engagement in ABC Company. <i>Indikator: Jurnal Ilmiah Manajemen dan Bisnis</i>, 8(2), 73-82. doi:http://dx.doi.org/10.22441/indikator.v8i2.24813</p>	

INTRODUCTION

In today's highly competitive business environments, companies are always looking for strategies to gain a competitive advantage that will allow them stand out from their competitors and lead them toward long-term success. In the pursuit of organizational excellence, talent management has emerged as a pivotal factor among the various strategies and techniques being implemented. The complex interaction of talent, organizational objectives, and operational effectiveness has elevated talent management as a prominent topic of deliberation in both corporate boardrooms and academic spheres. Since its emergence in the 1990s, talent management has been promoted as a means for firms to augment their competitive advantages (Rabbi et al., 2015). The scarcity of talent was widely recognized, and firms were actively involved in a competitive pursuit for talented individual (Al Haziazi, 2021).

According to a prominent study of (Berger & Berger, 2004) the fundamental concept of talent management (TM) is in the notion that organizations can enhance their operational

effectiveness and efficiency by actively acquiring, nurturing, and retaining skilled employees. Meanwhile, TM is defined as the interconnected set of activities that are utilized by an organization to recruit, retain, motivate, and develop the abilities and skills of talented people that are required in order for the organization to carry out its functions (Meyers et al., 2020). Therefore, it is widely believed among scholars that the use of talent management strategies by firms leads to increased competitiveness and improved alignment with long-term business objectives (Rabbi et al., 2015).

The examination of various viewpoints on talent is crucial to understand the talent philosophies implemented by businesses, which encompass their perceptions, management, and governance of talent (Meyers et al., 2020, p. 197). Meanwhile other scholars (Nijs et al., 2014) define talent as the "inherent capacities of individuals that are systematically nurtured, utilized in valued activities, considered significant, and warrant effortful investment." Consequently, researchers have naturally examined the nature of talent, specifically whether it is an innate attribute, acquired through external factors, or a skill that can be developed (Meyers et al., 2020). There is a debate among scholars on the nature of talent in the workplace. O'Connor and Crowley-Henry (2019) argue that talent is a unique capacity that is limited to a specific group of employees. On the other hand, Meyers and Van Woerkom (2014) propose that talent is inclusive, suggesting that this capability is present in or can be developed by all individuals. A widely held perspective among scholars is that the discussion surrounding talent is influenced by two dominant and contrasting ideologies: the exclusive and inclusive paradigms (Anlesinya & Amponsah-Tawiah, 2020). Hence, the focus of this study is on the exclusive and inclusive talent philosophy, aiming to enhance understanding of the relationship between talent management strategies and individual outcomes.

This study focuses on The ABC Company, a healthcare company located in Jakarta. ABC Company encountered a variety of challenging business problems and impediments inside the complex and vital healthcare industry. The organization's inadequate people management strategy was the direct cause of these challenges. Presently, ABC firm is utilising a talent management strategy that is more focused on exclusivity rather than inclusivity.

In ABC Company, most leadership roles were filled by individuals who were hired externally. Out of these roles, only six were filled through internal sources or by promoting existing employees. ABC Company prefers recruiting new managers from outside the company. Many skilled individuals who have spent a considerable length of time in an organisation possess valuable institutional knowledge, a deep understanding of the corporate culture, and established professional relationships. ABC Company does not effectively utilise these internal capabilities since they prefer to prioritise external recruitment for new staff.

The adoption of a cohesive external recruitment approach has led to a decrease in employee morale and engagement levels within the existing workforce. If employees consistently notice a tendency to favour external applications over internal ones, they may interpret this as a lack of recognition for their skills and achievements. This perspective might potentially result in disengagement, a decrease in job satisfaction, and ultimately, employee attrition. Recognising that employees who feel undervalued are more likely to actively seek other job opportunities is crucial.

The implementation of ABC Company's exclusive talent management concept has led to the allocation of development resources primarily towards a specific set of high-potential employees, while restricting the growth and promotion prospects for others. This approach has led to a feeling of stagnation and reduced drive to work among persons who were not selected

for a certain opportunity or position. The current scenario is consistent with the findings of Vaiman, Haslberger, and Vance (2015), who proposed that adopting an exclusive talent management philosophy may result in reduced job motivation. The absence of clearly defined career progression routes, insufficient availability of training programmes, and minimal recognition have had a substantial effect on employee morale inside the ABC Company. A significant number of employees experienced a lost sense of value and insufficient support, leading to increased instances of burnout and decreased employee engagement. As a result, by opting for exclusive talent management, ABC Company has a highly restricted pool of potential future successors.

Moreover, the existence of disparate approaches to talent management inside the ABC Company led to the formation of a corporate culture characterised by bias and capricious promotions. Employees with exceptional talent and competence who were overlooked for promotion began to feel unappreciated and harboured resentment. Consequently, the situation led to a work atmosphere marked by internal disputes and a decrease in confidence among staff members, further worsening the decrease in cooperation, team cohesion, and effective communication.

Employees who believe that talent management practices are biased may also believe that the organisation is marked by injustice, leading to reduced levels of engagement and commitment (O'Connor & Crowley-Henry, 2019). ABC Company remained steadfast in prioritising the recruitment of experts with substantial expertise in the healthcare sector. They believed that recruiting individuals with extensive professional experience in the sector would assist the organisation in preserving its established reputation. In addition, the company's promotion and advancement policies displayed a clear favouritism for personnel who had progressed through the organisational hierarchy using traditional methods. Traditionally, candidates for leadership roles who possess distinctive qualities or experiences were routinely overlooked. Employees who are not considered to be useful may feel excluded and disengaged, leading to decreased motivation and effort.

Therefore, based on the discussion above, the primary objective of this study is to examine the impact of exclusive talent management approaches on employee engagement within ABC Company.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

The talent management philosophy refers to a collection of principles that assist firms in effectively managing their personnel, encompassing both current employees and prospective hires (Meyers et al., 2020). The document outlines the company's principles and beliefs on how to effectively recruit and retain staff, encompassing the organization's stance on diversity, equity, inclusion, and accessibility, techniques for nurturing talent, and the significance of employee involvement in fostering business triumph. Talent philosophies encompass the fundamental beliefs and concepts regarding the nature, importance, and efficacy of talent, as embraced by the key decision-makers inside an organisation (Meyers & Van Woerkom, 2014). Talent philosophies refer to the viewpoints held by senior HR managers regarding the meaning of talent, their opinions on individuals considered talented, the perceived importance of talented individuals, and the strategies they support for maximising performance by utilising talented individuals. Meyers & Van Woerkom (2014) developed a conceptual framework that

encompasses four fundamental beliefs concerning talent. These ideologies vary based on two dimensions: exclusive/inclusive and innate/developable. The talent philosophy of inclusion and stability is based on the ideas of positive psychology and the belief that every individual possesses persistent, positive attributes referred to as "strengths" (Graham et al., 2023). Positive psychologists argue that persons who can successfully utilize their own talents are likely to experience both happiness and optimal performance (Abbas et al., 2022). In line with this reasoning, managers that follow an inclusive and consistent talent philosophy appreciate the distinct abilities of all employees, regardless of their diversity, and aim to improve the fit between individuals and their job responsibilities. The objective of this method is to guarantee that individuals are assigned activities that make the most of their specific areas of competence.

There are several justifications for organizations to adopt a talent management mindset. Initially, a talent management philosophy aids organizations in attracting and retaining exceptional individuals by effectively communicating the organization's values, culture, and talent management strategy. Furthermore, a talent management philosophy establishes a harmonious connection between talent management and the overarching business plan of the organization, guaranteeing that the organization possesses individuals with the appropriate expertise and capabilities to foster growth and achieve triumph. Furthermore, a talent management philosophy enhances employee engagement and retention by effectively communicating the organization's values, culture, and talent management strategy.

According to Meyers et al. (2020), the philosophies of talent management play a vital role in influencing the implementation of Human Resources Management (HRM), which in turn affects important outcomes including employee job performance and work engagement. Thunnissen and Gallardo-Gallardo (2019) proposed a two-dimensional framework for understanding talent, consisting of an inclusive approach and an exclusive approach. They stated that the inclusive approach defines talent as including all personnel within a business.

In contrast, the exclusive method delineates talent as a distinct subset of people who are recognized as having exceptional potential and/or outstanding performance, and whose contributions are considered indispensable for the organization's current and future achievements. The crux of this research is that a business can choose to view the majority of its employees as having talent, or alternatively, to recognize only a select few individuals as being gifted. The inference stems from the idea that talent can be conceptualized either as an innate skill or ability present in all individuals (inclusive), or as a characteristic possessed only by a particular subgroup of persons (exclusive).

The present study posits that individuals who are deprived of these benefits are inclined to display bad behaviour and acquire an undesirable attitude towards the organization. Per Bolt, Winterton, and Cafferkey (2022) findings, individuals who are viewed as competent are more likely to feel valued and included within the organization, resulting in higher rates of employee retention. On the other hand, those who are not included in this group may experience a lack of motivation and are likely to exhibit a low level of involvement. Thus, the subsequent hypothesis is put forward:

Hypothesis 1: *Employees who believe that the ABC Company adheres to an exclusive talent management ideology are more inclined to experience reduced levels of work engagement.*

RESEARCH METHOD

This study investigates the employees of the ABC Company, encompassing individuals in both entry-level and supervisory roles. A survey questionnaire is a tool used in research to collect data from individuals about their views, experiences, or opinions (Pajo, 2022). The survey consists of a carefully designed set of questions or items that are intended to gather information from respondents in a systematic manner (Bell et al., 2018). The survey questionnaire items in this study were obtained and modified from prior research studies.

The survey was split into two parts: the first portion asked for demographic information from the participants, while the second part gathered information about the variables included in the model. The scale evaluated all components, excluding the respondents' personal information, using a five-point Likert scale. The scale spanned from 1, representing "strongly disagree," to 5, representing "strongly agree."

Table 1. Questionnaire for Exclusive Talent Management

No	Item	Adopted from
1	My company includes only a few of its staff members (identified as talents) in training.	(Mousa & Ayoubi, 2019)
2	My company categorizes us as talents and non-talents.	
3	My company offers financial and non-financial benefits to recognized talented staff.	
4	My company supports only those who are identified as talented staff.	
5	My company seeks to retain only those who are recognized as talented staff.	
6	My company does not secure equality to all of its staff	

Table 2. Questionnaire for Employee Engagement

No	Item	Adopted from
1	At my work, I feel bursting with energy.	(Schaufeli et al., 2002)
2	At my job, I feel strong and vigorous.	
3	When I get up in the morning, I feel like going to work.	
4	I'm enthusiastic about my job.	
5	My job inspires me.	
6	I'm proud of the work that I do.	
7	I feel happy when I'm working intensely.	
8	I'm immersed in my work.	

The measurement of exclusive talent management variable was conducted using a questionnaire developed by Mousa and Ayoubi (2019). In addition, this study utilized a survey developed by Schaufeli, Enzmann, and Girault (2017) to measure employee engagement. Finally, this study employed the employees' ages (quantified on a numerical scale) and genders (categorized on a binary scale) as control variables.

RESULTS AND DISCUSSION

This study employed quantitative methodology to address its research aims and research issues. A total of 104 participants completed the questionnaire for this study. The survey was disseminated throughout ABC Company. The questionnaire was disseminated via Google Form, and the questionnaire link was distributed to all employees, ranging from entry-level staff to junior managers. The demographic characteristics of the research participants are outlined below.

Table 3. Participants' demographic

		Frequency	Percents
Gender	Male	45	43,27
	Female	59	56,73
	Total	104	100%
Age		Frequency	Percents
	< 30 years old	3	2,88
	31 - 35 yers old	38	36,54
	36 - 40 years old	27	25,96
	41 - 45 years old	29	27,88
	46 - 50 years old	5	4,81
	51 - 55 years old	2	1,92
	>55 years old	0	0,00
		104	100
Education	Diploma	6	5,77
	Bachelor	82	78,85
	Masters	16	15,38
	PhD	0	0,00
		104	100
Tenure	< 1 year	11	10,58
	1 - 2 years	59	56,73
	3 - 4 years	28	26,92
	5 - 6 years	4	3,85
	> 6 years	2	1,92
		104	100,00
Current position	Staff	72	69,23
	Supervisor	26	25,00
	Junior Manager	6	5,77
		104	100

In this study, the participation of higher managers or executives was deliberately avoided as the focus is on investigating the perception of non-managerial personnel regarding the influence of the talent management philosophy on employee engagement. According to Table 3 above, there were a total of 59 female participants involved in the data collection process. In a similar vein, 45 males (43.27%) took part in this investigation. This potential was attributed to gender-related disparities in the perspective of talent management, which also warrants examination at the conclusion of the entire analysis process. Moreover, the respondents had diverse educational backgrounds. The participants' educational background was distributed as follows: 5.77% of individuals held advanced diplomas, 78.85% had attained bachelor's degrees, and 15.38% had earned postgraduate degrees.

Within the scope of this study, tenure denoted the length of time that participants had been associated with their present place of employment. 10.58% of the personnel were newcomers, with a tenure of less than one year. 56.73% of persons had a tenure between 1 and 2 years, whilst 26.92% had a tenure between 3 and 4 years. In addition, 3.85% of persons had a tenure that lasted between 5 and 6 years. In addition, a total of 1.92% of employees had a tenure that lasted longer than 6 years. The length of work often has a significant impact on the perceptions and perspectives of the individuals involved. Finally, 69.23% of the participants held staff positions, 25% held mid-level or supervisor positions, and 5.77% held junior manager positions.

Results

The quantitative research data analysis begins with the initial steps of data preparation and organisation (Creswell & Creswell, 2017). The data analysis step includes the procedures of data scoring and coding. Microsoft Excel served as the reference guide, while SPSS software aided with tasks involving descriptive and inferential statistical analysis. Data analysis entails the conversion of data and the computation of the means. Before conducting a simple regression, the relevant assumptions of this statistical technique were assessed. The sample size, comprising 104 participants, was deemed sufficient based on the inclusion of two independent variables in the study (Tabachnick & Fidell, 2007).

To provide a satisfactory level of dependability, studies that utilize several scales must assess the discrepancy between the actual scores and the recorded values (Geldhof et al., 2014). Cronbach's α is a well-accepted and respected method for evaluating the consistency and dependability of a measurement (Geldhof et al., 2014). The instruments used in this study exhibited a significant degree of reliability within the sample, with Cronbach's $\alpha = 0.818$.

A correlation analysis was utilized to examine the association between the research variables, including the control variables. The Pearson-Product Moment Correlation Coefficient was employed to ascertain the strength and direction of the relationship between the exclusive talent management ideology and employees' engagement. In this analysis, a correlation is deemed statistically significant if the P-value is below 0.05, and non-significant if the P-value is over 0.05. If a prominent correlation between the variables is detected, the study might proceed to ascertain whether there is a substantial influence between exclusive talent management and employees' engagement. The correlation testing results are presented in Table 4 below. An analysis of the connections between the predictor and criterion variables indicated a noteworthy and adverse correlation between exclusive talent management and

employee engagement ($r = -0.068$, $p = .000$). The negative value of the r coefficient indicates that there is an inverse association between the employee's view of exclusive talent management and employee engagement. As the perception of exclusive talent management increases, employee engagement decreases.

Table 4. Correlation coefficient

No	Variable	Mean	Std deviation	1	2	3	4	5
1	Exclusive talent management	2.87	0.79	1.00				
2	Gender	3.12	0.77	0.12	1.00			
3	Tenure	2.23	0.62	-0.68	0.04	1.00		
4	Job position	1.93	0.53	-0.47	0.06	-0.10	1.00	
5	Engagement	2.07	-0.68	-0.79*	0.11	0.49	0.34	1.00

*. Correlation is significant at the 0.01 level (2-tailed). N = 104

Discussion

The correlation between exclusive talent management and employee engagement is complex and can have a substantial influence on the overall achievement and contentment of both the talent and the organization. The study's data analysis revealed a strong and statistically significant negative association ($r = -0.068$, $p = .000$) between exclusive talent management and employee engagement. The presence of a detrimental and substantial correlation between exclusive talent management and employee engagement suggests that the adoption of exclusive talent management strategies by The ABC corporation could lead to a decline in employee engagement levels. Exclusive talent management refers to the utilization of tactics that focus on a select cohort of employees, usually those with extraordinary potential, to offer them exclusive opportunities for growth and facilitate their advancement in their careers. The exclusion of specific employees from these programs may lead to perceptions of inequality and unfairness, which could ultimately decrease employee engagement.

Employee engagement may occasionally suffer because of exclusive talent management. Hence, it is imperative for ABC Company to establish a nurturing work atmosphere that fosters a sense of worth, assistance, and empowerment among its employees, thereby enabling them to exert their utmost capabilities. Promote transparent and compassionate communication to foster a sense of appreciation and comprehension among staff. This can be accomplished through the implementation of strategies such as employee resource groups and town hall meetings. In addition, it is imperative for ABC Company to acknowledge and incentivize employees' accomplishments and efforts to cultivate a favorable work atmosphere and promote a sense of inclusion. Furthermore, foster a favorable model and cultivate confidence through the implementation of principled and open leadership. By applying these suggestions, organizations can establish a conducive work environment that fosters employee engagement, well-being, and productivity.

CONCLUSION

The observed correlation between exclusive talent management and employee engagement underscores a fundamental aspect of organizational dynamics. This negative correlation indicates that a greater perception of exclusive talent management is linked to a decline in employee engagement. This elucidates the potential adverse effects that may arise from employing exclusive talent management practices. Given these findings, the thesis continues by recommending that ABC Company reassess its people management processes, placing greater emphasis on inclusivity as a catalyst for cultivating a workforce that is not just dedicated but also well equipped for sustained prosperity and growth. This study concludes by advising ABC Company to re-evaluate their people management strategies, giving greater significance to inclusion as a driving force for producing a workforce that is not just committed but also well-prepared for long-term success and expansion. This recommendation is based on the findings presented in the thesis.

REFERENCE

- Abbas, A., Ekowati, D., Suhariadi, F., & Hamid, S. A. R. (2022). Negative vs. positive psychology: A review of science of well-being. *Integrative Psychological and Behavioral Science*, 1–32.
- Al Haziati, M. (2021). Development of framework for talent management in the global context. *Open Journal of Business and Management*, 9(4), 1771–1781.
- Anlesinya, A., & Amponsah-Tawiah, K. (2020). Towards a responsible talent management model. *European Journal of Training and Development*, 44(2/3), 279–303.
- Bell, E., Bryman, A., & Harley, B. (2018). *Business research methods*. Oxford university press.
- Berger, L. A., & Berger, D. R. (2004). *The talent management handbook*. McGraw-Hill New York, NY.
- Bolt, E. E. T., Winterton, J., & Cafferkey, K. (2022). A century of labour turnover research: A systematic literature review. *International Journal of Management Reviews*, 24(4), 555–576.
- Creswell, J. W., & Creswell, J. D. (2017). *Research design: Qualitative, quantitative, and mixed methods approaches*. Sage publications.
- Geldhof, G. J., Preacher, K. J., & Zyphur, M. J. (2014). Reliability estimation in a multilevel confirmatory factor analysis framework. *Psychological Methods*, 19(1), 72.
- Graham, B. E., Zaharie, M., & Osoian, C. (2023). Inclusive talent management philosophy, talent management practices and employees' outcomes. *European Journal of Training and Development*.
- Meyers, M. C., & Van Woerkom, M. (2014). The influence of underlying philosophies on talent management: Theory, implications for practice, and research agenda. *Journal of World Business*, 49(2), 192–203.
- Meyers, M. C., van Woerkom, M., Paauwe, J., & Dries, N. (2020). HR managers' talent philosophies: prevalence and relationships with perceived talent management practices. *The International Journal of Human Resource Management*, 31(4), 562–588.
- Mousa, M., & Ayoubi, R. M. (2019). Inclusive/exclusive talent management, responsible leadership and organizational downsizing: a study of academics in Egyptian public business schools. *Journal of Management Development*, 38(2), 87–104.
- Nijs, S., Gallardo-Gallardo, E., Dries, N., & Sels, L. (2014). A multidisciplinary review into

- the definition, operationalization, and measurement of talent. *Journal of World Business*, 49(2), 180–191.
- O'Connor, E. P., & Crowley-Henry, M. (2019). Exploring the relationship between exclusive talent management, perceived organizational justice and employee engagement: Bridging the literature. *Journal of Business Ethics*, 156, 903–917.
- Pajo, B. (2022). *Introduction to research methods: A hands-on approach*. Sage publications.
- Rabbi, F., Ahad, N., Kousar, T., & Ali, T. (2015). Talent management as a source of competitive advantage. *Journal of Asian Business Strategy*, 5(9), 208.
- Schaufeli, W. B., Enzmann, D., & Girault, N. (2017). Measurement of burnout: A review. *Professional Burnout*, 199–215.
- Schaufeli, W. B., Salanova, M., González-Romá, V., & Bakker, A. B. (2002). The measurement of engagement and burnout: A two sample confirmatory factor analytic approach. *Journal of Happiness Studies*, 3, 71–92.
- Tabachnick, B. G., & Fidell, L. S. (2007). Multivariate analysis of variance and covariance. *Using Multivariate Statistics*, 3, 402–407.
- Thunnissen, M., & Gallardo-Gallardo, E. (2019). Rigor and relevance in empirical TM research: Key issues and challenges. *BRQ Business Research Quarterly*, 22(3), 171–180.
- Vaiman, V., Haslberger, A., & Vance, C. M. (2015). Recognizing the important role of self-initiated expatriates in effective global talent management. *Human Resource Management Review*, 25(3), 280–286.