

TALENT MANAGEMENT AND PERFORMANCE IN THE PUBLIC SECTOR

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Introduction

Talent management (TM) is one of the most popular themes in contemporary human resource management (HRM). TM is often defined as the systematic attraction, identification, development, engagement/retention, and deployment of talents (e.g., CIPD, 2006; Scullion, Collings, & Caligiuri, 2010). In practice, TM has gained popularity, mainly because of a growing awareness that human resources (employees) can be seen as the source of competitive advantage of an organization in the current knowledge intensive economy (Boxall & Purcell, 2016). Several societal developments such as globalization, technological developments (e.g., automation and robotization), and demographic developments (an aging population) have an effect on the demand for and availability of talent on the labor market.

Often the TM issues of information technology or high-tech companies are used as examples to set the scene. However, TM is not just a private sector hype. Public sector organizations are also confronted with HR challenges such as labor market scarcity and the unpopularity of certain public sector jobs. For example, in the Netherlands, health care (mainly medical doctors, nurses, and managers) and education (primarily teachers in primary and secondary education) suffer significantly from the chronic shortages of talent in the labor market (for more information see www.arbeidsmarktcijfers.nl). In many countries (e.g., Belgium, the Netherlands, and Germany), the public sector covers a significant part of the total labor market, with the government as one of the biggest employers in the country. Issues regarding the attraction, development, and deployment of talent can affect the performance of these organizations and, subsequently, the fulfillment of their public task. For example, Dutch newspapers frequently report the waiting lists for patients in mental health care due to a lack of staff, and schools in primary education are sometimes forced to increase the number of children in a classroom due to shortages in staff.

Despite these issues in practice, current research on TM is primarily focused on private sector organizations, in particular on the TM issues of large organizations operating on a global scale (Collings, Scullion, & Vaiman, 2011; Thunnissen & Gallardo-Gallardo, 2017). However, since the circumstances and characteristics of private sector organizations differ from those in public or non-profit sector organizations (Christensen, Laegrid, Roness, & Rovik, 2007), the current concepts and assumptions in the TM literature related to the context of private and multinational organizations are likely less than adequate to describe and study TM in organizations in other contexts.

Little attention is paid to specific TM issues in public sector organizations, how they define talent, and how successful they are in their battle for talent (Thunnissen, Boselie, & Fruytier, 2013). A review of empirical TM research by Thunnissen and Gallardo-Gallardo (2017) shows that just a minority of

publications are focused on TM issues in public sector organizations, such as health care institutes (e.g., Powell et al., 2012), higher education institutes (e.g., Thunnissen & Van Arensbergen, 2015), or local or central government organizations (e.g., Barkhuizen, 2014).

In addition, many scholars in the field argue that TM should be aimed at supporting organizations in reaching their goals, as well as in gaining competitive advantage by achieving organizational excellence (Thunnissen et al., 2013). Up until now, most of the conceptual TM literature points at the potential value of TM for the organization – in terms of efficiency, organizational flexibility, profit, and competitive advantage (e.g., Cappelli, 2008; Collings & Mellahi, 2009) – in line with the resource based view notions (De Boeck, Meyers, & Dries, 2018). Whether TM actually contributes to these outcomes is not clear, because up until now empirical research regarding the effects of TM is scarce; few empirical research studies investigate the outcomes of TM, and if they do, they investigate prevalent effects employee level outcomes (De Boeck et al., 2018; Thunnissen & Gallardo-Gallardo, 2017).

The value of TM for society as a whole is only mentioned in some conceptual TM papers (e.g., Boudreau & Ramstad, 2005), but is not investigated in empirical TM research. The conceptual focus on organizational level outcomes on the one hand, and the empirical focus on employee level outcomes on the other hand, can, however, be the result of the complexity of measuring TM effects in combination with the maturity of the TM discipline.

For public sector organizations, it is even more difficult to define organizational performance. A public sector organization has to deal with multiple stakeholders inside and outside the organization. It has to serve several “masters”, and therefore should satisfy multiple goals. Claiming that TM primarily contributes to organizational well-being in terms of efficiency and flexibility ignores the specific context of public sector organizations have to address. Therefore it is important to increase our understanding of TM in the public sector, and in particular on the assumed relationship between TM and performance.

In sum, for TM we can identify multiple gaps in current TM literature and research:

1. The lack of empirical research on TM in the public sector, for example, in terms of what is actually applied in public sector organizations (Boselie & Thunnissen, 2017);
2. The lack of empirical research on the impact of TM on different types of outcomes, such as societal, organizational, and/or employee outcomes, in line with the Harvard Model for HRM (Beer, Boselie, & Brewster, 2015);
3. Little conceptual and empirical knowledge on the linkage between TM and performance in the public sector (Thunnissen & Gallardo-Gallardo, 2017).

This chapter aims to address these gaps, as it focuses on TM in public sector organizations and in particular on the current knowledge regarding the linkage between TM and performance in the public sector. The central research question of this chapter is: What do we know about the impact of talent management on organizational outcomes, employee well-being, and societal well-being in public sector organizations?

To answer this question we conducted an exploratory literature review that provides an overview of the insights from a select number of empirical publications on TM in public sector organizations. The overall objective of the chapter is to encourage dialogue among all TM scholars about the outcomes of TM, and in particular in the public sector, and to encourage further research in this area.

This chapter is organized into four sections. First, we will explore the academic debate regarding the linkage between HRM and performance, and in particular to the extent to which this discussion suits the specific public sector context. Three models will be presented to introduce the reader into the relationship between TM and performance in public sector organizations: 1) the multidimensional performance approach of the Harvard HRM-model (Beer et al., 2015); 2) the HR-process model (Wright & Nishii, 2013); and 3) the HRM-value chain in public sector organizations (Vandenabeele, Leisink, & Knies, 2013). These three models are used to build a TM value chain for public sector organizations.

In the second section of the chapter, the methodology for our review study is presented. A total of 29 articles on empirical research on TM in the public sector are included in this exploratory review. In the third section, the findings of the review study are put central. First we will discuss what is studied in general in empirical TM in the public sector, and subsequently we zoom in on the research regarding outcomes of TM. The chapter ends with a discussion of the findings and suggestions for further research on TM in the public sector.

Talent Management and Performance in the Public Sector: A Conceptual Framework

For a better understanding of the relationship between TM and performance in the public sector, the existing and long-lasting general HRM and performance debate can be a guideline. The HRM and performance debate started with ground-breaking studies by Arthur (1994) and Huselid (1995) that had an impact on further empirical research on the added value of HRM. The early HRM and performance studies focused mainly on the effects of HRM practices on organizational outcomes such as productivity, profits, sales, and market value (Boselie et al., 2015). The majority of these outcomes are irrelevant for the public sector context, although public sector organizations are also challenged by defining public sector performance and the way to affect it with the right people management (Knies et al., 2018).

In the early 2000s, the general HRM and performance debate not only focused on organizational outcomes, but also on employee outcomes such as job satisfaction, motivation, turnover, absence due to illness, and commitment. It reflects the problem of defining and measuring performance beyond simple financial indicators. In a reaction to the 1990s, HRM and performance research Guest (1997) pointed out the need for new models and theory on what is performance and how to measure it. He made a plea for more theory and models on: 1) What is HRM?; 2) What is performance and how can we measure it?; and 3) What is the relationship between the two?

More than two decades later, it is generally acknowledged that HRM can have a positive impact on certain outcomes (Pauwe & Farndale, 2017), yet for the public sector it often seems difficult to measure performance and to determine the effects of HRM on performance (see for example, the special issue on strategic HRM and public sector performance, guest edited by Knies, Boselie, Vandenabeele, & Gould-Williams, 2018).

To understand the added value of TM in the public sector context – TM and performance – three popular HRM models will be presented in line with Guest's (1997) plea for theories and models on what is HRM, what is performance, and what is the relationship between the two. These models are:

1. the Harvard HRM-model, which identifies different (possible) outcomes of TM in terms of individual well-being, organizational effectiveness, and societal well-being, also known as a multidimensional performance approach by Beer, Boselie, & Brewster (2015);
2. the HR-process model of Wright and Nishii (2013), disentangling the "route" from intended HR practices to actual outcomes in separate stages;
3. the HRM-value chain made specific for the public sector by Vandenabeele et al. (2013).

What Is Performance in the Public Sector?

Academics involved in the public sector performance debate state that in the measurement of performance, context specific characteristics have to be taken into account. Private companies define organizational performance in terms of productivity, service quality, sales, profits, market share, and market value. However, the public sector context is much more complex because of the significant impact of institutional mechanisms, such as the presence and influence of multiple stakeholders inside and outside public sector organizations, the role of the government (including the authorizing environment), the

relevance of politics, and the impact of public values linked to institutions and culture (Christensen, Laegrid Roness, & Rovik, 2007; Leisink, Boselie, Hosking, & Van Bottenburg, 2013).

In many public sector contexts, organizational performance is affected by political choices, professional norms and values determined by professional bodies and professional associations, and regulatory, authorities that check safety, quality, and integrity of public sector organizations (Vandenabeele et al., 2013). The organizational performance in public sector organizations is therefore more heterogeneous, context specific, and highly dependent on regulations, political decisions, and external stakeholders.

The Harvard Model (Beer et al., 1984; Beer et al., 2015) is the oldest model to explain HRM outcomes and the relevance of context. The model heavily builds on multiple stakeholder theory and situational factors known from strategic contingency approaches of the 1970s and 1980s. Overall, the Harvard Model incorporates multiple stakeholders such as managers, shareholders, trade unions, employees, and government in combination with acknowledging contextual factors that are assumed to affect the shaping of HRM and its impact on performance. Performance is defined as a multidimensional construct acknowledging 1) organizational effectiveness, 2) employee well-being, and 3) societal well-being as equally important long-term consequences in the value chain of an organization.

In addition, the authors of the model assume possible tensions between the three performance dimensions. This is exactly the type of “What is performance?” (Guest, 1997) that fits the nature of performance debates – measurement and impact – in public sector contexts. The lessons from the Harvard Model for TM and performance in the public sector, therefore, are mainly focused on acknowledging multiple stakeholders, context, and a multidimensional performance framework.

The Link between HRM and Performance

A few years ago, Wright and Nishii (2013) developed the HR Process Model that addresses Guest’s (1997) question “What is HRM?” Their model was groundbreaking because of the differentiation between intended HRM practices, actual HRM practices, and perceived HRM practices. The intended HRM practices represent the policies and the decision making with respect to HRM. The actual HRM practices refer to the implementation of HRM, often by line managers at different levels of the organization. Finally, the perceived HRM practices refer to the way HRM is internalized and experienced by employees.

In a perfect situation, there is full alignment of intended, actual, and perceived HRM practices. In practice, there are often significant differences between the stages of the HRM chain in the HR Process Model causing variance. Wright and Nishii (2013) put a heavy emphasis on the relevance of a consistent and coherent approach, and to communication and information to all the actors involved (line of sight), and line managers as HRM enactors, to prevent variety in the HR-process.

The Complex Relationship between HRM and Performance in the Public Sector

For a further contextualization of HRM and performance, the model by Vandenabeele et al. (2013) is insightful. They developed an HRM value chain including the HR Process Model by Wright and Nishii (2013), the AMO model (abilities, motivation, and opportunity to participate), public service performance and public administration on public values and public value. In this specific public sector context, Vandenabeele and colleagues (2013) make a distinction between the authorizing environment and public values. The authorizing environment consists of politician and stakeholder influences. The stakeholders can be situated outside and inside the organization, i.e., governmental policy makers, political parties and unions, audit offices, and governmental advisory bodies, as well as managers and public service workers within the organization.

Public values refer to the public sectors’ contribution to society (e.g., service to society as a whole, social cohesion, and sustainability), and how public sector organizations and their employees should behave in relation to their environment, such as politicians and citizens, referring to values such as

loyalty, responsiveness, accountability, honesty, and integrity (Jørgensen & Bozeman, 2007). The public values are determined by the existing institutional and cultural framework. The shaping of HRM and the effects of HRM in a public sector context are complicated and often fuzzy. The Vandenberg et al. (2013) model can be a guideline for understanding the value chain in public sector contexts.

TM Value Chain for Public Sector Organizations

Guest's (1997) three questions can also be applied to TM and performance in the public sector context. The Harvard Model (Beer et al., 1984; Beer et al., 2015), the HR Process Model (Wright & Nishii, 2013), and the Vandenberg et al. (2013) model provide HRM and public sector specific frameworks for putting TM and performance into perspective:

- For the “What is the value of TM in terms of performance and outcomes?” question, the Harvard Model with its multiple stakeholder perspective, situational factors, and multidimensional performance construct is helpful;
- For the “What is TM?” question, we can use the HR Process Model with its distinction between intended, actual, and perceived HRM practices;
- The “What is the relationship between TM and performance?” in the public sector question is addressed by the Vandenberg et al. (2013) model with its public sector specificity.

First, in line with Boselie and Thunnissen (2017), we expect that this general HRM value chain designed for the public sector context is also applicable to a TM value chain for public sector organizations (see also the integrated and dynamic TM model of Thunnissen & Gallardo-Gallardo, 2017). When we apply the HR Process Model by Wright and Nishii (2013) to TM, we assume that a TM strategy reflects the management intentions towards talents (intended TM strategy), the TM implementation is related to management actions (actual TM practices), and the TM perceptions represent the way TM is perceived by its receivers (the employees) who are confronted with the TM strategy and interventions (perceived TM practices).

Second, TM interventions and perceptions are assumed to result in employee reactions (abilities, motivation, and opportunities) and, subsequently, in TM outcomes. The TM outcomes will be defined by the Harvard Model (Beer et al., 2015) in terms of organizational well-being (public service performance), employee well-being (for example, in terms of employee health and job satisfaction), and societal well-being (for example, client and citizen satisfaction). The concept of societal well-being is closely related to the Public Administration concept of public value (Moore, 1995). Public organizations do not aim for maximizing sales, profits, or market value. Instead public organizations often have an alternative goal labeled public value, for example, in terms of high-quality education in schools and safe health care in hospitals.

The contextualization and conceptualization of TM in relationship to multiple outcomes (individual, organizational, and societal) was also picked up by Thunnissen, Boselie, and Fruytier (2013) in a multi-level and multidimensional TM approach. The authors argue that too little attention is paid to the societal relevance of TM in combination with the macro implications of TM. The latter is now highlighted and stressed in what has become known as Macro TM, or the human capital potential and development within different regions and countries (Thunnissen, Schippers, & Boselie, 2018; Vaiman, Sparrow, Schuler, & Collings, 2018).

Finally, HRM in the public sector implies a contextualization of the whole value chain, including the input (HRM choices), the mediators and moderators (the interventions and perceptions), and results (multidimensional performance indicators). In line with the Vandenberg et al. model (2013), we assume that the external context will continuously affect the complete TM value chain, from the development of the intended TM strategy, through the actual implementation of TM and the outcomes of TM (see [Figure 16.1](#)).

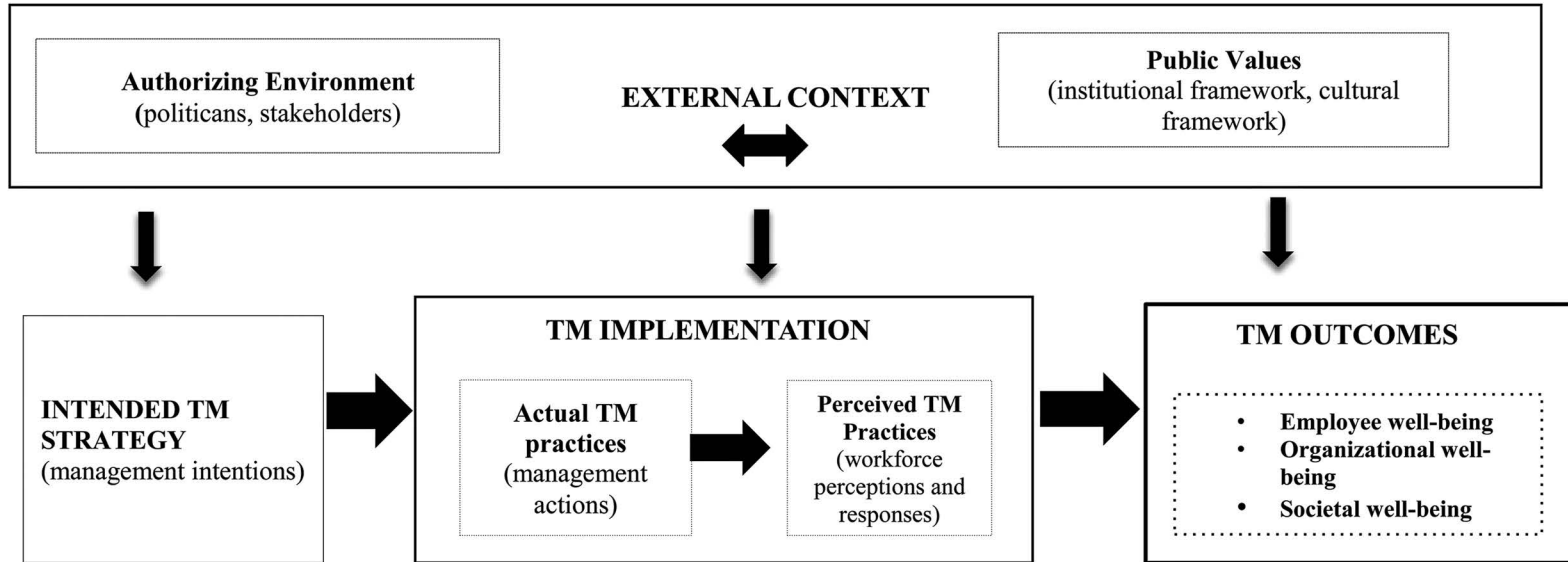


Figure 16.1 TM value chain for the public sector

Methodology

To gain insight in TM in the public sector, in particular in what is already known about the relationship between TM and performance in the public sector, we conducted an exploratory literature review. The selection of studies for the analysis was based on multiple criteria. First, we focused on publications discussing empirical research on TM in the public sector, thus conceptual papers were excluded. Second, only studies published in international academic journals were included. Working papers, dissertations, book chapters, and reports are not included in the overview. Third, we only included articles written in English and published in peer-reviewed journals that are acknowledged in Web of Science or Scopus as a quality standard for the articles used for further analysis. Fourth, many TM research studies investigate TM in multiple sectors, including the public sector as one of the sectors (see Thunnissen & Gallardo-Gallardo, 2017).

Since it is not possible to extract the specific information about the public sector in those papers, we decided to only include studies in which the data were collected in the public sector exclusively. We utilized Web of Science and Scopus databases for article identification and retrieval. The terms “talent” and “talent management” as search strings in title, key words, and abstract of the article. Often the terms talent or talent management are used superficially to attract the attention of the reader to a hot topic, while in the end the paper is on another subject (see Thunnissen & Gallardo-Gallardo, 2017).

To be included in the review the article had to be on TM or on a clearly related theme (for example, graduate development programs in the study of Clarke, 2017), big performers in public sector organizations (as in the study of Van de Wal, 2017), and attracting international postdoctoral students in university contexts (as in the study by Brosi & Welp, 2015). We did not set a timeframe for the selection. All empirical publications published up until mid-2018 were included. In the end, a total of 29 empirical articles on TM in the public sector context were identified. All publications are marked with a * in the References list.

The publications were analyzed in a number of ways. First, we identified some bibliometric data of the publications, in terms of journals, authors, and years of publication. Second, we focused on the context (the country and subsector of data collection) and the methodology (methods and respondents included in the study). Third, we recorded how the talent and TM were operationalized. Finally, the focus was put on the TM process and the outcomes of TM: Is there attention in the publication for outcomes of TM, and in what way? In the next section, the results of this analysis will be presented.

Results

Journals, Year of Publication and Authors

The selection process resulted in a total of 29 articles presenting findings of empirical research on TM in the public sector. Previous reviews (e.g., Gallardo-Gallardo, Nijs, Dries, & Gallo, 2015) show that 2006 was the starting point of the academic attention for TM, and that after some calls for more empirical research by renowned TM scholars (Collings & Mellahi, 2009; Lewis & Heckman, 2006), empirical research increased significantly since 2010 (see Thunnissen & Gallardo-Gallardo, 2017).

One of the earliest empirical publications on TM in the public sector we found was published in 2008 on TM by Kock and Burke (2008). This country-level case study, based on secondary analysis of policy documents and reports, describes the rise and implementation of TM in the South Africa public service. The majority of papers (15 articles), however, are from a more recent date and are published in 2016, 2017, and 2018. This is more than six years later than the “publication explosion” since 2010 identified by Thunnissen and Gallardo-Gallardo (2017).

Only a quarter of all articles were published in the regular HRM journals, with two articles published in *Personnel Review* and three articles in *Employee Relations*. The majority of the papers in the overview stem from a wide range of journals that are management journals in general (e.g., *European Management Journal*, *Journal of World Business*), or specifically focused on management and policy making in the public sector (e.g., *Public Personnel Management*, *Public Money & Management*) or sector specific (e.g., *Studies in Higher Education*, *Journal of Health Organization and Management*).

Nearly 40 scholars were involved writing the empirical papers. Some authors appear in multiple journal articles, in particular Thunnissen (four articles; focus on higher education), the group of scholars Macfarlane, Powell, and Duberley (two articles; focus on health care), and Clarke (two articles; focus on graduate development programs in public sector), which probably reflects the research focus and expertise of these TM scholars or the richness of their dataset.

The Research Context

We see that the data are gathered in a variety of national contexts, although the data from four countries prevail. Six articles were based on UK data, for example, Harris and Foster's study (2010) on TM, equality and diversity in two British public sector organizations. Five articles include data from the Netherlands, for example, the article by Thunnissen and Van Arensbergen (2015) on TM in Dutch academia. Three articles are based on data from South Africa including a study by Barkhuizen (2014) on TM in South African local government institutions, and also three articles are grounded in Australian research, for example, Liang, Howard, Leggat, and Bartram's study (2018) on health service management competencies in health care contexts.

The other articles are based on data from different countries, for example, from other African and Asian countries. There are also seven articles in which TM approaches in multiple countries are compared, e.g., the study on public sector TM schemes in Thailand, Malaysia, and Singapore by Poocharoen and Lee (2013).

Education and health care seem to attract the most academic interest. Nearly half of the articles on TM were focused on higher education (seven articles) (e.g., Erasmus, Naidoo, & Joubert, 2017; Paisey & Paisey, 2016) or on health care organizations such as hospitals (seven articles) (e.g., Day et al., 2014; Groves, 2011). Both universities and hospitals employ professionals (scientists and medical specialists) that can be considered as core employees or talents that play a strategic role in the organization's success. This might be an explanation for the popularity of TM in these two public sector contexts. Other public sectors include public services, primary and secondary schools, local governments, and public electricity utilities (e.g., Barkhuizen, 2014; Rhodes & Brundrett, 2012).

Research Methods

Half of the articles (14) articles apply qualitative research methods using semi-structured interviews, unstructured interviews, focus groups, documents, and secondary data. Four papers are purely based on the analysis of secondary data, on a sector level. Only two articles apply a pure quantitative research method using survey questionnaires. In five articles, we have identified a mixed methods technique combining, for example, interviews and survey data. This dominance of qualitative research could be expected in the relatively young academic field of TM, but is, however, in contrast to the general development of the TM field, in which quantitative research methods are more often used (Thunnissen & Gallardo-Gallardo, 2017).

Note that we only found two articles that use some kind of longitudinal method (e.g., Thunnissen, 2016). From a TM and performance perspective, only longitudinal data can lead to the determination of causal relationships between TM and outcome.

Research Population

The review shows that empirical TM research is mainly focused on the organizational perspective. Half of the articles in our database present the data from a multi-level study in which managers, selection committee members, HRM, and/or employees are included as respondents and share their experiences with the implementation of TM in the organization (e.g., Mtshali, Proches, & Green, 2018). In additions, a quarter of the articles exclusively reflect management's perceptions and experiences with

the implementation of a TM system in the organization (e.g., Paisey & Paisey, 2016). Approximately a quarter of the articles have employees as core respondents groups, presenting their perceptions and reactions to TM (e.g., Clarke, 2017; Swailes & Blackburn, 2016).

Defining Talent Management

One of the core debates in TM is related to the inclusive (the talents or abilities of all employees) or the exclusive approach to TM (aimed at attracting and retaining a select group of employees) (Gallardo-Gallardo, Dries, & Gonzalez- Cruz, 2013). Inclusive TM builds on the notion that every employee has talents that can be developed and used in an organization. The inclusive TM approach is also closely related to “the good employer notions” in combination with “equality” fundamentals that are characteristic for many public sector contexts (Boselie & Thunnissen, 2017). Many public sector contexts have a rich history in aiming for “the good employer” for its workforce, all workers being equal. Research shows that public sector organizations apply both exclusive and inclusive TM approaches (e.g., Thunnissen & Buttiens, 2017).

The studies on TM in the public sector emphasize the exclusive talent approach, and investigate the attraction and retention of an elite group of employees. This starts with the definition for TM used in the articles. Most articles refer in their own words to the TM definition of the Chartered Institute of Personnel and Development (CIPD). The CIPD describes TM as the systematic attraction, identification, development, engagement/retention, and deployment of talents.

Suk Kim and Kotchegura (2017), for example, define TM as the systematic attraction, identification, development, engagement/retention, and deployment of those individuals who are of particular value to an organization, either due to their high potential for the future or because they are in business/operationally-critical roles. Groves (2011) sees TM as an integrated set of processes, programs, and cultural norms in an organization designed and implemented to attract, develop, deploy, and retain talent to achieve strategic objectives and meet future business needs. Heilmann (2010) describes TM as a set of HRM practices, such as recruiting, selection, compensation, performance management, development, career succession planning, and retention practices.

The CIPD definition of TM can be seen as a micro HRM bundles that consists of multiple single HR practices that are aligned together according to strategic HRM notions (Boselie, 2014). Moreover, this definition highlights organizational well-being and does not refer to employee or societal well-being, which we, in line with Beer et al. (2015), also mentioned as potential outcomes of TM.

Some papers refer to vague talent definitions such as “highly skilled workers”, “individuals who are critical in achieving organizational goals”, or “public sector “superheroes” (Day et al., 2014). Other studies explicitly discuss the attraction and retention of leadership talent (e.g., Macfarlane et al., 2012; Mtshali, Proches, & Green, 2018). Some studies focus on an inclusive talent approach (e.g., Erasmus, Naidoo, & Loubert, 2017) or compare the perceptions of talents selected for a talent pool versus the employees not selected (Swailes & Blackburn, 2016)

The TM Process

Nearly 40% of the studies (11 articles) are focused on the implementation of TM (i.e., the actual practices in the terms of Wright and Nishii, 2013). Examples are the study of Van den Brink et al. (2013) on the actual selection process of academic talents in Dutch universities, or the paper by Powel et al. (2016) on the implementation of TM in the British health care system. Many of these studies are qualitative studies investigating the experiences and perceptions of actors involved in TM, including employees, which makes it difficult to separate perceptions from the actions in the TM process.

Just a handful of papers are focused on either the intended TM strategy (four articles; e.g., Glenn, 2012) or the employee perceptions and reactions (four articles; e.g., Clarke & Scurry, 2017; Mensah & Bawole, 2017). Investigating the whole TM process, from intended practices to outcomes, is scarce,

although the studies by Swailes and Blackburn (2016) and Thunnissen (2016) offer interesting insights in this matter. The concept of societal well-being receives no attention.

The Vandenabeele et al. (2013) model shows the continuing impact of contextual factors on the HRM process in public sector organizations. In most papers exploring the influence of factors and actors in the context on TM is not the core quest in the study, although they do mention some issues that hinder effective implementation, such as unclear definitions, different perceptions of talent, or the ambiguous role of the line manager (Mtshali et al., 2018; Powell et al., 2016). Interesting are the studies focusing on the implementation of TM schemes in the public sector of a specific country (e.g., Kock & Burke, 2008; Poocharoen & Lee, 2013; Van der Wal, 2017), because they, in line with the upcoming stream of research on MTM, mainly focus on the institutional and market developments and impact factors organizations have to deal with when implementing TM.

The Added Value of TM in Public Sector Contexts

Consistent with previous reviews (Gallardo-Gallardo et al., 2015; Thunnissen & Gallardo-Gallardo, 2017), our exploratory review shows that the effectiveness of TM is underexplored in research on TM in the public sector. In 18 articles, effects on performance were not the subject of study. The articles investigate, for example, the operationalization of talent, the competencies of leadership talent, or actual TM practices such as the implementation of a TM practice, such as the recruitment or selection of talent (e.g., Erasmus et al., 2017; Rhodes & Brundrett, 2012; Saddozai et al., 2017; Thunnissen & Buttiens, 2017; Thunnissen & Van Arensbergen, 2015; Van den Broek et al., 2017).

Some publications, however, hint to a possible relation between TM and outcomes, but cannot build these arguments on empirical evidence because they did not gather empirical data on this matter. In the research by Glenn (2012), for example, the effects of TM on getting the right people in the right place are still to be evaluated. Other articles are very speculative and assume effects, although they did not investigate these effects themselves. Groves (2011), for instance, argues that when all the phases are implemented, sustainable competitive advantage can be achieved. Clarke and Scurry (2017) claim that TM with good implementation, including psychological contract attention, has the potential to be beneficial. Nonetheless, we also notice that other studies are very careful with claims regarding the relationship between TM and performance. For example, Suk Kim and Kotchegura (2017) write that the results have been modest because none of the countries has managed to implement a comprehensive strategy to attract and retain talent.

The other 11 articles included in this review provided empirical data concerning the effects of TM inducements (e.g. Madichie & Nyakang'o, 2016; Paisey & Paisey, 2016), although in some studies these effects were found accidentally or indirectly. For example, Day et al. (2014) did not intentionally investigate TM effects, but their study on talents of health care leaders found that if health care leaders have certain talents and abilities, this results in better health care and a more healthy population, although the causality is not straightforward. In other words, a reversed causality cannot be excluded.

Studies that mention organizational performance find diverse results regarding the relation between TM and this performance. Macfarlane et al. (2012), for instance, conclude that there is empirical evidence for the impact of a "hard" TM policy on the performance of the British National Health System. Yet, this evidence is limited, partly due to the difficulty of defining performance. Additionally, Mtshali et al. (2018) find that despite the rigorous TM process, there was no increase in organizational performance, because of multiple factors, but mainly because of failures in implementation.

Studies investigating TM effects are dominated by a focus on employee level outcomes: individual employee performance. Swailes and Blackburn (2016) find that performance of individuals in talent pools is increased because of exclusive TM rather than inclusive policies and practices. However, the question of reversed causality could be asked here, too, because Powell et al. (2013) conclude that performance is important in the selection of talents and that there is limited robust evidence for the effectiveness of TM.

However, the study by Van der Wal (2017) found that the nationwide introduction of private sector practices in the public sector, such as employer branding and recruitment efforts, seem to enhance the performance of a country. These successful countries managed to speak out to intelligent individuals whose key motivations correspond with the intellectual challenges and complexities public sector jobs in dynamic contexts have to offer. This is partly underlined by Brosi and Welpel (2015) who claim that good employer branding (mostly the quality of the relation with the mentor) positively influences performance.

Besides the positive effects, some studies address the “dark side” of TM in public sector organizations. Poocharoen and Lee (2013), for example, found that TM can help to increase individual performance, however, the performance related pay and appraisal should be transparent in order to cause no harm to the rest of the organization, in particular related to jealousy that can negatively affect performance. Moreover, Barkhuizen (2014) found that poor TM practices increase employee working hours, which in turn can lead to poor individual and organizational performance, showing an undesired risk of (bad) TM.

What worries us is that there is little clarity about the outcome indicators used in the articles. There is a tendency of focusing on attitudinal and behavioral outcome measurement (at the employee level) linked to TM interventions, but given the research methods (mainly qualitative), it is not straightforward what is exactly being measured. Poocharoen and Lee (2013), for example, focus on motivation of talents and non-talents. Rhodes and Brundrett (2012) look at an enhanced commitment of talented staff, an improved pipeline of high-quality leaders and more support for school improvement. Organizational performance as a final outcome is problematic, probably as a direct result of the public sector context in which public service performance is ambiguous and contested (Knies et al., 2018).

Overall the empirical studies in our review reveal that the effects of TM on performance are fuzzy or absent. There is no convincing empirical evidence for a positive effect of TM on performance on the basis of the 29 empirical articles selected in this study. Only a few articles in our analysis find an effect of TM, yet the number of articles is too low to draw conclusions. This is partly caused by the wide focus of empirical studies in the area of public sector TM, some of which are not aimed at the added value of TM as such. Almost every study assumes a link between TM and organizational performance, but it is often not the real focus of the study. And there is almost no quantitative work about TM in the public sector.

Conclusion and Areas of Further Research

The central research question of this chapter is: What do we know about the impact of talent management on organizational outcomes, employee well-being, and societal well-being in public sector organizations? We started off with the ambition of presenting a review of findings that could contribute to the further development of TM research, for example, through the development of new propositions and hypotheses, and practical implications for public sector organizations who apply TM in their organization. Although there are many publications discussing empirical TM research, we could only identify 29 empirical articles on TM in the public sector. Of those 29 articles, more than half of the articles in reality did not present empirical findings on the impact of TM. The empirical TM research in the public sector goes in multiple directions.

Those studies that focus on outcomes or performance show a tendency towards the measurement of performance according to private sector standards, i.e., a focus on organizational well-being or on employee well-being in the light of the importance for organizational performance. There is a risk of neglecting the (public) contexts in these approaches. We conclude that while TM as a discipline has reached a stage of adolescence (see also Thunnissen et al., 2013, and the Oxford University Press Handbook of Talent Management, 2017), the empirical research on TM in the public sector in general; on the link between TM and public sector in specific, the research is still in its infancy.

This research area could benefit from the developments related to the HRM and performance debate that emerged in the mid-90s. In that ongoing debate, we observe (a) an increase in the number of empirical studies; (b) the inclusion of employee related outcomes (for example, employee well-being in terms of employee health, vitality, and burnout risks); (c) theoretical expansion using theories from different scientific fields (for example, the resource-based view from strategic management and the social exchange theory from applied psychology); (d) increased methodological rigor using both sophisticated research designs and advanced research methods (for example, multilevel analysis); (e) the inclusion of multiple internal and external stakeholders; and (f) first attempts to expand the concept of performance (organizational effectiveness and employee well-being) with societal well-being or what is known as public value creation in Public Administration.

The TM community has to be careful not to reinvent the HRM and performance wheel through linking empirical TM research to the general HRM and performance debate using insights from both HRM and organizational behavior.

Knies et al. (2018) show that public sector performance is difficult and challenging from a practitioner and academic point of view. That, however, does not mean that organizational effectiveness, employee well-being and societal well-being (or public value) are irrelevant. On the contrary, some degree of employee differentiation in terms of TM within a public sector context is most likely to affect the multi-dimensional performance construct suggested in the Harvard Model (Beer et al., 2015).

More research is required to open that public sector “black box” of TM effects. It is therefore too early to formulate propositions or hypotheses. Context specific models, such as the one by Vandenberg et al. (2013), are required to put the theories, research designs, and research methods into perspective. Context matters (Paauwe & Farndale, 2017) and public sector characteristics affect the shaping of HRM, TM, performance, and the possible linkages (Boselie & Thunnissen, 2017).

Overall, we think it is important to do more empirical research on talent management in public sector organizations. This suggests the inclusion of public sector sensitive theories, such as public service motivation theory (Vandenberg et al., 2013) and more recent theoretical insights from what is becoming known as behavioral public administration theory, focused on affecting attitudes and behaviors of public sector workers. The public sector context is very different from the private sector on which the majority of HRM and TM models are based. The intrinsic motivation of public sector workers is often linked to their occupation (for example, nurses, police officers, firefighters, and teachers) in combination with certain deeper drivers for working in that specific organizational environment, wanting to cure people, help and rescue citizens, or contribute to the development of children.

In addition, the often highly institutionalized public sector contexts, in terms of both normative and coercive mechanisms, require public administration and institutional theories to fully understand the different mechanisms that affect managerial choices, underlying processes, and outcome choices. The above potentially requires a multidisciplinary approach using theoretical insights from the fields of HRM, organizational behavior (psychology), public administration and organization studies.

We suggest the application of both quantitative and qualitative research methods. Quantitative research through large (longitudinal) surveys or field experiments on TM and performance could benefit from multilevel research designs taking into account both TM input and TM outcomes at individual employee, team, and organization level. Qualitative research through case study designs could also be applied to TM and performance research in the public sector to better understand the whole TM value chain and the underlying TM processes from input to final output. The use of mixed methods (both qualitative and quantitative research) is quite common in contemporary mainstream HRM research.

The 29 empirical articles on TM and performance in the public sector that we identified and analyzed in this chapter were published in a variety of journals, with only a quarter of the articles published in regular academic HRM journals. We suggest focusing TM and performance papers in the public sector targeting the HRM journals with their HRM audience and community given the fact that the public sector is a significant area in practice in combination with the mainstream HRM focus on large private sector organizations.

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