1.1 Introduction

Government-linked Companies (GLCs) were defined as companies that had a primary commercial objective and in which the Malaysian Government had a direct controlling stake, not just percentage ownership, but influences in the appointment of directors and senior management officers and in decision making and corporate planning that included contracting awards, strategizing, restructuring, financing, and acquisitions and divestments, directly or indirectly, through the Government-linked Investment Companies (GLICs). Khazanah was the major investment-holding arm entrusted and delegated the task to manage the GLCs (Malaysia Productivity Corporation; Khazanah Nasional Berhad).

The New Economic Model (NEM) and the Tenth Malaysian Plan (10MP, 2011 ó 2015) envisaged that by 2020 Malaysia should become a high income nation that thrive on productivity, innovation and creativity. The government had outlined the direction through the adoption of an integrated human capital and talent development framework during 10MP. Managing talent had been identified as a critical enabler for the Government Transformation Program (GTP), Economic Transformation Program (ETP), and the 10MP to propel Malaysia toward the competitive status of a high income economy and Vision 2020.

The Orange Book on strengthening leadership development launched in December 2006 provided insights into the transformation process of GLCs in managing talent (Putrajaya Committee, 2006). The Book set out the framework to strengthen company-wide leadership development through talent management. Guided by the Book, GLCs were able to implement approaches to address the crucial issues of attracting, managing, developing, and retaining talent to achieve organizational performance.

The exigency for talent solutions was further emphasized by Tan Sri Zeti Akhtar Aziz, Governor of Bank Negara Malaysia who was also the Asian Institute of Finance (AIF) Chairman in an excerpt at the AIF International Symposium on 7 April 2011 p. 4:

õThe path forward needed to be guided by a strategic response to the forces that were shaping the new talent landscape. There was now an increased demand for highly-skilled knowledge workers that were able to meet the changing requirements of an increasingly globalized and borderless workplace. The economic costs of a failure to arrest talent shortages were strategically significant and included low productivity, the slow pace of innovation, and lost opportunities.ö

1.2 Problem Statement

In her move towards the creation of an effective capital market which would supplement the financial system required to support Malaysia's economic development, one of the actions taken by the government was to transform the GLCs into high-performing organization (Rahman & Shariff, 2009; Bux et al, 2009:2010; Majid & Rahman, 2011). High expectations had been placed on GLCs in terms of high performance and to be the catalyst of growth for Malaysia. Vision 2020 aspirations required GLCs to be one of the growth engines of the national economy and to create real shareholder returns.

GLCs had their own unique characteristics of government ownership and not many other countries had such a structure among their listed companies (Siddiquee, 2006; Lau & Tong, 2008). They should be better governed and performed well in terms of operations, resources and business opportunities since GLCs were under constant vigilant by both the government and public investors (Chun, 2011). Being better governed owing to a higher degree of government ownership ensured that due priority was given to value creation (Lau & Tong, 2008).

Majid & Rahman (2011) found most GLCs' corporate performance (financial and market) was lower than non-GLCs. According to Baharin and Abdullah (2011) and Chun (2011), the most important factor contributing to Malaysian businesses lagging behind companies in country such as Singapore in terms of sustainability was Malaysia's lack of talent.

The issue of talent shortage was an open secret to corporate Malaysia. Impediment in talent acquisition and retention to fill key positions within the organization constricted the ability of

organizations to grow their business, affecting Malaysia's business environment (Downe et al, 2012).

In gearing the nation towards Vision 2020, the most important corporate resource over the next eight years would be talent: smart, technologically literate, globally astute, and operationally agile sophisticated business people.

It was therefore imperative for GLCs "to build a strong talent pipeline as human capital rivals financial capital as the critical economic engine of the future" (Aziz, 2011: 4). Malaysia needed to synergize her strength to achieve the Strategic Reform Initiatives II of ETP in developing quality workforce and reducing dependency on foreign labors (Bux & Tay, 2010).

Robert Walters' Global Salary Survey 2012 review of Malaysia's job market for 2011 said recruitment levels were moderately high as the government sought to encourage foreign investments and build a more skilled workforce by 2020. Retaining talent, particularly at the middle management level would be a crucial issue for growing organizations in Malaysia (The Star, 2012).

The focus on attracting, developing, and retaining talents for GLCs' business needs "made talent as the *numero uno* factor of productivity for the new economy" (Baharin & Abdullah, 2011).

1.3 Purpose and Significance of the Study

The main issue with employment in Malaysia was one of quality and not in the number of jobs in the market. This had increased the attention of business leaders towards the need of having sustainable policies as part of business strategies for survival. This human capital challenge required new and innovative ways of thinking about talent development and had to be approached with a different set of talent management (Baharin & Abdullah, 2011; Aziz, 2011: 4).

In the age of globalization and open market, GLCs were exposed to more intense competition from nations around the world (Majid & Rahman, 2011). Globalization had created a dynamic and complex environment of a borderless talent pipeline where workforces became larger, diverse, highly educated and agile compelling organizations to compete effectively to achieve sustainable growth (Schuler et al, 2011). This affected the workforce landscape in Malaysia, the way businesses for GLCs were conducted, and the ways GLCs managed their workforce in national and global settings.

GLCs must take cognizance that Malaysia did not have enough talent to meet her business demand. Shrinking talent pools were building a heavy competition for the best talent and skills mismatch in GLCs exacerbated this growing problem.   It would be a huge task competing for talent because GLCs needed to compete with other private companies for the best performers.

Being the key drivers of the Malaysian economy, GLCs relied on human capital for future growth and success. GLCs must manage their workforce effectively regardless of the

workforce or economic conditions, confront the reality of managing talent and its many challenges, and develop talent solutions to meet these challenges.

The way forward for GLCs was supporting their growth performance with integrated strategy-driven talent solutions. This study could help GLCs identified the top current and future talent challenges that included forecasting talent needs, identifying and developing existing talent, attracting and recruiting the right leadership talent, engaging talent, deploying talent, developing talent, and retaining the right leadership and key performer.

Grooming talent was essential for GLCs to succeed in meeting business targets, open new opportunities for high performance and growth, and gear Malaysia toward becoming a high income nation through the development of human capital. Talent solution should be a strategy-driven mechanism, integrated into business strategies, driven and supported by senior management in order to retain talent and organizational performance.

1.4 Research Questions / Objectives of the Study

This study looked at the roles played by top management in championing talent solutions and the moderating roles of talent architecture in talent retention and organizational performance. The primary objectives of this study were to identify the critical determinants in management decision-making to implement and execute talent solutions in GLCs, to evaluate the roles of human resource management, characteristics and sophistication level of talent architecture in the effective implementation and execution of talent solutions in GLCs, and to make recommendation on measures that could be taken to retain high performance individuals and improve organizational performance in GLCs.

From the literature on talent management, human resource management, turnover intention, organizational performance, and general business management, a number of research questions were formulated to address the identified issues for talent solutions:

Q1   :   Is there a relationship between talent decisions, talent architecture and talent results in GLCs?

Q2   :   Do talent decisions and talent architecture shape and affect the effective and successful implementation of talent solutions in bringing about talent results in GLCs?

Q3   :   Do talent decisions and talent architecture that form the backbone of talent solutions drive talent results in GLCs?

1.5 Scope of the Study

This study zoomed on the critical success factors of talent solutions in GLCs: i) talent decisions; ii) talent architecture; and iii) talent results.

This study investigated the critical factors behind the implementation of talent solutions that contributed to talent retention and organizational performance. Knowing how GLCs attempted talent solutions was crucial to improve any shortcomings or weaknesses in talent solutions planning, implementation and execution.

The scope of study covered:

1. Reasons for the implementation of talent solutions.

2. Approaches towards talent solutions.

3. Roles of human resource management in talent solutions.

4. Characteristics of talent solutions.

5. Level of sophistication of talent solutions.

6. Results of talent solutions.

2.1   Introduction

The articles selected for inclusion in this review were restricted to those published in leading academic journals between 2005 and 2012 with focus on talent management, general management, human resource management, and international business. The list was supplemented with popular reading materials that include books, newspapers, websites, and working paper. All the articles were examined for talent content and an article was selected if its focus was on any aspect of talent management. Selected articles on the challenges and human resource activities were also reviewed.

A review of the talent management literature revealed a degree of debate to the conceptual boundaries of the topic. Lewis & Heckman (2006) found that õthe literature could best be described in terms of three research streams: 1) talent management was conceptualized in terms of typical human resource practices and functions; 2) talent management was defined in terms of human resource planning and projecting employee/staffing needs; 3) talent management was treated as a generic entity and either focused on high performing and high potential talent or on talent in general.ö

2.2 Concept of Talent Management

Talent management was a term in common currency today (Iles et al, 2010). Yet, it did not appear until the phrase the õWar for Talentö was coined by Steven Hankin of McKinsey & Company in 1997 to describe the phenomenon of talent shortages experienced by organizations. This phrase had since been echoed many times and taken a new global shape (Gerstrom & Jorgensen, 2009; Collings & Mellahi, 2009; Schehar et al, 2010).

Despite the growing popularity of talent management and over a decade of debate and hype, Lewis and Heckman (2006: 139) found a õdisturbing lack of clarity regarding the definition, scope and overall goals of talent managementö and the field lacked academic research. Collings and Mellahi (2009) agreed that the concept of talent management remained unclear.

Existing literature appeared to focus more on talent management practices (how) and a general prescription for talent globally rather than the question of ÷whoø and ÷whyø someone was or was not considered as talent (Lewis & Heckman, 2006). The current state of talent management literature was exacerbated by the ambiguity around the definition of talent management and theoretical development in the area (Collings & Mellahi, 2009).

It was somewhat paradoxical that talent management remained poorly defined and lacked in theoretical underpinning despite the high level of interest in the concept over the past decade. The field would benefit from a clear and comprehensive definition of the concept as most of the research in talent management so far had been premised on the idea of talent shortages (Lewis & Heckman, 2006; Collings & Mellahi, 2009).

According to Bux and Tay (2010), without a clear definition or understanding on what was construed as talented employees, it would be challenging to achieve the decision of science for talent management as advocated by Boudreau and Ramstad (2007). Sumardi and Othman (2010) accepted the possibility that the real meaning of talent management was not yet fully understood and inferred by observing practice. Talent management otherwise varied depending on the context it appeared in or used interchangeably with human resource management (Collings & Mellahi, 2009; Lewis & Heckman, 2006).

The definition of talent seemed to be based on the perception of talent as a core competence or a source of competitive advantage to the organization. Talent dealt with forthcoming potential instead of past tracks referring to the ability of learning and expansion to face and cope with new challenges of dynamic environment (Beechler & Woodward, 2009).

Talented employees were seen as fundamentally different from others in terms of their current and past performance, competence as well as potential (Iles et al, 2010). Makela et al (2010) defined talent as employees who exhibit both current high performance and future potential. Talent described a person who held extraordinary competences of strategic importance because they provided competitive advantage for the organization and left the organization in a critical situation if the competences were missing. The competences were characterized by their unique nature that made them difficult to copy or imitate by other organizations and the competences could not be developed within a short time period (Schehar et al, 2010).

Talent management terminology was often referred to as talent positioning that highlighted the right talent at the right time at the right place with the required competencies and

inspiration at all levels and locations of the organization (Tarique & Schuler, 2010). Known as employee relationship management and workforce management, talent management was not a new concept but one organizations had not been prepared to embrace in the past (Khatri et al, 2010).

Lewis and Heckman (2006) suggested that talent management should focus on employees with high value-added skills who were difficult to replace with emphasis on specified pool of employees who õranked at the top in terms of capability and performance and were considered potential leaders either at present or some point in the future.ö Gerstrom and Jorgensen (2009) defined talent management as the need to invest heavily in employees with high performance potential.

The most comprehensive definition found in the literature was offered by Collings and Mellahi (2009: 304): õWe defined strategic talent management as activities and processes that involved the systematic identification of key positions which differentially contributed to the organizationøs sustainable competitive advantage, the development of a talent pool of high potential and high performing incumbents to fill these roles, and the development of a differentiated human resource architecture to facilitate filling these positions with competent incumbents and to ensure the continued commitment to the organization.ö Rather than focus on specific activities, this definition attempted to illustrate the process by which talent management helped organizations realize their strategic objectives in the form of concrete outcomes. While these statements emphasized the strategic implications of talent management, they did little to define the concept and practice. Definitions were often confused with outcomes, process and decision alternatives as well as objectives and activities.

2.3 Roles of Human Resource Management in Talent Solutions Strategy

Talent management had been projected to be the next core competency in human resource domain expertise (Iles et al, 2010) and fast becoming a strategic imperative involving human resource practitioners and managers (Kamil et al, 2011). The importance of human resource in strategy led human resource managers to be part of the decision makers in formulating and implementing strategy (Abdullah et al, 2009).

Talent management focused primarily on human resource activities of planning, staffing, appraising, compensating and training (Collings & Mellahi, 2009). Identifying talent management as a human resource practice indicated a strategic motive for its implementation and use in order to transform organizations into sustainable competitive advantages (Gerstrom & Jorgensen, 2009).

The evolution of human resource management had brought many changes in the way employees were selected, managed and retained. Talent management was a human capital approach that must be continuously reviewed to find the best fit (Bux & Tay, 2010).

Talent management often referred to as human resource strategy was evolving as a discipline with the intention to attract, recruit, develop, engage, assess, and retain highly talented key performance individuals since the quality of an organization was largely determined by the people it employed (Khatri et al, 2010). Lavania et al (2011) defined talent management as the aimed or launched activities intended to develop the best framework conditions possible for identification, selection, retention and development of persons who the organization characterized as talent.

Iles et al (2010) were of the opinion that talent management was more than human resource management, leadership development initiatives, or succession planning. It was the collective approach to recruiting, retaining and developing talent within the organizations for its future benefit, and extended beyond the domains listed above to include strategy, organizational behavior and change management.

Tarique and Schuler (2010) argued that talent management differed from other human resource approaches and focused on identifying core positions that should be filled by õA performersö. They suggested that human resource management involved many stakeholders, addressed broader concerns and criteria than just attracting, developing and retaining employees, and included planning, staffing, compensating, training and developing, appraising, labor relations, and safety and health.

The greatest asset in organizations was its people (Schehar et al, 2010). People were an expensive critical resource in any organization and could be a powerful source of sustained advantage. Organizations that viewed talent management as strategic human resource would find higher levels of success and sustainability for the future. Talent management was the strategy of having such valuable people (Kamil et al, 2011).

2.4   Retention of Key Performance Individuals a Result of Talent Solutions

High attrition rate in high-demand occupations had been a trend in many organizations and the issue of staff retention continued to plague most organizations in Malaysia whilst corporate retention programs had been severely degraded (Liew & Kaur, 2008). Finding and retaining talent was the most difficult aspect of human capital development and talent retention remained a key challenge as high caliber professionals continued to be attracted to new opportunities (The Star, 2012).

Literatures on human resource were one in their views that organizations faced not only a dearth of talented employees but a greater task of retaining them. Difficulties in talent acquisition and retention have also been highlighted in a succession of industry white papers and academic studies (Downe et al, 2012).

Understanding the factors that contributed to turnover intentions was necessary for improving business performance (Idrus et al, 2009). Earlier studies done in workplaces in Malaysia found that there were several unmeasured variables that contributed to turnover intention and these included socio-economic, financial status, high job demand, social support at work, physical environment of workplace, individual and family factors, mental and physical health factors, physical exertion and job dissatisfaction (Samad, 2006; Lew, 2009; Chan, 2010; Choong & Wong, 2011; Noor, 2011). Other key predictors were satisfaction with and pride in the organization, socially responsible employer, trust and open communication channels into the employer-employee relationship, and fostering employee engagement (Schehar et al, 2010).

Voluntary employee turnover had long been recognized as a leading unfavorable organizational result (Reiche, 2008). Some turnovers were avoidable while some turnovers remained unavoidable. Voluntary turnover continued because employees left or quit irrespective of the type of talent solutions implemented and because there were alternative jobs in the economy (Bawa & Jantan, 2005).

Intention to leave and actual turnover were often highly correlated (Liew & Kaur, 2008). It was discovered that what led employees to other opportunities was that the pay level and pay satisfaction were comparably delicate predictors of individual turnovers (Chan, 2010; Juhdi et al., 2010:2011). Avoidable turnover such as low job satisfaction, poor supervision, or higher pay in other organizations appeared for reasons that organizations could influence.

Literature shown that decreasing turnover rates were connected to sales growth and improved employee morale where high standard human resource practice contributed to the organization's profitability and market value. Organizations could reduce turnover rate by improving the organizational climate, empowering high-performance employees to make decisions and other deliberative actions including incentives, recognition, monetary benefits and rewards (Ahmad & Omar, 2010; Foong, 2008; Lew, 2009; Alam & Mohammad, 2010).

Similar findings on failure in managing talent that led to turnover intention had been reported by Wong and Tay (2010), Hemdi and Rahman (2010), and Abdullah et al (2010).

2.5   Organizational Performance a Result of Talent Solutions

Literature indicated that highly talented individuals were critical driver for business success. An important theme in the literature for the past two decades had been on tracing the link between talent management and organizational performance (Collings & Mellahi, 2009).

Increasing demand for talent was due to changing circumstances, globalization, diversity in the workforce, volatility in the environment the organizations were engaged in, and in the ability for organizations to adopt accordingly. As the competition for talent became global, rivalry intensified between organizations demanding for the same talent (Beechler & Woodward, 2009; Schuler et al, 2011).

The situation was also exacerbated by increasing investment in new core businesses that increased the demand for expert skills and capabilities applicable within the new business areas. GLCs must be willing to invest in employees with high performance potential. The speed at which changes occurred in the labor market required GLCs to be capable of forecasting and hiring the right amount of talent at all levels (Lau & Tong, 2008). Superb integrated talent solutions were of strategic importance to retain talent and sustain organizational performance.

The recent economic turmoil had turned the attention of business leaders toward the need of having real sustainable talent management policies as part of their business strategies for their business survival (Baharin & Abdullah, 2011).

Organizations needed to face the challenges of talent management and developed talent management activities to meet these challenges to sustain organizational performance (Schehar et al, 2010). Every organization had to establish and implement a rigorous talent management strategy for optimizing talent attraction, development, engagement, and retention to maximize productivity and effectiveness. An organization's strategic direction determined which jobs and which employees were most important to achieving success (Bux & Tay, 2010).

Formal talent management programs that outlined a clear career path line to the employees were being used to ensure access to the human competencies critical to achieving the organizations' strategic objectives and to build a strong talent pipeline (Baharin & Abdullah, 2011).

Organizations needed to establish firm value foremost, leaders who demonstrated high performance and high potential, and using targeted personalized approach to retain talent in order to enable high organizational results (Lau & Tong, 2008).

Talent management could be ruled out as a sub system of a strategic management process to promote the growth trend of human capital that could help the organization to achieve its long and short term objectives (Hajimirarab et al, 2011).