

EXCLUSIVE, INCLUSIVE, AND HYBRID APPROACHES TO TALENT MANAGEMENT: A CONCEPTUAL MODEL

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ABSTRACT

In today's world, where human capital plays a crucial role in organizational success, talent management has become a vital strategic priority. This conceptual paper explores the evolving landscape of talent management by contrasting two dominant philosophies: exclusive and inclusive approaches. The exclusive approach emphasizes investment in a select group of high-potential individuals, whereas the inclusive model promotes development opportunities for all, grounded in equity and capacity building. Recognizing the strengths and limitations of both, the paper advocates for hybrid talent management practices as a balanced and context-sensitive alternative. This conceptual effort offers actionable insights for organizations seeking to align fairness, effectiveness, and strategic objectives in their talent strategies.

Keywords: *Talent Management, Exclusive Approaches, Inclusive Approaches, Hybrid Approaches.*

Paper Type: *Conceptual*

INTRODUCTION

Modern work life has become increasingly flexible, dynamic, and unpredictable. In response, organizations across sectors have intensified their focus on human capital, recognizing employees as central to sustaining growth and navigating market complexities (Mousa & Ayoubi, 2019). As per the resource-based view, a firm's distinctive, valuable, and irreplaceable human capital is considered one of the key drivers of its long-term competitive advantage (Yildiz & Esmer, 2023). McKinsey's seminal work on the "war for talent" further emphasized that success hinges not merely on acquiring talent, but on managing it strategically to enhance business performance (Axelrod et al., 2002; Barney & Clark, 2007). Consequently, talent management has emerged as a strategic priority for HR professionals aiming to secure and develop a strong leadership pipeline in an increasingly competitive environment (Collings et al., 2019; Volini et al., 2019). The extant literature has explored multiple talent management approaches, notably inclusive and exclusive models (Bhatia & Baruah, 2020; Cross Walker, 2020; Roy & Devi, 2017; Savanevičienė & Vilčiauskaitė, 2017). However, the hybrid approach has received comparatively

limited scholarly attention. This conceptual paper integrates inclusive, exclusive, and hybrid approaches to offer a comprehensive perspective on talent management. Furthermore, it presents a practical framework to assist practitioners in effectively applying these approaches across varied organizational settings.

TALENT MANAGEMENT

The concept of "talent management" was first introduced by the American consulting firm McKinsey & Company in their publication titled *"The War for Talent"* (1998). Between 2002 and 2007, during a period of economic growth, business leaders and HR professionals became increasingly aware of the consequences of failing to hire the right talent or relying on "below-average" individuals who merely occupied roles without adding significant value (Dewhurst et al., 2012). The emphasis on talent management marks a transition from traditional human resource practices to a more strategic approach, where talent management is guided by corporate strategy and integrated with other organizational processes (Savanevičienė & Vilčiauskaitė, 2017). The core idea of talent management is that organizations can enhance their efficiency and effectiveness by successfully attracting, nurturing, and retaining skilled employees (Berger & Berger, 2004). Talent management is therefore seen as a interrelated set of organizational practices aimed at attracting, retaining, motivating, and enhancing the skills and capabilities of talented individuals essential for fulfilling the organization's roles and objectives (Graham et al., 2024).

But the question arises is who is a talent and what talent management philosophy companies should adopt? An organization's perception of what constitutes talent significantly influences how it manages, develops, and retains that talent. Therefore, having a clear and well-defined talent management philosophy is essential for guiding these practices effectively. Many scholars agree that the discussion around the concept of talent is largely shaped by two main, yet contrasting, philosophies: the exclusive and inclusive approaches (Anlesinya & Amponsah-Tawiah, 2020). Some argue that talent is a rare capability found only in a limited group of employees (O'Connor & Crowley-Henry, 2019). Others contend that talent is inclusive, suggesting that everyone possesses potential or has access to the ability to develop it (Meyers & Van Woerkom, 2014). This ongoing debate highlights the importance of clearly defining the organization's approach to talent management, as the chosen philosophy will ultimately shape talent strategies, employee experiences, and overall organizational effectiveness.

Exclusive talent management

The exclusive approach to talent management based on the "war for talent" concept put forth by McKinsey in the 1990s, has been the most historically prevalent model (Michaels et al., 2001). This approach is based on the idea that genuine talent is scarce and that the success of an organization relies on attracting and retaining a select few individuals with exceptional capabilities (Lewis & Heckman, 2006). This viewpoint is significantly shaped by the Resource-Based View (RBV) theory, which regards talent as a rare, valuable, and inimitable form of human capital that can lead to a lasting competitive advantage (Gallardo-Gallardo et al., 2015). Employees identified

as "talent" in this model are assumed to receive both tangible advantages, like expedited promotions and training opportunities, as well as psychological affirmation, which includes feeling valued and appreciated (De Boeck et al., 2018; Wikhamn et al., 2021). The exclusive approach also assigns symbolic status to the talent label, making it more prestigious as it becomes rarer among employees (Swales et al., 2014).

Drawing on the resource-based view and human capital theory, the exclusive approach promotes the idea of distributing organizational resources according to employees' perceived talent and their potential contributions to value, instead of distributing them equally or based on need (Collings & Mellahi, 2009). This logic is supported by concepts like workforce differentiation and the differentiated HR architecture, which recommend tailored HR practices for employees with unique and high-value skills (Huselid & Becker, 2011; Lepak & Snell, 1999). The underlying principle is that investing more in high-potential employees yields greater returns, and therefore, not all employees should be treated the same (Meyers & Van Woerkom, 2014; Swales, 2020). Additionally, being designated as "talent" serves not only as a functional role but also as a symbol of organizational recognition and strategic investment. Thus, exclusive talent management is both a tool for resource optimization and a means of shaping employee identity and motivation through status and recognition.

Inclusive talent management

The inclusive talent management philosophy views the majority of employees as talented or capable of developing talent (Swales et al., 2014). Unlike the exclusive approach, which focuses only on a select group of high performers, the inclusive perspective adopts a broader and more developmental outlook. It emphasizes the organization's role in identifying individual strengths and aligning them with meaningful opportunities available within the organization (Graham et al., 2024). Rather than focusing solely on performance, this approach prioritizes learning and development to help employees grow (Swales et al., 2014). This approach encourages organizations to look beyond immediate performance metrics and invest in learning and development as a means to cultivate talent across all levels of the workforce. At its core, inclusive talent management is grounded in the belief that talent is not limited to a few individuals but exists in various forms throughout the organization (Anlesinya & Amponsah-Tawiah, 2020).

In this approach, talent is not measured by comparison with others, but by an individual's ability to grow and improve based on their own potential and personal best (Swales et al., 2014). The main principles underlying this approach emphasize the importance of employee wellbeing and dignity, placing them above the sole pursuit of competitive advantage (Swales, 2013). Therefore, it is essential for organizations to create a supportive environment in which all employees are given equal access to growth opportunities, skill enhancement, and career advancement (Cappelli & Keller, 2014). Fostering this inclusive mindset not only helps individuals reach their full potential but

also strengthens the organization by building a more engaged, capable, and adaptable workforce.

Inclusive vs. Exclusive talent management: which approach fits best?

Organizations can gain and sustain competitive advantage by strategically investing in individuals who demonstrate exceptional potential, ambition, or intelligence (Michaels et al., 2001). Grounded in the workforce differentiation perspective, this approach channels greater resources toward high-value roles or performers, enhancing performance and profitability (Gelens et al., 2013). Targeted investments in high-potential employees not only boost motivation and commitment—key factors in talent retention and productivity—but also reduce the risk of turnover, thereby maximizing return on human capital (Becker et al., 2009).

However, research also highlights that inclusive talent management—offering development opportunities to all employees—is linked to higher job satisfaction, improved performance, and lower turnover intentions (Graham et al., 2024). In contrast, exclusive approaches may unintentionally foster feelings of exclusion among those not identified as “talent,” leading to disengagement (O’Connor & Crowley-Henry, 2019). While these positive perceptions of inclusivity are often interpreted as evidence of fairness, they may be partially shaped by employee self-interest. According to self-interest theory, individuals tend to judge practices as fair when they stand to benefit personally (Lois & Riedl, 2022).

This dynamic creates polarized views: employees granted “talent” status may view exclusive practices as fair and deserved, while others may perceive the same practices as biased or inequitable (Dries, 2013; Swailes et al., 2014). These perceptions often reflect a deeper psychological tendency to interpret fairness through subjective lenses, particularly when resource distribution is at stake (Gelens et al., 2013; Smith, 2000).

In addition to situational self-interest, individual values also shape fairness preferences. Some people are inclined toward equality—favoring equal treatment for all—while others adhere to the merit principle, which emphasizes rewards based on contribution and effort. The merit principle reflects a belief that those who contribute more should receive more (Cropanzano et al., 2001; Davey et al., 1999). These differing orientations help explain why inclusive models are generally perceived as fairer in settings where performance is not always transparent (Barber & Simmering, 2002; Jacobs et al., 2022), and why merit-based allocation continues to appeal to employees who value equity over uniformity (Colquitt et al., 2012).

Given this complexity, it becomes clear that neither the inclusive nor exclusive model alone offers a universally effective solution. Talent management should not follow a “best practice” model but should instead align with an organization’s specific goals, values, structure, and cultural environment (Boudreau & Ramstad, 2005; Garrow & Hirsh, 2008). A hybrid or context-sensitive approach allows organizations to balance the performance-oriented precision of exclusive

practices with the fairness and engagement benefits of inclusivity, resulting in a more adaptive and equitable talent strategy.

Table 1: Talent Management Approaches and their dimensions

Dimension	Inclusive TM	Exclusive TM	Hybrid TM (integrated)
Philosophy	Talent in all	Talent in few	Talent exists at all levels, but differentiated
Resource Allocation	Equal for all	Concentrated on a few	Equitable + strategic
Fairness Perception	Equality-based	Merit-based	Contextual balance (merit + access)

HYBRID TALENT MANAGEMENT PRACTICES: EXAMPLES OF INTEGRATION

To reconcile the fairness emphasized in inclusive talent management with the performance-oriented focus of exclusive strategies, organizations can implement hybrid practices that blend elements of both approaches. These practices are designed to maintain equity while strategically investing in high-potential talent.

One such practice is the implementation of dual career pathways. The inclusive element lies in offering all employees access to learning and development opportunities tailored to their job roles and interests. This ensures that everyone, regardless of their current status, can grow professionally. The exclusive element is the creation of a parallel leadership track reserved for high-potential individuals, who receive accelerated development, executive mentoring, and fast-tracked promotions. For example, while most employees undergo regular skill-building workshops, a select few are placed in a high-impact executive development program with senior leadership exposure.

Another integrated approach is blended succession planning. Here, the inclusive component involves conducting regular talent reviews and offering all employees developmental conversations and visibility into internal opportunities. In contrast, the exclusive component links succession planning to a smaller group of identified high-potential employees who are assigned strategic roles and evaluated for readiness through structured processes. For instance, while every employee might participate in an annual growth dialogue, only the top 10% are given customized succession paths for key leadership positions.

Transparent talent identification with opt-in features further reflects hybrid thinking. The inclusive aspect enables all employees to self-nominate or express interest in advancement opportunities, promoting fairness and openness. The exclusive dimension enters during the final selection phase, where choices are made based on objective criteria such as performance reviews, assessment center outcomes, or leadership potential. A company may, for example, encourage everyone to apply for a global mobility program, but only those meeting set benchmarks are selected for advancement.

Organizations also implement learning ecosystems with tiered access as a hybrid model. The inclusive side offers everyone access to online learning platforms, internal courses, or certifications, fostering a culture of continuous learning. Simultaneously, the exclusive side allocates advanced training opportunities—such as external certifications, international workshops, or specialized leadership programs—to top performers or business-critical roles. For instance, while all employees may use an internal e-learning system, only top achievers receive sponsorship for prestigious external courses.

Internal talent marketplaces with priority matching also blend the two philosophies. The inclusive feature allows all employees to view and apply for new roles and projects through an open-access system. Meanwhile, the exclusive feature ensures that individuals marked as high-potential receive prioritized placement in challenging, high-visibility assignments. As an example, while anyone can apply for a cross-functional project, strategic roles may be pre-matched to those within the leadership pipeline.

In mixed mentoring programs, the inclusive practice involves offering mentoring opportunities to all employees who wish to participate—through peer mentorship or career coaching. The exclusive component takes shape in targeted sponsorship initiatives for high-potential employees, connecting them with senior executives for intensive guidance. For example, while general mentorship might be available to all, a select group may be invited into a “CEO Circle” for direct coaching from the executive team.

Finally, performance management systems with exclusive calibration represent another hybrid model. The inclusive side ensures that all employees receive comprehensive performance feedback and individualized development plans. However, the exclusive side includes a separate calibration process where only top-performing employees are reviewed by a talent committee for succession planning and strategic investments. In practice, this means while all employees get 360° evaluations, only the top quartile are discussed in depth during talent reviews for leadership advancement.

These hybrid practices offer organizations the flexibility to uphold fairness and inclusivity while still making strategic, high-impact investments in top talent. By balancing broad-based development with targeted recognition, such models help align employee engagement with organizational performance and long-term competitiveness.

CONTEXTUAL HYBRID TALENT MANAGEMENT MODEL

To strengthen the theoretical rationale behind hybrid talent management, this paper proposes a *Contextual Hybrid Talent Management Model* (see Figure 1). This model conceptualizes hybrid talent strategies as a tiered system designed to balance inclusivity, strategic investment, and contextual sensitivity. The base layer comprises universal talent practices—such as accessible learning, internal job mobility, and open development programs—which reflect inclusive values. The middle layer serves as a developmental interface, where employees can opt into growth pathways and be evaluated using transparent, merit-based criteria. The top layer focuses on strategic talent investments, where resources are concentrated on high-potential individuals or

critical roles in alignment with exclusive logic. Importantly, the model recognizes that hybrid approaches are most effective when tailored to the organizational context. Factors such as organizational size (which affects scalability), strategic goals (e.g., innovation-oriented firms may benefit more from exclusivity, while stability-focused ones may emphasize inclusivity), workforce diversity (which calls for equitable and broad access), and market volatility (which demands flexible, adaptive systems) all influence how hybrid practices should be designed. Moreover, employee perceptions of fairness—shaped by self-interest, equity preferences, or inclusion values—can either support or undermine these systems. By integrating these contextual and psychological dynamics, the model illustrates not only how hybrid systems work, but also when they are most beneficial. It provides a flexible framework that organizations can adapt to promote both engagement and performance while managing talent in a balanced, strategic manner.

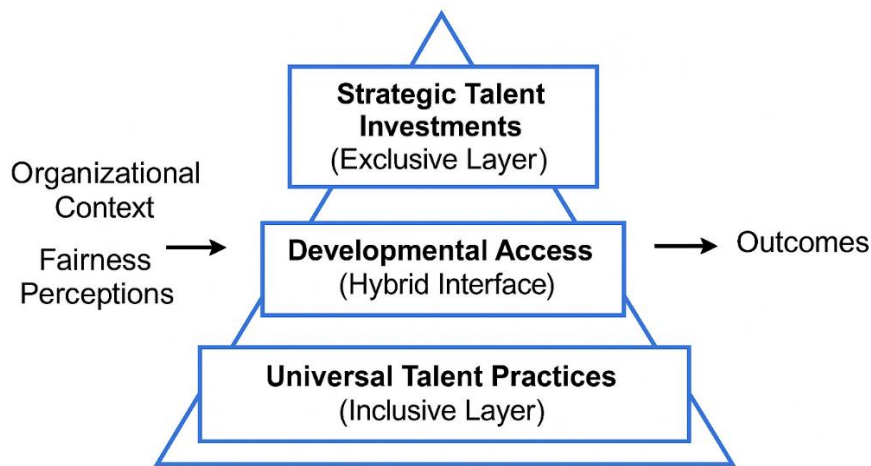


Figure 1: Contextual Hybrid Talent Management Model

CONCLUSION

Talent management continues to evolve as organizations seek to balance the merits of exclusive and inclusive philosophies. While exclusive approaches prioritize high-potential individuals for strategic roles, inclusive models focus on developing the broader workforce. This paper advocates for a hybrid approach—one that blends fairness with strategic differentiation—offering a flexible framework to meet diverse organizational goals and adapt to changing business contexts.

For practitioners, adopting a hybrid approach involves designing systems that provide developmental access to all employees, while still identifying and investing in individuals with high potential. Practical implementation may include dual career pathways, transparent and opt-in talent identification processes, tiered learning access, and mixed mentoring models. To ensure effectiveness, organizations should establish clear criteria, promote open communication, and align talent strategies with values such as equity, trust, and performance orientation.

Future research should explore the long-term impact of hybrid talent management strategies on key outcomes like employee engagement, leadership pipeline strength, and organizational resilience. Comparative studies across industries, cultures, and organizational sizes would deepen understanding of how contextual factors shape the success of hybrid models. Furthermore, examining employee perceptions of fairness and inclusion under hybrid systems can reveal how these influence trust, motivation, and retention—critical components of a sustainable talent strategy.

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