

Impact of Talent Management Practices on Perceived Employer Branding: Conceptual Model Development for Sri Lankan IT and Software Service Sector

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Abstract – Talented workforce is one of the paramount strength for Sri Lankan Information Technology (IT) and software service sector. Upholding unsurpassed talent management practices is extremely required in enhancing perceived employer branding through amplified level of psychological contract. Talent management is a “blistering fresh topic” for Human Resource (HR) practitioners for their excessive involvement. The establishment of the concept “Employer Branding” is bringing separate disciplines of Human Resource Management (HRM) and brand marketing into a single conceptual framework. The objective of the study is to develop a conceptual model between constructs of talent management practices, perceived employer branding and employee psychological contract for Sri Lankan IT and software service sector. The archival method was adopted while having a comprehensive reviewing process. A conceptual model was developed while operationalizing of independent and dependent variables. Based on the exploratory review, empirical, methodological and knowledge gaps have been identified between three key constructs; talent management practices, perceived employer branding and employee psychological contract. In the developed conceptual model, it was identified the talent management practices as the independent variable, perceived employer branding as the dependent variable and employee psychological contract as the mediating variable. The descriptive explanation of boundaries among key variables is of a vital contribution to the entire frame of knowledge on HRM literature as this study addresses the knowledge gap of the impact of talent management practices on perceived employer branding while having a mediating effect of employee psychological contract in Sri Lankan IT and software services sector.

Keywords: Talent Management Practices, Perceived Employer Branding, IT and Software Service Sector

I. INTRODUCTION

In contemporary ages, HRM has experienced different changes, which can be categorized into three main stages named as personal management, HRM, strategic HRM and Talent Management. These key stages demonstrate the development of HRM and reveal the progress of its

development of a novel field identified as “Talent Management”. McKinsey and Company (1997), which is one of the leading management consultancy firm in United States of America (USA) has originally invented the term “Talent Management” with relevant to the field of HRM. Initially, the term “War for Talent” was coined by Steven Hankin of McKinsey and Company (1997). According to Michaels et al. (2001) the war for talent, denotes to a progressively competitive landscape for recruiting and retaining the talented employees in the organizations. In the current context, the academic community also has been more slow in speaking the theoretical and practical gaps, with limited considering field of HR training and development (Tansely, 2011). The proper talent management process warrants HR managers in locating the competent employees with the right skills in the appropriate vacancies in the organization while reaching to the desired business objectives (Tafti et al., 2017). Although, the origin of Talent Management is engrained in the concept of HRM, but Talent Management has a more specified focus (Latukha, 2015). The aim of talent management is to have the right people at the right place at the right time with the right skill sets (Latukha 2015), whereas the overall goal of HRM is to ensure that all employees perform their duties to promote the goals of the company.

The concept of “Employer Branding” was initially conceived in early 1980s in supporting organizations to drive effectively for acquiring better employee commitment to the brand they are working for. According to Ambler and Barrow (1996) the establishment of the concept “Employer Branding” is obviously bringing the separate disciplines of HRM and brand marketing into a single conceptual framework. Accordingly, the employer can be visualized as a brand which the employees of the organization develop a closer relationship with their employer. The first hand concept of “Employer Branding” was originally invented by Ambler and Barrow in 1996. In contemporary ages, the employer branding has extended popularity among HR managers because a strong employer branding be able to nurture the feelings of loyalty and trust amongst both current and potential employees (Backhaus and Tikoo, 2004; Maurya and

Agarwal, 2018). However, the organizational top management has to consider more on designating appropriate talent management strategies instead of designing and redesigning of other various practices in developing perceived employer branding among its employees. Maurya and Agarwal (2018), emphasized the impact of talent management practices in adding value to organizational image, which influences the organizational attraction among the existing employees. Accordingly, when the employees perceive the higher talent management practices, automatically the employees perceive more attractive the company as an employer (Maurya and Agarwal, 2018).

The concept of "Employee Psychological Contract" is established amongst employees and their employer which is constructed based on unwritten expectations of both employees and their employer. According to Roehling (1997) the relationship between the employees and the employer has been conceptualized as involving a "psychological contract." According to Nutakki et al. (2015), when an employee joins with an establishment, at the various stages of the employment according to the different organizational events, the employee cultivates the certain expectations on their employer. Accordingly, the employee also develops particular beliefs about their employer expectation about him. These expectations of the employee are developed based on the different assurances, which were made by the employer at the various stages of the employment. It was revealed that, according to the "signaling theory" of Spence (1973), tremendous talent management practices send the signals from which the conclusions made based on the employees' intensions about their employer and that influences on the employee psychological contract.

As the context of this study, the IT and software service industry, which is adopted with modern technology and innovations endures to shrink the entire world. Amongst key players of global IT industry, Sri Lanka is currently emerging as a main world's IT destination of choice. According to Export Development Board (EDB) Sri Lanka (2018), presently Sri Lanka is progressively transforming itself into the most preferred Information and Communication Technology (ICT) hub in Asia owing its precious resource; the talented workforce. Accordingly, the talented workforce is one of the paramount strength for Sri Lankan IT and software service industry and upholding and introducing unsurpassed talent management practices by the HR managers and practitioners is extremely required in enhancing perceived employer branding through amplified level of employee psychological contract. Within an intense view of key significant variables such as talent management practices, employee psychological contract and perceived employer

branding in achieving organizational strategic goals, a commendable outcome can be contributed for the Sri Lankan Gross Domestic Production (GDP) by this Sri Lankan IT and software service sector.

With this view, the main objective of this study is to develop a conceptual model between the variables of talent management practices, perceived employer branding and employee psychological contract for Sri Lankan IT and software service sector.

II. LITERATURE REVIEW

This section consists with the development of main concepts named as, Talent Management Practices, Perceived Employer Branding and Employee Psychological Contract, based on the findings of previous research.

A. Development of the Concept "Talent Management Practices"

In developing the concept "Talent Management Practices", it is significant to review the development of the underlining concepts such as, "Talent" and "Talent Management". Although, the concept of talent management was growing popularity over a decade of time with the debating nature, the construct of talent management had conceptual confusion and there was a severe deficiency of clarity on its definition, the scope and the overall goal (Lewis and Heckman, 2006; Tansley et al., 2007; Gallardo-Gallardo et al., 2013). At that moment, it was apparent that, due to the most of the literature in the field of talent management were practitioner or consultancy based, there was a deficiency of theoretical bases, as well as conceptual development in the literature on talent management (Gallardo-Gallardo et al., 2013). At the same time, there was an inherent ambiguity to the construct "Talent Management" because of insufficient operationalization of the underlying construct called "Talent" (Garrow and Hirsh, 2008; Lewis and Heckman, 2006; Reilly, 2008; Tansley et al., 2007; Gallardo-Gallardo et al., 2013).

1) Working Definition for "Talent"

In reality, in numerous articles on the concept "Talent Management", the term "Talent" as a fundamental construct was taken for approved and henceforth was not defined openly (Gallardo-Gallardo et al., 2013). Though, based on the different definitions given by several researchers throughout the past research history, a working definition was specified in this research study for the term "Talent" based on two definitions of Gallardo-Gallardo et al. (2013) and Ulrich and Smallwood (2012) as follows;

"There are two key approaches of "Talent". Accordingly, there are two main dimensions; objective approach (characteristics of people) and subjective approach (talent as people). According to the "objective approach" talent is

defined as the multiplication of three main characteristics of the people; competence, commitment and contribution. According to the 'subjective approach', talent may be exclusive or inclusive or a combination of both. Accordingly, "Talent" is considered as an elite subset of the organization's population or entire employees of an organization".

2) Review of Definitions for Talent Management

There are variety of definitions for the term "talent management", which were elaborated and defined by the various scholars in the past history (Table 1). The term "Talent Management" was defined as the organized attraction, deployment, development as well as, the retention of the high potential employees, who are concerned as a value for the business entity (CIPD, 2009).

In defining "talent management", the concept was considered as a process by several researchers in their definitions. For instance, Cannon and McGee (2010) defined the term "Talent Management" as the process by which the organization identifies, manages and develops its employees for the current context and for the future. According to Blass (2007), "Talent Management" was reflected as an additional management processes and opportunities, which are made available to people in the organization who are considered to be "Talent". In another stage of the research history, the term "talent management" was considered as all the processes of the organizational HR activities. According to both definitions of Blass (2007) and Schweyer (2004), "Talent Management" denotes as a management process in managing talented people of the organization as well as it is focused to the talents in the company. According to the definition given by Lewis and Heckman (2006) based on the prevailing literature, the term "Talent Management", is "a mindset" (Creelman, 2004); a main component to an effective succession planning (Cheloha and Swain, 2005); as well, an attempt to ensure that "everybody at entire levels works to the top of their potential" (Redford, 2005).

3) Working Definition for "Talent Management"

The working definition for the term "Talent Management" was developed based on three key definitions of Lewis and Heckman (2006) including all three perspectives of their definition, Chartered Institute of Personnel and Development – CIPD (2009) and Tafti et al. (2017). Accordingly, the working definition was developed as follows;

"Talent Management is a whole set of processes which used to attract, identify, deploy, develop and retain the talent pool and generic talent concerns in implementing organizational business strategies in fruitful mode".

Table 1. Definitions for the Term "Talent Management"

Author (s)	Year	Definition
Schweyer	2004	Talent management comprises all the processes of HR activities and denotes the sourcing, selection, placement, socialization, maintenance and development of the talented staff of the organization.
Lewis and Heckman	2006	Talent management is the capability to attract, develop as well as retain the right individuals or talents.
Collings and Mellahi	2009	Talent management is development of a talent pool which consists with high potentials as well as efficient officials in order to fill the roles and in order to develop a distinguished HR architecture in facilitating filling the positions with more competent officials to guarantee their organizational commitment.
Tafti et al.	2017	Talent management is a whole set of processes which is used to identify, employ and manage employees in implementing business strategies in fruitful mode and these processes are classified into talent acquisition, talent development and talent retention.

Source: Developed by the researcher based on literature

4) Review of Definitions for "Talent Management Practices"

After having an intense exploration on former literature regarding "Talent Management Practices", former scholars have launched comprehensive research regarding talent management practices relevant to different contexts in the global business world. Maurya and Agarwal (2018) have identified eight key dimensions as talent management practices in Indian mining energy sector. The same dimensions have been used as dimensions of talent management competency model of Oehley (2007). Accordingly, numerous talent management practices which were revealed by different scholars in the field of HRM can be identified connected to the various contexts in the pool of literature (Table 2).

Table 2. Different Talent Management Practices connected to the Various Contexts

Year & Research Context	Author (s)	Identified Talent Management Practices
2007 ICT Sector	Oehley	Displays a talent management mindset, Attracts and recruits talent, Identifies and differentiates talented employees, Develops others, Builds and maintains a

		relationship, Provides meaningful and challenging work, Remunerates and rewards fairly, Manages work-life balance
2010	Tarique and Schuler	Attraction of talents, Development of talents, Retention of talents
2010	Farndal e et al.	Talent management mindset
2011	Kim and Scullion	Talent management mindset
2011	Chapke	Attraction and retention of talents, Training and development, Corporate culture, Internal and external communication, Collaboration with academia of universities
2013	Valverde et al.	Recruitment and staffing, Training and development, Retention activities, Management activities
2016	Latukha and Selivanovskikh	Compensation activities, Training and career development activities, Performance management
2017	Naim and Lenka	Recruitment, Talent development, Knowledge management, Social media, Performance management, Rewards
2017	Bolander et al.	Recruitment, Talent identification, Talent development, Career management and succession planning, Retention management

Source: Developed by the researcher based on literature

5) Working Definition for “Talent Management Practices”

Based on the working definition developed for the term “Talent Management” and the different talent management practices identified by Oehley (2007), Maurya and Agarwal (2018), Tarique and Schuler (2010), Latukha and Selivanovskikh (2016) and Chapke (2011) following working definition was developed for the term “Talent Management Practices”.

“Talent Management Practices is defined as the whole set of processes which are used to attract, identify, deploy, develop and retain the talent pool and generic talent concerns through Talent Management Mindset, Attracting and Recruiting of Talents, Identifying and Differentiating Talents, Training and Development, Remuneration and Rewards, Performance Management, Retention of Talents, Corporate Culture and Work-Life Balance in implementing organizational business strategies in fruitful mode”.

B. Development of the Concept “Perceived Employer Branding”

According to Ambler and Barrow (1996), development of the concept called as “Employer Branding” is bringing the junctional separate roles: marketing and HR closer together in obtaining the mutual benefits for the business organizations. On the other hand, establishment of the concept “Employer Branding” is obviously bringing the separate disciplines of HRM and brand marketing into a single conceptual framework (Ambler and Barrow, 1996). Based on this, the employer can be visualized as a brand which the employees of the organization develop a closer relationship with their employer. The first hand concept of “Employer Branding” was originally invented by Ambler and Barrow in 1996. Ambler and Barrow (1996) were the first academics to acknowledge for inventing the concept called as, employer branding, accepting its ability in attracting potential employees as well as retaining the current talents with the business establishments.

1) Review of Definitions for “Perceived Employer Branding”

The concept of “Employer Branding” was defined by the several scholars in both fields of HRM as well as marketing in different angels throughout the earlier literature. As the co-founders of the concept of “Employer Branding”, Ambler and Barrow (1996), defined the term employer branding as, the package of functional, economic as well as psychological benefits which are offered by the employment, and identified with the employing organization. Backhaus and Tikoo (2004) identified employer branding as a process. Accordingly, employer branding was defined as the process of developing and communicating organizational factors that is specific and enduring for a firm as an employer of choice and differentiates it from its competitors (Backhaus and Tikoo, 2004). These definitions point out that, employer branding comprises promoting, both within and outside the firm, a clear view of what makes a firm different and desirable as an employer. According to Lloyd (2002), employer branding is defined as the summation of an organization’s efforts in order to communicate to existing and prospective staff that it is a desirable place for working. Therefore, employer branding is concerned with building an image in the minds of the potential labor market that, the organization, above all others, is a ‘great place to work’ (Ewing et al. 2002). Further, Sivertzen et al. (2013) also defined employer branding as the development of the image and reputation of the organization as a prospective employer and affects the organization’s ability to retain the employees.

2) Working Definition for “Perceived Employer Branding”

After reviewing of the definitions given for the term “Employer Branding” the working definition was

developed for this study based on the definition given by Ambler and Barrow (1996) as follows;

“The term “Perceived Employer Branding” is defined as the package of functional, economic and psychological benefits offered by the employment, and identified with the employing organization. Also, the benefits provided by the organization are recognized by the employees”.

C. Development of the Concept “Employee Psychological Contract”

The term “Psychological Contract” was initially introduced during the period of 1960s. Conversely, the concept of psychological contract has been established as a scientific construct in the period of early 1990s (Rousseau, 1995) even though it was introduced in the early 1960s in the research of Argyris. The whole credit is given to both Argyris (1960) and Levinson et al. (1962) for introducing the term “Psychological Contract” for the research terminology. Argyris in 1960 introduced the term as “Psychological work contract” in referring the implicit understanding among the employees and their foreman which rose due to a specific leadership style.

Rousseau (1989) defined the term “Psychological Contract” as a belief of an individual in terms of and conditions of a reciprocal exchange agreement among the principal person and another party. According to Rousseau (1995) the concept “Psychological Contract” is the perception of employees about the mutual written as well as unwritten obligations between the employees and their employer. On the other hand, according to Rousseau (1995), the term “Psychological Contract” is a mental model between the employee and the employer, and the employee thinks about the tasks that he should do and thinks more on the return that organization should provide to him. However, such kind of mutual obligations may have risen from the pre-employment experiences, conversed through the recruitment process, message from the organization; for instance employer branding and the assurances made by the employer to its employees (Rousseau, 1995).

All through the research related to the concept “Psychological Contract”, main three approaches can be identified. The first research approach focuses on “the content” of psychological contract (Conway and Briner, 2005). The second research approach focuses on the types of psychological contracts between the employees and the employer such as; transactional, relational, transitional and balanced. The third research approach focuses on the psychological breach and its consequences (Zhao et al., 2007).

III. Methodology

In achieving the objectives of the study, the archival method was adopted by the researchers. Similar methodological approaches were used related to the research fields of talent management and employer branding during the past research history (Berthon et al., 2005; Oehley, 2007). This review process has covered the published research articles, published books and conference papers in the fields of HRM, Organizational Behavior, Brand Management, Talent Management and Psychology. Further, the data bases and search engines such as Emerald, Taylor and Francis, Willey Online, Science Direct and Google Scholar have been utilized. About 170 abstracts of research articles were scrutinized in order to check the applicability of them for the research phenomenon, then 120 research articles were selected and reviewed finally in identifying the concepts, relationships, mediating effects involved in the study. This research study comprises a development of a conceptual model for empirical exploration of a phenomenon. Hence, the prevailing literature has been analyzed in organizing the concepts as well as associates related to the identified phenomenon. Based on the literature review, the researchers have developed a conceptual framework, which could be able to use in practice for the future research as the subsequent direct step. Moreover, the operationalization of the independent variable, the mediating variable and the dependent variable was done.

A. Identification of Gaps in Developing the Conceptual Model

Under this section, existing gaps among three main constructs called, Talent Management Practices, Perceived Employer Branding and Employee Psychological Contract are explored.

1) Gap 1: Impact of Talent Management Practices on Perceived Employer Branding in Sri Lankan IT and Software Service Sector

Empirical Gap: The past literature on Talent Management is currently dominated by the Western perspectives and lack of research studies from the other environments (Beaumont et al., 2016; Dries et al., 2014). Plentiful of the prior research on talent management were conducted in the European and the Middle East contexts (Nutakki, et al., 2015). According to Valverde et al. (2013) concentration regarding talent management has amplified noticeably during the past decade, however most of the research studies related to the area were both theoretical and empirical, which were based on North American as well as Anglo-Saxon countries in the world, but not based on the Asian context. When discovering the literature regarding this field, Talent Management was not even touched in the Sri Lankan context. Only very fewer number of research studies such as; Maurya and Agarwal (2017), Chapman et al. (2005), Yaqub and Khan (2011),

Kucherov and Zavyalova (2012), Parmar (2014), Bali (2016) are being existed regarding the impact of Organizational Talent Management Practices on Perceived Employer Branding throughout the world. According to Maurya and Agarwal (2017), there is a strong positive relationship between Organizational Talent Management Practices and Perceived Employer Branding in coal and mining industry of India. According to Yaqub and Khan (2011), talent management acts as a significant input in improving organizational attractiveness among university students of Universities located in Rawalpindi and Islamabad. According to the findings of Kucherov and Zavyalova (2012), talent management is a significant input in enhancing the employer branding in Russian companies. It can be determined that, few researches have been launched belonging to diverse business sectors such as mining energy, education in many other countries such as India, Pakistan and Russia. However, none of the research studies, which were launched in the Sri Lankan context, specially related to the IT and Software service sector cannot be identified. Thus, there is an empirical gap existing.

Methodological Gap: According to the previous research studies regarding impact of talent management on employer branding were performed for relatively small samples. Empirically weak findings were obtained, because of the small sample (Maurya and Agarwal, 2017). Consequently, the findings remains dissatisfactory in order to give the reason of fulfilling the organizational talent management by only three components, although there are eight components. According to Thunnissen et al. (2013), more research is required on identification of assumptions underlying the development of very deep, people oriented and more balanced approach to talent management, which may definitely benefit in any organizations in order to win the “War of Talent” as well as in becoming a “great place to work” or “employer of choice”. Although there are fewer number of existing studies on effect of talent management on employer branding, those studies were undergone by using the quantitative methods, but the qualitative methods were not included. Therefore, it is required to study the concept by using comparatively a large sample as well as in order to provide more holistic approach it is highly appropriate to launch the research study by using the mix method including both quantitative and qualitative approaches. Finally, it can be stated that, there a methodological gap for this study. Gap one of the study is elaborated as follows (Figure 1).

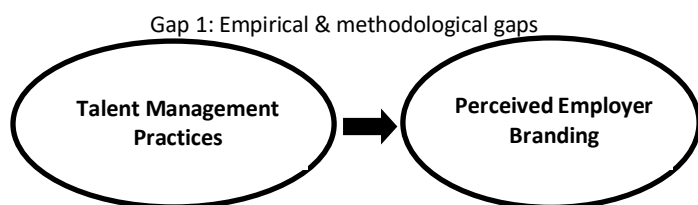


Figure 1. Gap 1: Impact of talent management practices on perceived employer branding in Sri Lankan IT and software service sector

2) *Gap 2: Effect of Organizational Talent Management Practices on Employee Psychological Contract in Sri Lankan IT and Software Service Sector*

Empirical Gap: The relationship between talent management practices and employee psychological contract have been explored by few researchers in other countries such as India and South Africa. Nutakki et al. (2015) explored a positive correlation between the talent management practices and the employee psychological contract among the employees of Indian higher educational sector. Mensah (2018) also revealed that, talent management practices has a positive relationship with employee psychological contract among the employees of banking institutions as well as para-state organizations in Ghana. The findings indicated that, talent management practices has both direct, as well as indirect positive effect psychological contract among the employees in both para-state and banking institutions (Mensah, 2018). Poist et al. (2018) also discovered a significant relationship between the talent management practices and employee psychological contract among the employees in private and public sectors in South Africa. However, there are no any available research studies for Sri Lankan context. Therefore, it is apparent that, there is an empirical gap for the relationship between the talent management practices and employee psychological contract for the context of Sri Lankan IT and Software service industry.

Methodological Gap: Even though there are less number of prevailing research performed by few scholars on effect of talent management on employee psychological contract, those studies were undertaken by using the quantitative methods. Henceforth, there is a requirement of a deep qualitative studies in finding the qualitative findings on effect of talent management practices on employee psychological contract. Therefore, it is require to study the concept by using the mix method including both quantitative and qualitative approaches. Finally, it can be stated that, there a methodological gap for the present research study. Gap two of the study is elaborated as follows (Figure 2).

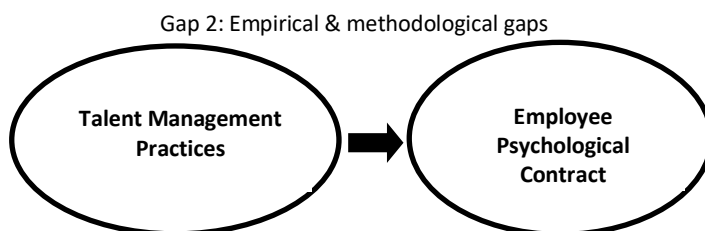


Figure 2. Gap 2: Effect of talent management practices on employee psychological contract in Sri Lankan IT and Software service sector

3) Gap 3: Effect of Employee Psychological Contract on Perceived Employer Branding in Sri Lankan IT and Software Service Sector

Knowledge Gap: Through a keen exploration of the prevailing literature on both concepts: talent management practices and employee psychological contract, it can be stated that, there is a huge deficiency for a research study in finding the relationship between talent management practices and employee psychological contract. It is obvious that, there is a significant knowledge gap for the relationship between talent management practices and employee psychological contract.

Empirical Gap: As a result of non-availability of any prevailing studies, obviously an empirical gap can be identified for a study on the effect of talent management practices on employee psychological contract for the context of Sri Lankan IT and Software service industry.

Methodological Gap: As a result of non-availability of any prevailing studies, obviously a methodological gap can be identified for a mix method study including both quantitative and qualitative in finding the effect of talent management practices on employee psychological contract for the context of Sri Lankan IT and Software service industry. Gap three of the study is elaborated as follows (Figure 3).

Gap 3: Knowledge, Empirical & Methodological Gaps

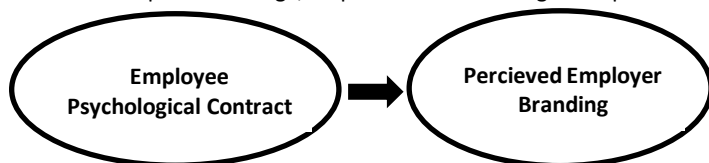


Figure 3. Gap 3: Impact of employee psychological contract on perceived employer branding in Sri Lankan IT and Software service sector

4)Gap 4: Impact of Talent Management Practices on Perceived Employer Branding with the Mediating Effect of Employee Psychological Contract in Sri Lankan IT and Software Service Sector

Knowledge Gap: After having an intense exploration of the prevailing literature on all three concepts: talent management practices, employee psychological contract and perceived employer branding, it can be indicated that, there is an enormous deficiency for a research study in finding the impact of talent management practices on perceived employer branding with the mediating effect of employee psychological contract. As a result, it is apparent that, there is a significant knowledge gap.

Empirical Gap: As a result of non-availability of any prevailing studies, noticeably an empirical gap can be identified for this study for the context of Sri Lankan IT and software service sector.

Methodological Gap: As a result of non-availability of any prevailing studies, obviously a methodological gap can be identified for a mix method study including both

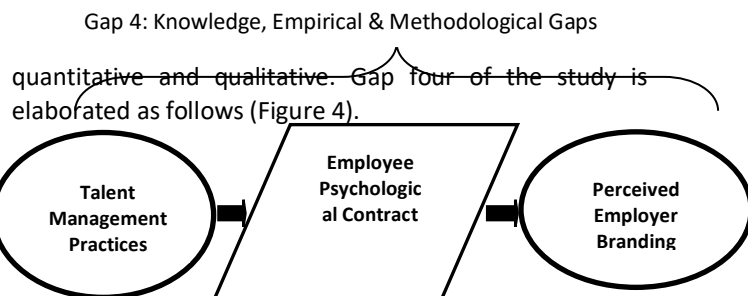


Figure 4. Gap 4: Impact of Talent Management Practices on Perceived Employer Branding with the Mediating Effect of Employee Psychological Contract in Sri Lankan IT and Software Service Sector

IV. RESULTS AND FINDINGS

This section provides a brief on findings of the research study regarding three main concepts called talent management practices, perceived employer branding and employee psychological contract with relevant to the Sri Lankan IT and software service industry. Development of a conceptual model among the identified three constructs specifically based on the previous literature and identified gaps throughout the study is a noteworthy outcome of this comprehensive study.

A. Development of the Conceptual Model

Based on the identified four main gaps throughout the exploratory review, a conceptual model is developed between identified three main constructs named, "Talent Management Practices", "Perceived Employer Branding" and "Employee Psychological Contract" (Figure 4.1). In this developed conceptual model, the construct "Talent Management Practices" is identified as the independent variable and "Perceived Employer Branding" is identified as the dependent variable. Further, "Employee Psychological Contract" is recognized as the mediating variable. The developed model exhibited

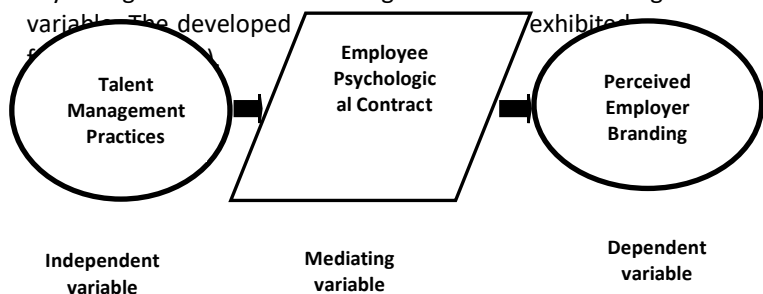


Figure 5. Developed conceptual model between the constructs of Talent management practices, perceived employer branding and employee psychological contract.

B. Operationalization of the Identified Independent Variable and Dependent Variable

This section describes the operationalization of “Talent Management Practice” which is identified as the independent variable and “Perceived Employer Branding which is identified as the dependent variable.

1) Operationalization of the Independent Variable

Talent Management Practices which is identified as the independent variable is the construct of the model. Based on the working definition on “Talent Management Practices”, key nine dimensions have been identified as main talent management practices operated in IT and software service organizations (Table 3).

Table 3. Dimensions of Talent Management Practices and the descriptions

Dimensions	Description
Talent Management Mindset	Persistently and continuously displays a belief that having better talent at all levels provides the means to outperform other organizations. Regularly emphasizes this view to others.
Attracting and Recruiting of Talents	Attract and recruits competent and committed employees. Ensures that employees have the correct technical expertise and are achievement orientated and motivated.
Identifying and Differentiating Talents	Identifies and differentiates different levels of employees according to performance, with the purpose of adjusting management decisions and actions according to this evaluation.
Training and Development	Conducting training programmes in developing required specific skills and competencies among the employees. Accurately assesses people’s development needs, provides opportunities and ensures that needs are met in order to fully develop the potential of all employees.
Remuneration and Rewards	Recognizes the achievements of employees and provides rewards and recognition accordingly.
Performance Management	Assessing and measuring the actual performances of employees through performance review and making the decisions accordingly regarding their rewards, promotions, training and etc.
Retention of Talents	Implementing talent retention management practices and initiating activities to prevent employee turnover.

Corporate Culture	Creating the organizational environment as an empowering environment and motivating culture, with no strict regulations, that would support idea creation.
Work-Life Balance	Controls work factors which might have a negative impact on the employee’s personal or family life.

Source: Adapted from Oehley (2007), Maurya and Agarwal (2018) and based on the literature

2) Operationalization of the Dependent Variable

Operationalization of the dependent variable “Perceived Employer Branding” is done based on the five dimensional scale developed by Berthon et al. (2005). The similar five dimensional scale was used by Maurya and Agarwal (2018). According to Berthon et al. (2005) the key dependent variable “Perceived Employer Branding” has been measured by the 25-item scale. This is a refinement and extension of the three dimensional scale which was proposed by Ambler and Borrow (1996) named as, Psychological Benefits, Functional Benefits and Economic Benefits and this was used for this study for operationalization of the dependent variable (Table 4).

Table 4. The 25-item scale including different measurement criteria of five dimensions of “Perceived Employer Branding”

Dimension	Measurement Criteria
Interest Value	Innovative products and service, Novel work practices, Make use of creativity, High quality products and services, Exciting work environment
Social Value	Relationship with colleagues, Relationship with superiors, Supportive and encouraging peers, Fun work environment, Happy work environment
Economic Value	Overall compensation package, Above average basic salary, Job security, Promotion opportunities, Hands-on inter-department experience
Development Value	Self-confidence, Self-worth, Career enhancing experience, Springboard to future employment, Recognition and appreciation
Application Value	Opportunity to teach others, Opportunity to apply learned things, Customer orientation, Humanitarian organization, Acceptance and belonging

Source: Adapted from Berthon et al. (2005) and Ambler and Borrow (1996)

V. CONCLUSION AND IMPLICATIONS

This research study anticipates in developing a conceptual model in order to explore whether talent management practices of Sri Lankan IT and software service sector significantly impacts on perceived employer branding while having a mediating effect of employee psychological

contract. Though this proposed conceptual model is yet to be empirically tested, the descriptive explanation of the boundaries among the key variables identified here is of a vital contribution to the entire frame of knowledge on the HRM literature as this study addresses the knowledge gap of the impact of talent management practices on perceived employer branding while having a mediating effect of employee psychological contract in Sri Lankan IT and software services sector, an area that has not been formally revealed. Moreover, this study addresses on operationalization process of two main constructs; talent management practices and perceived employer branding while discovering the key dimensions of these constructs. Consequently, this proposed model will establish a new direction for the future research in understanding whether talent management practices impacts on perceived employer branding while having a mediating effect of employee psychological contract.

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