



Edited by
Billy Adamsen · Stephen Swailes

Managing Talent

Understanding Critical Perspectives

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The inspiration for this book came at the 5th EIASM Workshop on talent management held at Copenhagen Business School in 2016. In particular, we wanted to appreciate more critical perspectives on talent management in contrast to the steady flow of mainstream articles and books on the topic. For some years we had been thinking about more nuanced and more philosophical understandings of talent management and were delighted to have the opportunity to collaborate. Across our careers in organizations we have seen talented individuals rise and fall, seen average performers treated as if they were special, and seen undoubtedly talented colleagues held back and frustrated by indifference, power plays, and politics. The opportunity to reflect on our experiences and our approach to the field is most welcome. We are particularly grateful to Lucy Kidwell of Palgrave Macmillan for her advice and support throughout the production process and to our partners, Anne and Elizabeth, for their patience while we prepared material for the book. Most of all we would like to thank all the authors who have contributed to this book for their understanding and cooperation in responding to our comments and deadlines.

Contents

- 1 Talent Management: Gestation, Birth, and Innovation Diffusion** 1
Stephen Swailes
- 2 The Semantic Emptiness of Talent and the Accidental Ontology of Talent Management** 21
Billy Adamsen
- 3 Paralysing Rebellion: Figurations, Celebrity, and Power in Elite Talent Management** 35
John Lever and Stephen Swailes
- 4 The Meaning of Competence, Commitment, and Contribution in Talent Definition** 53
Riitta Lumme-Tuomala
- 5 Subjective Bias in Talent Identification** 75
Denise Holland

6	Talent Management in Egalitarian Cultures: Scandinavian Managers in Singapore	97
	<i>Torben Andersen and Stefan Quifors</i>	
7	Frontline Managers: A Re-examination of Their Role in Talent Management	123
	<i>Søren Vøxted</i>	
8	Talent on the Frontline: Role Stress and Customer Professionalism in the Banking Industry	149
	<i>Torben Andersen and Jesper Raalskov</i>	
9	Why Do Organisations Run Talent Programmes? Insights from UK Organisations	187
	<i>Sunday Adebola</i>	
	Correction to: Managing Talent	E1
	Index	215

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List of Figures

Fig. 4.1	The evolution of potential. (Lumme-Tuomala, 2017)	64
Fig. 4.2	The definition of talent. (Lumme-Tuomala, 2017)	70
Fig. 5.1	Extending HR due Diligence to include Talent Identification	89
Fig. 8.1	Visualization of indicator-effect relationships	153
Fig. 8.2	Essential talent characteristics in four different frontline banking settings	159

List of Tables

Table 4.1	Types of learning agility	68
Table 4.2	Components of potential	69
Table 6.1	Overview of the participants in the study	99
Table 7.1	Roles and organisations of the 18 managers	132
Table 9.1	Comparison of talent philosophies	201

Introduction

Talented individuals have attracted attention for centuries because of their ability to do something that others cannot. Talent was traditionally thought of in art, music, and sport but, by the twentieth century, scholars were turning their attention to understanding what talent means in other fields and in relation to genius and giftedness. Interest in the concept and value of talent grew in business contexts and from the 1960s onwards 'talent' came to be used, albeit sparingly, in connection with organizational prosperity. Business interest in 'talent' continued to grow and, in the 1990s, the abilities of talented individuals became the focal point of a new managerial discipline: talent management (TM). The basic underlying processes are, of course, not particularly new since business organizations have been recruiting, selecting, and training people in structured ways for over 100 years. But there was something about the idea of talent that struck home. Although it had many similarities to it, this was not regular management and leadership development. The specific idea of managing talent carried a stronger focus on searching for the 'X factor', the 'A players', the 'stars', the 'superkeepers', and the special ones, among other evocative labels.

Aspects of recruitment, retention, development, performance management, and reward became integrated in the 'new' practice of talent management and an integral part of strategic human resource planning in many business organizations. Managing talent can now be considered as

a high-performance work practice in its own right, alongside others such as teamwork, decentralized decision making, and extensive communications. At a glance though, talent management looks very similar to human resource management (HRM), so what is the difference? First, we have to get around a definitional problem as the term ‘talent’ has multiple meanings. Classically, it captures the particular differentiating abilities that a person has in a particular field and peer group, such as being an outstanding pianist in relation to other pianists of a similar age. In this sense talent and talents are properties of individuals. Exactly what creates and enables these outstanding abilities in individuals in relation to almost everyone else we are only beginning to understand, but their effects are plain to see.

Talent has also become used as a general term for the labour force at large and is sometimes used to describe an entire workforce. In this sense it is simply another word to describe employees or personnel; it has a more modern feel to it. It is perhaps more comforting to speak of talent than of human resources, even though the treatment that people receive is the same. Talent management can therefore sometimes simply mean more or less the same as human resource management. For some organizations, it has become a euphemism for HRM which, despite its long tradition and widespread acceptance, carries connotations of seeing people more as resources to be manipulated, hired, and fired as necessary rather than as humans with feelings and emotions. It is interesting to speculate on why the use of words by organizations changes in this way and why new words replace old ones yet mean the same thing, but that is for another day.

For the purposes of this book unless otherwise stated, we are engaging with talent and talent management from a more exclusive and elitist perspective. For the most part, we engage with a mainstream working definition of talent management to mean a focus on employees, or potential employees, who are relatively high performers with relatively high potential for new assignments in the business and/or with a view to substantial promotions. They are the top few per cent, if that. So how does that differ from HRM? While talent management covers many of the same things as HRM, it focuses much more on identifying people with high potential rather than all employees. Talent management is more about selecting, developing, and deploying high-potential individuals, whereas HRM

covers a much wider range of activities including legal compliance and employee relations. Talent management aims more specifically to develop leadership capability and assist succession into pivotal roles on the basis that some roles (jobs) have a bigger impact on organizational success than others. HRM, in contrast, is concerned with managing employees across the entirety of their employment with the organization. In elitist talent schemes, individuals in talent pools experience different, bespoke, and more intensive development opportunities to the majority of employees.

Concentrating resources on a small proportion of high performers makes managerial sense on many levels. Performance appraisal distributions show that among employees on the same salary and grade, some employees contribute much more than others. Competition is tough, expectations are high, so why not identify the high performers and put them where they can do most good? These basic ideas fit easily with profit-seeking mindsets, capitalist economies, and individualistic cultures, and it is perhaps no coincidence that the impetus for 'talent management' came out of the USA about 20 years ago. That said, many profit-seeking companies have not adopted talent management, at least not explicitly, and it seems to be less attractive to the public sector.

Potential problems with and objections to an elitist approach are easily found. From a labour process perspective, it can be seen as further exploitation of a small group of individuals for the benefit of top management and investors; when their talent is spent, the individual may be discarded. The expectations on the talented to perform are raised, and this could have significant psychological effects on the winners and particularly on the losers. Despite its intuitive logic of putting high-potential people in critical roles, the evidence that talent management actually improves organizational performance is not as extensive as it might be; understanding its net effects across individuals and organizations remains a substantial challenge. There are also philosophical objections to the idea of differentiating so keenly across a workforce. These seem more likely to arise in national and organizational cultures that have traditions of collectivism, inclusion, non-differentiation, and extensive unionization which explain its varying legitimacy across sectors.

What is plain to see, however, is that talent management in all its forms has spawned high levels of practitioner and scholarly interest. We suggest though that the expanding and often very rigorous literature in the field routinely adopts an uncritical and managerial approach. Lately, researchers have questioned the abilities of talent, even the assumption that talented individuals exist in the actual world, hence the necessity of talent management (Adamsen, 2014, 2016). These questions call for further critical reflections on talent and talent management itself and what talent management as a discipline actually is. Furthermore, these questions also call for further ontological and epistemological reflections on the reality and accumulated knowledge of talent management. How is it even possible for HR managers and executives to know if the people they label as talented truly possess the attributes they are credited with? Practitioners in the field use a range of talent evaluation and selection approaches, but these are inevitably influenced by their world-views and external pressures.

In *Managing Talent: Understanding Critical Perspectives*, contributors offer a range of critical views on talent management and provide both an analytical and descriptive understanding of the reality of talent management. This should not be taken to mean that the contributors do not accept talent management or that they disapprove of its use in practice. That is not so. Rather, our aim here is to add to the talent management literature by offering some alternative perspectives that practitioners could reflect on and that scholars can use to inform future research agendas.

In Chap. 1, Stephen Swailes summarizes the history of talent in management thinking leading up to McKinsey & Co.'s influence on the creation (sociogenesis) of a talent meme that has 'infected' business organizations. Departing from mainstream rationales for adopting talent management, he discusses five reasons why top managers have been attracted to the meme. These 'strange attractors' (to use a term from mathematics) are non-rational, but at the same time they are not irrational, since each is a feature of the meme that allows it to replicate and prosper. The chapter argues that talent management is attractive not only because of the economic benefits that it might deliver but also because of features that lie within the meme. The chapter looks inside the idea of

talent management to find reasons for innovation diffusion in preference to the presumed beneficial effects that the idea has on people and organizations.

In Chap. 2, Billy Adamsen considers the ontology of talent management and the semantic emptiness of talent. From an interdisciplinary perspective that draws on methods and insights from cognition, social psychology, philosophy, linguistics, and sociology, he demonstrates how a lack of semantic clarity in talent management is a semantic emptiness and represents an ontological problem that questions the very existence of talent in the 'actual' world. The implications of the semantic emptiness of talent have created an accidental ontology of talent management and led to a significant high subjective bias and inadequacy in talent management particularly in talent recruitment causing considerable failure. He proposes a way to approach the issue of an accidental ontology and diminish the subjective bias and inadequacy in talent management by suggesting the (re)establishment of a fundamental language ascending from a rigid ontology in which talent management is causally (re)connected with the actual world.

In Chap. 3, John Lever and Stephen Swailes examine elite talent management using insights from figurational sociology developed by Norbert Elias. Figurational sociology is concerned with how networks of interdependent people change and develop over time. In relation to talent management as it plays out in large organizations, those networks include top managers, HR managers, consulting organizations, employees or potential employees deemed as talented, those not deemed as talented at a particular point in time, as well as individuals in wider socioeconomic and political networks. Talent management is not a static process, and the individuals and groups involved are constantly jockeying for attention, status, and power, with some actors being more successful than others. The chapter applies ideas of figurations to analyse elitist talent programmes in order to reveal the dynamics of power and control in particular. The chapter shows how talent management, over and above its rational foundations and explanations, can be used as a means to maintain order and to protect people in high positions from an ambitious and potentially powerful group: the talented.

In Chap. 4, Riitta Lumme-Tuomala looks at the definition and scope of ‘talent’. Talent is not defined in organizations in a consistent manner which is arguably one of the factors leading to talent management failures. Defining talent is essential since it underpins talent identification, and she proposes a formula comprising three components: competence, commitment, and contribution. These components are multiplicative not additive. The three components are divided into two time dimensions (present/future) to allow the inclusion of, for example, the future (business) needs of the organization and the notion of ‘potential’. This framework contributes to talent management practice since it does not limit talent definition and identification to predetermined competencies or generic descriptions but gives flexibility and possibilities for organizational context-specific modifications and design.

In Chap. 5, Denise Holland addresses the challenges of talent identification during the early stages of an acquisition process. The acquisition process is a dynamic and somewhat urgent environment, where the acquiring management team needs to balance the assessment of accurate talent information with decisions that will influence integration planning that may ultimately affect the outcome of the deal. Questions around the right type of talent, its placement, location, timing, and costs all present a challenge for acquirers who may rely on ‘getting the inside track’ from target executives. Getting exposure to executives can be an essential aspect of talent identification that helps to identify talent. However, some employees may be overshadowed by poor and biased executive decision making or by individuals who are better at getting executive attention and recognition during the acquisition process. This chapter includes findings from empirical research of three cross-border acquisitions involving five subsidiaries located in Europe and the USA. The research highlights the informal nature of talent identification where biased decisions at two of the target subsidiaries resulted in placing the wrong people in critical positions which delayed integration and affected post-acquisition performance.

In Chap. 6, Torben Andersen and Stefan Quifors explore perceptions of global talent management (GTM) among senior managers working for subsidiaries of Scandinavian multinational enterprises (MNEs) in South East (SE) Asia. The talent literature carries limited empirical

evidence exploring how it is operationalised and implemented in this region. There is a lack of understanding of how TM policies and programmes are perceived and applied by practitioners at all levels within MNEs. Many are formulated at top level, and knowledge about how these work in highly decentralized cultures is highly relevant and influential on their successful implementation. Using data from Scandinavian TM practitioners working in Singapore, the chapter sheds light on the main challenges that face TM practitioners and provides specific insights into the experiences, perceptions, and beliefs that subsidiary managers have of these relatively new initiatives. This different contextual perspective to TM research is important since meanings and understandings of TM differ across individuals, organizations, and social and cultural contexts.

In Chap. 7, Søren Voxted focuses on the kinds of competences and attitudes that define talent among frontline managers and argues that the position of frontline managers within the hierarchy requires skills and an approach to management that are different to the talents required of managers going for positions at the top of the hierarchy. The chapter elaborates on what distinguishes the two types of management talent from each other and, in consequence, the differences characterizing talent management programmes for talents aiming for positions at the top and programmes aimed at frontline managers. Data are reported from 25 frontline managers based on a Grounded Theory approach. Frontline managers practise leadership and deal with everyday managerial challenges in terms of (1) the managers' ability to formulate and transform strategic objectives to a new vocational practice, (2) the managers' ability to switch between 'hard' management and 'soft' management, and (3) the managers' ability to create professional communities based on the organization's core competences. Talents among frontline managers are those who are able to manage the employees' vocational practices in a way that meets the company's strategic objectives and key performance indicators.

In Chap. 8, Torben Andersen and Jesper Raalskov explore the nature of talent in frontline personnel in Danish banks. Using a highly detailed analysis, they show how the characteristics and attributes that denote talent run much deeper than standard descriptions of performance and

potential. The chapter suggests that the composition of talent will differ across sectors but the components of talent in frontline banking employees are far from obvious and are unlikely to be described accurately even by experienced leaders. The chapter cautions against broad-brush descriptions of talent and adds to the limited number of studies of what talent means in specific organizational contexts.

In Chap. 9, Sunday Adebola explores the reasons why private sector companies in the UK implement talent programmes. After summarizing workforce differentiation, institutional theory, and human capital theory as explanations for adoption, four case studies of companies in different sectors are reported. Each case company revealed a conventional background narrative of investments in human capital as the basic reason. Cross-case analysis, however, shows that in addition to the general human capital approach, institutional theory was a powerful explanation. Furthermore, each case company revealed a distinctive talent driver that shaped its particular approaches to talent development. The drivers were a desire for inclusivity in the hotel sector where large numbers of employees are in direct contact with customers, a desire to identify and fill key positions, a desire to differentiate among employees, and succession planning.

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1

Talent Management: Gestation, Birth, and Innovation Diffusion

Stephen Swailes

This chapter traces interest in the idea of talent, particularly in relation to business contexts, as a way of understanding the sociogenesis of talent management in the 1990s. Talent, together with talent management, is treated here as a meme and, using the idea of memes as transmitters and social replicators, the reasons for the proliferation of the talent meme are suggested. These reasons go beyond rational explanations for organizational interest in talent as a route to organizational improvement, although that doubtless plays a part, and look within the meme for explanations of its popularity.

Talent management displays some of the features of fads and fashions in management (Iles, Preece, & Chuai, 2010) and, given that some innovations spread for reasons that are not entirely rational (Scarborough, Robertson, & Swan, 2015), it is useful to look at alternative theoretical explanations for the progress of the meme. How, for instance, can the sudden rise in popularity of talent management in the twenty-first century be explained and what has sustained it so far? What is it about the

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idea that continues to attract attention? In exploring these questions, we move away from rational explanations for innovation diffusion and look closely at the innovation itself in order to get a more nuanced explanation of its capacity to keep attracting attention.

Using a conventional approach to understanding how memes form and proliferate (Paull, 2009), the chapter explores three distinct periods: events before the creation or birth of the meme, its creation point, and the diffusion of the meme after creation. The historical overview is provided to set the scene and is not an exhaustive treatment of how ‘talent’ has been seen by society (see Cappelli & Keller, 2017). Moreover, it is intended to give sufficient flavour here of how society has treated talent and to highlight some important moments in the history of thinking about talent. It is worth noting at this point that business organizations have a long history of showing interest in selection, training, and management development (Cappelli, 2009). For sure, managers deemed to have high potential would have been a focus for some of these activities, but seeing and talking of high potential employees as ‘talent’ is a relatively recent phenomenon in business organizations. Reasons for the rapid diffusion of this phenomenon are discussed in this chapter.

Historical Overview

People lucky enough to be deemed as talented have always attracted attention. Writing in the early twelfth century, the cleric Henry of Huntingdon tells us of ‘William, a young man of great natural talent’ and of Richard ‘whose talents we admired and of whom we expected great deeds’ (Greenway, 2002, pp. 99–101). Henry clearly saw in these individuals something different from the norm, something that marked them out from others and that credited them with the potential to achieve more than most.

There is a long tradition of thinking in terms of ‘talent’ and ‘giftedness’ in sport, art, and music and a substantial body of research as to why some people have more ability in certain fields than others (Kaufman, 2013; Sternberg & Davidson, 2005). The meanings of giftedness, talent and

genius, very different things that should never be conflated,¹ started to be explored in the early twentieth century (Fischer, 1904). Of particular interest were the social conditions that associated with talent development (Faris, 1936) perhaps in the hope that if associating conditions could be identified then this would enable the talents of more people to flourish. A noble aim perhaps, but more comprehensive theories of talent development began to emerge that also took account of hereditary characteristics, general intelligence, and psychological disposition (Bray, 1954).

For sure, most business organizations have always recognized the importance of developing their employees and looking out for above average people. It makes commercial sense after all, but for most of the twentieth century this was, for the most part, treated using labels such as management development, training, and retraining. One exception (Hadley, 1888: 576) noted that industrial competition would ‘guarantee’ that men with the best talent for organizing would end up running organizations as the result of a process of ‘natural selection which prevented incompetent employers from maintaining themselves long at the head of large enterprises’. But despite over 100 years of systematic study of management practices and work psychology, the term ‘talent’ was little used in business contexts until the 1990s.

In the United States, a Committee for the Identification of Talent was set up in the early 1950s and the Committee recognized that talent identification was inexorably bound up in the prevailing power relationships in organizations (McClelland, Baldwin, Bronfenbrenner, & Strodbeck, 1958). ‘Talent’, as a descriptor for above average people, started to gain traction in the 1960s. Twedt (1967) used the term ‘talent pool’ in relation to concerns about shortages of marketing managers and Patton (1967) was concerned with shortages of executive talent. Miner (1969, p. 257) devoted half a page to talent searches in a textbook on personnel relations considering them to be for ‘lower management levels...from within the firm’ and reflecting a much more parochial approach to talent management than is taken today.

Social changes at the time as evidenced through the 1960s counterculture and changing university curricula that much more openly questioned authority and the establishment were thought to be capable of

¹ ‘Mediocrity knows nothing higher than itself, but talent instantly recognises genius’, Arthur Conan Doyle.

discouraging young people from taking up careers in management (Miner, 1974). This shift and potential clash of attitudes is illustrated by the central character Benjamin Braddock in the 1967 film, *The Graduate*.

Mr McQuire

[a businessman at
a family party for
Ben's graduation]:

“Ben, I just wanted to say one word to you – just one word.”

Ben:

“Yes, sir.”

Mr McQuire:

“Are you listening?”

Ben:

“Yes I am.”

Mr McQuire (gravely):

“Plastics.”

Ben:

“Exactly how do you mean?”

Mr McQuire:

“There is a great future in plastics. Think about it. Will you think about it?”

Ben:

“Yes, I will.”

Mr McQuire:

“Enough said. That's a deal.”

The short piece of dialogue between the young graduate and the business executive contrasts the traditional, parental views of expectations of a career with a large corporation with a new generation's more liberal attitude to work and employment. In case you are wondering, Ben did not pursue a career in plastics, preferring to focus his attentions on the neighbour's daughter and, at the end of the film, drive her off into an unspecified future.

Manpower planning was popular in large corporations at the time and the importance of identifying talented employees in this process was recognized (Hinrichs, 1966; Vetter, 1967) as attention was turning to the personal characteristics that signalled all the qualities of managerial talent (Ghiselli, 1971; Siegel & Ghiselli, 1971). Both researchers and practitioners were looking at better ways of identifying managerial talent (Edwards & Bartlett, 1983; Stahl, 1983). Longitudinal studies of the relationships between individual differences, career success, and income appeared (Abrahamson, 1973; Husen, 1972). Scholars were also starting to investigate the subjectivity contained in decisions surrounding judgements of a person's talent, for example, beauty (Kaplan, 1978; Landy & Sigall, 1974).

Alongside a growing interest in understanding the ingredients of talent in a range of domains, some important developments were occurring in how businesses thought about managing people. This is captured in the transition from personnel management to human resource management and the more widely held belief that employee performance is proportional to the ways that people are managed. From the 1970s onwards, a number of trends affecting businesses in the West can be identified (Gospel, 2010) including the rapid growth of industrial sectors such as food and consumer goods; trade liberalization; new technologies, rising competition; new ways of structuring such as multidivisional businesses; declining employee commitment to trades unions; and rising living standards enjoyed by employees. These changes to the conditions that businesses had to deal with called for new ways of managing to circumvent practices that for many firms had become centralized and paternalistic. For many firms, rigidity, formalization and hierarchy were reduced to make way for a much stronger market and profit focus, job flexibility, team working, greater autonomy and greater links between pay, promotion, and performance, to name but a few. Fuelled by concerns about inefficiencies, many of these new ways of thinking and organizing attracted political attention on the grounds that they should improve the performance of public sector organizations. These reforms, taken up in a range of countries in what has become known as New Public Management, have had a big impact on the ways that public sector employees are managed (Bach, 2010).

A specific development in the general shift from personnel management to HRM in response to declining competitiveness in U.S. firms initially was an appreciation of high performance work practices. These involve, among other things, flexible work arrangements, extensive training and development, performance-related pay, and job security (Becker & Huselid, 1998). High performance practices are often thought to work best when several practices are implemented to operate in conjunction with each other (bundling). While they remain contentious due to concerns over their possible impacts on employee wellbeing (Wood & De Menezes, 2011), it is easy to see how talent management gained favour as a way, in theory, of connecting high performing employees to improved organizational performance.

Against this background, by the late 1990s the use of ‘talent’ as a collective term to describe employees and prospective employees with above average abilities and the potential to contribute to organizations had become quite widespread.

Creation

Like all innovations, talent management arose out of patterns and systems of thinking that had preceded it. It was not discovered, it had been gestating for some time. In this case, there was a long tradition of recognizing and remarking on talent, usually in complementary ways, and the second half of the twentieth century witnessed the increasing connection of ‘talent’ with descriptions of above average, high potential employees. The specific idea that organizations need to manage ‘talent’ evolved out of and in conjunction with separate but related memes that carried their own messages about, for example, the importance of good leadership and of the importance of managing performance (Cappelli, 2009). Talent management arose out of socio-cultural and economic factors and the ingredients that gave rise to the particular ‘primordial soup’ from which talent management could evolve were, primarily, accepting the idea that different positions in a society are not equally important to the survival of the same society (Davis & Moore, 1944), a strong tendency in Western societies to stratify and differentiate among people that had permeated into business organizations (see Collings, 2017; Lepak & Snell, 1999), non-uniform distributions of talents in society, and narratives surrounding increasingly difficult economic conditions and shortages of talent (Swailes, 2016).

Stratification in this case is based on a person’s perceived current and future value to an organization, namely, their economic worth. Narratives of talent shortages (e.g., see Manpower Group, 2015) and tougher business conditions served, and continue to serve, the interests of senior managers in control of organizations (Swailes, 2013). A similar background explains the emergence of the construct of the gifted child in the early twentieth century; the vested interests of those controlling schools and those of psychologists and educationalists were served by the creation of education systems for gifted children (Borland, 2005).

Although the term ‘talent management’ had appeared before the influential work by consultants McKinsey & Co. (e.g., Istvan, 1991), if we seek a distinctive moment for its birth then we would not be far wrong in considering it to be around the oft cited ‘War for Talent’ article (Chambers, Foulon, Handfield-Jones, Hankin, & Michaels, 1998). Around this time, two entities, management and talent, that had been slowly converging collided with sufficient force to create a new and stable idea. Reinforcements arrived later in the form of the influential book *The War for Talent* (Michaels, Handfield-Jones, & Axelrod, 2001). There was something about the idea that executives were fighting a war that attracted attention to the meme. The meme responded by getting into the minds of willing hosts and by adapting and transmitting itself.

What is clear is that the birth of the talent meme in business contexts was accompanied by some very bullish language about the righteousness of the ‘war’. The talent imperative was based on interviews with nearly 13,000 managers plus discussions with people in hundreds of companies. There could be no doubt, it was claimed, that companies with robust talent systems outperformed others and for that reason. Strong leadership was paramount and the poverty of the failing employee was scorned. No quarter should be given in the search for those with high potential or in the exposure of poor performers. The tone of the talent discourse was assertive, masculine, and individualistic. This was managerialism at its best. Yet it would be going too far to credit McKinsey with the conception of talent management since it had existed before their interventions occurred. McKinsey & Co. did not gestate or give birth to the meme, but they did act as midwife and their role in its passage into management consciousness should not be underestimated. Maybe, if most business executives at the time had been women then, perhaps, the war metaphor would not have been so catchy. We will never know.

A Meme’s Progress: The Diffusion of the Talent Meme

Richard Dawkins (1976) introduced the concept of memes in *The Selfish Gene*. Dawkins was interested in how, like genes, socio-cultural phenomena also change and survive across time albeit sometimes not for very

long. Memes include ideas and fashions, amongst other things, and can be thought of as something that carries an idea from brain to brain. In the case of talent management, transmission occurs mostly through talk and through written communications. Internet memes, such as short videos spread by social media and which gain rapid popularity, are a type of meme but are not the same and can be disregarded for the purposes of this chapter. Of interest here is the idea of memes as transmitters of cultural information, in this case the phenomenon of talent management, that mutate as they pass from person to person.

Some memes are short-lived; others can last for a long time. Passing from mind to mind often with some modification to the meme, in this case the idea of talent and of managing it, occur each time transmission occurs. Brains become host to a meme analogous to the way in which a body plays host to the genes that have shaped it. Religions can be seen as examples of memes that have survived over a long time, albeit with modifications, because shared religions help to bind communities together and, for their followers, provide answers to some very difficult questions about the nature of human existence.

Meme theory has attracted attention in a range of management fields. Specific applications include applying memetics to large system changes where barriers to change can often arise from the 'stubborn persistence' of old memes (Waddock, 2015), explaining tourist destination choices (Atadil, Sirakaya-Turk, Baloglu, & Kirillova, 2017) and business process re-engineering (O'Mahoney, 2007). The progress of the talent meme into popular conscience can be tracked through citation databases. Using Scopus, a large database of peer-reviewed sources, and limiting hits to 'talent' occurring in the source title across the social sciences, seven citations were recorded in 1970, 16 in 1980, 31 in 1990, 62 in 2000, 365 in 2010, 347 in 2015, and 430 in 2017. Scopus demonstrates the relatively low interest in 'talent' by academics before 2000 and the sharp upturn of interest thereafter which has steadied since 2010. These statistics of course are measuring scholarly interest not practitioner interest. To gauge practitioner interest, the Business Source Complete database was searched for 'talent' in the title of articles appearing in periodicals only. Periodicals are more likely to be read by practitioners and a similar pattern emerges: 25 hits in 1995, 109 in 2000, 219 in 2010, 443 in 2015, and 364 in 2017. The chapter now turns to explore the reasons why this upturn occurred.

It is surely not because there is a solid evidence base that talent management improves organizational performance (Collings, 2015; Glaister, Karacay, Demirbag, & Tatoglu, 2018; Silzer, 2010). While there is some empirical evidence of the positive effects of management and leadership development (Mabey & Finch-Lees, 2010) and thus by implication of talent management, a specific evidence base is distinctly lacking. However, this should not be taken as too strong a criticism since the connection between any particular strategic human resource management initiative and individual or organizational performance is very hard to isolate given the wide range of alternative management practices and market changes that are usually co-occurring. Indeed, there are some fundamental methodological problems in exploring the links between HRM practices and performance including the widespread use of the same person to provide data on HRM practices and on organizational performance (single source respondents), quantifying HRM practices and measuring their effects, accounting for time lags across which effects might take place, and reverse causality (Becker & Huselid, 2006) such that it is not talent management that causes higher performance but that higher performing firms that tend to implement talent management.

This positivist approach to researching the HRM-Performance link is reinforced by copious advice to organizations regarding how to use best-practice to attract, retain, develop, and reward talent (e.g., see Lorsch & Tierney, 2002; Schweyer, 2004). Doubtless such texts are the products of experience and contain many good ideas for top managers. A fundamental problem remains, however, that, for all the generalizations of what talent is and how to leverage it, talent is idiosyncratic. All organizations employ a unique survival strategy but even organizations in the same sectors employ different, even if only slightly different, ways of surviving. What one organization prizes as talent may be less prized by a different organization serving a very similar market.

Since survival strategies differ, even if only very slightly, the specific talents needed in one place differ from those most valued elsewhere. In addition, since two management teams cannot be the same, their visions and imaginings of talent and how it reveals itself to others will also differ. Organizations can make good use of the best-practice recipes on offer, but should never lose sight of the difficulties and pitfalls of adapting recipes to the unique, distinctive, and unreproducible social structures that they rely on for survival.

Fleetwood and Hesketh (2010) provide a detailed rebuttal of ‘scientific’, deductive approaches to understanding the HRM-Performance link in which inputs and outputs are quantified and measured. Central to their argument is that workforces are open systems and thus cannot be treated as closed systems in which causal ‘event regularities’ occur of the type – if x occurs then there will be some proportionate change in y. They summarize their position observing that quantitative researchers looking to connect HRM to performance ‘turn a blind eye to the possibility that because they are naturally qualitative, inherently complex, evolving multidimensional and subjective, practices cannot be *meaningfully* measured’ (2010, p. 204).

It is against this background that we have to look for other reasons why interest in the idea of talented employees and in the importance of managing them gained popularity so quickly. Five explanations are suggested here, they are not mutually exclusive as all of them could have been active in the minds of senior managers over the past 20 years in particular.

The Popularity of the Talent Meme

The talent meme has a high degree of ‘stickiness’ (Barrett, 2015), and five features of the meme are proposed to explain this characteristic. Firstly, the meme relates to other closely connected memes such as the salience of performance management and the impact of good leadership on organizational success. Set in a context of narratives relating to toughening competition and business excellence, among others, the meme easily finds a home with senior managers and HR executives tasked with business improvement. It is a relatively simple idea that is easy to assimilate and which sticks in the memory. The meme is transportable and, arguably, has relevance to most medium to large business organizations. Social networks influence the rate at which innovations diffuse because networks are structures that help to transmit a particular meme (Abrahamson & Rosenkopf, 1997). As executives move between organizations, they carry the meme with them and it may find new hosts in the minds of others that are tasked with taking organizations forward. Likewise, many ambitious employees who have high opinions of their worth and poten-

tial may expect some form of talent development system in organizations that they are considering moving to. This circulation of people helps to transmit the talent meme between organizations.

Secondly, the meme's survival is aided by the lack of a clear competitor. For sure, most medium sized and large organizations have implemented structured and perhaps very effective HRM systems, but many have not signed up to the specific idea of managing talent (Fegley, 2006). In profit seeking sectors, a 'do nothing' approach to talent has limited traction particularly when executives can see their competitors setting-up talent programmes. The talent meme also carries a subtle message of danger and memes that do so tend to spread quickly (Barrett, 2015; Brodie, 2009). Borrowing from Mills' (1956 [2000:143]) observations on executive training, talent programmes address senior managers' concerns that people in the lower levels 'are not as broad-gauge as they themselves are' and 'are designed to meet the felt need for the perpetuation of the corporate hierarchy'. The meme appeals to concerns that doing nothing compromises an organization's ability to survive as well as it could. The inherent message of danger was helped along, at least in the early years, by the 'war for talent' message. War is a strong word that arouses passions and fears and if McKinsey had chosen a less emotive and more benign banner headline then the meme's progress might have been slower than it was.

Third, ambiguity. While there are accepted definitions of talent applicable to many fields, for example, that talent in a domain represents the top 10 per cent of people by systematically developed competencies (Gagne, 2013), in business contexts the term can and does mean almost anything. The term is used to describe employees in general, prospective employees, and is also used in an elitist way to describe the top few per cent of employees in terms of their performance and potential. This ambiguity surrounding what talent can mean and how it is best managed helps the meme to diffuse across sectors (Adamsen, 2016). In sport, by comparison, individuals can easily be compared in terms of times, distances, goals, or runs scored, for example, but most businesses do not have access to such singular performance measures for their employees, and innate talent is much harder to identify (Cappelli & Keller, 2014). Organizations may use performance criteria contained in competence frameworks to assess talent and rubrics such as the nine-box grid to map

talent across their workforce, but it remains hard for them to separate true ability and potential from the impressions that people have created about them (Chen & Fang, 2008) and from chance events that have made them look better than others.

The ambiguity that talent carries with it means that talent management can be interpreted and adapted to fit a range of situations. It has good 'interpretive viability' (Benders & van Veen, 2001). Executives are in effect 'consuming' the idea of talent which embraces all sorts of positive connotations that they and many of their employees would reasonably be expected to identify with. The idea of searching for talent and then of managing it should reassure executives, in particular, since it places them, if not above the talented then at least, on a par with them. They can select those features of the talent meme that appeal to them the most and use them to maintain status and power over ambitious others. In structured talent programmes, line managers can use the talent criteria as a controlling mechanism over their staff, and ambitious employees can play the talent recognition game if they are smart enough to do so.

Fourth, celebrity society. The talent meme prospers in a society that values celebrity and talent searches can be interpreted as searches for minor organizational celebrities. A feature of contemporary celebrity society (van Krieken, 2012) is that people are oversupplied with information whereas their attention is in short supply. Managing large organizations is very complex and the talent meme helps to reduce this complexity. Executives attuned to the idea that some employees contribute more than others will easily play host to the meme. When attention is short, what better than to focus attention on small groups of employees that, by some process, have been labelled as talented? For managers who are comfortable with the philosophy of workforce differentiation, concentrating attention on a minority offers considerable advantages given the alternative of concentrating on everyone.

This short-cut approach, however, carries with it a potential downside. In essence, there are two competing but not mutually exclusive explanations for stardom which are applied here. Rosen (1981) theorizes that superstar earnings are a result of talent differentials with small differences in talent explaining large differences in earnings and where the talent-earnings gradient increases near the top of the scale. Adler (1985, 2006),

however, suggests that superstars can emerge from pools of equally talented individuals because consumer networks need to share a common culture. Some empirical support for Adler's hypothesis exists (Nuesch, 2008) and, using game modelling, Gergaud and Ginsberg (2010) show that stardom arising from popularity dissipates more rapidly than stardom arising from talent.

If Adler's (1985, 2006) ideas translate to boardrooms, then executives can start to focus on an individual because they revert to consuming the same talent as others are consuming. It works like this. Suppose an employee comes to the attention of an executive who is attracted to their talent potential or perhaps just because they have created a good impression of themselves. The talented employee is discussed with other executives such that they also start to consume the same talent. Thus someone who is not normally exposed to top managers benefits from being talked about favourably and their consumption capital increases (Adler, 1985). Of course, the opposite can happen in that the 'untalented' could be talked about unfavourably. Employees with heightened consumption capital benefit from greater popularity and the talent consumers concentrate their limited attention on them and to the detriment of others acting under the talent radar. On the surface this is efficient; the costs of searching for information that might identify new talent are saved. The process works across many fields—if someone likes Mozart then why buy music from other composers of the period to see if they like them as well? Save the money and stick to Mozart.

If executives do operate in this way, then through genuine talent or perhaps through luck or good impression management, an employee can spiral upwards to celebrity status. Where attention is predicated more on popularity than on real differences in talent, the success of an employee is more closely linked to the influencing abilities of their line manager. Employees will engage in upwards influence and impression management—if they are motivated to do so—to the extent that being in a talent pool has a payoff. The processes of talent recognition can be said to be efficient if employees earmarked as talented are truly more talented than those who are overlooked (see Rosen, 1981). However, if talent recognition is largely proportional to popularity, ingratiation, and impression, then any gains must be set against the cumulative effects of the psycho-

logical deficits and downsides experienced by those who go unrecognized. These could include disaffection, withdrawal of goodwill, and increased turnover cognitions (De Boeck, Meyers, & Dries, 2018; Swailes & Blackburn, 2016).

Fifth, power and status. Despite the limited evidence that talent programmes actually produce net business benefits, the meme's spread is helped along because the people who are making talent decisions—effectively acting as talent show judges—boost their power over the people they are evaluating (van den Brink, Fruytier, & Thunnissen, 2013). Managing talent is reassuring to those in the higher managerial elite who have risen to the top of the corporate world and who sit in judgement over the merits of others. They are too far above the cut and thrust of the talent review meetings to get caught up in the emotional fallout from those processes. That is left to line managers and executives below them.

Some elevation of status will also accrue to those who are credited with talent status, particularly where the selection processes are supposedly open, competitive, and rigorous. Enhanced status carries with it certain advantages such as more profitable interactions with other high status people and greater psychological rewards (Nippa, 2011). For instance, higher status improves the chances of getting favourable outcomes (Washington & Zajac, 2005) and reduces the likelihood of receiving negative behaviour from others (Lamertz & Aquino, 2004). Enhanced status, for some, is a motivator and provides another reason for the spread of the meme.

By way of an analogy, parallels can be drawn between elitist talent programmes and how court societies operated in past time. In particular, court societies were used to keep order among ambitious courtiers vying for the attention of the nobility (see Elias, 1983) and elitist talent programmes mirror the social processes that occurred. Elite talent programmes create a hierarchy—at least among those excluded, included, and their seniors—by reinforcing distinctions between the majority of employees, the select few enjoying talent status, line managers, and top managers. In the courts of old, courtiers had to discipline themselves or face falling out of favour or worse. It follows that talent pool members submit to a self-imposed discipline and etiquette that imposes order on themselves and which mitigates their ability to threaten the safety of people above them (see Chap. 3).

Conclusions

The talent meme that is now hosted by many organizations was a long time in the making. It has mutated and prospered because of its intrinsic features, namely, stickiness, the lack of a competitor, ambiguity, the celebrity nature of contemporary society, and the promise of power and control. There is little evidence that it benefits organizations directly, but the weight of interest in it suggests that many executives have little doubt that it does, although there are other reasons for playing host to it. Indeed, it would be hard to isolate the benefits of talent management due to methodological problems; it must be left to individual organizations to decide if and how to use it. Furthermore, benefitting a host is not a necessary condition for a meme to spread; their trick is, like genes, to replicate. The more this particular meme finds new hosts, the more variations there are in how it manifests itself in organizations. It is a product of the society that created it and arose out of discourses around how organizations should be managed, particularly in Western capitalist economies. It is part of the current 'rhetorical wave' (Barley & Kunda, 1992) affecting business leadership that emphasizes, among other things, leadership, performance, and governance.

To complement mainstream research in how organizations run talent programmes and their effects, memetics suggests that it would also be useful to look more closely at the meme itself and the social networks that have transmitted it to understand more about why it has been such an effective management innovation. Alongside this, it would also be useful to understand more about organizational conditions that give immunity to the talent meme. Many organizations have not played host to it particularly in the public sector. The answer may lie in understanding more about how memes compete with each other. The public sector, for example, has stronger traditions of collectivism, unionization, and non-differentiation that might explain why the talent meme has had less impact.

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2

The Semantic Emptiness of Talent and the Accidental Ontology of Talent Management

Billy Adamsen

When the Greek philosopher Parmenides wrote his one and only collection of poems *On nature*, he was, in a colourful language, trying to reflect on the existence of being or reality. As Charles H. Kahn (1969) points out “if ontology is the study of being, and what there is, and metaphysics the study of ultimate reality, or what there is in the most fundamental way, then Parmenides may reasonably be regarded as the founder of ontology and metaphysics at once” (Kahn, 1969). Moreover, the way the founder of ontology, Parmenides, describes what ontology is could inspire and help us to understand the ontology of talent and talent management:

“Come now, I will tell thee – and do thou hearken to my saying and carry it away – the only two ways of search that can be thought of. The first, namely, that It is, and that it is impossible for anything not to be, is the way of conviction, for truth is its companion. The other, namely, that It is not, and that something must needs not be, – that, I tell thee, is a wholly untrustworthy path. For you cannot know what is not – that is impossible – nor utter it” Ἐὶ δ’ ἄγ’ ἐγὼν ἐρέω, κόμισαι δὲ σὺ μῦθον ἀκούσας, αἴπερ ὁδοὶ μούναι διζήσιός

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εἶσι νοῆσαι· ἢ μὲν ὅπως ἔστιν τε καὶ ὡς οὐκ ἔστι μὴ εἶναι, Πειθοῦς ἔστι κέλευθος – Ἀληθείη γὰρ ὀπηδεῖ – , ἢ δ' ὡς οὐκ ἔστιν τε καὶ ὡς χρεῶν ἔστι μὴ εἶναι, τὴν δὴ τοι φράζω παναπευθέα ἔμμεν ἀταρπόν· οὔτε γὰρ ἄν γνοίης τό γε μὴ ἐόν – οὐ γὰρ ἀνυστόν – οὔτε φράσαις. (Translation. Burnet, 1892)

If we put these thoughts of Parmenides into a contemporary context of talent management, we may ask ourselves if we actually know if ‘talent is’ because, if so, our belief in talent is then supported by the truth ‘*the way of conviction, for the truth is its companion*’. If we do not know if talent is, then ‘talent is not’ and ‘that something must need not to be’ because our belief in talent will then not be supported by the truth and simply just being that—a belief. Therefore, the ontological question anyone within the field of talent management has to ask is—do we or do we not know if talent exist? And what would be the implications of not knowing?

In order for us to answer these questions, we would first have to know what ‘is’ is. According to Kahn (1969), Parmenides distinguishes between two kinds of ‘is’—a physical reality, that is, reality itself, and a metaphysical reality, that is, the ultimate reality. The latter is the absolute nature of everything and does refer to a creator of some kind or something that governs the entire universe. A reality in which the past, present, and future coexist and therefore seems to be the actual reality (Kahn, 1969). Even though talent since the fourteenth century has been associated with the ultimate reality—materialized in the expression ‘God given talent’—we still need to know if talent actually exists in the actual physical reality too or primarily in the ultimate reality (Adamsen, 2016). To find a way to know what or how talent ‘is’, we would have to look closely at the term ‘talent’ in the compound phrase ‘talent management’ and how and what it actually refers to.

In his important book *Naming and Necessity*,¹ S.A. Kripke (1980) presents a realistic view of how names could refer or not refer to a referent in an actual world, or, in more familiar terms, how they could refer directly or indirectly to things in the physical reality. Kripke distinguishes between

¹ Part of this article and especially my reflections on Kripke and names and necessity has earlier been published in my book *Demystifying Talent Management – A Critical Approach to the Realities of Talent*.

two kinds of designators (i.e., words that could potentially have a referent), a rigid designator and an accidental designator, and further, between two kinds of worlds—an actual world and a possible world. To understand Kripke's definition of the two different designators, we need to understand the importance of the actual world/possible world distinction in Kripke's philosophy.

The Actual and Possible World of Talent

In the following passage, Kripke tries to explain the difference between the two worlds:

What do we mean when I say 'In some other possible worlds I would not have given this lecture today'? We just imagine the situation where I didn't decide to give this lecture or decided to give it on some other day. Of course, we don't imagine everything that is true or false, but only those things relevant to my giving the lecture; but, in theory, everything needs to decide to make a total description of the world. (Kripke, 1980: 44)

An actual world is to be understood as the real physical world where Kripke actually gave a lecture, and the possible world is another world, one he imagined, in which he did not give the lecture. Or, put differently, the possible world "is given by descriptive conditions we associate with it" (Kripke, 1980: 44).

Now, crucially, a rigid designator like 'Kripke' always refers to the same object in all worlds, real or imagined. We can call this invariant designated object 'referent1' for any given designator. For this reason, when Kripke explains the difference between a rigid designator and an accidental designator, he explains it with reference to imagined or hypothetical possible worlds in this sense: "Let's call something a rigid designator if in every possible world it designates the same object, a nonrigid or accidental designator if that is not the case" (Kripke, 1980: 48). A proper noun like the name Saul A. Kripke refers to the man Saul A. Kripke in both the actual world and every other possible world. A common noun, on the other hand, like the 'president' or a phrase like 'the president of the

United States in 1970' could have Richard Nixon as its referent, and does, here in the actual world. But because it uses general descriptive features to pick out its referent rather than naming it directly, we can imagine a world where those features were true of someone else, which would make the phrase refer to them (in that particular possible world). And so, for example, "someone else (e.g., Hubert Humphrey) might have been the President in 1970, and Nixon might not have been; so the designator is not rigid" (Kripke, 1980: 49). Because this is so, it is true generally that neither common nouns nor common noun phrases can be characterized as rigid designators, and so they, instead, fall into the category of accidental designators—the idea being that they refer to the objects they do only because of 'accidents of chance', or things that might have been different if simple historical chances had gone otherwise. By contrast, if Saul A. Kripke exists at all, he is necessarily himself.

To return to the term 'talent' as it is used in the compound phrase 'talent management' and within the field of talent management, Adamsen (2016) has shown how its etymology has changed. Before the fourteenth century, the term was a rigid designator, referring in an object-dependent way to a particular weight of silver, and did so in all possible worlds. Moreover, it is equally clear that after the fourteenth century, the term lost its connection to objects in the actual world, becoming object-independent and losing its referent. This semantic shift transformed 'talent' into an accidental designator that denotes different things in different possible worlds, though sometimes transferred to multiple objects (different individuals) in the actual world. Alternatively, as Kripke would have said, talent is now identified through the descriptive conditions we associate with it.

The Emptiness of Talent and Its Accidental Ontology

What is worth noting about Kripke's philosophical notion of an accidental designator is that it has linguistic similarities to the semiotic concept of an 'empty signifier' (sometimes, alternatively, called a 'floating signifier'). For semioticians like Claude Lévi-Strauss (1968) and Marcel Mauss

(1968), a term with an indefinable meaning is one that has a multiplicity of meanings, each one applicable only to a particular world. Such a term—whether it is a noun, adjective, or verb—is an empty signifier: “Such a signifier is like an algebraic symbol which has no immanent symbolic value but can represent anything” (Chandler, 2002: 79). The term ‘talent’ seems to have evolved from being a standard rigid signifier to an empty signifier, from a referring expression with a definable, object-dependent meaning to one that merely denotes in an object-independent way, and lacks a clearly definable meaning.²

What is also interesting to note is that empty signifiers often seem to contain a second semantic dimension that is more magical or religious than the primary one and kind of cements its relationship with the ultimate reality or at least some possible world that reminds us of the ultimate world. For instance, Lévi-Strauss (1968), Mauss (1968), and Lechte (1994) have shown that many of their examples of empty signifiers belong to a category of magical or religious words whose common trait is that they resist any effort at rigorous semantic definition and seem to denote only an ill-defined or unspecifiable ‘force’ or ‘quality’ that only clearly exists in certain possible worlds.

A more familiar example is the notion of ‘sacred’ places and objects. It is common today to talk about Christian relics,³ and sites that are historically associated with Christ and with Biblical events, as being ‘sacred’ (to members of the Christian faith, but also far more generally: they *are* sacred themselves, they are not just felt, by a single individual, to be sacred; rather, they are recognized as such by a community). This is so despite the fact that the word itself means very little—it is impossible to satisfactorily define what it means for something to be sacred. The reason for this, is that it purely expresses our belief or symbolizes our faith. More

²In my book *Demystifying Talent Management – A Critical Approach to the Realities of Talent*, I do distinguish between an object-independent and object-dependent way of referring. In this chapter, I would like to clarify that even a rigid designator or signifier could sometimes denote in an object-independent way – which is why it is necessary always to be aware of this distinction.

³Even though I have written about Christian relics in my book *Demystifying Talent Management – A Critical Approach to the Realities of Talent* before, I still think it is of utmost importance to emphasize how relics like empty signifiers become meaningful and powerful in our culture. Some even turn into memes or evolve from memes and for years influence our way of thinking (see Stephen Swales chapter ‘Talent management: origins, birth, and innovation diffusion’ in this book).

straightforwardly, it refers to a cultural abstractum or adagium that plays a role in explaining why certain places and artefacts are ‘sacred’: “Although ‘The sacred’ might be regarded as an empty signifier, a sign that by virtue of its emptiness could mean anything or nothing, its emptiness is filled with meaningful content as a result of specific strategies of symbolic engagement” (Ivakhiv, 2006: 171–172). And this is the key: it is common for empty signifiers to function in just this way, to *feel* deeply meaningful even when they have very little by way of causal connection to the actual world. In this particular case, it matters relatively little that the ‘sacred’ is an empty signifier, because it is not often called on to do any referential work. This is because the set of places and objects that it is used to refer to are explicitly identified and agreed upon by a long tradition of institutional recognition, whose operation depends on historical research and on official statements by Church authority figures—so, even though ‘sacred’ has no referential utility in itself, we know which objects and places are being talked about.

Returning again to the question about the ontology of talent and to the question about the ‘is’ of talent—do we know or not know if talent is—it is then possible from the semantics and references of the term talent to come up with a plausible answer. It appears that talent is something or someone that refers to and seems to exist in the possible world closely related to the ultimate reality rather than something or someone that refers to the actual world and exists in the physical reality. Therefore, the ontology of talent seems to be accidental or metaphysical rather than rigid and physical, which basically leaves us with a semantically empty term that paradoxically could mean anything or nothing and still be meaningful to us because of an (scientific) institutional tradition of recognition of the existence of talent in the actual (and possible) world.

The Actual Implications of Talent Management’s Accidental Ontology

In 2001, when Michaels, Handfield-Jones and Axelrod published their book *The War for Talent*, it spread rapidly and increased in influence and led to the emergence of a new discipline and new methods and techniques

for identifying, recruiting, and developing the eponymous ‘talents’. This new discipline was called ‘talent management’. Even though talent management in a business context is a relatively new social science discipline (see Swailes, 2019), it has already generated a vast amount of attention regarding what talent means and the effective identification, recruitment, and development of talented individuals (Swailes, 2016/ Collings et al., 2017)

Despite this body of knowledge and understanding and the actual results of the associated management practices, it is also a fact that talent management has varied widely in terms of changes in performance of individuals and competitiveness of organizations. Some researchers, such as Peter Cappelli (2008), have demonstrated that the inadequacy of talent management methods has led to a massive failure in companies’ ability to accurately identify talented recruits: “*Failure in talent management is a source of pain for executives in modern organizations. Over the past generation, talent management practices, especially in the United States, have by and large been dysfunctional, leading corporation to lurch from surpluses of talent to shortfalls to surpluses and back again*” (Cappelli, 2008: 1). Silzer and Dowell (2010) point out that every individual talent manager brings individual subjective biases to bear to their work, and that these biases could (in theory) lead to the observed inadequacy of talent management models, and resulting inefficacy of management practices. In order then to find a plausible explanation for this subjective bias in talent management, researchers have recently started to pay attention to the terminology and language of talent management as a possible cause. Lewis and Heckman (2006) and Tansley (2011) were among the first to show how there is a lack of semantic clarity in the compound phrase ‘talent management’ and ‘talent’ and how difficult it actually is to pin down. Recently, Adamsen (2014, 2016) took this further and demonstrated how this lack of semantic clarity is the results of an etymological process that has turned the term talent into an empty signifier. Talent no longer refers directly to an object in the actual physical world but through descriptive conditions each of us associate with it to a possible world—an ultimate reality.

The Practical Implications of using the Empty signifier ‘Talent’

As pointed out by the Danish quantum physicist Niels Bohr and philosopher David Favrholt, ⁴ language has never been or is just a social construct whose nature is entirely arbitrary and whose usage is ungrounded in natural matters of fact:

one can read that our language is man-made and therefore could be quite different than it is now. Niels Bohr would say that this is only a half truth. We have many different uses of language; a great deal of what we say during the day is descriptive, sometimes it is emotional, sometimes imperative, and sometimes for humour. That’s how language has become diverse. But when one has to explain anything, then you have to use the ‘unambiguous’, descriptive type of language. (Favrholt, 2011: 4. My translation)

Bohr and Favrholt are right. Not all concepts are entirely, exhaustively, the invention of man. Some draw their meanings from the relations between man and the world to something that is experienced as external to us and that is verifiable in various concrete ways. The philosophical nature of this dependence on the world is not really that important; what matters is that it is not arbitrary: the concepts we draw on for explanatory purposes are tied to a web of practices, objects, people, and processes. If they are inadequate, something goes wrong—if our notion of ‘lift’ is wrong, our planes will not fly, and if our notion of ‘criminal justice’ is wrong, we create anger, inequality, and crime. Just so, if our concept of ‘talent’ is not securely linked to things in the world—in the *actual* world, as Kripke would say—then we will have to face negative outcomes in our practices that take the existence of those links for granted. As Devitt and Sterelny (1999) put it, “a term refers to whatever it is causally linked to in a certain way. These links do not require speakers to have identifying beliefs about the referent. The causal links relate speakers to the world and to each other” (Devitt & Sterelny, 1999: 66).

⁴The thoughts of Niels Bohr and David Favrholt on the fundamental language has been discussed and elaborated in the ‘Epilogue – Niels Bohr in talent management’ in my book *Demystifying Talent Management – A Critical Approach to the Realities of Talent*.

This is a crucial point: the causal link to the world is something that we as human beings experience through our bodies, it is not just something that we believe in or perceive as such; it is there as part of the actual world and we all know this from our (bodily) experiences, cultural differences notwithstanding (Adamsen, 2016). (After all, cultures also differ in their practices, institutions, tools, and so on—a valid concept of ‘lift’ is not needed in a culture where airplanes are not used.)

Perhaps the most obvious example is gravity. The meaning of the term ‘gravity’ is not arbitrary but pre-conditionally determined and causally related to the actual world, and it picks out something we as human beings experience every day. Any other term would do as well—it is ‘arbitrary’ in this trivial sense—but ‘gravity’ is the term that, as a matter of *verifiable* fact, currently does it for us. This makes the term rigid, and allows us to rigidly describe to one another the nature of gravity and how it affects us. The same goes for rigid terms like ‘water’ and ‘mountains’, and even ‘heavy’ and ‘light’ (Adamsen, 2016). There is vagueness and some *degree* of subjective indeterminacy, of course, in that what is heavy for one person may be light for another, but there are also verifiable relations of heaviness, like the fact that five eggs are heavier than two eggs if being from the same bird. We know that because the term ‘heavy’, in our cultural setting, is embedded in a set of causal links to the actual world; with respect to any specific instance of someone using the term, its meaning is ‘pre-determined’ by many other uses that came before. In other words, these rigid terms are of importance for our language, because they make us able to describe and explain the actual world for each other, and enable us to understand and adapt to that actual world (Adamsen & Secchi, 2017, Adamsen, 2016). Philosophy aside, language (sometimes) works as a method for coordinating our actions such that we have concrete effects on our environment, and it does so because, in the way that matters here, some concepts are *not* arbitrary in their meanings. According to Niels Bohr and David Favrhøldt, it is reality itself that anchors the meaning of explanatorily useful terms and concepts, of which Favrhøldt says that they are “the part of language which is determined by reality and which can be called the fundamental language” (Favrhøldt, 2011: 4.; My translation. Favrhøldt, 1999). So, without this basic or fundamental language or rigid designators that is determined and causally anchored in the

actual world (within a given cultural setting), we would experience difficulties in describing and explaining reality as it is, and would be unable to adapt and survive in our environments.

The same could be said about the language of management and talent management or the implications of knowing that without rigid designators as an essential part of a basic or fundamental language of talent management, the discipline has no intersubjectively reliable way of describing and explaining talent and talent management. If physicists were as careless with their terms, we would not reliably be able to make statements and predictions about ‘gravity’, with obvious and tragic consequences. Not being able to describe and explain talent has effects of the same kind, if not quite so dramatic—it prevents companies and teams from adapting to their competitive environments, and prevents them from reliably being able to capitalize on the capacities and abilities of their employees. Unless the organization benefits from other positive practices—and most do, of course (see Swailes, Holland, Lumme-Tuomala, Andersen, Voxted in this book)—they will inevitably suffer limited success.

This fact is straightforward: in our current cultural setting and in the short history of talent management, ‘talent’ is an empty signifier, which is causally linked to temporary possible worlds built out of subjective, idiosyncratic beliefs. Being so, studies by Mueller and Dweck (1998) and O’Rourke, Haimovitz, Ballweber, Dweck, and Popovic (2014) show that if you do believe in and praise someone’s ability like ‘talent’ it is considered to be beneficial for motivation and thus performance, but that is not the case. It actually leads to less persistence among individuals and less proactive learning behaviour (Kilger, 2017). This is in contrast to rigid designators like ‘gravity’ and ‘lift’ and knowing how something or someone is causally linked to the actual world, as pointed out in an experiment by O’Rourke et al. (2014), which can help us make decisions that are adaptive in the real contexts in which we are learning and competing. Knowing about skills rather than believing in talent could lead to more persistence and proactive learning behaviour because it is motivating and realistically possible to adapt, fit, and develop in any competitive work environment.

In the words of Bohr and Favrholdt, what talent management needs is a basic or fundamental language of rigid designators, one that isn’t open to free interpretation, one whose use is tightly constrained by causal links

to processes, events, and practices in the actual world. If so the bias and inaccuracy of talent management will decrease and be replaced by accuracy in the recruitment and development of talents that will increase the success rate significantly.

Conclusion

What I have been trying to do so far is to demonstrate how the term 'talent' in the compound phrase 'talent management' has etymologically transformed itself into an accidental designator or empty signifier with accidental references to the possible world and blurry, questionable references to multiple objects in the actual world. It is simply no longer possible for anyone to causally connect talent with something or someone in the actual world, even describe the real condition under which talents exist, develop, and compete. The ontology of talent management has become accidental and about whether we believe in the existence of talent or not. From what I have demonstrated, we now know that talent 'is' not in the actual world and therefore 'that something must need not to be'. The reason that talent should not be even in the compound phrase 'talent management' has to do with the seriously negative implications that an accidental designator or empty signifier like talent has for talent management in general and in particular for the identification, recruitment, and development of talent. It leads and has led to inadequacy of talent management methods, a significantly high subjective bias and significant failure in companies' ability to accurately identify talented recruits. In addition, individuals identified as talents seem cognitively convinced that their abilities originate from an ultimate reality and therefore characterized by being less persistent and less proactive when it comes to learning and developing, something that could increase the risk of failure significantly in any competitive environment in the actual world.

Thus, it therefore seems necessary to replace the term talent in the compound phrase 'talent management' and other empty signifiers like 'x-factor' in the fundamental language of talent management with rigid designators. Rigid designator could be terms like situation, individual-, time-, experience-, determination-, will-, knowledge-, insight- and continuity, and

when that occurs there is a good chance that the contemporary fundamental language of talent management will evolve and develop into a rigid objective fundamental language. A language that could reduce the methodological inadequacy and subjective bias in talent management—that so far has led to significant failure in our ability to accurately identify talented recruits. Even from a cognitive point of view, would it then be plausible to convince talents that in the actual world they are not talents but instead skilled individuals who through persistency, hard work, and a proactive learning behaviour can develop skills into perfection. And that is what every company and talent manager should be looking for and be able to express with the help from this (new) rigid objective fundamental language of talent management.

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3

Paralysing Rebellion: Figurations, Celebrity, and Power in Elite Talent Management

John Lever and Stephen Swailes

Putting aside the use of ‘talent’ to mean more or less anyone in the labour market or a workforce, the focus of this chapter is to explore the dynamics of elitist talent programmes. At the heart of elite programmes are judgements of a person’s recent performance and of their potential for transfers and promotion. The recent acceleration of research in the field (e.g., see Al Ariss, 2014; Collings, Mellahi, & Cascio, 2017; Sparrow, Scullion, & Tarique, 2014a) covers multiple aspects and understandings of talent, but, we suggest, a feature of most of this literature, in common with much that is written about management (Willmott, 1987), is a lack of appreciation that managing talent is laced with political opportunity and is not politically neutral. This has been noted elsewhere (De Broek, Meyers, & Dries, 2018; van den Brink, Fruytier, & Thunnissen, 2013), but, to our knowledge, there has been no detailed analysis yet of how power relations could operate in elite talent management, and we attempt to contribute to that understanding in this chapter. To assist in this aim, we draw specifically on Norbert Elias’s ideas of figurations and Robert

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van Krieken's work on celebrity society. The chapter first considers how power operates in human resource development (HRD). We then give an overview of figurational sociology before applying it to elite talent management. We show how individuals in elite talent pools are likely to impose order and self-regulation upon themselves; ambitious individuals need talent pools to get noticed while top managers need them as ways of managing ambition and tension in a particular organizational context. In a nutshell, talent pools act in ways that paralyse rebellion by pitting ambitious individuals against each other.

Power in Human Resource Development

HRD has a 'political purpose' behind it that is at odds with its potential to 'transform' individuals (Vince, 2014). Restricted access to elitist talent programmes and top management's choices around the outcomes for their participants are examples of this political purpose. In managing talent, power initially shows its face in appraisal decisions and in talent review meetings where decisions affecting individual futures are made. The consequences of these decisions can have significant psychological and career effects on the 'talented' (Meyers, De Boeck, & Dries, 2017) and on those who are passed over for another time.

Power is not simply held by those overseeing talent programmes and making talent decisions. A high need for power has been observed in people with high performance ratings and higher promotion rates (Stahl, 1983) and the relative power of HR managers influences judgements around the effectiveness of development programmes (Kim & Cervero, 2007). Decisions about who should benefit from scarce organizational resources such as executive attention and access to development programmes will, over time, change the distribution of power across an organization. Executive search firms also wield power through their gatekeeping role and their relationships with large firms, their adoption of scarcity discourses in recruitment, and also through their use of talent definitions that determine who is or is not classified as talent (Falconbridge, Beaverstock, Hall, & Hewitson, 2009).

Not only is HRD political, the same is true of management generally (Stewart, 1984) which, despite its common purpose of trying to achieve useful outcomes for organizations, is always a relational process. ‘The essence of managing is power’ (Townley, 2005: 306), no matter how management plays out and manifests itself. The conjunction of ‘talent’ and ‘management’ therefore brings together two highly politicized concepts and arenas laced with issues of power. The argument advanced in this chapter is that the field’s appreciation of power/control perspectives in relation to elitist talent programmes is underdeveloped and that failure to confront and understand power relations in talent programmes limits the value of orthodox (politically neutral) research approaches to knowledge generation.

Elite talent programmes have something in common with Foucault’s (1979) concerns about learning and examinations. Talent programmes make people visible by virtue of being selected for them, and allow the overseers of the programmes to compare participants with each other, to judge and to categorize them. Despite the differences that naturally occur between people, they are required to compete against each other in relation to a standardized externally devised rubric (e.g., some sort of competence framework) that is applied to all participants and which, in this case, is partly arbitrary and open to considerable interpretation. Foucault proposes three mechanisms, each of which applies to elite talent. Participation in talent programmes raises a person’s *visibility*. Participants are exposed to scrutiny via their performance in a programme whereas the judges are often absent, looking on from a distance. Power operates through remote surveillance and this imposes a level of discipline which makes participants more governable—an argument developed in more detail later in this chapter. Second, *individuality*. Exposure to talent development enables organizations to compare individuals, to categorize them and to rank them. Third, participants are turned into documented *cases* that contain the history of each person for comparative purposes. An HR department may keep records of individuals so that future evaluations can be made in the context of the past, tracking progress and informing top management’s decisions about the individual’s career path.

In Foucault’s terms, power is a property of relationships that is exercised in action rather than something that is located at a particular place

or point (Townley, 2005). Elite talent management is an arena in which power is distributed and exercised. One way in which this occurs is through knowledge transfer since good talent programmes should expand the knowledge that participants, including the judges, have of each other, of how the organization works and of what business issues are occupying the minds of top managers. As participants expand their knowledge of colleagues and of organizational priorities, the power relations that they have with others in the organization will inevitably change. Mabey and Finch-Lees (2010), for instance, note that learning at lower management levels can meet with resistance at higher levels because learning lower down can challenge or threaten existing power structures. This is not to say new power structures are used inefficiently or deviously; much good may accrue to the organization from the altered power relationships among talent programme participants and between them and their colleagues outside the programme.

While Foucault tells us much about how power operates, this chapter turns to Norbert Elias's (1983) influential analyses of court society to better understand elitist forms of talent management (see also Lever & Swailes, 2017 on this topic). Elias introduced figurational or process sociology which focuses on understanding how networks of interdependent people evolve across time. For Elias, individuals regulate their behaviour and discipline themselves because they see advantages in doing so; the potential advantages of career development in its broadest sense seem likely therefore to influence how talent pool members will behave.

Elias's focus on relations of power resonates strongly with Foucault's notion of power and its polymorphous location in all social relations, but there is for Elias 'a more direct, *unmediated* relationship between a particular social figuration, a specific patterning of social relationships, and the personality structures and forms of interaction which they produce in individual actors' (van Krieken, 1990: 5; emphasis in original). These insights are significant, as the growth of organizational research making use of Elisian analysis (see Dolan & Connolly, 2017; van Iterson, Mastenbroek, Newton, & Smith, 2002) confirms. Newton and Smith (2002) reaffirm this importance succinctly:

Elias is important because his work brings together in one 'take' the nexus of power, emotion, subjectivity, conflict and control, and shows how they undergo long-term transformations. He moves quickly and skilfully between these different perspectives, giving the reader a dynamic, multi-dimensional, picture. (Newton & Smith, 2002, viii)

Our launch point for this chapter is to examine the mechanisms through which power can be exercised in elitist talent programmes. To do this, we juxtapose Elias's analysis of court society with the ways that elitist talent programmes might operate. In both cases there is an elite, but within the elite there is a hierarchy; nobles and courtiers parallel a hierarchy of executives and ambitious managers. In both cases, a person's behaviour has a large influence on their standing and on their prospects for advancement in the hierarchy. In both cases, there is competition for scarce attention from the top. By examining power and control in this way, the chapter helps to shed some light on *how* elite talent management operates. Our focus is on the behaviour that might be expected to occur in and around talent pools; we are less concerned here with the processes leading up to a person's inclusion in a talent pool.

By focusing on elite talent programmes, we are not concerned with the use of 'talent' as a catch-all term to describe the employees in a workforce or as a synonym for the presumed talent at large in a national or global labour force. Our focus is inside organizations, on small sub-sets of individuals that have been selected for some sort of advanced management and leadership development. Prior to inclusion in an elite pool, individuals may have encountered robust performance appraisal and mapping onto a performance/promotability matrix such as the nine-box grid (Sparrow, Scullion, & Tarique, 2014b). Once in the pool, development typically involves experiences such as higher exposure to senior management thinking, mentoring, 360° feedback, involvement in high value projects, and ongoing evaluation of future potential. The individual's performance in the talent pool can have a big influence on their future with the organization and beyond.

Figurational Sociology: From Court to Contemporary Organizations

Making connections between how people were behaving in the French royal courts during the seventeenth century and modern society may seem rather optimistic. However, Elias (1983, 2000) shows very convincingly how the courts of the nobility were instrumental in what he called the civilizing process. In this chapter, we argue that Elias's ideas are still relevant and are useful in understanding developments in organization and in how talent is managed. Elias's analysis of Court Society compares the rationality of the aristocratic court elite and the professional-bourgeois at the French Court. Both of these groups looked for long-term rather than short-term gains but, according to Elias, the professional-bourgeois were more concerned with improving their financial situation (economic capital) than enhancing their status and prestige (symbolic capital) so sought after by the Aristocracy (see van Krieken, 1998).

Behaviour that was regarded by the Protestant bourgeois (Weber, 1978) as 'irrational' was highly regarded in court society because, Elias argues, an individual had to adapt and display their status in order to maintain their position at the court of Louis XIV. Affective outbursts were extremely problematical, first because they exposed a person's true feelings and second because they were not in keeping with the etiquette on which court society was based. As van Krieken (2012) notes,

Court Society established a particular psychological disposition, a certain habitus¹ organized around a constitutive theatricality and heightened visibility both upwards, to one's superiors, and downwards, to one's inferiors. The court itself was perpetually performative and subject to intense and constant competition according to ever shifting rules and norms, leading to... the production of ever-changing favourites surrounded by their own networks of patronage and favouritism. (2012: 22)

¹Habitus can be thought of as the embodied habits and manners of social structures, a psychological disposition.

While courtiers worked to continually display and represent their identity, their power at court was closely connected to their relationships with others and an individual's power could disappear just as fast as their recognition and their status. In court society, the nobility needed the King to hold their position within the wider figuration and the King needed the nobility since the Crown's absolute superiority and power lay 'only in a carefully calculated strategy which was governed by the peculiar structure of court society in the narrow sense, and more broadly by society at large' (Elias, 1983: 3). The nobility provided the King with the basis for a collective culture and also acted as a buffer between the monarchy and the general population. In theory, the nobility might have conspired to outwit and confront the King had they wished to but the intense, even if somewhat latent, competitiveness of life at court effectively nullified this possibility, and the King knew it.

As other groups in society adopted and copied the etiquette and manners emanating from the aristocracy, as they too sought higher status and prestige, so the habits and manners that had once set the aristocracy apart from the rest of society gradually became less significant (for the aristocracy at least). This created a situation in which the aristocracy had to continually refine their manners to keep them socially distinct and differentiated (Elias, 1983). Elias provides a deeper analysis of Court Society in *The Civilizing Process* (Elias, 2012) in which he argues that codes of behaviour that arose at court diffused more widely through processes of state formation. In the workings of the court, individuals put pressure on each other such that 'civilité' became a central feature. Likewise, Elias argues that as the density of social relations increased during modernity there was a corresponding impact on the ways that people thought and expressed themselves. It was through these processes, Elias argues, that the civilizing process in nation-states moved forward. As social and economic complexity intensified and as the number of interactions with more people increased, so individuals were obliged to adapt their behaviour or face the consequences of not doing so.

According to van Krieken (2012: 22), the basic elements of court behaviour namely rivalry, opportunity, differentiation, self-discipline, and a desire to get closer to the top now constitute the core of a 'nascent celebrity rationality'. van Krieken argues that, reflecting developments in

court society, organizing is increasingly built around a habitus or psychological disposition towards our superiors and inferiors using competitive strategies that are self-differentiating. Celebrity rationality, van Krieken (2012) argues, later migrated out of the confines of court society, and as these processes evolved the courtier became 'differentiated into a number of different social types – the public servant, the politician's advisor, the manager, but also the celebrity, the witty, beautiful and talented focus of public scrutiny and attention with access to power' (2012: 22). The 'talented self' thus became increasingly performative over time and responsive to constantly changing norms and forms of competition that blurred the boundaries between private and public life (van Iterson et al., 2002).

This chapter is particularly concerned with examining how these processes work in talent management. We are treating talent management as a relatively new organizational innovation—at least in name only—while recognizing that organizations have a much longer tradition of management and leadership development. Lever (2011) illustrates how these organizational forms persisted over time through an analysis of cross sector partnership working in the UK under a New Labour government. He shows how, much like in regional courts in earlier periods, successive New Labour governments pursued their own political targets by implementing strategies that set the managers of community and citywide partnerships (and thus the partnerships themselves) against each other.

Only when the partnership game was played in ways that were consistent with the government's dominant policy initiatives did individual managers (and hence the partnerships they managed) receive the recognition and the resources needed to be successful. This often happened when partnership managers realized that their success and that of their partnership depended on performing in a particular way, which sometimes meant that they could not address all the concerns held by community-based organizations. Lever's wider point, following Elias, is that the government's approach, in the same way that it did at the courts, paralysed rebellion (de Swaan, 1990) from within by setting individuals and partnership groups against each other.

In a similar fashion, talent pools can be seen as distinctive organizational communities (Swailes, 2013); after all, they supposedly contain the hand-picked 'stars' of the future. Again, following Elias, employees

operating within the community from which talent is drawn, often a well-defined workforce, will only begin to receive recognition and resources when they can demonstrate that they have, using their talents, signed-up to the organization's wider agenda as it is made flesh by senior management. Individuals who respond to top management's agenda and who are seen to align with its priorities are much better placed and more likely to capture executive attention than individuals who are not playing the game. Looked at in this way the talented are, to some extent, those individuals who perform in the right way; likewise, individuals who are overlooked for talent pools are likely to be those who do not perform in the right way. The ways in which people perform, we suggest, therefore have a bearing over and above their true performance and potential on the extent to which they would be deemed talented or not.

If selection for talent pools can be likened to playing a game, and we do not intend to mean that in a cynical way, then to be successful, Weber's notions of self-observation and emotional suppression come into play (Weber, 1989 [1904]). Individuals who can suppress their emotions and impose self-control in ways that match the rules of the game will have better outcomes than those who, perhaps because of principle or inability, are unable to. However, in contrast to Weber's rational individualism and *ideal types*, Elias's ideas about figurations help to understand that the social processes now associated with talent management, at least of the elite form, are real types that are rooted in long-term historical trends centring around organization, power, and control (see van Krieken, 2006).

Of particular interest for this chapter is how these organizational forms and managerial subjectivities persist within talent management programmes over time. Individuals entering talent programmes are observed by executives and, through the nature of their interactions with others, are encouraged to develop individual strategies that foster organizational stability that is consistent with the interests of powerful groups and their accompanying elite discourses. We suggest that this mechanism of organizational control is widely used because it protects executives and powerful elites from the threat of collective strategies emerging at lower levels that may threaten their positions should they be realized. Elias's work is particularly poignant here because it shows how '[c]eremonies and

etiquette became essential instruments in the distribution of power' (Sofer, 2013: 28).

Figurations and Talent Management

The organizational talent literature seldom recognizes that talent management is a continuing process. In common with most management subjects, it is perhaps easier to study it as a static ideal type (Weber, 1978) because cross-sectional research methods are generally easier to use than the longitudinal methods that would be required to generate deeper understandings of underlying processes (Elias, 2012). Nevertheless, today's judgement about a person's management potential are inevitably influenced by past events, interactions, and exchanges between people, particularly the decision makers, and are inevitably going to be influenced by events and interactions that occur in the future.

Elias shows that although Louis XIV was surrounded by ambitious courtiers, he protected himself from them by creating spaces in which courtiers deployed strategies against each other. By grouping an organization's future leaders, stars and celebrities in talent pools, senior managers in a similar way alleviate threats to themselves—in effect using management strategies that paralyse rebellion from within (de Swaan, 1990; Lever, 2011).

In *The Civilizing Process* (Elias, 2012) Elias argues that people are very careful not to say or do things that might portray them as being unpredictable or as being difficult to control. The greater the awareness people have of their surroundings the more sensitive they become to shame or disfavour. A recent example is how individuals have become sensitized to talk about race and sexuality following decades of information about the harm caused by discrimination and the primacy of human rights. Fear of causing offence or of creating a poor impression forces people to contain their natural emotional responses to situations but, following Elias, this makes it much easier for those same people to be controlled by those who sit in judgement and spread information about what is right and proper (Smith, 2002).

One mechanism for this is through what van Krieken (2012: 87) calls 'celebrity gossip' which can be used to 'communicate useful information but also simply to pass the time'. Gossip plays a role in communicating the values and expectations of a group or an individual and deliberate 'leaks' of information can be used to sound out an idea. Top managers, for instance, might rely on gossip to communicate their views on performance expectations, their views of an individual, or on the forms of behaviour that signal high potential. Individuals in talent pools might respond to a piece of gossip by, for example, speaking out for or against an event, an idea or another individual and in doing so signal their moral stance in an attempt to advance whatever personal agenda they are trying to push. Thus employees, whether they are in a talent pool or not, become vulnerable to suppression and control because of their reluctance to risk the disfavour that they would accrue by challenging a formally or informally communicated description of what high performance means in a particular workplace or by speaking up for someone who has fallen into disfavour. Of course, not all employees feel so constrained but the controlling effect should be significant for those who have career ambitions with an organization or in a close-knit sector.

Talent pools could also act in a similar way to league tables of public sector organizations that rely on a wide range of indicators. A position near the top is taken as a job well done; a position near the bottom can be used by the media as a reason to put executives on television to confess their failings and to publicly express how they must work harder in the future. This ritual regularly played out in the UK at least is a form of public humiliation and social control; displeasure is shown, rapid improvements are expected. Although talent programmes do not generate top to bottom league tables, something akin to a league table is produced when nine-box grid (mapping performance and potential on a 3×3 matrix) or similar strategies are used to categorize employees. Where an organization runs multiple talent pools at the same time, for example, for technical specialists, for managers, and/or for next generation leaders, employees are increasingly segregated into an elite future leaders group and a lower league. Open and visible entry criteria coupled with hearsay communicated by participants' gossip provide a means of self-improvement to employees holding career aspirations and ambitions.

Another mechanism for imposing discipline occurs when members are exposed to a risk of shame by failure, during or after their inclusion in a talent pool, and of being sent back to the rank and file with little prospect of a second chance. Responsible employers should do this with discretion, but such actions send a signal to others that image, performance, and potential must be upheld or there will be consequences. Talent programmes also send a signal to employees who see themselves as underdogs or as out of the loop with restricted prospects by virtue of their particular roles and/or some aspect of the ways in which they conduct themselves. Competence frameworks, for example, provide a visible and formal, even if sometimes convoluted, statement of the behaviour and competences that the organization values. Frameworks embodying talent criteria signal that opportunities exist for employees who can perform in the right way. Employees can see for themselves how far they match the criteria and this helps to maintain a certain type of order. The need for difficult discussions about why someone doesn't make the grade is reduced; self-assessment against the criteria, and against the people that they can see are included in talent pools, means that employees can figure out how well they compare.

Much like social relations in court society, this competitive element helps to maintain workforce differentiation on the basis of fit with visible leadership criteria. The organizational subjectivity and behavioural norms that are created in talent pools create social boundaries around organizational spaces that are normally only seen if and when codes of etiquette and behaviour are breached. Following Elias, talent has to be seen as a function of the connections that a person has with other individuals in the wider organizational figuration. An individual with connections to high potential and/or celebrated colleagues is thus much more likely to attract top management's attention than one who is not. Individuals in talent pools have instant access to increasing their connections within the wider organizational figuration and as a consequence improving their prospects for power within that organizational space. This effect has been found with management team members and those with CEO status (Graffin, Wade, Porac, & McNamee, 2008). From van Krieken (2012: 56) and drawing on the logic of the economics of attention (see Lanham, 2006 and Chap. 1), if executive A starts paying attention to talent B, then

the attention that talent C gives to B will tend to increase. If another executive also starts to pay attention to talent B, then the pull on talent C's attention to talent B will increase further.

Where talent inclusion criteria are open and when talent pools operate openly, they act as reference points showing others what, over and above having certain skills and capabilities, they need to have to get ahead to 'foreground oneself in relation to vast, anonymous business and government organizations seemingly beyond any individual's control (van Krieken, 2012: 126). Inclusion in structured talent pools enhances an individual's exposure and networks. These, in turn, help to establish a kind of minor celebrity status for participants in the eyes of the grander celebrities—the executive elite. A production line for minor celebrities is created through the ongoing opportunities for expanding networks and self-promotion that arise inside and outside the social spaces that talent pools create.

Even minor celebrity status should deliver benefits consistent with the 'Matthew effect' (Adamsen, 2016; Merton, 1988). People who are enjoying a level of popularity attract more attention and resources for work comparable to that produced by others who are not as well known. When information is in oversupply, 'what is in short supply is the means to discriminate between what is on offer, and the capacity to attract attention' (van Krieken, 2012: 55). Elite talent pools create a mechanism through which attention, in short supply, can be distributed in a seemingly efficient way. For sure, the talented are exposed to greater scrutiny from executives and that carries a level of risk, but the potential gains in economic capital and of greater celebrity status are considerable.

The talented, of course, pay a price through greater and increasing observation of their performance. The self becomes increasingly performative and has to respond to constantly changing expectations and forms of competition that blur the boundary between public and private life (van Iterson et al., 2002). As in court society, the talented have to continually display their status in order to maintain it and survive. Their identity is highly representational and if things go wrong then the recognition they enjoy in their position will change along with the power relations underpinning it. If they are to keep and consolidate their position, they must build and maintain appropriate alliances. As in court society, any perceived challenge to the established order is likely to bring about a fall from grace (Elias, 1983).

Concluding Thoughts

While the human capital created out of talent pools is in one sense held by individuals, it can only be deployed within specific organizational figurations, the networks, connections, and other social relations individuals are involved in, which means that it can only be realized in the specific contexts on which it is dependent (see also Groysberg (2012) on the portability of talent among investment analysts). Having higher skills and knowledge from talent development is one thing, but until they are turned towards actions they will bring about little change. Indeed, the extent that they can be switched on and activated is closely linked to an organization's structures of power and control.

While explorations of power in management is often revealing, it is often difficult to come up with practical guidance (Trehan & Rigg, 2011). However, a practical implication from this chapter for people involved in designing or running talent programmes is that failure to appreciate organizational politics may lead to frustration and wasted effort. Appreciating and working around politics is a difficult challenge since the overseers of talent programmes may be using individuals to deliberately create inertia in power/control systems and to stabilize their own positions. This effect was noticed by Kamoche (2000) who found that leadership programmes designed to induct employees into the workings of higher management and which were seen as a transition for anyone looking for promotion actually served to identify people who fitted with the culture at the top and 'effectively emasculated potentially deviant and non-conformist individual interests'.

Turning to future research, an Eliasian approach suggests that individuals in talent pools are likely to impose order on themselves. Most are in a double-bind; being expected to show imagination and drive while simultaneously coming to terms with only modest chances of progressing much further. How then do participants cope with changing self-esteem in the gaze of executives, colleagues, and family? Future studies of talent pool participants could usefully investigate the extent to which individuals do regulate their behaviour, their reasons for doing so, what types of behaviour are regulated and in what circumstances behaviour is regulated. Further work is also needed to understand more about the effects

on people who do not make it through talent pools and who are passed over for accelerated promotion or who receive promotions but then derail. Based on her study of derailed talent, Ross (2013, 2018), for instance, argues that talent management should be more understanding of and sympathetic to a person's derailment potential and this more humanistic stance deserves more consideration.

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4

The Meaning of Competence, Commitment, and Contribution in Talent Definition

Riitta Lumme-Tuomala

Despite the growing amount of academic and practitioner literature in the field of talent management, ‘talent’ is not defined in organizations in a consistent manner. This is arguably one of the factors leading to the variable success of talent management. A way to define talent, introduced in this chapter, uses a formula comprising three components: competence, commitment, and contribution. The components are multiplicative not additive. Furthermore, the three components are divided into two time dimensions (present/future) to allow the inclusion of, for example, the future (business) needs of the organization, and the notion of ‘potential’.

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Introduction

Both management researchers and practitioners have found the identification and development of high-potential employees—commonly referred to as talent management—to be one of the major challenges of the current human resource function. The increased attention to differentiating the workforce and to the quality of talent in organizations has many underlying factors: changing workforce demographics, the impact of globalization and technology, and an increased interest in the quality of leadership talent and potential from the part of, for example, investors and boards of directors. Additionally, competition for talent remains a critical factor in strategic talent management (Church & Silzer, 2013).

Talent means different things to different people, for example, to researchers, practitioners, executives, and individual employees. The nature of talent is equally a topic causing tension. Firstly, talent can be considered as a rarity and as something one is born with. In this case, only a few employees can be considered as talented. This approach leads to exclusive talent management, whereas inclusive talent management results from the philosophy that all, or at least most, employees have some specific talent that can benefit organizations (e.g. see Swailes, Downs, & Orr, 2014). Furthermore, researchers and practitioners alike do not agree on the question of talent in terms of stability—is talent innate or acquired? In other words, can organizations develop anyone to become the talent needed at any given moment, or is it just a question of identifying the talent and then using and retaining it (Meyers & van Woerkom, 2014)?

The title of this chapter, pointing out three components of talent, namely, competence, commitment, and contribution, raises an interesting point related in particular to competence; can we in the current volatile, uncertain, complex, and ambiguous (VUCA) environment rely on defined competences and past performance as predictors of future success and components of talent definition? Or should organizations rather define talent more broadly? A broader view is based on the point that the talent needed in organizations is most likely changing as fast and as unpredictably as the environment (Meyers & van Woerkom, 2014). One is tempted to argue that ‘potential’ should be a pivotal component in tal-

ent definitions in all organizations, and that managers and recruiters should learn how to detect it. Potential should not be confused with performance and there is, a ‘performance-potential’ paradox at play (Silzer & Church, 2009a, 2009b) which means that managers are arguably often linking past performance to predictions of future success. Robinson, Feters, Riestler, and Bracco (2009) argue that current and past performance are insufficient indicators of potential and should at best be used with caution.

This is one of the reasons why competency frameworks or models or the usefulness of them should be questioned. They are used in many organizations, large and small, and in all fields. While they can be useful in knowing what kind of qualities to look for, for example, across various management levels, the frameworks can remain static (see Hall & Briscoe, 1999; Ross, 2013). As such, they may not take into consideration the requirement for dynamism in defining the necessary competences in volatile and complex business environments. Competency frameworks, for example, for employee selection, can ignore important components of talent, and particularly potential, including the ability to learn and apply learning to new situations (e.g. Clutterbuck, 2012). Furthermore, drawing up competency frameworks can be a waste of effort, time, and money since they lack the dynamism mentioned above and are based on the assumption that success is based on a certain set of competences than can be described, demonstrated, and assessed (Buckingham & Vosburgh, 2001).

In order to ensure functional and effective leadership in the future, today’s leaders and managers need the ability to detect potential, including leadership potential, in current and prospective employees, and enable and encourage the manifestation of this potential. Additionally, it is pivotal to operationalize the ‘right’ definition(s) of talent for the organization and its functional areas. The definition lays the basis for talent identification, attraction, recruitment, development, and retention. Not knowing what kind of talent your organization needs at any given time—the definition needs to be both aligned with the organization’s strategy and to changes and trends in the environment—is like trying to do a hole-in-one without knowing where the green is. The chapter now turns to examine these issues in more detail.

The Role of Talent Definition in Talent Management

The term ‘talent’ and the definition thereof are pivotal components of the talent management concept. An interesting contradiction can be observed when going through the talent management literature. On the one hand, a great deal of research does not explicitly define talent at all while, on the other hand, the number of definitions and differing conceptualizations is relatively high. For instance, talent has been conceptualized alternatively as “the sum of a person’s abilities” (Michaels, Handfield-Jones, & Axelrod, 2001: xii); “a complex amalgam of employees’ skills, knowledge, cognitive ability and potential” (Tansley, Stewart, Harris, & Turner, 2006); and “the current capability or future potential of an employee to deliver exceptional performance” (Downs & Swailes, 2013: 269).

The term ‘talent’ has its origins in the ancient Greek word ‘talanton’ and ‘talenta’ in Latin, which used the word for unit of weight or money. Later, the word adopted other meanings, and by the fourteenth century, it began to stand for a special natural ability or aptitude. The meanings of the word can be viewed metaphorically; whether talent is used to describe monetary units or natural abilities, the subtext is value; talent should not be wasted (Meyers, van Woerkom, & Dries, 2013).

In today’s rapidly changing environment, and in view of dynamic strategy planning processes, an equally strategic view to defining talent should be taken. This means that the definition should depend on the organization’s business strategy, type of organization, and competitive environment. The strategy of the organization (and the related competitive advantage) should be the starting point for the definition of talent. This entails stating that the persons filling the roles which contribute to an organization’s sustainable competitive advantage should be the ones defined as talents or as high potentials. If the above reasoning is applied, organizations should differentiate between employees who are strategic performers and those who are not (Collings & Mellahi, 2009). This is one way to define (strategic) talent management as such. It begins from the organization’s strategy and determines the strategic positions that have a differential impact on the organization’s performance and the related talent implications. Consequently, the organization should work

forward from its strategy, first identifying talent positions—positions that make “direct strategic impact and exhibit high performance variability among those in the position, representing upside potential” (Huselid, Beatty, & Becker, 2005: 4)—and only then identify (and match) talent to fill in the positions. The talent definition framework introduced in this chapter supports strategy-based views on talent definition and talent management.

It seems that looking at the definition of talent is a logical place to start talent management discussions as it defines the target audience for talent management strategies. As stated above, actual definitions are often unclear and can even become intertwined with references to what makes a leader, leadership success, high potential, high performance, and related vocabularies used in the organization in question.

Defining talent (the ‘who’) before beginning to tackle practical talent management (the ‘how’) is imperative. Viewed pragmatically, if an organization defines ‘talent’ as a ‘future leader’, the recruitment process needs to include and be able to detect elements that ensure the qualities deemed important in leaders. What is more, development activities need to strengthen and leverage the specific qualities and skills in individuals defined as talent. Definitions therefore have an impact on the ‘how’, we could consider an organization in which talent is considered, by default, to reflect the attributes of those who hold senior positions, the organization still needs to make decisions on the contents of a talent development programme together with other crucial issues. These include how to define what is meant by ‘potential’ and whether potential is a part of the requirements of present and future leaders.

Another aspect to talent is the innate-acquired continuum. The position of the talent on the innate-acquired continuum has important implications for talent management in practice and can even contribute to solving some of the ambiguities that still characterize talent management research and practice. This continuum ranges from the completely innate to completely acquired. In practice, talent comprises both innate and acquired components. Hence, if it is assumed that talent is innate, talent management should consequently focus much more on the identification and recruitment of talented employees than on their development. In contrast, assuming that talent can be developed, it should have a strong

focus on training and development, and selection decisions might be based on the applicants' prior learning experiences (Meyers et al., 2013).

One of the definitions that seems to encompass many of the aspects of talent discussed in both practitioner literature and in academic research is of that by Michaels et al. (2001: xii): "In the most general sense, talent is the sum of a person's abilities – his or her intrinsic gifts, skills, knowledge, intelligence, judgment, attitude, character and drive. It also includes his or her ability to learn and grow." Additionally, "Each company must understand the specific talent profile that is right for it" (2001: xiii). It is easy to concur with this definition, particularly since it includes both the aspect of growth—potential which is imperative from the point of view of the talent definition introduced in this chapter together with the organization's obligation to comprehend what kind of talent is aligned with its mission, vision, and strategy, that is, what is 'right' for that organization at a given moment and in the future.

In a similar vein, Ulrich and Smallwood (2012) simplified talent definition into a formula:

$$\text{Talent} = \text{Competence} \times \text{Contribution} \times \text{Commitment}$$

The complementary nature of this formula is pivotal and that aspect, and the formula itself, will be discussed in more detail later since it forms the basis for the definition that will be introduced later in this chapter.

As is evident from the above, different approaches to talent definition are visible in both academic research and literature on talent management, and particularly in practice. Talent is approached as 'giftedness' in the field of education, as strengths in positive psychology, and as '(meta) competence', 'potential', and 'performance' in human resource literature and practice. The language concerning 'talent' and 'talent management' in organizations is mixed, and 'talent' can either refer to a person, set of competencies, or an individual with high potential (Meyers et al., 2013).

It is equally crucial to separate success and talent, as success means different things to individuals and organizations. While organizations usually link success to improved business results, individuals may view it as personal achievement, confronting new challenges, better security, learning new skills, personal growth, and a good, financially stable life for

oneself and one's family. Organizations need to ask intelligent questions not only about talent as such but also to be clear about who is successful and why, and what successful people are doing. Are success and the way it is achieved aligned with the values and culture of the organization? However, a subtle shift has taken place in the focus relating to success from input, that is, defining 'talent' to output, that is, understanding how an individual can leverage talent in order to be successful in a manner that is aligned with the organization's goals and values. Hence, organizations should enable every individual to understand their personal strengths and create an environment for each individual to leverage their talent into an output which constitutes personal and professional success (Ross, 2013).

Context Matters in Talent Definition

The importance of context in talent definition should also be taken into consideration. "Despite different interpretations of talent, scholars agree on the impact of the context on the exact and precise description of talent. Talent is not absolute, it is relative and subjective" (Thunnissen, Boselie, & Fruytier, 2013). It also seems that the universality of a talent definition is not important per se, and not even possible due to the context-specific nature of the concept, but understanding what components should be included in the definition used by a particular organization is of utmost importance. In this sense, the components and their elements are dependent on the environment, organization, and changes over time.

An example of the importance of context and its impact on defining talent and talent needs is that of NGOs and, more precisely, the humanitarian aid organizations within the NGO field. While the leadership qualities and competences needed in this sector are not unique, on the contrary, but the context in which they are applied can be described as complex and multi-tiered and as one in which people from varied communities and representatives of different stakeholders address complex social and humanitarian issues. Furthermore, the unique context refers to working with people in distress and making decisions that affect lives in

complex and rapidly changing situations. Additionally, decisions are often made with limited information and the need for extremely rapid decision making is often present. As stated above, these points further emphasize the importance of understanding the implications of context to talent definition and management and to leadership qualities required for that matter (Lumme-Tuomala, 2017).

As to the practice of talent management, it is presumably based on the way organizations define who is talent and why; in other words, on their view on talent. Recent research (Bolander, Werr, & Asplund, 2017) distinguishes four different types of talent management practices; humanistic, competitive, elitist, and entrepreneurial. This is related to what the continua described above: inclusive—exclusive, subject—object, and innate—acquired. The talent management types differ in terms of view on talent and the resulting principal talent management practice. The view of talent comprises the following dichotomies: (a) Object or subject, (b) Inclusive or exclusive, (c) Innate or acquired, (d) Output or input, (e) Transferable or context dependent. Furthermore, the talent management practice emphasized varies. Humanistic talent management is based on the philosophy that everyone has talent, and every employee should have equal opportunities to develop themselves. The view on talent is that talent is a subject, acquired, both input and output, and context dependent. The principle talent management practice is talent development. The competitive talent management type emphasizes talent identification, since the view on talent is exclusive and innate; it is important to find the ‘stars’ that are able to make it to the top. Talent is also considered transferable in the exclusive-innate approach. This means that organizations using this type of talent management see themselves constantly competing against other employers to acquire the brightest talent. The elitist type is connected to the partner model in organizations with more or less only one career path, and looks at the *crème de la crème* of top talents. A heavy emphasis is on recruitment and development is experience-based. Talent is subject, innate, exclusive, and transferable. Talent is also both input and output. Finally, in entrepreneurial talent management, the principal talent management practice is career management and succession planning. Careers are self-managed, and career paths are ad hoc. The view on talent is subject, inclusive, acquired, and context dependent (Bolander et al., 2017).

The need for the practitioners of talent management to comprehend what ‘talent’ means for their respective organizations and, based at least partly on the definition, what talent management activities can do for individuals and their careers is evident. Talent management is a multi-layered process requiring input from all managers and leaders. It also roots in many philosophical aspects, as the research described above seems to show. Do we consider every employee as talent with equal opportunities for development and promotion? Can talent needed in the organization be acquired? Or, is talent an innate characteristic of stars?

What Is Competence?

The similarity between the terms ‘competence’ and ‘competency’ causes confusion. The definition of competency often applies to behavioural aspects, such as skills and attitudes, while competence “equals worthy performance that leads directly to the most efficient accomplishment of organizational goals” (Teodorescu, 2006: 28).

Competence can be defined as follows, “a ‘cluster’ of related knowledge, skills, and attitudes that affects a major part of one’s job (a role or responsibility), that correlates with performance on the job, that can be measured against well-accepted standards, and that can be improved via training and development” (Lucia & Lepsinger, 1999: 5). Hence, competence is more than a skill. It includes knowledge and connects to performance. It can also be improved.

Competences can also be categorized into three ‘clusters’ that differentiate outstanding performers from average performers as follows (Boyatzis, 2008):

1. systems thinking and pattern recognition, that is, **cognitive competencies**;
2. emotional self-awareness and self-management competencies, such as emotional self-awareness and emotional self-control, that is, **emotional intelligence competencies**;
3. social awareness and relationship management competencies, such as empathy and teamwork, that is, **social intelligence competencies**.

It should be emphasized that in practice in various occupations and especially in managerial positions, a person must possess underlying knowledge and functional skills and demonstrate appropriate social behaviour in order to be effective, which is why different competences required for an occupation are often described in multi-dimensional terms. The multi-dimensional holistic competence approach is becoming more widespread in practice (Le Deist & Winterton, 2005).

Meta-competencies, an important concept when looking at competences in general, are defined as an abstract level building on the definition of competencies and as constructs that facilitate individual learning, adaptability, and development (Brown, 1993). Meta-competencies are also argued to maintain their value even when drastic environmental changes occur, which make them crucial in today's complex business environment. Furthermore, meta-competencies have to do with being able to learn, adapt, anticipate and create, rather than with being able to demonstrate that one has the ability to do something. Competences cannot thrive without meta-competencies that are a prerequisite for the development of capacities like judgement, intuition, and acumen.¹ It should be noted that competence-based assessments only give a partial view of the many-layered and complex activity of management effectiveness, efficiency, and success. Softer skills and qualities like creativity and sensitivity are often not considered. Thus, instead of using rigid competence-based assessments, managers dealing with the complexities of management and the current business environment should be aware of meta-competencies. These represent the range of perceptions about a manager's performance and focus on the "irrationality and unpredictability of personal feelings" (Brown, 1993: 35).

As discussed above, meta-competences can be argued to be crucial as jobs evolve and their future content is unknown. We would not know how to prepare for them nor know what skills and knowledge shall be

¹ If competence is the 'ability to engage in an overt behavioural system or sequence' the overarching ability, that is, the associated meta-competence, is the ability to engage in activities using what the researchers call functional intelligence. Where a certain competence is needed to handle routine and programmed tasks with procedures known to the person, the meta-competence can be seen in the person's ability to engage in non-routine and previously unfamiliar tasks. Further, a competence can be considered to show when an individual is able to operate in a stable environment that managers face on a daily basis in an organization.

necessary to be successful in them. Thus, meta-competences are needed that facilitate the acquisition of knowledge and skills in an unspecified future.

Transferable or Not: The Importance of Context

A ‘star’ in one organization is not automatically a ‘star’ in another based on context or organization-related components of star-performance that cannot be transferred from one organizational context to another (Groysberg, Lee, & Nandia, 2008; Groysberg, Nandia, & Nohria, 2004). Particularly, the knowledge embedded in relationships with colleagues seems to contribute to the success of individuals in one company and prevent it if the individual changes organizations (Groysberg et al., 2008). Based on the findings of studies conducted on executives moving from General Electric to pursue their careers elsewhere, it was found that the executives who moved to industries they knew well, or did not move solo but together with a team they brought from GE, did well. Specific skills, such as cost-cutting or revenue growing, were also useful and contributed to the success of executives moving to companies that needed those specific skills. The managers who transferred to companies that did not call for specific skills performed poorly. These findings suggest that even the skill sets that are widely considered general are actually much more context-specific than is recognized by hiring firms (Groysberg, 2010). Research conducted on surgeons found that the performance improved along with the increase in the volume of procedures, but only at the same hospital; no improvement was found if the additional procedures took place at a different hospital. Hence the authors concluded that the familiarity with the assets of a certain organization is crucial for performance. They also give a word of warning related to what they call ‘best-athlete hiring’ in building firm capabilities; with this they refer to the limits in transferring knowledge across organizations. The limits are particularly valid “when a highly skilled worker must interact with a complex array of other assets – human and physical – within a given firm, when the performance of that worker may not be easily transferred across organizational settings” (Huckman & Pisano, 2006: 486).

The importance of tacit knowledge in the context of transferability of skills, or rather in the context of what contributes to success is worth emphasizing. Tacit knowledge can be described as something that forms the basis of valuable skills and something that is most importantly composed of pattern recognition. It is also cumulative, it builds on past experience, is very difficult to articulate, and operates in the unconscious. In complex business operations, tacit knowledge can be the one component that makes a difference between profit and loss and good and poor business decisions (Berman, Down, & Hill, 2002).

Potential: For What and Why Should Organizations Bother?

A practitioner-oriented presentation of the evolution of potential or talent definition presented in Fig. 4.1 describes the approach to potential in the light of history. Fernández-Aráoz (2014) refers to these ‘eras’, describing that the first era of what he calls ‘talent spotting’ was about physical

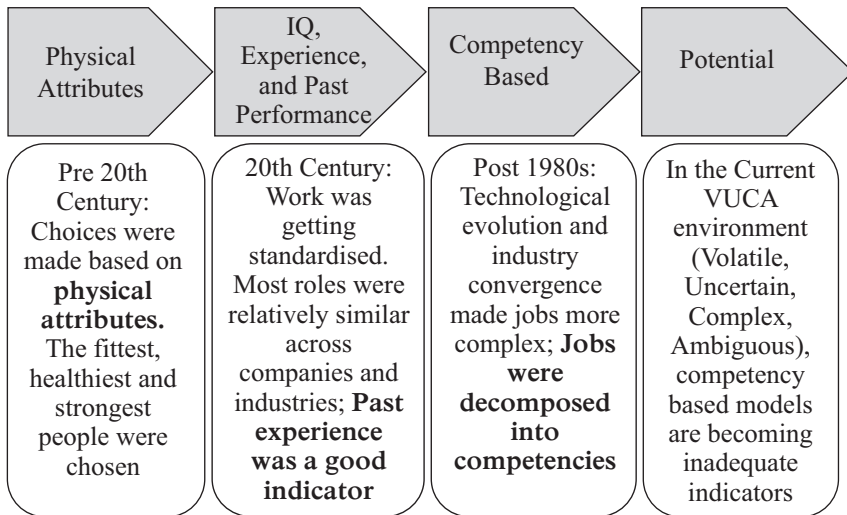


Fig. 4.1 The evolution of potential. (Lumme-Tuomala, 2017)

traits, and lasted millennia. What came next was the emphasis on IQ and experience followed by the competency movement in the 1980s. According to Fernández-Aráoz (2014) we are now in the “dawn of a fourth era” (2014: 50) and the focus of managers and leaders of today needs to shift from competencies and experience to *potential*. The author claims this is the case due to the notion that the traits that contribute to success in a role today are not necessarily the ones that might do so tomorrow.

The concepts of potential and high potential refer to the possibility that individuals can become something more than what they presently are. It points towards further growth and development to reach a desired outcome (Silzer & Church, 2009). Hence, there is a strong aspect of both future and possibility or ‘promise’ present in the notion of potential.

Based on a conceptual analysis, Silzer and Church (2009) define three types of dimensions for potential identification and personal characteristics assigned to each dimension. The three dimensions are the *foundational, growth, and career dimensions*. Firstly, foundational dimensions are constant and stable. Cognitive style and personality are both foundational dimensions. Components of cognitive style are conceptual and strategic thought, cognitive ability, and ability to handle complex situations. Similarly, sociability, interpersonal skills, dominance, emotional stability, and resilience are components of personality.

Secondly, growth dimensions facilitate or impede growth and development in other areas. They do not vary from one situation to the next but can improve when the environment is supportive and encouraging. Additionally, this dimension can improve when the individual has a strong interest in a particular area and has the opportunity to learn more about it. These dimensions include learning skills such as adaptability, learning orientation and openness to feedback and motivation such as energy and career ambition. Thirdly, career dimensions are the best indicators of future professional competencies. The components of career dimensions include current performance; knowledge (e.g. technical and functional knowledge and competencies); values (e.g. alignment of personal and organizational values); together with managerial qualities, including the capacity for managing change, developing and managing people, and exercising a positive influence on others (Silzer & Church, 2009).

Moreover, Silzer and Church (2009) refer to a survey conducted in 20 major corporations that looked at common definitions for 'potential' and found that 35% of the corporations in the survey defined potential by role, that is, "the potential to effectively move into top or senior management roles". A quarter of the surveyed corporations defined 'potential' by level looking at the individual's "potential to move and effectively perform two [...] levels above the current role", and another quarter defined it by breadth: "to take on broader scope and leadership roles, and to develop long-term leadership potential". The remaining 10% defined it by looking at records; a "consistent track record of exceptional performance", in other words, focusing on the past (Silzer & Church, 2009a: 382). Additionally, based on Silzer and Church (2009a), some organizations also define 'potential' by strategic positions which are, according to the researchers, key positions crucial to the organization's success, or by strategic areas, for example, business units or geographic areas pivotal to the set strategic objectives. In other words, the organization should work forward from its strategy and first identify the positions that make "direct strategic impact and exhibit high performance variability among those in the position, representing upside potential" (Huselid et al., 2005: 4).

There are several issues researchers and practitioners alike raise in terms of the definition and identification of potential. One of the essential questions is potential for what? This question is often answered by the types of 'clusters' described above such as the potential for a higher position or a deeper leadership role. However, this type of clustering is less about individual talent and more about placing high-potential individuals into key roles (Silzer & Church, 2009a).

Questions related to identification of high-potential employees are one of the most misunderstood yet relevant questions within the field of talent management. High potentials can be seen as those individuals "who will, when called upon, step up and actually deliver in larger roles with more responsibility" (Robinson et al., 2009: 413). Identifying (high) potentials is a dilemma which almost every organization is faced with, yet organizations base decisions about potential on "information that is sometimes poor and even incomplete" (Robinson et al., 2009). This is information related to past performance and leads to what can be called the "performance – potential paradox" (Silzer & Church, 2009a: 388).

Why then is this a paradox? Based on their research on 59 organizations in 29 countries and 15 industries, the Corporate Leadership Council (2005) found that only 29% of current high performers were also seen as high potentials. Robinson et al. (2009) point out that if an individual is promoted to a new, possibly more demanding position based on solid performance in the current post, he or she may fail if what the new position requires is something totally different than what has been required in the current or past position. Furthermore, it should be noticed that if indeed the promotion is based on performance only, which is easier for managers to justify, the decision neglects to take potential indicators like learning orientation or agility or insight into consideration and can at the end work against the success possibilities of the individual in that position. It seems that in practice, the majority of organizations still rely heavily on performance data in their assessments of employee potential.

There is probably a lot of untapped potential in organizations. Potential does not manifest itself without proper support given to people. Organizations should strive to fill the gap between aspirations and achievement and this can happen through emulating the ways of high performers and ‘stars’. In order for organizations to capitalize on potential of individuals, they need to be managed well and not to be left alone (Coulson-Thomas, 2012). This seems to be something that many organizations fail to realize. Even the talent and the high potentials need support and attention, acknowledgement and development opportunities.

Learning Agility as a Component in Potential

As to learning, a difference between competence and meta-competence is as follows. Competence is related to the level where information is received, retained, and reproduced the way required, and the meta-competence is in turn involved in “the transformation of information by means of the development of understanding, judgement and creativity” (Brown & McCartney, 1995: 52). This is closely related to ‘learning agility’, a meta-competence discussed by several researchers particularly in the context of high-potential identification (e.g. Dries, Vantilborgh, & Pepermans, 2012.) Lombardo and Eichinger (2000) introduced four factors that describe the different aspects of learning agility. These are presented in Table 4.1.

Table 4.1 Types of learning agility

Type of agility	Description
1. People agility	People who know themselves well, learn from experience, treat others constructively, and are cool and resilient under the pressures of change
2. Results agility	People who get results under tough conditions, inspire others to perform beyond normal, and exhibit the sort of presence that builds confidence in others
3. Mental agility	People who think through problems from a fresh point of view and are comfortable with complexity, ambiguity, and explaining their thinking to others
4. Change agility	People who are curious, have a passion for ideas, like to experiment with test cases, and engage in skill-building activities

Adapted from Lombardo & Eichinger (2000)

People who are high in learning agility (and likely to be regarded as high potentials) are individuals who seek experiences to learn from and enjoy complex, unfamiliar problems and challenges that contribute to getting new types of experiences. They also have an interest in making sense of experiences, and consequently get more out of them. What is more, they perform better because they actively incorporate new skills into their gamut.

Learning agile persons can further be described as seeking and having more experiences from which to learn, enjoying complex first-time problems and challenges associated with new experiences, getting more out of these experiences because they have an interest in making sense of them, and performing better because they incorporate new skills into their repertoires (Lombardo & Eichinger, 2000).

Defining Talent

The particular definition of potential used in this chapter as the basis for talent definition is by Fernández-Aráoz (2014) and includes, among other things, the component of learning agility, which is, as presented above, deemed one of the most important factors of potential by academics and practitioners alike. Fernández-Aráoz (2014: 51) claims that the

first component of potential is motivation; a determination to “excel in the pursuit of unselfish goals”. The other four are presented in Table 4.2.

Additionally, in the development of the definition of ‘talent’, the simplified ‘formula’ by Ulrich and Smallwood (2012) has been used to come to the definition introduced in this chapter:

$$\text{Talent} = \text{Competence} \times \text{Contribution} \times \text{Commitment}$$

The complementary nature of this formula is pivotal. In this equation the three terms are multiplicative, not additive. This means that if any of the three components are missing or small, the others cannot compensate for it. A low score in competence will not allow talent to develop no matter how committed and contributing the employee is.

In the framework for defining talent presented in Fig. 4.2, the formula has been expanded to include the time aspect—the present and the future. This is essentially based on the argument that the future always represents considerable challenges for current organizational competencies and often inflexible extant competency frameworks and models. Assessing potential is vital in the twenty-first century’s VUCA environment.

As is also evident from Fig. 4.2, all factors in the formula have been divided according to the time dimension; present time in ‘competence’ is represented by the job description related to the current job of the individual. The future aspect comprises the competences deemed important in the future. These should be derived from the strategy of the organization

Table 4.2 Components of potential

Quality	Meaning
Curiosity	A desire to seek new experiences, knowledge, and feedback combined with an open mind for learning and change
Insight	The ability to make sense and gather information that points to the direction of new opportunities
Engagement	An aptitude to use emotion and logic to communicate a convincing vision and to connect with people
Determination	An ability to fight for ambitious and complex goals in spite of challenges and to recover from setbacks

Adapted from Fernandez-Aráos (2014)

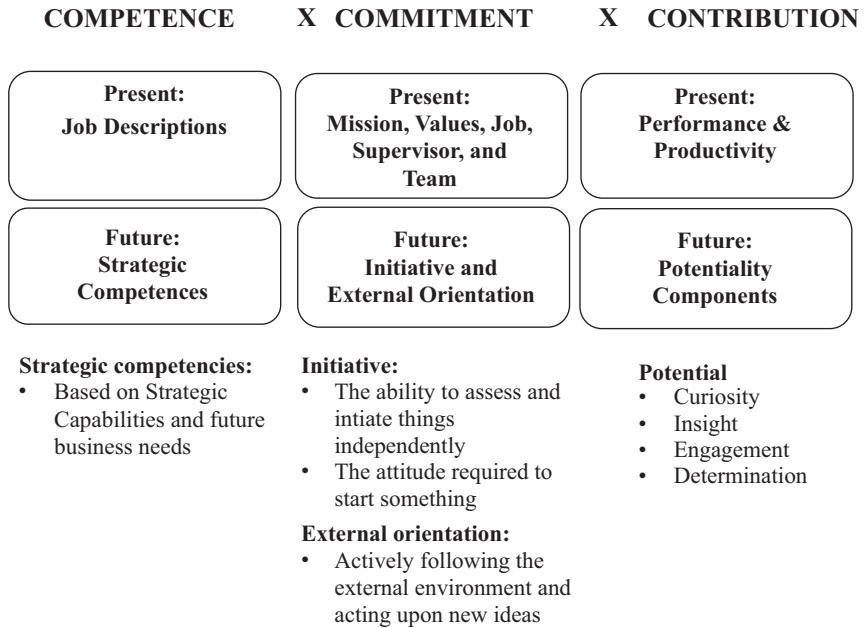


Fig. 4.2 The definition of talent. (Lumme-Tuomala, 2017)

and/or the function in question. Present time in ‘commitment’ is presented by organizational values—and commitment to them. The future aspect of ‘commitment’ involves describing what the individual is ready to do to exceed expectations and to show initiative. Initiative and external orientation can be seen as possible valid indicators of commitment. In this model, ‘contribution’ is represented by performance and productivity in the present time. The future component is based on the potentiality components of curiosity, insight, engagement, and determination shown in Table 4.2.

Conclusions

Defining ‘talent’ in organizations is essential to underpin talent identification. From the point of view of talent identification, the mindset in the organization regarding talent, potential, and performance is crucial. If the

mindset of the top management and HR managers is fixed on competences and their non-malleability, IQ (not EQ), and forced distributions of people into categories, it will eventually lead to organizations ignoring the impact of the dynamic, complex, and uncertain business environment of today. In this environment, diversity is an important factor and learning agility more significant than past performance as a predictor of future performance. Also, putting too much emphasis on individual characteristics can represent a danger. Firstly, context and systems matter—these include values, mission, team, job, and manager and are foci that people show varying levels of commitment to. Only 30% of an individual's performance is based on his or her own abilities, the rest stems from factors specific to the organization, examples of which are reputation, development possibilities, and leadership (Groysberg et al., 2004).

The framework for defining talent introduced in this chapter contributes to talent management practice by not limiting talent definition and identification to pre-determined competencies or generic descriptions, giving instead flexibility and possibilities for organizational context-specific modifications and design. This is due to the generic nature of the framework; all the components can be defined using exactly the competences that are relevant for the organization, country of operation, or department. The same applies to commitment; while the values of an organization can be expected to be the same regardless of the department or country of operations, different aspects to and foci of 'commitment' can arise through, for example, ways of working, the team, and the line manager. The components and indicators of performance and productivity may also differ from one part of the organization to the next. The framework enables any organization, function, or department to define talent in a flexible and dynamic manner to respond to specific needs that rise from the strategy of the organization in question. Furthermore, the definition introduced reflects different contexts; it entails the organization's own strategy and related strategic competencies together with the job descriptions, values, and mission included in the definition.

In closing, increasingly complex business environments require the right mindset from both the organization and the individual, together with manifestations of potential: curiosity, learning agility, flexibility, insight, and determination. Additionally, intangible qualities of leaders such as passion and commitment need to be borne in mind.

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5

Subjective Bias in Talent Identification

Denise Holland

Introduction

Against a backdrop of globalisation, seismic shifts in demographics and the demand for employees across a range of competencies and expertise, the second decade of the twenty-first century has presented organisations with serious talent shortages (Deloitte, 2010; McDonnell, 2011; Schuler, Jackson, & Tarique, 2011; Vaiman, Scullion, & Collings, 2012). In the face of these challenges, organisations are pursuing mergers and acquisitions (M&A) as boundary expansion strategies (Villalonga & McGahan, 2005). Strategies include acquiring new products and technologies (Gomes, Weber, Brown, & Shlomo, 2011); gaining access to lower cost operations, building scale and market positions quickly (Bower, 2001), and acquiring talent (Schuler & Jackson, 2001). M&A provide a rich and interesting field for study (Haleblian, Devers, McNamara, Carpenter, & Davison, 2009) and have continued to experience phenomenal growth

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despite being subject to high failure rates. While the reasons and conditions under which they fail remains unclear (Weber, Tarba, & Reichel, 2011), many agree that poor management of the human side of the M&A is frequently cited as the source of failure (Buono & Bowditch, 1989; Birkinshaw, Bresman, & Hackanson, 2000; Cartwright & Cooper, 1992; Larsson & Finkelstein, 1999; Marks & Mirvis, 2011). One of the casualties of M&A is the high turnover of acquired executives and target management team which can lead to the erosion of leadership talent (Krug, 2009). For acquirers whose strategy is the acquisition of talent, these will be priced into the deal and as their departure could be detrimental; talent retention will be high on the acquirer's agenda (Ranft & Lord, 2000).

Mellahi and Collings (2010) argue that managing an effective talent management system is not without its problems and, considering that M&A are transformative change environments, this puts additional strain on the talent management systems of acquirer and target organisations. Pre-deal negotiations can influence top management's perceptions and one of the most serious mistakes an acquirer can make is to overestimate the quality of the target organisation's management team (Gomes et al., 2011). An equally serious potential error is to underestimate the potential of the target's talent which can lead to lost experiential knowledge that may be critical to the organisation's competitive advantage (Zander, Zander, & Tildiz, 2012). M&A require significant investment and it can be argued that value is created through the exploitation of its resources therefore, and it is important to focus attention on the value of managing talent from value creation to value protection (Sparrow & Makram, 2015) to maximise the chances of success. As a starting point, key positions must first be considered and only then should talent be identified to fill them (Collings, Scullion, & Morley, 2007; Tarique & Schuler, 2010).

This chapter starts by addressing talent and talent identification, and this is followed by a discussion on the challenges of talent identification during M&A where the notion of power, politics, and bias is introduced. Talent evaluation is then addressed followed by a discussion on HR due diligence as a mechanism in the identification process. In the final section of the chapter, a discussion around the need for re-engineering HR due

diligence is pursued while considering the role of HR information systems and decision support systems in the identification process. The chapter concludes that acquirers need to consider HR due diligence as a core mechanism in the talent identification process. This needs to be supported by data from HR information systems, appraisal reviews, talent profiles, and face-to-face interviews with those identified as talent pre-deal, while taking into consideration formal and informal feedback from the target firm top management, all overseen by the HR acquirer team.

Talent

Since the Michaels, Hanfield-Jones, and Axelrod (2001) work on the ‘War for Talent’, an ongoing debate has prevailed about what talent is (Mäkelä, Björkman, & Ehrnrooth, 2010; McDonnell, 2011; Meyers, van Woerkom, & Dries, 2013; Michaels et al., 2001; Ulrich, 2007). Talent can be defined differently depending on the context within which it is required (Holland, 2015) and the acknowledgement of foreign subsidiary talent may be critical to the global integration of the two organisations (McDonnell & Collings, 2010). An M&A provides an acquirer with an expanded pool of human resources to choose from (Ashkenas, Francis, & Heinick, 2011) and those “who push forward the emergence of relations between both firms...building up...the new organization and the creation of synergies” have a key role to play (Mirc, 2012: 133). Talent can be viewed as strategic assets (Becker, Huselid, & Beatty, 2009), as the potential and realised capacities of individuals and groups (Boudreau & Ramstad, 2007), as exceptional performers who deliver on organisational goals (Swales, 2013), as existing and future leaders (Mäkelä et al., 2010) with high potential, self-driven to exceed (Ready, Conger, & Hill, 2010). Talent is not just about leadership, it can be found in technical, professional, and functional areas (McDonnell, 2011). Ulrich and Dulebohn (2015: 194) posit that “talented employees must have skills, wills, and purposes; they must be capable, committed, and contributing”. In the M&A context, the talented are those who have a significant business impact making them essential to retain (Galpin, 2010) and are seen as high performers who contribute to the strategic

objectives of the firm (Collings & Mellahi, 2009). Some refer to talent as the few star performers “who account for a disproportionate amount of output in relationship to their peers” consistently and over a period of time (Aguinis & O’Boyle, 2014: 343).

Poor talent decisions are rarely the result of poor HR programmes, rather “they’re made by well-intentioned leaders with unintended talent implications” (Boudreau & Ramstad, 2007: 26). With regards to talent identification in M&A, there are wider issues that have to be addressed including an individual’s capabilities, motivations, and how they will rise to the challenges associated with the uncertain and future state of the acquired organisation. Organisations are starting to recognise the need for formal processes in the identification and assessment of talent, viewing talent as strategic assets that need to be accounted for (Silzer & Church, 2009). Talent is about people (Lewis & Heckman, 2006) and if talent is needed to fill critical roles pre- and post-acquisition, then the identification process is paramount to the outcome of a deal (Schuler & Jackson, 2001). While there is a lack of consensus of what talent is, there is, however, agreement that the identification of talent at the early stages of an M&A has an important influence on the outcome of the deal (Galpin & Herndon, 2007).

Talent Identification

Talent identification practices are about finding individuals and positioning that talent “in a way that could enhance the organisation’s performance and competitive position” (Nijs, Gallardo-Gallardo, Dries, & Sels, 2014: 184). It is one of the most underexplored areas within talent management (McDonnell & Collings, 2010). “Subjective assessments of individuals made on the basis of their overt behaviour” in the early stages of a deal are not likely to be reliable indicators of future behaviour (Cartwright & Cooper, 1992: 118). The identification process is punctuated by many challenges including the organisational context (Pfeffer, 2001), the validity of the identification process (Nijs et al., 2014), the situation, conditions, and exposure that facilitate talent getting on the ‘radar’ (Mäkelä et al., 2010; Ready et al., 2010), the personal characteristics

of the assessors (Tormala, Jia, & Norton, 2012), and accuracy of HR data analytics supporting talent decisions (King, 2016). In a cross-border M&A environment, talent identification becomes even more complex as an acquirer navigates the uncharted waters of the pre-integration process within a cross cultural context (Stahl & Voight, 2008). To ensure successful integration, do acquirers rely on talent identification from appraisal review data, data from HR Information Systems, subjective guidance and input from target management or through informal channels, observation, or tapping into networks (Whelan, 2011)? High risk individuals must to be identified early in the acquisition process and considering the strategic objectives behind the deal, acquirers should know as early as possible who has potential to fill larger roles within the newly combined organisation (Silzer & Church, 2009). The business impact of talent is clear (Becker et al., 2009) and, given the significant investment that M&A require, acquirers need to know where these individuals are located within the target firm (Collings et al., 2007).

The Challenges of Talent Identification in M&A

The role of talent is seen as the “engine force of economies” (World Economic Forum, 2011: 5) and yet Collings et al. (2007) argue that organisations have difficulty identifying who is talent and where are they located. Despite all the issues associated with this cohort, talent identification is an area of talent management that requires more research focus (McDonnell & Collings, 2010). Questions around the right type of talent, their placement, location, timing and costs, present a challenge (Beechler & Woodward, 2009; Collings et al., 2007; Schuler et al., 2011). This is further complicated with cross-border M&A, and it is argued that the focus should be on “those whose loss would have the most detrimental effect on [the] organisation” (Galpin & Herndon, 2007: 129). The acquisition process is a dynamic environment (Angwin, 2004), where the acquirer needs to make timely talent decisions that will influence integration planning and execution (Galpin & Herndon, 2007). Knowing which positions are more strategically valuable to the newly combined company and knowledge of the combined firm’s talent inventory are

critical (Becker et al., 2009). Therefore, adopting “a contingency approach” to the identification of talent is highly relevant (McDonnell & Collings, 2010: 58). Whelan (2011) argues that those who excel at both external networking and internal networking will add value to talent initiatives and it can be argued that this represents an opportunity in the talent identification process, particularly in knowledge intensive sectors. In the early stages of the deal and in the absence of readily available data, the acquirer must rely on target executives to provide input to the process.

Collings (2014) contends that there needs to be a change of focus within talent management. Talent decisions can create a domino effect through multiple levels of the organisation and “certain positions have a greater impact on organisational performance than others and it is these positions that should be filled with the most talented people” (Collings, McDonnell, & Scullion, 2009: 16). Much of the research has focused on top management talent and while these people may be important in the overall scheme of things, we also need to consider talent outside of this group including employees with potential. Talent may also be seen in groups or teams (Silzer & Church, 2009) that may have relevance to an acquirer when targeting firms with successful research and development centres. Indeed, focusing on top management alone may risk the loss of talent in different functions within the organisation and at other levels with high potential. It is argued that many acquirers have sophisticated selection systems that would help them uncover hidden talent, yet they do not use these tools in M&A environments (Cartwright & Cooper, 1992). To maximise the opportunity of putting the right people in the right positions, acquirers should consider re-recruiting target talent for roles within the newly combined organisation (Galpin & Herndon, 2007).

Talent Evaluation

As previously mentioned, talent identification is not a clear-cut process in a normal business environment and is more complicated with M&A. In an attempt to secure their own positions, target employees may get caught

up in the politics that come hand-in-hand with M&A and this may result in the acquirer placing the wrong people in key positions. Further compounding the difficulty of talent identification can be the urgency to close the deal. Antila and Kakkonen (2008) found that HR managers have a significant role to play in M&A and their exclusion can compound the problem. HR involvement has been linked to successfully achieving the financial objectives of the deal (CFO, 2010), yet it is rare that HR managers get an opportunity to participate in the decision making at the early stages, as they can be sidelined by the financial and legal agents who have in the past cast doubts on HR's ability to contribute and take the lead (CFO, 2010). The role of HR is influenced by whether the CEO or senior executives place a high value on their contribution (Antila & Kakkonen, 2008), where they tend to be viewed as more administrative than strategic (Antila, 2006), while Björkman and Söderberg (2003) argue that top executives have low expectations of HR. In M&A, HR professionals should facilitate the talent identification process, supporting talent decisions, while allowing the acquirer a clear insight into those employees who have the competence and commitment to contribute successfully in achieving the strategic objectives of the deal.

There is also the question of whether talent decisions should include high potentials (Silzer & Church, 2009). Performance and potential are two key aspects in the talent identification process and it can be argued that without demonstrating performance someone could hardly be viewed as having potential (Silzer & Church, 2009). Mäkelä et al. (2010: 135) divide the appraisal process into two stages: an "on-line" backward looking performance appraisal evaluation carried out by the respective line managers which "provides input to largely cognition-based (off-line) managerial decision making over whom to include in a talent". Regardless of the process involved, decision makers need to be highly informed, therefore discipline is required around preparation for talent reviews (Boudreau & Ramstad, 2007). The challenge for HR professionals in this environment is to keep the integrity of the talent review process intact by ensuring that the quality of the data under review is relevant which, in an M&A scenario, should be considered as important as financial data (Avedon & Scholes, 2010). As previously mentioned, performance appraisal has a bearing on whether an employee will be considered a tal-

ent and is still seen as an integral part of succession planning (Mäkelä et al., 2010). Decisions on talent can affect sustainable strategic success so off-line talent decisions are typically made at high-level talent review meetings where talent is reviewed against all strategic and feeder positions (Boudreau & Ramstad, 2007; Stadler, 2011). Mäkelä et al. (2010) argue that decision makers tend to focus on what is familiar to them and ‘who is on the radar’ which can lead to bias. These authors suggest that a person’s network position can be positively associated with career progression and argue that contacts at high levels of the organisation can be seen to strengthen certain employees (Mäkelä et al., 2010). Additionally, the development of HR information systems (HRIS) has helped throw light on individuals who may not have access to these high-level networks. These systems provide access to a broader talent mix across the geographic spread of global sites and the data can provide support to decision making where talent may be transferred from a subsidiary being rationalised to one that is developing (Yost & Plunkett, 2010).

Power, Politics, and Bias

Most organisations exist within a power structure (Fisher, 1986) that can be formal as reflected in its governance and organisational structure, and informal as characterised through decision making processes and employee networks (Aguilera, Dencker, & Yalabik, 2008). Highly political organisations tend to promote employees who “engage in strong influence, take credit for the work of others, and have connections to high-ranking allies” (Chang, Rosen, & Levy, 2009: 782). As transformational change events, M&A breed uncertainty and ambiguity and can give rise to power-related internal politics (Tienari & Vaara, 2012). While power inequalities and political gamesmanship are part of the M&A landscape and can have devastating effects on an organisation and its employees, it is an underexplored area of research (Stahl et al., 2013). With foundations in institutional theory, organisational politics is referred to as “attempts to influence others in ways that promote self-interest, often at the expense of rewards for individual merit or the betterment of the organisation” (Rhoades & Eisenberger, 2002: 700). M&A

is a process that can be clothed in secrecy with organisational ‘firewalls’ in place to prevent leaking of information (Bruner, 2004) and, in the early stages of a deal, information is kept within the domain of top management (Aguilera et al., 2008). Cascio & Boudreau, (2010) argue that talent decisions need relevant data and clear frameworks; however, decisions are often subject to bias (Boudreau & Jesuthasan, 2011; Mellahi & Collings, 2010).

Talent decisions can be influenced by biases in multinational contexts which include, cultural and institutional distance, homophily and the national position of the decisions makers (Mäkelä et al., 2010). Cultural and institutional distance can influence decision makers on how appraisal reviews are trusted from within different parts of the organisation (Mäkelä et al., 2010). Homophily refers to a tendency to have relationships with people where the social interaction is easier (Allatta & Singh, 2011). Influenced by geographic proximity, demographics, and culture (Schneider, 1987), we are more likely to relate positively to those who reflect similarities to ourselves (Mäkelä et al., 2010). Given the high failure rates associated with effectively integrating the human side of the deal (Aguilera et al., 2008) and significant turnover rates in management talent (Krug, 2009; Krug & Hegarty, 2001; Marks & Mirvis, 1998; Walsh, 1988), it is important to address to what extent biased decisions influence these failure rates.

In his study of social network analysis, Whelan (2011) proposes that social network analysis can support the delivery of more effective talent initiatives and “it’s who you know not what you know” (Whelan, 2011: 484). A person’s network position can be positively associated with career progression strengthening the positions of certain employees (Mäkelä et al., 2010). One’s position in a social network can be strongly related to power and influence and, during the M&A process, individuals might use the power of their personal networks in an effort to preserve their own positions (Mirc, 2012). Performance is key to getting the attention of top management. However, Ready et al. (2010) suggest that it is an employee’s behaviour that gets them on the talent radar. They argue that high performance becomes a ‘given’ and that what organisations want to see is a shift in behaviours (Ready et al., 2010). Yet, assessing employees on past performance can be risky as one cannot easily predict how an

employee might perform in an uncertain and dynamic environment such as M&A.

The meaning of talent can be relative and subjective (Thunnissen, Boselie, & Fruytier, 2013) and it is necessary to recognise sources of bias in the identification process and establish mechanisms to counteract the associated negative effects (Swales, 2013). Bias in talent identification comes in many forms, including cognitive, motivational, and unintentional bias, all of which are context dependent (Angwin, 2004). We also need to recognise that conditions and context matter in the identification process (Gallardo-Gallardo, Dries, & González-Cruz, 2013). “Individuals who shine in one context may struggle in another” (Coulson-Thomas, 2012: 431) and this can provide an opportunity for some who may not yet be ready for entry to the talent zone to get on the ‘talent radar’. For example, some individuals cannot cope with the crisis-like changes that M&A bring about, while others rise to the occasion and manipulate it to their advantage (Coulson-Thomas, 2012). On the flip side, subsidiary management may perceive the acquirer as “invaders...of their organisation” (Clark & Geppert, 2011: 399) and block talented individuals from reaching their full potential, because it would not be in the best interests of subsidiary managers to lose them to other business units (Mellahi & Collings, 2010). To mitigate the risk of identifying the wrong people, data from performance appraisals can be used as a basis for talent decisions (Brown, Hyatt, & Benson, 2010). Appraisal review information would provide realistic previews for the acquirer which could substantiate the talent identification process. However, as a process, the appraisal review process is imperfect and can present organisations with several challenges including ‘rater’ bias (Roberson, Galvin, & Charles, 2007), congruence of values between HQ and subsidiaries (Mäkelä et al., 2010), and negative bias in performance evaluations of minorities (McCarty Kilian, Hukai and McCarty, 2005). Therefore, in identifying talent for positions in the newly combined organisation appraisal reviews should not be used as a single source for decision making, rather it should be part of a greater due diligence process. Rarely does the HR due diligence address output from formal performance appraisals or go deep enough into target HR data to address who might be deemed necessary for a successful integration. When acquirers tap into an informal process, decisions can be sub-

ject to bias and individuals who have the potential for success may get lost under the radar.

HR Due Diligence as a Mechanism in the Identification Process

As a dynamic process involving an objective—-independent assessment of the target company—due diligence should aid the acquirer to better understand the value and risks of the acquisition (Angwin, 2001). If carried out effectively, it must go beyond the financial aspects and cover the human side of the deal (Hitt, Harrison, & Ireland, 2001; Schuler & Jackson, 2001). Due diligence is defined as “acting with proper prudence or reasonableness” (Picot, 2002: 156) yet, acquirers are often accused of looking for truth through the financial numbers (Angwin, 2001) without giving the same attention to the human side of the deal (Lafforet & Wageman, 2009). Talent are often seen as intangible assets and “the true value of the deal cannot be determined” until a proper due diligence on these intangible assets is completed (Harvey & Lusch, 1995: 19). There is a need to balance demonstrated value of the M&A against the need to identify, retain, and engage talent for which a firm may have paid a premium (Shapiro, 2007).

Knowledge of what contributes to M&A success or failure could be enriched if due diligence properly considered the critical people and organisational issues (Briscoe, Schuler, & Tarique, 2012). In their need to close deals and save costs, there can be a ‘rush’ to get the deal signed (Marks & Mirvis, 2011) with the assumption that the people side of things will get sorted at the integration stage and this increases the risk of failure (Briscoe et al., 2012). HR due diligence “lays the ground work for smooth integration” and neglecting to carry it out can result in lost talent (Harding & Rouse, 2007: 125) and an inability to properly assess the feasibility of post-merger integration (Hitt et al., 2001). Therefore, core to the HR due diligence must be the identification and assessment of talent (Marks & Mirvis, 2011) using information gathered to highlight capability gaps, weak points in the organisation, and differences in mana-

gerial style (Harding & Rouse, 2007; Evans, Pucik, & Björkman, 2011). As a process, HR due diligence should seek to answer questions around unique competencies in the target firm and carrying out a background check on the management team (Evans et al., 2011). It is important to establish the current and potential bench strength of the target firm's human resources and not knowing this information can lead to poor integration planning and execution. Twenty-one years ago, Harvey and Lusch (1995: 5) called for a "need for a more expanded due diligence framework" to include an in-depth evaluation of key executives and managers. More recent literature has called for expansion of due diligence to include the "non-traditional [elements] of strategy, culture and talent" (Galpin, 2010: 140), yet, rarely does HR due diligence go beyond operational risks (PWC, 2012). There is little evidence in the research literature on the role and process of HR due diligence and its link to identification and retention of talent. More constructive, objective, and balanced decisions around talent in M&A is required and in order to "gain a better understanding of the proper measures of the value of human capital" (Shimizu, Hiee, Vaidyanath, & Pisano, 2004: 347) further research is needed that specifically focuses on talent identification (McDonnell & Collings, 2010).

Re-engineer HR Due Diligence

"At the heart of due diligence is research" (McSweeney & Happonen, 2012: 184), which must include an investigation of the human side of the deal (Hitt et al., 2001), yet the most poorly handled aspect of an M&A is the people side (Bruner, 2004). It is argued that the process of HR due diligence needs re-engineering and consider the value of human capital as equally important as other assets (Holland, 2015). Given the significant investment that M&A require and the associated high failure rates, I contend that an acquirer should identify human resource risks before integration and develop retention plans for those whose loss would adversely affect integration. "HR due diligence templates that are modelled on financial and compliance type due diligence are insufficient" (Holland, 2015: 225). In terms of the human side of the deal, an acquirer

should know what they are buying (Bruner, 2004), yet much of the HR due diligence is cursory, focused on gathering one-dimensional data and information on what PWC (2012) describe as operational risks. These operational risks include employment contracts; compensation and benefit structures; performance structures; risk and insurances; length of service; disability and any pending labour lawsuits or disputes. With regards to talent identification, HR due diligence does not go deep enough, as it is predominately data driven rather than building knowledge to provide for greater understanding of the target talent pool. Acquiring HR professionals have a key role to play by working in partnership with target HR management. To mitigate the risk of biased talent decisions during the M&A process, HR due diligence should include an in-depth profile of talent, identify who they are, the process of their identification, their location, and the output of talents' last appraisal review. HR due diligence should be more than a paper exercise based on a financial template and should be knowledge focused not data focused (Holland, 2015). If one supports the notion that talent are the few and represent a small percentage of an organisation's population, then the cost involved in pursuing a deeper HR due diligence is justified.

HR Information Systems and the Role of Decision Support Systems

Human Resource Information Systems (HRIS) have evolved to a level of sophistication that provides decision makers with access to HR related data without geographic or time constraints (Dulebohn & Johnson, 2013). The output from talent reviews are sources of HR data that can provide answers to the talent questions (Stadler, 2011). M&As are seen as unstructured planning events where decisions are primarily based on human judgement and one can argue that human resource decisions can be facilitated by decision support system (DSS) tools as part of HRIS (Dulebohn & Johnson, 2013). Among other things, DSS tools enable HR modelling including *what if* scenarios that supports talent positioning decisions while allowing HR to track and audit progress (Dulebohn & Johnson, 2013). A talent review, usually executed within the context

of a talent strategy, facilitates the identification of talent and helps “determine [future and current] bench strength... identify talent gaps, organisational vulnerabilities and risks, and to develop a view of organizational capability” (Stadler, 2011: 266). It is therefore a credible source of information. It is argued that acquirers cannot ignore the high costs associated with poor talent decisions and if an organisation has already invested in developing decision support systems tools within HRIS, then these should be used as early as possible in the deal to substantiate the talent identification process thus minimising bias.

Conclusions and Recommendations

Talent matters and, in the context of M&A, biased assessments of employees made on the basis of their behaviour in the early stages of a deal are not likely to be reliable indicators of their future behaviour or how they will perform post-acquisition. Human behaviour is a product of the social, political, educational, and organisational environments that influence the way decisions are made. To mitigate the risk of bias in talent identification during the M&A process, I argue the need to address how talent decisions are made. Acquirers need support structures and a framework within which they can make unbiased value-adding talent decisions and HR have more than just a supporting role to play. HR hold pivotal positions in the information flow on talent making them important players and influencers in the talent identification process. While it is recognised that contribution to the growth and development of an organisation can be associated with those identified as talent, in the context of M&A, it is proposed that acquirers broaden their scope to include those who might influence effective integration of the two organisations. I argue that we need to accept and understand that non-HR leaders will always be a big part of the talent identification process and the key is to provide structure around the identification process.

Twenty-five years ago, there were calls for an extended HR due diligence and this remains relevant today. In the absence of pertinent talent information and due to the secretive nature of the early stages of a transaction, there will always be the risk of informal talent identification



Fig. 5.1 Extending HR due Diligence to include Talent Identification

and subjective decision making. To better inform decision making around talent in M&A and reduce the risk of bias, there is a need to extend and re-engineer HR due diligence to include a deeper analysis of the expanded talent pools that an M&A brings about. The chapter proposes a framework (Fig. 5.1) to aid future research and extend our knowledge on talent identification in the early stages of the M&A process. HR due diligence is a core element of the framework and needs to be supported by data from HR information systems, appraisal reviews, resumes, and face-to-face interviews with those identified as talent pre-deal. The output of this process cannot be left to external consultants, rather it should be led and overseen by the HR acquirer team while taking into consideration formal and informal feedback from the target firm's top management.

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6

Talent Management in Egalitarian Cultures: Scandinavian Managers in Singapore

Torben Andersen and Stefan Quifors

Introduction

This chapter explores perceptions of global talent management (GTM) among senior managers working for subsidiaries of Scandinavian multinational enterprises (MNEs) in South East Asia (ASEAN). Since most present TM research tends to be Anglo-Saxon, normative and written from the perspectives offered at corporate headquarters (CHQ), our hope is to broaden the understanding of the phenomena by providing a subsidiary managers' perspective of TM. Presently, TM literature sees limited empirical evidence exploring how TM work is operationalised and implemented. There is a lack of understanding for how TM policies and programmes are perceived and applied by practitioners at all levels

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within MNEs. Many are formulated at top level (CHQ), and knowledge about how this works in highly decentralised company cultures is in our view not accounted for. Such a view is highly relevant and could be influential for those seeking successful implementation of GTM programmes.

In the chapter we provide empirical data on the use of GTM programmes at subsidiary level and how these programmes are de facto implemented in an ASEAN context (through the local regional HQ in Singapore). It will shed light on the main challenges that face TM practitioners and provide specific insights into the experiences, perceptions, and beliefs subsidiary managers have of these relatively new corporate initiatives.

The chapter is based on data from key informants—Scandinavian TM practitioners working and living in Singapore—and the choice of particularly Scandinavian practitioners is deliberate and aims to provide empirical research from outside the dominating literature context, the Anglo-American understanding of TM. This will hopefully broaden the empirical base of TM by indicating how GTM programmes are employed at subsidiary levels of Scandinavian MNE operating within different cultural and institutional contexts. This different contextual perspective to TM research is important since, as will be shown, meanings and understanding of what TM is differ among individuals, organisations, and social and cultural contexts.

The study also adds to Scandinavian management literature practised outside Scandinavia under very different cultural conditions. At present, little is known about Scandinavian TM and Scandinavian subsidiary talent management in practice, and our study addresses, in particular, three questions: How do Scandinavian subsidiary managers use GTM programmes to assist with selection and development of talent in ASEAN? Who do managers working for Scandinavian subsidiaries in ASEAN perceive as being a talent? Do Scandinavian managers in ASEAN amend the GTM programme to suit local contexts and, if so, what amendments are made?

Method

In total 22 participants were interviewed. It is important to keep in mind that the participants' opinions are their own and not their employers'. In the mapping of the perceptions of GTM programmes, it was particularly stressed that we did not want the official corporate statements, the window dressing, but how things were in reality. Among the sampled participants, 32% were female and 68% male, and the seniority ranged from 4 to 30 years, that is, no talents were interviewed, and several of the senior participants had been doing this for *many* years (see Table 6.1).

All participating interviewees were expatriates and had a previous history with the company before relocating. They had either applied for an overseas position or been approached about such a role. Some 45% of the participants had been transferred from other expatriate positions within the MNE, while 54% had transferred from Scandinavia. There was

Table 6.1 Overview of the participants in the study

Code	Position	Nationality	Years in MNE	Years in ASEAN
I1	Regional Manager	Sweden	10 years	6 years
I2	Talent Acquisition Manager	Sweden	21 years	14 years
I3	Country Manager	Denmark	17 years	12 years
I4	Talent Acquisition Manager	Sweden	13 years	10 years
I5	Country Manager	Norway	10 years	4 years
I6	Regional Manager	Sweden	14 years	6 years
I7	Group Executive VP	Norway	30 years	10 years
I8	HR Manager	Sweden	18 years	15 years
I9	Regional Manager	Sweden	16 years	5 years
I10	Country Manager	Norway	15 years	10 years
I11	HR Manager	Sweden	15 years	7 years
I12	Regional Manager	Sweden	4 years	3 years
I14	Regional Manager	Denmark	12 years	4 years
I15	HR Manager—Asia	Norway	14 years	6 years
I16	HR Manager	Sweden	23 years	16 years
I17	Regional Manager	Sweden	8 years	2 years
I18	CEO	Sweden	7 years	7 years
I19	Regional Manager	Norway	16 years	4 years
I20	HR Manager—Asia	Sweden	20 years	15 years
I21	HR Manager—Asia	Sweden	8 years	2.5 years
I22	HR Manager—Asia	Sweden	12 years	3 years
I23	Regional Manager	Norway	11 years	3 years

enough experience for the participants to be deemed topic experts. Participants who were active within HR generally had a more strategic HR function, overseeing several countries and not working with daily compliance tasks.

All interviews were held during the second half of 2016. We spent one and a half months in ASEAN, ensuring that we could meet with the interviewees. The initial intention was to conduct as many interviews in neutral venues as possible, but reality quickly dictated that most interviews had to be undertaken at the participant's premises, in the regional headquarters—within the ASEAN context. We were considered visitors from the home culture, and the interviews were carried out in Scandinavian languages; this helped build trust as we could relate the question to the geographical context and together discuss the experience from both a Scandinavian and an ASEAN perspective.

Research Settings

Again, it is important to keep in mind that the data collected was the participants' own perceptions and not their organisations'. With that said, there is still an interest in understanding the organisations for which the participants worked. All MNEs had their CHQ in Scandinavia, but a substantial part of their business was outside Scandinavia. Many of them were the large, well known, and in this area trendsetting players from Scandinavia. They had a subsidiary, or in most cases several subsidiaries, legalised in ASEAN. Currently all the MNEs have more than 50% of their turnover, their business, outside Scandinavia. The interviews were only conducted with managers who resided in Singapore or Malaysia. The choice to focus on these two countries was made because of the researcher's familiarity not just with the region (the researcher has lived there and worked in IHRM in the region for ten years) but also because of accessibility. Singapore and Malaysia offer the most regional hubs for Scandinavian companies in ASEAN, making it possible to be flexible with where the interviews were held.

The interviews took place in a broad variety of companies, and the focus was explicitly regional. Even though the study is based on only 22

interviews, our experience was that the attitudes and perceptions held by interviewees tended to converge. Francis et al. (2010) and Constantinou, Georgiou, and Perdikogianni (2017) have in their investigation found that saturation is achieved rather fast, when carrying out theme analysis in interviews. Francis et al. (2010, p. 1231) mention 15 interviews, whereas Constantinou et al. (2017, p. 583) claim that the threshold is already at the 7th interview. Our 22 interviews make us convinced that we have covered the main attitudes held by Scandinavian experts on talent management in ASEAN, based on the similarities covered at the end of the study. Finally it is not a study of who classifies talents—we take for granted that the interviewees are the ones—and it is more a study on how and from which criteria they define and select. It is the gatekeeper's reasoning we are investigating (see also Faulconbridge, Beaverstock, Hall, & Hewitson, 2009).

Theoretical Basis

In this chapter, we are looking at the comparative dimension of talent management though juxtaposing the universalist and the contextual paradigms (see also Brewster, 1999, for a similar analysis of HRM). The universalist approach, which tends to dominate the US tradition of liberal market economies (LME), compared with the contextually inspired paradigm with its more ideographic approach, characterising many European countries. In this case, some of the most egalitarian countries, the Nordic countries (Denmark, Norway, and Sweden), coordinated market economies (CME) (Hall & Soskice, 2003), where national cultural values tend to be strong on institutional collectivism. The question addressed is how US-initiated unitarist and normative theories of talent management are received, interpreted, and used under a relatively strong cultural and institutional egalitarianism in a highly elitist part of the world. Is talent management in itself recognised as a solution to the HR-related challenges companies and organisations are facing, and if so, how is it implemented? Managers (in Scandinavian countries) have often been reluctant to distinguish top performers from the rest, that is, there has been very limited tradition for pinpointing winners (and losers) in

the workplace. On the contrary, a high level of autonomy and cooperation has been emphasised as key element in the successful Nordic model of managing employees (see e.g. Gustavsen, 2012; Lindeberg, Månson, & Larsen, 2013).

What and who is a talent is a fundamental philosophical and practical concern for TM research. Generally, the literature refers to two different approaches. Some assume that talent is exclusive and some that talent is inclusive (Björkman, Ehrnrooth, Smale, & John, 2011; Dries, 2013; Meyers & van Woerkom, 2014). This distinction is important since it determines how MNEs work with talent. Do they focus on identifying and working with a few high-potential individuals, or do they aim to spread their resources by developing as many as every employee in the organisation? Designers of GTM programmes, and those that operate GTM programmes, choose a path and construct tools to identify, select, develop, and reward talent based on who they see as being a talent (Meyers, van Woerkom, & Dries, 2013). In their seminal work, Meyers and van Woerkom introduced four main types of TM philosophies, based on two dimensions—an inclusive or exclusive approach to TM and a stable versus a developable one. This indicates that talent is either targeted at the few or the many and innate and not taught (stable) or developable (talent is an acquired knowledge that can be taught). The companies believing in talent being innate would be focusing their efforts on talent selection and, to a lesser degree, talent identification, whereas those companies that believe talent is developable place greater emphasis on talent identification and especially talent development (TD) (Meyers et al., 2013). This model provides a clue about how basic definitions and assumptions influence the choice and the importance of the respective TM functions within a GTM programme. This research will detail this further, seeing how these core beliefs shape the TM functions employed by the GTM programme. The dominant approach to talent identification assumes exclusivity. This approach aligns with the underlying assumptions presented in the “war for talent” approach. The focus is on identifying key individuals, often seen as “high potentials” or “A-players” (Axelrod, Handfield-Jones, & Michaels, 2002; Boudreau & Ramstad, 2007; Lewis & Heckman, 2006; Michaels, Handfield-Jones, & Axelrod, 2001). The main assumption is that these individual employees should be

identified and then groomed for future key leadership positions within the organisation (Lewis & Heckman, 2006; Tarique & Schuler, 2010). This approach concentrates TM activities on a few select individuals, and significant resources are spent to develop them (Ahlvik, Smale, & Sumelius, 2016; Björkman et al., 2011; Boudreau & Ramstad, 2007; Meyers & van Woerkom, 2014). However, there is another way to look at talent, an assumption used much less frequently, and that is the assumption of inclusivity. Dries (2013) has elaborated on the inclusiveness approach, suggesting that the entire organisation, including indirect employees such as sub-contractors, outsourced staff, and suppliers, have potential talents, and that TM needs to cater for this. Perhaps people in the periphery of the organisations have a larger variation in knowledge, skills, and abilities, abilities that could feed into the talent portfolio. This, inclusiveness, means that *everyone* within an organisation is considered a talent even though it has less support in literature (Swales, Downs, & Orr, 2014). Only very few researchers have suggested this, and in order to obtain a competitive advantage, managers should focus on identifying the talent in each and every employee and develop it. This means that such organisations allocate considerable resources to talent development (Buckingham & Vosburgh, 2001; Cheese, Thomas, & Craig, 2008).

Presently, the main body of literature suggests that exclusively produces the best outcomes. However, some researchers have questioned this assumption saying that there is not enough empirical data to make it and instead suggested, that further empirical data is needed before any such conclusion can be considered valid (Farndale, Scullion & Sparrow, 2010; Al-Ariss, Cascio, & Paauwe, 2014; Björkman et al., 2011; Meyers & van Woerkom, 2014; Schuler, Jackson & Tarique, 2011). In this research setup, based on practical experience of the topic and context, we would not be surprised to find, that while the prevalent assumption in literature is that MNE assumes that talent is exclusive, Scandinavian practitioners may have a different view. Our research thus aims to see what the perceptions of Scandinavian practitioners are. Do they believe talent to be exclusive or inclusive, and how does this inform their choices and further on affect their TM practices and processes? To how large a degree does it influence them, that the study takes place in Singapore, in the ASEAN hub of the MNE, and in the heart

of the more elitist Asian culture? Groups like “transnational elites” (Friedman & Wolff, 1982) and “professional transients” (Castells, 2000) have been presented as core elements in the globalisation taking place in the last couple of decades, i.e. are we investigating people who have a life as privileged professionals moving between expatriate spaces situated mainly in larger cities around the globe (for a specific analysis of Singapore, see, e.g. Beaverstock, 2002)?

Talent Selection

Talent selection is often associated with general selective recruitment practices. Who is going to be hired or to whom should a specific position be given? According to Dries (2013), it is time for talent selection to migrate from that of filling vacancies to a position, where talent is selected in anticipation of skill shortages. This could be done by building networks, at many different levels, professional, academic, and through existing employees. There are two different schools regarding who should be selected, the persons that perform best on tests or the persons whose values best align with the organisation (McDonnell & Collings, 2011; Mäkelä, Björkman, & Ehrnrooth, 2010). Selection practices vary between MNEs; however, three distinct characteristics have been observed playing an important part when it comes to being selected:

1. Cultural distance—The further the candidates’ assumed culture, traits, and values are compared with the decision maker, the less likelihood of selection.
2. Homophily—The similarities of the candidate and the decision maker. Similarities do not focus only on looks, they could be race, kinship, education, occupation, outlooks on life, gender, and other elements. It is presumed that the more similarities that exist between the decision maker and the identified person, the more likelihood of selection.
3. Network—The stronger the network (both internal and external network) and the more connecting network points the candidate has with the decision maker, the more likely the person is to be chosen.

We will return to these characteristics, quite commonly held beliefs, in the discussion and conclusion. In addition, the selection choice is suggested to be made based on one of four conjectural assumptions (Silzer & Church, 2010; Krogh, Lamastra, & Haefliger, 2009), even though none of them has yet been proven or disproven in an empirical study (Iles, Preece, & Chuai, 2010; Krogh et al., 2009).

The first assumption suggests that the right candidate, the one we refer to as talent, is spotted immediately by the manager through intuition (Tulgan, 2001). Many managers believe that the best way to select a talent is through face-to-face contact and that they will intuitively know who will be the right fit for the organisation. Both literature and practitioners use talent identification tools, but these are deemed as less important than the manager's intuition. This approach leaves the talent selection in the hands of subjective local managers. Managers are free to determine whom to select, how to develop them, and if they should identify them as talents.

The second assumption is that anyone can be a talent if you tell them that they are. What managers should look for when selecting is thus an individual who will fit within the team and the company culture, and then let them know that they are seen as talent. If a good fit is found, then success is assumed to follow. This is because when the selected individual gets labelled "talent", they will put in a greater effort and believe that they are destined for greatness. This belief, combined with greater effort, will help them become talented individuals that meet the requirements and expectations of the company. This is referred to as a Pygmalion effect (Eden, 1984; Swailes & Blackburn, 2016).

The third assumption is the opposite of the second; it suggests that if you tell a person that he or she has been identified as talent, they will stop trying, reducing work effort, drive etc. and then underperform. This means that when selecting talent, it is important to recognise innate qualities and based on them position the talent within the organisation. After positioning, there is an emphasis on the continuous development of those selected. To achieve the best outcome, this assumption suggests that the manager needs to select and then develop a person's career, not formally identifying them as talents (see Larsen, London, Weinstein, & Raghuram, 1998).

The fourth assumption is that when people are hired, the key is to ensure that the organisation stays focused and that the selected talent does not disrupt organisational performance. Selected talents are not identified, since work is suggested to be a team effort, and if individual employees are singled out as talent it will lead to resentment among the others. That might affect, in a negative way, the overall performance of the company since those that have not been identified may become disaffected and lose interest in the company (Bothner, Podolny, & Smith, 2011). In this instance, it is better to label every employee a talent. Royal Dutch Shell, for instance, does this and expects it to yield positive results. This is because when every employee is identified as talent, then an emphasis on development and understanding of individual capabilities is expected. It is also said that this situation, where all individuals have been selected as talents, creates a working environment where there is less individual competition and more team effort, helping to boost productivity (Bothner et al., 2011).

Talent Development

Talent development has seen a gradual shift regarding how talent is developed. The previous assumption that vocational competences, skills, and abilities should be developed is now challenged by those who suggest, that talent development should focus on broader behavioural and performative competences, personal characteristics, and soft skills (Brown & Hesketh, 2004; Nilsson, 2010; Tomlinson, 2008). It is suggested that employees need to obtain general and contextually relevant competencies and these competences are developed according to a talent philosophy set out within the GTM programme (Brown & Hesketh, 2004). Competencies are not just hard skills, competency can be meta-competence, the ability to understand and conceptualise new learning, or specific organisation/profession context-bound specialist skills (Tansley, 2011). Thus, development of talent is multifaceted and involves developing specific focal points, such as developing the individual's ability to overcome problems generically and developing the individual's values, norms, and beliefs.

Talent development literature discusses the effectiveness of different talent development approaches. Some prefer a more traditional, formal educational approach, focusing on skills, attributes, and knowledge, while others prefer an approach that is based on experience, values, norms, and human competencies (McCall, 2010; Larsen, 2012). This assumption that development of specific skills, attributes, and often technical competences as a means to provide an organisation with a strategic competitive advantage has been challenged by those stating that skills and technical competences can today quickly be replicated and instead organisations should seek to develop conceptual skills and competencies to maintain a strategic competitive advantage (McCall, 2010). Specialised skills are to be taught at work, through on the job training, and talent development should instead aim to develop the employees' ability to, for example, interact in teams and problem-solve. Many practitioners have realized that specialised skills are not enough to provide companies with competitive advantages; instead it is suggested that continuous investment in general competences and knowledge that allows individuals to easily learn specifics and problem-solve is what is needed (Jørgensen, 2004; Nilsson, 2010). It has been argued that the ability to collaborate, to find information, and to critically evaluate its importance, are employee skills needed for an organisation to maintain a strategic advantage. It has also been suggested, that leadership capabilities together with the ability to pick up and weigh different opinions among staff are increasingly important (Harvey, 2005; Hesketh, 2000). There is in other words an expectation, in many modern companies, that employees should know how to handle tasks with a moral distinction, as this ensures that strategies and policies are followed and there is sensitivity to differing needs, cultures, values, and contexts (Nilsson, 2010). Individuals are thus expected to have broader abilities to understand not just the function of where they work, but also to understand it in concert with a wider array of functions which exist within the organisation. It is hoped for that such a holistic knowledge will lead to the ability to provide oversight and a better ability to structure tasks, utilising all employee resources (Hesketh, 2000; Nilsson, 2010).

With the constant refinement of development needs, practitioners, whose task is to develop talent, face many issues. Predicting future needs is one, but more concerning is that of assessing individual talent

competence and anticipated talent competency needs. Talent development practices are constructed and intended to identify future and present organisational abilities that are needed to obtain a competitive advantage for the organisation. This identification is done by detailing skills, values, norms, and abilities for each individual and each job/position (Söderquist, Papalexandris, Ioannou, & Prastacos, 2010). Positions are created, aligned, and amended to fit the employees; the positions must match the individuals to create a fit. Developing individuals who can fit into positions and are able to adapt to future positions is what TD practitioners are focused on (Baker, 2009; Nilsson, 2010; Söderquist et al., 2010). There are tensions among those aiming to design and construct talent development strategies. These tensions trace their roots back to the development of HRM (Pfeffer, 1998). The main tensions are between those who look for best practice (Armstrong, 2009; Richardson & Thompson, 1999) and those that look for best fit.

Those that look to identify best practices follow the universalist tradition (Richardson & Thompson, 1999). It is assumed that if identified these best practices of talent development can be applied to any organisation in any circumstance and achieve improved organisational performance. It is thus assumed that there is a linear relationship between TD practices and organisational performance (Huselid, 1995). Unlike the best practice approach, the best fit perspective first considers the internal and external context and adapts the strategy to fit it. It focuses on aligning TD practices to organisational strategic goals, allowing those goals to determine which TD practices are most suitable for an organisation (Boxall & Purcell, 2008; Lengnick-Hall, Lengnick-Hall, Andrade, & Drake, 2009). It has been argued that no matter what approach an organisation takes, in reality the majority of organisations follow the best fit rather than the best practice approach, with the need to develop talent becoming greater and warranting much more attention (Lengnick-Hall et al., 2009).

There has also been an issue with talent development mapping. When an organisation develops individual context-based competences, problem-solving skills, team working abilities, and promoting specific values, it is not something that lends itself to exact measurement of progress. Nor are such abilities easy to improve/increase in the context of the organisation's future

assumed needs and demands. Previously, development would be focused on specific skills and tasks, practices that lent themselves to measurement using Key Performance Indicators, so that a clearer linear logical sequence could be seen between talent development and assumed future organisational performance (Wright & Snell, 1998). While specific skills can be taught and certified, value-based organisations face the daunting task of teaching values, norms, shared meanings, and organisational culture (Iles, Chuai, & Preece, 2010), that are individually subjective and where measurement and impact are highly contextual. How employees address, manage, and interact with their colleagues, how they approach problem-solving, and how they align themselves with the core organisational culture, is thus only to some degree defined and reinforced through repetitive talent development exercises, and the work is infinite (Alvesson & Kärreman, 2007). Previously, attending specific development programmes was seen as creating an image, an anchoring of rationality which was used to legitimise the employees' organisational position. Adding skills, attending training was often linked to either promotion or expanded scope of the talent's position (Alvesson & Kärreman, 2007; Iles et al., 2010). However, such practices present several issues; while the formal competencies linked to obtaining a role are often directly aligned with formal credentials such as degrees, certifications, or tenure, the ability to perform in a role is often linked to human, political, social, and cultural competencies (Iles et al., 2010).

Empirical Analysis

In this section, we have selected illustrative interview quotes from the 22 transcribed interviews. It is obviously our selection among hundreds of pages, but in many respects, the quotes are very good proxies for the attitudes held in general by the participants. Wordings differ, but intentions are similar across the interviewees. The first thing that is noticeable is that Scandinavian managers to a great extent perceive talent as an inclusive phenomenon, and it is mirrored in the highly inclusive approach practiced in the participating companies (see quotes below from two senior HR managers):

14 Everyone is a talent. If I hire them and they aren't seen as talents, I'm not doing my job. They may be raw and in need of serious coaching but that's our

job and we have those tools. Key is to see their talent and utilize it. We often fail to see what people can improve and keep them performing certain tasks. A major mistake. Individuals need to be challenged and feel that someone is looking at their role.

I15 Everyone, it's about finding what they are a talent for. Where their talent can be used, we all have some talents. Me, my work is to identify and develop each person's talent. That's what I am sent here to do.

The participants' perceptions of talent were closely tied to their own competences in identifying this, and secondly they felt they had the implicit right to define, amend and balance the TM programme, so that it was adapted to their reality—without informing CHQ. They assume that it is the local subsidiary manager's role to prioritise among the elements in the GTM programme so that best possible local results are achieved. The reason given was that they, as subsidiary managers, have the competence to make such decisions without having to gain approval from HQ level. This means that while the GTM programme serves as a guide, the individuals choose how much effort each function is given, and thus the GTM programme is implemented differently across a MNE.

I16 Its good, really needed, of course we need to adapt it to suit Asia, but that should be done by us here and not in the guide itself. I think that since we were allowed to comment and provide written feedback in the guide things have improved substantially. It doesn't just leave a trail of evidence but also allows me to better understand how other subsidiaries work with GTM. Having a clear guide is a must for a big company like ours, if we don't and if we don't enforce it we are left with a few islands....

I17 I think it's good, it's a platform. We need to have greater input from us out here in the subsidiaries. We aren't always involved in its updates, well we are involved but not enough.

The perceptions and work with talents therefore reinforce the picture of rather decentralised - in good and bad terms -MNEs, and this is also supported by the importance of values, as the basis for the broader talent identification, selection, and development was mentioned many times, for example:

I22 The values are our guiding strategy and GTM explains what they are and how they can be identified or developed in our employees. We are lean, we have a shared commitment to quality, to respect for the individual and to always put

the customer first. We lead by example, that is the XX way. That's what we strive for. From there we design not just the GTM programme and procedures but everything in the entire company. That's where it begins and we work from it.

13 GTM starts with us, who we are, our history and how that has formed us. Provides our values. Based on those values and beliefs, GTM provides us with tools to make informed choices. It helps with recruitment, remuneration, training and development and it helps with company culture.

Implementation of GTM is in other words initiated and controlled through the strong values characterising the companies, and in this way, talent work does not depart from other types of activities in the MNEs. There is also an underpinning understanding that GTM in the Scandinavian companies is a long-term process and that quick results and changes are not to be expected:

18 GTM is our 5, 10 and 20-year plan. We plan for the individual and how and where he/she will fit into our organisation. We have an idea what we need to provide to him/her and what he/she needs to provide to us. GTM is about shaping people over time, allowing them to be successful in our team.

119 One initiative is to look at those who have spent more than five years with us. Those employees have committed to the organisation. They are often an underutilized resource and we try to see how we can work with them and invest in their careers. In Asia, it is often so that there is an expectation that you should, after having served enough time with an organisation, be rewarded.

Talent management is not a quick fix, something companies are using here and now and perhaps tomorrow, as an answer to recent fashion demands. It is seen as a long-term investment, where retention takes place through individual development, i.e. carefully planned career work with very limited employee turnover.

Among the interviewees, there was a belief that the effort is not focusing as much on the individual, but instead to obtain results, there needs to be a focus on the team, its fit, and it should guide the manager towards how to develop talent. TM is highly team focused:

112 I am the coach, I construct and develop my team and to do that I use the GTM programme, it is my manual so to speak.

17 GTM is about creating the right team, the right people and the right organisation for them.

Interestingly the interviews also revealed a strong focus on person-team fit as a basis for talent work. This is to a lesser extent mapped in other studies; in other words, here we see the micro-level inclusiveness, which probably removes some of the resistance towards talent work. The link between an inclusive approach and the functions is highlighted since the participants all stated that first they aim to identify talent internally. GTM provides continuous development of talent keeping the MNE with a productive talent pipeline:

I22 Our focus is to look internally first. It should be clear to all employees that they are given opportunities to grow with us and we will look internally when vacancies occur.

I2 We prefer internal talent but that's not always possible. We try to have a pipeline of talent, well that's my job to ensure we have, mine and local management's. External talent is expensive.

Looking at the means to install values and develop talent effectively, the method deemed most valuable was that of inpatriation. It allowed values, habits, and organisational culture to be taught over time, and it allowed the employees to experience what the organisational culture is like in practice—something that they are more likely to replicate when and if they return to Asia. Many participants commented that inpatriation was the single most effective GTM tool on offer, and here we again return to the Scandinavian values as a selection mechanism and Asian values as a lesser important element.

I9 It is (inpatriation) something we in Asia push for. We want more of this. The learning is immense and they understand what our corporate culture is. They return as changed individuals, they have a network in Sweden and they almost act as change agents. They are between Swedes and Asians when they return, one foot in each group.

I4 In an ideal world they would be sent frequently back to Scandinavia to understand what we are about, working locally can never prepare you to manage properly in a Scandinavian way.

However, training needs to occur over time since it is a longer process changing values, beliefs, norms, and culture, i.e. we can through repeated and specific workshops hope for that the predicted results will materialize.

Alternatively, a consistent focus on soft skills and competences needs to be instilled and understood by talent over time. To create a new way to interact takes time and requires change among employees who are used to a different kind of management and contextual expectations.

I18 The key with Asians is that they need to be trained over time, reinforce behaviours and get used to working and interacting like Scandinavians do. They are good people, high quality but to succeed in Scandinavian companies they need to learn how to interact, how to speak out and when needed question manages. It's a different culture....

Finally, while the interviewees prefer a so-called Scandinavian organisational culture, and values to be maintained and followed within the MNE, also outside of Scandinavia, they acknowledge that they needed local expertise. However, that expertise should be able to understand both the MNE context and culture and the specific local context where the subsidiary is present.

I4 Our most challenging task within the coaching here in Asia is to make them function as Asians but within a company with Scandinavian values and patterns, it takes time. We want Asians, their local skills and understandings but we want them to be able to function in a Scandinavian setting. A win-win.

I18 ASEAN is different and we need to understand that. I believe that having a Swedish HR manager in the largest subsidiaries is vital. It is something not enough companies have. But it needs to be a people person because that's where help is needed, not at the compliance or payroll side of things. Having a manager that works with Asians and their values and norms to ensure they fit with the organisations would be extremely beneficial. The key here is that they should focus on where Asian weaknesses are, people skills, inability to question managers or handle being questioned, etc.

The ASEAN headquarters seem to be in a juxtaposing situation, where very different demands have to be met simultaneously. At the functional level, talents should be Asians and at the value level Scandinavians, and it of course triggers the question as to how large a degree this is possible, at least in the short run. The solution seems to be to carry out TM within a rather long-time horizon, thereby securing the high retention and low turnover level.

Conclusions

A common “finding” in much GTM literature is that assumptions held at CHQ level could be deemed valid for the entire MNE. Through interviews with heads of talent or programme initiators, that is, a single (and central) point of data entry, we have in talent research to a large degree only mapped the CHQ preferred perspective. This study has found that such assumptions cannot be assumed universally; instead the realities of TM at subsidiary level quite often differ from those at CHQ level. It is of course also necessary to consider the underlying philosophies for the GTM programmes and link them to any assumptions about TM processes and outcomes. In our case, there is a link between a perception—that talent is inclusive—and how talent selection, talent identification, and talent development are undertaken.

From the interviews, it was clear that subsidiary managers “tweak” the GTM programme to suit their context, and this is without a designated feedback channel to CHQ. This was the one dominant recipe among the interviewees, and it was also clear that participants assumed that this was part of their managerial tasks. Such adjustments make it difficult to analyse the effectiveness of a specific GTM process across a MNE. It is also noticeable that the local contextual pulls make one consider whether there are multiple realities across the MNE in regard to talent, and that specific choices made regarding talent and TM lead to different results. Those that assume that talent is a few select individuals and focus their development and rewards on the selected few will inevitably face the realities described in “the war for talent” (Axelrod, Handfield-Jones & Michaels, 2002). Using a Scandinavian approach to talent and GTM provides a different reality, where talent is consistently generated through internal talent pipelines, regional differences, and strong values of inclusiveness.

However, the participants highlighted a risk of “clonism”, both when it comes to using own local criteria for selection, close cultural distance, homophily/similarity, and network connections. They argued, that MNEs need to ensure that they are part of their specific contexts, so that they can utilise the local employees’ contextual knowledge and competences without losing their own specific Scandinavian character. Thus, for Scandinavian subsidiary managers, there is a belief that this risk is reduced

when the GTM programme provides specific and detailed requirements regarding talent identification, selection, and development but also ensures that there is breadth and context sensitivity within the programme. The latter is achieved by the fact that subsidiary managers of Scandinavian MNE, while attempting to transfer the GTM programmes, also amend and adapt these practices and processes to better fit the local context. It is a two-way fit they try to accomplish. These amendments are local to the subsidiaries and assume that the local subsidiary manager is deemed, based on competence and experience, to be the person that should decide on this.

Overall, this means that while there is considerable support for a standardised approach to talent and GTM, there is, at the same time, an effort to use the GTM programme's functions as effectively as possible in respect of the subsidiary context. The Scandinavian companies seem to harvest both the advantages of ethnocentrism and polycentrism in their regional approach (see also Taggart, 1998). The programme modifications come in many shapes and forms with a focus on specific talent identification, selection, and development methods being common. A noticeable specific trend has been an increase in regional platforms, developed to help the local GTM programme within the broader region, like ASEAN covered by the subsidiary. In particular, this is the case when it comes to talent development practices such as inpatriation. Regionalism is in other words paving the way for the development of translocals (Smith, 1999), a group of talents who in future can participate in intracompany networks accumulating and transferring knowledge between the local-context CHQ.

At the same time, it is noticeable that Scandinavian MNE's ethnocentric approaches to management and organisational culture, through strong emphasis on having or potentially acquiring distinct Scandinavian value sets, are supported by local subsidiary management in ASEAN. Our interviewees believe that since most transfers of knowledge and values are tacit, then only someone with experience from the parent organisation can determine what kind of knowledge should be transferred and facilitate such transfer. This way the Nordic exceptionalism thesis—that more human and mild penal regimes prevail when culture differs—is challenged by the somewhat repressive elements of value assimilation demands (Barker, 2012; Minbaeva et al. 2018). Tacit knowledge is rooted in the experiences and understandings of the individual, and if one wants to enhance organisational values and cul-

ture, experience of how this is passed on makes a difference. This makes a solid grounding in Scandinavian management important and could contribute to the relative strength of the HRM system here (see also Farndale & Sanders, 2017). It is also aligned with the participants' belief that Scandinavian management philosophy is, in itself, a competitive advantage and, without the full understanding of the philosophy and beliefs, this competitive advantage can be lost in a more diverse, globalised, world, where many different hybrid models (sectoral, regional, national, and supranational) seem to develop (see Brookes, Brewster, & Wood, 2017). The specific values and culture are the bases for a more decentralised and efficient way of working in the Scandinavian companies, and the way to make that work in practice is participants have to subscribe to an inclusive and development-oriented talent approach. And one could add, that an important precondition for the successful Scandinavian culture tightness could be that Singaporean culture itself is one of the tightest in international comparison (see Gelfand et al., 2011), that is, the talents are somehow used to the strong demand for complying with norms.

Finally by seeing everyone as a talent, Scandinavian GTM programmes aim to make the most out of every employee. This seeks to produce a strategic competitive advantage based on the team's overall performance and not the performance of a few select star employees, so-called high potentials or A-players. This philosophy differs from the main body of literature, where researchers have suggested, that the exclusive approach to talent is the most efficient one when it comes to overall company performance (Boudreau & Ramstad, 2007; Iles et al., 2010; Höglund, 2012). It also differs from mainstream literature where the focus for TM is on identifying managerial talent (Boudreau & Ramstad, 2007; Höglund, 2012, Lepak & Snell, 1999). This leads to a situation where it is less likely that talent will be poached by competitors and, even if talent is poached, the continuous development of staff prevents a talent shortage. In addition it requires an explanation by management on why relatively few are selected for talent programmes, not the many, when everyone is a talent.

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7

Frontline Managers: A Re-examination of Their Role in Talent Management

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This chapter deals with the direction of Talent Management that links the concept with human resource management (HRM) (e.g. Collings & Mellahi, 2009; Frank & Taylor, 2004; Schuler, Jackson, & Tarique, 2011). The chapter presents data showing that the layer of frontline managers in a number of decisive fields entails a leadership role that differs from that of other managers, including aspects of recruitment, competence development, and career plans. Based on these results, it is argued in the chapter that frontline managers should constitute an independent focus point for Talent Management. Frontline managers refer to the layer of (formal) managers who are closest to the majority of employees.

The purpose of the chapter is to discuss whether the frontline manager's role and function differ from management and managers higher up in the hierarchy to such an extent that recruitment and development of talents for this function differ from talent in higher positions. The chapter is based on public-sector frontline managers and looks specifically at

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whether their leadership role differs from other public-sector managers' tasks and approaches to management. The empirical basis for the chapter is a multi-case study (Yin, 2009) covering 18 public-sector frontline managers.

The objective of the chapter is made topical by the fact that, in the past three decades, management theory has focused on professionalisation. Managers at all levels in business organisations are expected to be professional managers who have management as their trade and profession (Bolman & Deal, 2017; Jones & George, 2016; Yukl, 2013). This also applies in the public sector (Barzelay, 2001; Berman, Bowman, West, & Van Wart, 2013; Hood, 1991). Professionalisation of management in the public sector affects all areas of responsibilities and all levels in the management hierarchy. The management layer that may have seen the greatest changes as a consequence of this professionalisation is the frontline. Managers at this level have gone from being persons who were part of the work community in their role as supervisor, foreman, shop manager, or inspector to being full-time managers who are trained in their role as manager and who have other managers as their nearest colleagues rather than the employees in their own unit.

After the introduction and purpose, a literature review is presented, and, based on contributions on Talent Management as an HRM element, whether frontline management has a visible and distinct position is discussed. The purpose of this section is to take stock of the literature, and thus the research, in this field with a view to a subsequent discussion of whether, and in what way, the findings presented in this chapter contribute to theory and theory development in the field.

The third section presents the design of the study, in which data on managers' day-to-day practices has been gathered based on Grounded Theory (GT) (Charmaz, 2014; Glaser & Strauss, 1967). In an initial study phase, data was collected through unstructured observational studies (see (Jorgensen, 1989); Locke, 2001) and, in a second, deductive phase through semi-structured interviews (see (King, 2004)). Twenty-five people participated in the study, and this chapter includes the 18 frontline managers who are either managers employed in the public sector or managers who work in independent institutions under public supervision or a public operating agreement.

Through the open approach of the study in terms of identifying themes related to the frontline managers' practices, several practices emerged among these 18 managers. Three themes are presented that unfold aspects of the frontline manager's work and challenges which separate their role from that of higher-ranking managers. A general choice has thus been made to focus on what distinguishes frontline management. It should be stressed in connection with this choice that the data may also include themes which are related to management in general and which the frontline managers share with other management levels. The frontline manager's role does not differ from other managers on all points, and there are several elements that concern management in general regardless of the manager's position in the hierarchy. The chapter discusses whether the elements separating the frontline manager's role from higher-ranking managers are of such crucial importance to the leadership role and have features that differ so fundamentally from other managerial functions that it is appropriate to focus specifically on Talent Management.

The first theme is the relationship between frontline managers and the employees, which is characterised by nearness and involvement in the professionalism of the unit and the employees' work-related solutions to a degree that differs from what is conveyed with parts of the professional management ideal. The second theme is that frontline managers, by virtue of their position close to the employees, acquire a management practice that moves between two knowledge regimes. They deal with employees with their specific competences which are connected with the organisation's core task (e.g. school teachers, nurses, or police officers), which constitutes a first knowledge regime that differs between the individual frontline managers. The second knowledge regime which frontline managers have in common is the knowledge and professionalism associated with management and organisation. This is a knowledge regime they also share with higher-ranking managers in the hierarchy.

Where the first two themes reoccur in the majority of the 18 cases, the last theme discussed is an observation from one single case in which the ideal of cooperation is established by new professionalism being created based on a professional community across several professions around the core task of the unit and that the frontline manager is of crucial importance to the establishment of this new professionalism. This case is thus

used as a springboard for discussing one of the most central arguments for claiming that frontline management should develop into a general leadership role and that it is no longer expedient to have managers who base their work on their own, narrow professionalism. A frequently repeated argument for achieving better performance in public services is that the employees can enter into interdisciplinary cooperation with each other which makes professional management based on mono-professionalism inadequate. Here, the case counters this criticism by exemplifying professional management across professions. The theme is particularly evident in a case from a radiation therapy department in a hospital, but it also appears in two of the other cases.

In the discussion part of the chapter, I compare the findings from the three themes derived from the study with the management literature dealing with leadership roles and, on this basis, argue that these three themes mean that the frontline manager's role differs significantly from that of higher-ranking managers in the hierarchy on several points. A key conclusion is that public-sector frontline managers have a role and tasks that differ from generic management. The chapter connects findings to theories of Talent Management and human resource management.

Frontline Management and Talent Management

With the article *The War for Talent* from 1998 (Chambers, Foulon, Handfield-Jones, Hankin, & Michaels III, 1998), the concepts of 'talent' and 'Talent Management' changed from being common-sense terms to being the fulcrum for academic use of the concepts to highlight recruitment and development of employees in organisations with high potential. However, Talent Management remains an ambiguous concept which is used in many contexts and where there is still a lack of clarity about what constitutes talent and how identification, recruitment, and development of talented employees can be systematised and professionalised in both private and public organisations.

The fact that Talent Management is discussed in several contexts is one of the points made by Adamsen (Adamsen, 2016), where he highlights the world of sports and management as fields in which talent development forms an obvious part of managerial work. In this chapter, Talent Management is discussed in relation to 'management' and 'managerial development', which is one of the fields in which the concepts of talent and Talent Management are used in development (Adamsen, 2016; Calo, 2008; Lewis & Heckman, 2006). This discussion is based on the question about whether the role of frontline manager has features that mean that managers at this level are recruited and developed differently from higher managers.

As academic concepts, talent and Talent Management are especially linked to strategic human resource management (Collings & Mellahi, 2009; Frank & Taylor, 2004; Schuler et al., 2011; Tarique & Schuler, 2010). In this context, the concept is defined as (Tarique & Schuler, 2010: 124):

talent management is about systematically utilizing IHRM activities (complementary HRM policies) to attract, develop, and retain individuals with high levels of human capital (e.g. competency, personality, motivation) consistent with the strategic directions of the multinational enterprise in a dynamic, highly competitive, and global environment.

Talent Management is thus seen as a superstructure or further development of HRM, in which defining employees with special qualifications for holding and developing in a specific position in the organisation is the central fulcrum.

In the contributions to this field in the HRM literature, the concept of 'talent' and the more specific concept of 'Talent Management' are broadly formulated. The research is at the level at which the concepts are delimited and defined with reference to the sources already stated, whereas, at present, there are not many contributions to mapping the specific work on recruitment and development of talents. This also applies to frontline managers, who may even be overlooked because of greater focus on the fewer and more critical managerial functions at higher levels. Seen in this light, and considering that the contributions in the field of Talent

Management are of a general nature, it is noteworthy that the role of frontline manager is central to the functioning of the organisation and that talent development must therefore also focus on frontline managers/middle managers (Adamsen, 2016; Frank & Taylor, 2004; Lewis & Heckman, 2006; Schuler et al., 2011). An argument in favour of focusing on managers closest to the majority of employees is that increased knowledge in connection with their performance entails more stringent management requirements.

Past research, however, does not address the question of whether the role of the frontline manager means that there is a need for recruiting different talents, and another form of talent development, in comparison with other leadership roles. The chapter thus provides a basis for a concretisation of the role of frontline manager as a necessary further development of Talent Management and consistent with Adamsen (Adamsen, 2016):

However, instead of searching for a rigid definition of ‘Talent Management’, it would be more helpful for our understanding of the meaning of the term if we looked instead at the intentions and rationale of Talent Management in practice.

Research Methods

Data were collected through a multi-case study among managers and employees in 25 units based on an initially inductive design, more specifically through the use of a design based on Grounded Theory. Data from 18 frontline managers were used. The purpose of Grounded Theory is to identify new knowledge, and, when introduced in the 1960s, it was an alternative to the hypothetico-deductive method. To begin with, Grounded Theory was especially used to infer hypotheses for subsequent quantitative studies. Subsequent use of Grounded Theory has been aimed at creating new knowledge in itself (Charmaz, 2014; Kenealy, 2012; Länsisalmi et al., 2002).

What distinguishes Grounded Theory is that no preceding formulation of hypotheses or theory or a preceding literature study as a

determining factor for the subsequent study is performed. Once this inductive process has been concluded and a theoretical idea or categorisation of the studied phenomenon has been established, the design changes direction and turns into a predominantly deductive design, possibly with an exploratory element. The general and theoretical position may be a hypothesis, patterns of observations, or a recommendation based on an identified best practice. It may also be an established theory or a quasi-theoretical context, which the further empirical study aims to identify, verify, or unfold.

One of the criticisms of Grounded Theory is that it is unrealistic to conduct a completely unbiased study, and thus make totally open observations, without any prerequisites. As individuals, we will always have an idea about the field and what we will be able to observe, and we will be sensitive to certain phenomena that we expect to meet. This point of criticism is also reflected in subsequent works by Glaser (Glaser, 1998), which open up for a wider incorporation of qualitative methods in Grounded Theory which pre-guides studies in specific directions. But it remains a design in which no themes have been identified in advance and where the investigator is open to new and unexpected results alongside the expected themes. This is also seen in this study, in which several of the observations made and results achieved correspond to existing management theory. However, unlike a deductive design, the derived categories were not selected prior to data capture. And there were also unexpected observations which were repeated in several of the cases.

In the original presentations of Grounded Theory, the data collection method was the open or unstructured research interview (Glaser & Strauss, 1967). The investigator's approach to respondents was introductory using a few open questions, after which data was based on the direction in which the respondent led the interview. The aim was to find phenomena and contexts that the investigator could not predict in advance. This has subsequently been enlarged to incorporate further qualitative methods in which open participant observations and document studies are alternatives to interviews (Charmaz, 2014; Länssalmi et al., 2002; Locke, 2001). In addition, broad designs such as case studies or ethnological field studies can constitute the starting point for data capture in Grounded Theory (Charmaz, 2014). This is also the case here

in which a plurality of data collection methods was used. The more specific approach to the case studies followed a course of 12 steps inspired by Bryman and Bell's (Bryman & Bell, 2015) presentation of Grounded Theory.

Identification of Themes

The three themes that constitute the findings are derived from the data based on the argument that they unfold a frontline manager's role differently from a generic management ideal. And thus also a leadership role that differs from the leadership role exercised higher in the hierarchy. The three themes are distributed so that the first theme directly highlights one of the frontline manager's tasks which distinguishes this role from the views presented in the management literature, while the two subsequent themes deal with the frontline manager's focus area and whether it differs from a generic leadership role. In the subsequent discussion, it is argued that the three themes distinguish the role of frontline manager.

The themes have been chosen because they distinguish the role from the leadership roles on higher level. These are not necessarily the subjects that are most pervasive in the study nor necessarily an expression of the frontline manager's total use of time. Subjects may be derived from data that show management tasks that also apply to higher-ranking managers. The purpose is not to unfold the overall role of a public-sector frontline manager but to assess and discuss whether the role differs crucially from other management roles based on some selected themes.

The three themes were identified by the coding of the case notes made during the study. Against this background, it can be argued that the identification is inductive but that the way the categories are dealt with in the findings and the subsequent discussion is deductive, as I choose to highlight and discuss selected categories in order to answer the research question concerning whether the frontline manager's role and competencies differ from a generic leadership role. It should also be added in relation to the choice of the three themes that the first two themes recur in the majority of the cases among the frontline managers, while the third and final theme was only seen in three cases and is based on a single case.

About the Study

Case studies were obtained from 25 managers all of whom had completed a diploma programme at the Zealand Institute of Business and Technology, Denmark. This chapter only includes cases among frontline managers who are either employed in public organisations or who are managers in independent institutions under public supervision or a public operating agreement. This includes a total of 18 cases of which 16 are frontline managers and 2 are participants who also manage other managers. The managers cover various parts of the public sector (see Table 7.1). Of the remaining seven managers, two are employees in private companies, four are higher managers, and one was a coordinator not formally a manager.

The first visit was an observation day in which notes were made followed by ongoing conversations and documents that contributed to shedding light on their roles and challenges. On the basis of the first visit, a memo of up to six pages was prepared. Prior to the first round of visits, a visit guide was prepared based on three pilot cases. The purpose of this guide was to exemplify an observational study and provide a common framework for the preparation of the case memo.

The case notes from the first round of visits were presented at a residential course where the group of investigators, consisting of eight researchers, identified themes that transcended several of the cases and/or themes which, in the participants' view, were of particular interest. The results from this formed the basis for the second round of visits, which consisted of new observations and/or, for a majority of the cases, semi-structured interviews. The second round of visits had a deductive approach, as the purpose was to develop and elaborate on the results of the first round, and unfold the themes that recurred in several of the cases in the light of the common coding of data from the first round. The second part of the study was primarily grouped around three joint subjects identified at the residential course. The results from the second round of visits were added to the case notes in the respective cases.

Table 7.1 Roles and organisations of the 18 managers

Case number	Position	Organisation	Sector	Position
1.	General Manager	Shelter	Independent institution	Frontline Manager
2.	General Manager	Care centre	Independent institution	Frontline Manager
3.	Department and Project Manager	SKAT	State	Frontline Manager
4.	Pedagogical Manager	Daycare institution	Municipality	Frontline Manager
5.	Manager	Care centre	Municipality	Frontline Manager
6.	General Manager	Dental care/cleaning	Municipality	Frontline Manager
7.	Operations Manager	Road and sewer	Municipality	Frontline Manager
8.	Senior Staff Nurse	Psychiatry	Region	Frontline Manager
9. ^a	Manager	Social institution	Independent institution	Frontline Manager
10. ^b	Centre Manager	Disability and psychiatry	Municipality	Frontline Manager
11.	Manager	Job centre	Municipality	Frontline Manager
12.	School Principal	Primary school	Municipality	Both frontline manager and manager of managers
13.	Authority Manager	Elderly area	Municipality	Both frontline manager and manager of managers
14.	Vice Principal	School	Independent institution	Frontline Manager
15.	General Manager	Care centre	Municipality	Frontline Manager
16. ^c	Office Manager	Police	State	Frontline Manager
17. ^c	Senior Staff Nurse	Hospital	Region	Frontline Manager
18. ^c	Music School Principal	Music school	Municipality	Frontline Manager

^aIs a frontline manager, but it is unclear whether the person in question is also a manager of managers

^bThe case is unclear regarding the manager's position

^cPilot cases

Findings: Three Themes That Distinguish Frontline Managers

Regarding the three selected themes discussed here, it must be stressed again that many very different themes and results emerged in the data coding. This includes results that corresponded with a generic management ideal. The purpose of this discussion is therefore not to provide a general overview of the frontline manager's role, based on a determination of the nature, scope, and importance of their work tasks, but to unfold three themes which show, individually and together, that frontline management contains elements that distinguish the role of frontline manager from that of higher managers.

Frontline Managers Are Close to Employees: Both in Professional Terms and as Managers

The first theme, and a very pervasive result of the coded case notes, is that the frontline managers are close to the employees in their day-to-day work and that they conduct an ongoing dialogue with the employees with the work tasks and professionalism of the unit. This dialogue is about (1) day-to-day work-related problems, where the professional dialogue often goes beyond day-to-day operations, but also aims to (2) translate and convert strategic and political objectives into professional solutions and (3) see professional dialogue as a contribution to management and development of the organisation and its core services. However, proximity also focuses on (4) the employees' well-being and the organisation's working environment where, in several of the cases, a significant element of uncertainty about the future is formulated and where the work-related requirements for the employees are made more stringent. This focus on professionalism is a deliberate priority on the part of the managers. In the majority of cases among frontline managers (16), the managers' practice shows that they seek to establish a leadership role that is close to the employees and that revolves around the employees' professional competence, solutions, and development.

As mentioned, the focus on professionalism is also expressed through management in a development perspective and not only as support for and supervision of the employees. In a number of the cases, the observations showed that the managers discussed organisational development of the unit based on professional solutions (cases 1, 3, 7, 9, 10, 14). In continuation of this, three frontline managers either mention in connection with conversation or work in practice conversion of central decisions into (new) professional practice in their own unit (cases 3, 10, 13). In three cases, there was a dialogue with the employees about work performance in relation to the goals and tasks faced by the unit (cases 5, 9, 15).

While management of the employees' professionalism in a development perspective is not a theme of central importance in most of the management literature, the role of personnel manager is a different central theme (Boxall, 2007), a subject which is also associated with Talent Management. The fact that the role of personnel managers is central to the managers' self-perception is shown in nearly all the cases, but the definitions in the literature of what constitutes personnel management do not necessarily reflect the actual situation when the managers are close to the employees in the day-to-day activities. As stated, the purpose is to communicate professional expectations but also to deal with the problems and issues of a work-related nature that arise in the day-to-day activities. Frontline managers are also involved in professional solutions.

In the material, there are also examples of the frontline managers discussing and supporting the employees in connection with uncertainty derived from changes and more stringent conditions (cases 1, 4, 14, 17). In these cases, the employees want a manager who is close to their day-to-day working life to help them handle their sense of uncertainty.

The manager's proximity in day-to-day working life, and the priority given to such proximity, is shown in the same cases, which unfold professional management in a development perspective and the task of translating and converting decisions taken higher up. This is seen in the observations, and it is pointed out by several of the frontline managers in conversations about their priorities. Two of the managers state that they work explicitly on prioritising their time so that they are more present with their staff in day-to-day working life (cases 5, 18), while two other frontline managers explicitly mention the importance of being present in

their own organisation (cases 5, 7). To sum up, the first prerequisite for the kind of professional and day-to-day management by frontline managers which this theme unfolds is that the managers have time in their day-to-day work to be close to their employees.

Frontline Managers Between Two Knowledge Regimes

In the 18 cases examined, there are several examples of the frontline manager's tasks of translating, transformation, and making sense and coherence between politicians' and top managements' goals and visions and the professionalism of the manager's self that performs the core task and meets the established targets and objectives (e.g. cases 1, 3, 7, 11, 15). The manager must be able to unite and bridge two knowledge regimes.

One of the knowledge regimes is attached to the day-to-day working life and the professionalism of the employees. The observations of the 18 frontline managers show that the methods and notions on which the employees and the specialist manager base the core task are the employees' professionalism, local experience, and solutions. It is conventional solutions and routines established over time which have shown their value and justification in relation to the challenges faced in the day-to-day working life and in the professionalism used to perform the core task. This is exemplified with the frontline manager's ongoing dialogue with employees on work-related solutions (cases 5, 10, 16), a dialogue with employees to address change through new work-related solutions (cases 7, 15), and that there are managers who, in their conversations with the research investigators, point out the importance of their presence in day-to-day working life (cases 5, 7, 8).

The second knowledge regime is the regime connected with professional management and organisational theoretical thinking. Here, the central element in target performance and change management is planned management of organisations based on professional standards in accordance with management and organisation theories. This knowledge regime is also represented in several of the 18 cases among frontline managers (e.g. cases 3, 15, 16), but with reference to the overall study, this is an aspect that is much more prominent in the cases among the, admittedly few, managers who are higher up in the organisation.

The fact that the managers must relate to and bridge two knowledge regimes is, however, not only a position for the frontline manager located between employees and managers on higher level. The management literature seldom recognises that the frontline manager's task of translating and transforming objectives into solutions and creating meaning also has a horizontal dimension. Closer integration between the line organisation and staff involved in planning and development (e.g. employees in the HR function) also constitutes an exchange between two knowledge regimes. Here, it is seen in a number of contexts that the frontline manager's current role and possibilities are weakened by the tasks being taken over by employees (Lind & Voxted, 2012; Manz & Sims Jr, 1980; Voxted, 2018). This is also a theme in this study, although only one case shows a direct conflict of interests and problem between manager and staff function (case 2). Whereas, in two of the cases, it is a theme that the frontline managers find that central initiatives and projects are an inexpedient distraction which prevents the day-to-day working life from functioning and puts the organisation and employees under pressure (cases 3, 5). In the two cases, the frontline manager calls for more time and opportunities to focus on the day-to-day working life.

Establishment of Professional Communities?

The final result from the study is the frontline managers' ability to create new professional communities across professions. This is a result which, as stated in the methodology section, is based on a single case from a visit to a senior staff nurse in the radiation therapy department at a regional hospital (case 17). The reason why the theme has been included is that it exemplifies a solution to one of the most widespread criticisms of professional management: that there is a need for frontline managers who manage across different professions.

Already in an initial conversation prior to the first observation day, the senior staff nurse mentioned that she is also the head of the office staff. She stated that it worked well, one reason being a specialist coordinator who handled the work-related challenges connected with the administrative tasks. The reason why she had been put in charge of the office staff

was that the employees had themselves requested this, as they found that their previous line manager was absent in the day-to-day work due to their location elsewhere in the hospital. The office staff had therefore preferred the senior staff nurse as a manager as she is closer to their day-to-day working life, even though she comes from another staff profession. This constitutes an observation which is, on the face of it, immediately contrary to the wishes of a professional manager, that is, for manager within the same profession.

However, the observation from the case is that nurses, radiographers, and office staff constitute, and identify themselves as, one overall staff group within radiation therapy. The case also unfolds a frontline manager who is the manager of a joint staff group rather than handling a generic leadership role that extends beyond the employees' professions. I encountered this sense of community from the start of the observation day at the joint morning meeting, at which the staff members spoke and acted as one unit. The way in which the employees communicated with each other and the manager's communication with the department were aimed at ensuring that the employees contributed to the same professionalism, but with different tasks. This joint professionalism across professions was also expressed in how radiation therapy nurses presented themselves as being different from other nurses in the hospital and how a position as radiographer in the radiation therapy department was presented as being different than how a radiographer functions in a radiology department or in another section that performs scans. A third example was from my participation in employment interviews and the subsequent selection of employees for two temporary positions as radiographers. Here, the appointments' committee consisted of both nurses and radiographers. Finally, the office staff were directly involved in the core task by being key players in the planning of patient flow, including in the planning of the patients who were to be referred to radiation therapies in the rest of Denmark, as the capacity is too modest to handle all the patients in the region. The secretaries' contribution thus forms a key element in the core task of the unit.

As stated, the results which show and unfold this third theme are based on the case from one regional hospital, but there are corresponding features in the cases from a department of psychiatry (case 8) and from a private boarding school (case 14).

Discussion

The most general observation among the frontline managers in the 18 cases is the managers' close relationship with their employees and that these relationships are extensively about the employees' professionalism and the professional performance of the work in the employees' own unit. In this context, the first of the three themes addressed shows that a key feature of the role as frontline manager is the close dialogue with the employees on work-related solutions, the professional quality of their work, and the need for changed professional solutions. This means that frontline managers are in a position in which they are both managers and exercisers of a profession. But does this mean that the role is markedly different from leadership roles higher up in the hierarchy?

On this question, in the classical management literature, the frontline manager is part of a professional community together with the employees (Lawrence & Lorsch, 1967; Storey, 1992; Van Wart, 2003). A manager who is close to the staff is the first among equals—*primus inter pares*—whose tasks are connected with the day-to-day management of the employees' professionalism and the immediate organisation of work. However, this is precisely the ideal that the management literature has turned against over a number of decades, also in public-sector management. In this literature, management has been presented as a predominantly generic discipline across sectors and hierarchical positions (Barzelay, 2001; Berman et al., 2013; Nigro & Kellough, 2013; Pollitt & Bouckaert, 2004), which also includes the role of public-sector frontline manager (Berman et al., 2013; Dutton, 2001; Fitzgerald, Ferlie, McGivern, & Buchanan, 2013; McDermott, Fitzgerald, & Buchanan, 2013). In the contributions that highlight frontline management based on this position, it is argued that the former supervisor, who was part of the work community, has been replaced by the professional frontline manager, who has organisational development and human resource management as key markers for his or her work performance, whereas day-to-day operations and professional supervision have been delegated to the employees (Fitzgerald et al., 2013; Penlington & Holmstrom, 2013; York-Barr & Duke, 2004). This is a manager ideal that is not only pre-

sented in the New Public Management (NPM) literature. A number of contributions that position themselves as alternatives to NPM also present a generic management ideal (e.g. Bakvis & Jarvis (ed.), 2012; Sørensen & Triantafyllou, 2010).

For this position, data from this study show that day-to-day operations and professional supervision remain tasks placed with the frontline manager. This is, in fact, far from being a new point to make. There are several contributions arguing that the role of manager positioned close to the employees, the frontline manager, entails a number of special requirements and conditions. This argument is, for example, presented in the theories of 'hybrid management' in the public sector (Llewellyn, 2001; Mo, 2008; Noordegraaf, 2007), the theories on 'leadership pipeline' which refer to differences in tasks in the various management layers (Chaman, Drotter, & Noel, 2011; Groves, 2007), and in contributions in New Public Management, which (see above) is otherwise one of the directions which has presented the strongest arguments for management as a generic discipline. Contributors also point out that the layers of managers closest to the employees have tasks that are connected with operations and professional quality (Fitzgerald et al., 2007; Kurunmäki, 2004; Van Dooren, Bouckaert, & Halligan, 2010).

Conversely, observations also show that the managers who participated in the study are engaged in a different form of management compared with the observations made in the literature on the conventional frontline manager. The tasks have not been narrowed to day-to-day operations and professional introduction and supervision; instead, the managers use the professional dialogue to create organisational development, and to give a professional content to strategic core tasks, just as the managers use their own profession and knowledge of professional management to translate and convert strategic and political objectives into professional practice. This imposes requirements both on the manager's professionalism within his or her own field and on his or her managerial competencies in order to be able to transform strategic targets and objectives into professional solutions and, conversely, to contribute to the political and strategic decision-making processes with what is professionally possible and expedient.

In this connection, dialogue with employees only entails modest use of tools and concepts from management and organisational theory. The strategic and political objectives and the need for changes are communicated and discussed based on the professional concepts for the area in question. One of the challenges often referred to when establishing supplementary education and training as well as talent development is to create a transfer between education and training and the participants' practices (Brinkerhoff & Apking, 2001; Merriam & Leahy, 2005). In this connection, the study indicates that the transfer from management theory to practice is of an indirect nature, in which the decisive factor is the frontline manager's ability to translate and convert strategic objectives into professional solutions and thus the frontline manager's ability to bridge what is referred to as two knowledge regimes in the findings.

The frontline managers' position means that they are the layer of formal managers who are responsible for the task of creating a connection between the two knowledge regimes. In other words, the employees' immediate manager is, in the final analysis, responsible for and involved in transforming politicians' and top managers' objectives and intentions, expressed in general and organisationally oriented terms, into the professionalism and work-related solutions used to perform core tasks.

When the cases among the frontline managers show examples of the frontline managers forming part of contexts in which they operate on the basis of both knowledge regimes, this is a result of their special position between the performance of the work and management as a symbol-producing activity. The higher-ranking management layers' predominantly academic knowledge regime must be converted into a knowledge regime which is based on professional solutions. The public-sector frontline manager is here a kind of interpreter between two types of knowledge.

It is, however, not a matter of course that this function of creating connections between the two knowledge regimes is placed with the formal frontline managers, despite the frontline manager's handling of the two knowledge regimes being evident in the cases. The cases contain a single example (case 2) of a situation of which examples are also found in both classic and more recent management and organisational literature, in which the work to translate, convert, and implement key decisions in the operational organisation is placed with staff employees and internal spe-

cialists rather than with formal managers (Andersen, 2008; Manz & Sims Jr, 1980; Voxted, 2018; Woodward, 1965). This constitutes a solution that entails that the frontline manager is engaged to a lesser extent in the direct conversion and heading of the implementation of plans formulated by politicians and layers at the top of the management hierarchy. In many places, the task of converting management as symbols into operational coordination is also decentralised to employees in special functions at operator level (Carson, Tesluk, & Marrone, 2007; Lind & Voxted, 2012; Manz & Sims Jr, 1980), which means that the employees' immediate managers, like the rest of the management team, become symbol producers facilitating the employees' contributions to bridging the two knowledge regimes. In accordance with a generic management ideal, their task also becomes to communicate with employees in a way that makes it their responsibility to translate objectives into professional solutions, including ensuring that the solutions make sense to employees in their day-to-day working life. Professional management is no longer an activity associated with formal managerial roles. This implies that the task has been entrusted to the employees and is no longer subject to the formal managers' control and priorities. The cases in this study show, in relation to this discussion which is quite widespread in the management literature, that the managers themselves undertake the role of bridging the two knowledge regimes and that the employees find it natural that the formal frontline manager undertakes this task and responsibility. Here, the data presented show a practice that differs from leading parts of the management and organisation literature.

The final theme deals with one of the arguments that has been raised against the traditional frontline manager's role and that has, conversely, been used to support the need for generic management. It concerns the argument that the public organisation's core task in an increasingly complex working day cannot be handled by one staff group alone. The core task requires cooperation between several staff groups. A number of contributions point out that mono-professional cultures constitute a barrier to the development of public services (Hall, 2009; McCartney, 1999), and there are also contributions which unfold the necessity of and exemplify an interdisciplinary practice (e.g. Bronstein, 2003; Copnell et al., 2003; Rice, 2000). This discussion also forms part of the reflections on

how the public sector is to develop. In a number of national and transnational studies and analyses (Gregory & Lonti, 2008; Pollitt & Bouckaert, 2011); The Productivity Commission, 2013), it is argued that demarcation lines and lack of flexibility in task distribution contribute to making public services more expensive. This is a criticism which could also be aimed at the frontline manager discussed in this contribution. The manager's possibilities of bridging two knowledge regimes disappear when the operational organisation consists of a collaboration between several professions each with their own professional knowledge regime.

In this connection, the case from the radiation therapy department shows that it is possible to create a joint professionalism in which the employees can identify themselves with a joint interdisciplinary core task. The close cooperation in this case is based on a joint professionalism as radiation therapists rather than interdisciplinary cooperation between various professions. This is an angle and perspective that point towards a frontline manager function aimed at creating a professionalism arising from the core service of the unit rather than the employees' profession. The manager has managed to build up a joint professionalism and an overall culture that extend beyond interdisciplinary cooperation. But this is not achieved by applying the theories and concepts of management theory to create a joint culture. Instead, working in a close dialogue with the employees in the day-to-day working life has joined the respective professional contributions together to form a new, joint professional identity. This constitutes a practice that is unique to the frontline manager and an ability which is obviously promoted through talent development.

Conclusions

The findings presented in the chapter show that the tasks associated with, and thus the role of, the frontline manager differ from the tasks and roles of higher-ranking managers in the hierarchy in a number of important areas. This finding must, admittedly, be seen in the light of the choice of themes and perspectives for the units analysed that examine the role of frontline manager from a generic management and lead-

ership ideal. So, when it is concluded that the role differs from that of other managers, this is firstly based on the finding that the first theme that is examined (the task of managing and organising professional quality and development in the day-to-day work close to the employees) constitutes a very important part of the frontline manager's work. This is partly in contrast with key contributions in management literature that deal with public management. The two subsequent themes then contribute to creating a theoretical framework for establishing that frontline managers must have knowledge of and be able to manage the employees based on the professionalism of the frontline manager's own unit regardless of whether this is a mono-professionalism or a professionalism that includes several professions. The frontline manager's professionalism is essential in the role of translating and converting strategic and political objectives into the professional practice that meets these objectives and expectations. This is especially unfolded with the second theme: the frontline manager who masters and bridges two knowledge regimes.

The conclusion is therefore that frontline management differs from other public leadership roles on a number of tasks, which leads to the conclusion that this is a role with special tasks and approaches which entail other specific requirements for Talent Management. The literature on Talent Management in a HRM perspective is of a fairly general nature. It focuses on the need to recruit talents in general, whereas there are no contributions focusing specifically on frontline managers as in this study. But the literature on Talent Management emphasises that talent is found at several levels in organisations and that there is a need to adjust talent development to the respective categories of employees. From this angle, the contribution of this chapter to Talent Management is to argue that the frontline management *can* be a position in the organisation that entails special requirements for recruitment, training, and development. It is obviously a limitation of the study that only a modest number of frontline managers participated, that the study is delimited to the public sector, and that it does not examine the elements of the leadership role that are coincident with managers higher up in the hierarchy. In general, the contribution is a supplement to and an extension of Talent Management theory.

In addition to contributing to a concretisation of Talent Management, the study also unfolds a thesis that at least some frontline managers are in a position in which they exercise the management of their profession in direct form, which distinguishes them from a generic management ideal. Furthermore, the study contributes to a theoretical understanding of the role of frontline manager. The chapter thus presents findings that require further research. Finally, to establish the extent to which the role of frontline manager differs from higher managers and a generic managerial role, there is a need for studies based on a cross-sectoral design that covers the frontline manager's role broadly. There is also a need to highlight the role and hold it up against a generic management ideal on a wider basis and not only to examine just the three themes dealt with in this chapter. Another reason for this is that it will be possible to derive from the material themes that are common to managers at all levels in the same way as themes have been found that distinguish the frontline manager function.

Added to this is work to define in concrete terms the profiles that are suited to frontline managers and the measures needed for education, training, and development to support the frontline manager role compared with the education, training, and the management development systems currently used in organisations. This constitutes a direct application perspective on the findings presented here and based on further research. These questions and aspects are not discussed in the chapter.

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8

Talent on the Frontline: Role Stress and Customer Professionalism in the Banking Industry

Torben Andersen and Jesper Raalskov

Introduction

Within the talent management (TM) literature, we have seen very few sector studies, and the question naturally emerges as to how talent work is practised under local contextual, and sometime rather special, circumstances. There is a broad stream of literature mapping especially the service industries and the work and specific challenges of frontline employees and their managers. In particular, their handling of the often-diverging demands characterizing this job situation are analysed and in this light one could ask whether talents are better equipped to handle these conflicting demands, and if so how? Or the opposite, whether the

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fact that they are labelled talents is placing an even greater pressure on them, on handling the diverging demands within this position and situation? Frontline employees and managers as an exposed group in work life is by no means new; however the relevance of this empirical field is based on the radical changes characterizing service industries as a consequence of digitalization and the introduction of new business models, where headcount is inevitable, new work roles are defined, and organizational demands versus individual strategies are part of the redefinition of work life.

Understanding talent management is arguably important for one of the very basic service industries like banking, not least with the new actors moving into the core business of this industry. The change from a standardized bureaucracy, with a classical vertical hierarchy, towards a much broader portfolio of business models in the sector, triggers questions like how to attract, retain, and develop employees—with the “right” talent for “the future of banking”. It is our opinion that banks need, first and foremost, to define the construct of talent, in a rapidly changing world, and in this respect the question arises as to what characterizes a talented frontline banker. The literature on talented bankers is extremely scarce and implicit and takes a unilateral approach to the definition of talent. In the continuous search for talent—both within individuals, seen from a practitioner’s point of view, and in a general definitional way, seen from the research community’s point of view—very limited effort has been placed on specifying local contextual factors. We have seen several non-contextualized definitions which have tried to encapsulate the variation within this field—see Larsen (2012), for example, who defines talent as “an area of qualifications or competencies, that some people possess more than others, which are difficult to imitate, copy or substitute, and that can be developed further”. The research community has for a while been trying to establish a common ground—in order for organizations to effectively work with talent management. A clear definition of talent, and its characteristics, has been in demand over the last 10–15 years, and many suggestions have been produced (see Ariss, Cascio, & Paauwe, 2014; Dries, 2013; Gallardo-Gallardo, Dries, & González-Cruz, 2013; Henson, 2009; Meyers & Van Woerkom, 2014; Tansley, 2011; Thunnissen & Van Arensbergen, 2015; Walker & LaRocco, 2002).

Vaiman, Scullion, and Collings (2012) and Vaiman et al. (2018) have claimed that it differs according to organizational or national culture, industry, organizational type (e.g. private sector versus public sector), managerial approach, market/customer (professional or non-professional), and so on. Talent management is particularly important among front-line employees, given that their attitudes, behaviours, and skills influence customers' perceptions of the company, regulating satisfaction and loyalty, and they have for many years been considered important as strategic positions (Ricks & Williams, 2005; Ellinger, Elmadag, & Ellinger, 2007).

Talent management in banks is not only important for frontline employees and the bank itself, but also essential for society because financial institutions have played, and in the future probably will play, an important role in the financial growth and the stability of countries (Lau, Cheung, Lam, & Chu, 2013). In the period after the global financial crisis, banks have come to rely even more on their retail operations (and thus customer relationships) as an invaluable source of revenue (Leichtfuss et al., 2010) and value creation (Barnes & Collier, 2013). Bank profitability is based on longer and relatively good customer relationships, higher customer loyalty than in many other type of sectors, varying satisfaction levels with rather few retention challenges (e.g. Titko, Lace, & Kozlovskis, 2013). The most important determinant of customer satisfaction perceived is service quality as delivered by frontline bankers (Malhotra, Mavondo, Murkherjee, & Hooley, 2013). Unfortunately, customer satisfaction in Denmark, and the other Nordic countries, is at its lowest level in years. The high number of complaints from customers is a problem for the industry especially among the six largest Danish banks (EPSI, 2015). This could also be seen as the first step in the direction of private customers moving more towards new actors in the sector, companies which are based on new business models, focusing only on electronic money transfers like mobile pay services like Apple Pay, smaller new types of quick loans, perhaps leading to new types of pay accounts in the future.

Talent management, and talent work in general, is supposed to support organizational profitability (Thunnissen, Boselie, & Fruytier, 2013), and in order to build profitable customer relations and organizational

excellence, banks need, amongst other things, to manage the attraction, retention, and development of frontline bankers with the right talents (Tansley, 2011). Unfortunately, the so-called “waste” of talents in the banking industry exceeds that of any other industry, and banks do not actually know how to manage and harness their talent according to Dive (2009). In addition, the sector is characterised by hierarchical values, where internal labour markets have prevailed, and therefore classical career models have dominated. With the post-global financial crisis societal attitude towards overpaid bankers and the focus of regulators on bankers’ incentives (see Bannier, Feess, & Packham, 2013), traditional tools such as wages and heavy bonuses have to be adapted to fit with a more structured and holistic approach to talent and talent management.

One potential explanation for the waste of talent, with potential drops in customer service satisfaction, is the degree of role stress (Kahn & Quinn, 1970) that frontline bankers are facing due to role conflicts, role ambiguity, and role overload (Idris, 2011). In late modernity, frontline bankers are constantly exposed to a variety of contexts and role expectations from management, colleagues, and customers, requiring different roles and thus different characteristics and personality traits from bankers. Organizational changes are taking place continuously, and many banks have difficulties in finding their own feet on how to approach customers and why—mainly caused by very rapid technological developments in this domain, changing customer preferences, and character of products. On the one hand, the talented frontline banker experiences a pull towards professionalization, for example, with business customers (B2B), where more complex and customized products and services are dominating. This type of work is very different from servicing non-professional private customers (B2C), with an increasing demand for very fast delivered standardized products and services. Each context can require different characteristics and rather diverse role demands from a talented frontline banker, potentially creating role stress. 25% of Danish frontline bankers report regular stressful role conflicts in their jobs according to the Financial Services Union Denmark (2014).

Theoretical Input

High customer orientation and service quality, perceived by customers, is a basis for the achievement of high key account performance. This is a shared truth within the more normative relationship marketing literature. However, there is a lack of the other side of the obligation to the customers, namely, the responsibility towards the organization (as set out by management). In this respect, we would argue that talents are faced by this dilemma in particular, as employees with the “right” talent would have to think in value added from three different perspectives: (1) through the talent’s ability to support customer relations, which in turn would enhance customer satisfaction and create loyal customers, (2) through the talent’s ability to support the organizational strategy and by displaying organizational commitment that supports the organization’s efforts to excel, and (3) through the talents’ ability to cope with role stress, thereby reducing the negative consequences arising from perceived role stress that exceeds manageable proportions, such as reduced customer satisfaction and lower organizational commitment, which subsequently affect organizational profitability (see Fig. 8.1).

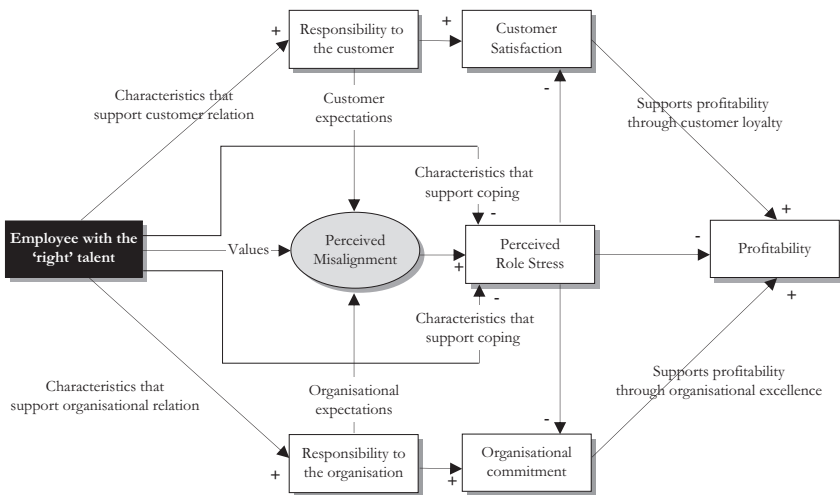


Fig. 8.1 Visualization of indicator-effect relationships

In order to approach talent characteristics in a more holistic way, we have developed a framework that visualizes the effects and which portrays the relationships and interactions between the different parts of the system being focused on (Heldbjerg, 1997)—see Fig. 8.1. The black box (talent characteristics) will be opened in our findings section and discussed based on our empirical data.

In Fig. 8.1 we have tried to map the various mechanisms constituting the challenges frontline banking talent is facing, starting—from left—with the customer versus the organizational relations, and thereby expectation to the employees. In many respects, this is not new and not only happening for talented employees. But—as we will debate later—the perceived misalignment between the two among talented staff can lead to a lack of customer satisfaction and organizational commitment, which sooner or later can create a talent retention challenge and further on perhaps a talent recruitment problem for the banks. As we have argued in the introduction, different role contexts and role expectations in frontline banking often lead to role stress, requiring different talent characteristics in order to be able to cope. In addition, earlier studies have shown role stress differences between public and private banks (Devi, 2012; Devi & Sharma, 2013; Sankpal et al., 2010; Sharma, Sharma, & Devi, 2012), so it is not new and perhaps dependent on the character of the business done.

In their seminal work, Kahn and Quinn (1970: 41) defined role stress as “anything about an organisational role, that produces adverse consequences for the individual”. Role stress theory states that organizational factors generate role expectations among role senders. Here, bank management and a variety of customers who then transmit these as role pressures to the frontline employee. These pressures are experienced at individual level as a result of organizational and job-specific factors in the form of demands and constraints, which they perceive as placed on them (Kahn, Wolfe, Quinn, Snoek, & Rosenthal, 1964). Choosing role stressors, we are well aware of the fact that there are many very closely related concepts like role conflict, role ambiguity, and role overload (see Idris, 2011). There are elements of role conflicts in the frontline employees’ work, and they feel in ambiguous situations from time to time and not least overworked. Consider, for example, the situation where management

requires high ethical standards in advising customers but also pressures bankers to sell products which are not necessarily the most ethical or the best solution for the customer. This could lead to at least four different types of role conflict (Kahn et al., 1964):

1. Intra-sender conflict: when a role sender requires a role receiver to perform contradictory or inconsistent roles (here: both ethical advice and sales performance)
2. Inter-sender conflict: if the role behaviour demanded by one role sender is incongruent with the role behaviour demanded by another role sender (here: management versus customer expectations)
3. Inter-role conflict: when an individual occupies two or more roles whose expectations are inconsistent (here: banker and customer advisor)
4. Intra-role conflict: when role requirements are incongruent with the focal person's attitudes, values, and professional behaviour (here: an ethical person having to sell unnecessary products or services).

Inter-role stress has, for example, been found in public sector bank employees by Sen (2012), and role conflicts have a direct negative effect on job satisfaction specifically among bankers (see Belias, Koustelios, Sdrolas, & Aspridis, 2015; Qurat-ul-ain et al., 2013). Role ambiguity refers to the lack of necessary information available to a given organizational position (see Kahn et al., 1964; Rizzo, House, & Lirtzman, 1970). So, role ambiguity has to do with the unclear definition of the role given by the role sender (here: if higher sales performance is required from management, but not specified with regard to which customers and products the banker should focus on and which existing customers should be prioritized up or down). Inadequate role sending, lack of agreement, and lack of coordination among role senders would enhance role ambiguity towards the role receiver. Role ambiguity is most prevalent in bank employees under 30 years according to Devi and Sharma (2013), and many talents are in their late 20s. Role overload occurs when an organizational member is required to perform a number of appropriate roles sent by different role senders and can be classified as both quantitative and qualitative. Quantitative role overload refers to situations where role

occupants are required to perform more work than they are able within a specific time period (here: if the banker's pipeline of cases is expected to be larger than normal, the banker needs to "juggle" more cases at the same time). Qualitative role overload refers to situations in which role occupants believe they do not possess the skills or competences necessary to perform an assignment (here: if the banker is to perform canvassing but does not have a sufficiently extrovert personality needed to initiate contact with new or potential customers). Srinivasan and Anantharaman (1988) have also defined a quantitative and qualitative role underload. In the first sense, this means that the role occupant does not have much work to do, while in the second sense it means that the role occupant suffers from a lack of mental stimulation (e.g. in routine repetitive jobs). Role ambiguity, role overload, and underutilization are more common in private sector banks than public banks (Sharma et al., 2012). Again, there could be an important factor, how business is carried out, influencing the frontline talents' perceptions.

Empirical Basis

To investigate which talent characteristics were most valuable under the different role contexts, two phases of interviews were conducted until data and thematic saturation was established (Green & Thorogood, 2004; O'Reilly & Parker, 2012). In the first phase, a total of 17 talented front-line bankers, from the 6 largest banks in Denmark, were selected from the group of bankers, who were participating as diploma degree students in banking. Admission to the employer-paid diploma programme is considered by bankers as a well-known proxy for talent, since only those employees with high potential and/or above-average results are allowed by their employers to enrol in this relatively expensive education programme (Cooke, Saini, & Wang, 2014). This argument has also been supported through interviews with former branch office managers and the head of HR in one the largest banks in Denmark.

The interviews were conducted with 19 males and 4 females, both younger and older employees (average age 36 years—range 25–57 years),

mostly experienced and a few lesser experienced bankers (average experience 10 years—range 3–31 years), and frontline bankers servicing either professional (B2B) or non-professional customers (B2C). The bankers interviewed from the B2B market segment mostly had prior experience from the B2C market as there seems to be a fairly clear career path where bankers move from the B2C to the B2B segment. This is also why saturation was achieved earlier in the B2C interviews. Interviews were conducted over a period of two years ending in 2015 and with a geographical spread that represents all parts of Denmark. In the second phase, interviews with six key informants were conducted. Key informants are characterized as experts who are believed to have the most knowledge on the subject matter and are thereby able to validate the interpretations and conclusions drawn from interviews of frontline actors (Lavrakas, 2008). The key informants were two former regional bank managers, one former recruitment specialist, one head coach with the experience of being a former branch office manager, one bank union representative, and finally one head of HR in one of the six largest banks in Denmark (see also [Appendix](#) for further details regarding the interviewees).

The interviews were both structured and semi-structured, as each of the interviews was divided into two parts. The first part of the interview was structured where the aim was to go through the list of talent characteristics identified from and reported in one of our earlier studies (Raalskov, 2012). The interviewees were asked to assess the relevance of the characteristics presented in a questionnaire framework (with the possibility of adding characteristics that were not mentioned on the list), so that those characteristics perceived as being most needed/important for his/her specific position in order to be talented were drawn out for further discussion. This further discussion was the second part of the interview and was approached in a semi-structured manner, where the aim was to gain more knowledge about how, why, and when these specific talent characteristics come into play and whether (potential) role stress is present and how this affects the characteristics and vice versa.

Findings

Firstly, interviewees confirmed that embedded role stress was indeed found among frontline talents in Danish banking. The types of role stress most prevalent in the study were *role conflict* (intra-role, inter-role, and intra-sender conflict) and *role overload* (qualitative and quantitative). Role conflict dealt with role senders: customers and management, who in many situations had contradictory interests, which the talented banker had to balance. With regard to areas such as products, conditions, prices, and risk coverage, management would expect a high level of sales performance, favourable to the bank, whereas the customer would expect a high quality of advice favourable to him or her. Where the embedded role stress was highest, the respondents mentioned requirements from management as the main reason for feeling role stress.

Obviously the customer has an expectation of us delivering the best solution for them, and management has an expectation of us delivering the best solution for the bank...so it's all about balancing the two interests...Mostly it's about satisfying requirements from management...in the end it's all about keeping my job. (I4—TFB)

On the one side, they [ed.: frontline bankers] would like to be good employees by delivering required sales performance and on the other side they also have a personal integrity and feel the need to be honest. They often feel torn and fleeced inside...it is a real struggle for many banking employees [ed.: frontline bankers]. (I19—HC/FM)

We are in an area, where our knowledge dominates...this is where the conflict occurs...you need to make a compromise with some things otherwise it all falls down on you. (I3—TFB)

Employees are indirectly, and in some cases even directly, encouraged to sell products and solutions to customers that might be in conflict with the customer's risk profile—for example, advanced financial solutions such as credit swaps. If this pressure contradicts the values and ethics of the banker, an intra-role conflict is created. The intra-sender and inter-

sender conflict is also influenced as sales and activities in general are being “pushed” from the management’s side—that is, the profit per sale, the product types advised on and sold, time spent per customer inquiry, and so on.

During interviews, many of the interviewees emphasized the difference between addressing the so-called professional customers (on the B2B market) and non-professional customers (on the B2C market). We have tried to follow this division in the analysis of the interviews and answers, leading to Fig. 8.2, where we have categorized the different degrees of role stress (high and low) coupled with the two aforementioned contexts of servicing.

Both the B2B market and the B2C market are characterized by low as well as high stress levels, leading to the following presentation of the empirical material:

Performance-Oriented Talent

Performance, that is, the ability to deliver results is part of the talent construct that is relevant for all contextual settings, but mostly comes into play in a setting of high embedded role stress. When servicing professional customers (B2B) it is important, but this characteristic becomes

		Degree of embedded role stress on employee	
		Low	High
Degree of professionalism by customer	Low (B2C)	Interpersonal talent	Performance-oriented talent
	High (B2B)	Analytical talent	Intrapersonal talent

Fig. 8.2 Essential talent characteristics in four different frontline banking settings

crucial when servicing non-professional customers (B2C). Here the ability to deliver results seems to be most important for the frontline banker. In this setting, he or she has the feeling of being measured more intensively, and frequently he/she has ongoing status meetings with branch office management who have a dedicated focus on sales performance.

Sales performance is part of our employment condition, so if we don't deliver [ed.: sales-wise] we need to draw up a plan of action to management...you are not in the safe zone if you aren't delivering on all parameters...then you aren't a success...management could then pressure you to resign from your job. (I4—TFB)

It's a competition...In the system you can see how you perform compared to your colleagues, on an individual level. When there are canvas activities, it's made visible who performs at what level...who is best...It's not about having the most satisfied customers, but about having most meetings...then you compete on that...who is in the best half and who is in the worst half [ed.: performance-wise]. (I18—UR)

This may be explained by the relatively high competitiveness in the B2C market, where case management and products are more standardized (e.g. prices, conditions, and product properties) and similar to those of competing banks. This more homogenous market approach arguably makes the effort of measuring individual sales performance easier, thereby enhancing the perceived focus on unilateral sales performance even more than in the B2B setting.

The talented banker delivers good sales performance and demonstrates a sufficient pipeline of existing activities necessary for good future sales performance. This would ensure that the role conflict, based on pushing sales at the expense of the customer, and the (mainly quantitative) role overload due to a high managerial expected level of sales activities, does not escalate to unmanageable proportions. In other words, the perceived pressure from management would ease due to adequate performance levels on the part of the banker, which gives more autonomy in decision-making processes and therefore diminishes perceived role stress.

The literature on performance defines the term as multidimensional and distinguishes between *task performance* and *contextual performance* (Aguinis, 2009; Shields et al., 2016). Task performance concerns a narrow and individualistic approach to performance as it is, “the accomplishment of core, technical job duties” (Bing, Davison, Minor, Novicevic, & Frink, 2011, p. 564), which in a frontline bank setting would refer to the individual’s actual output, based on explicit performance criteria (e.g. amount of sales and earnings per sale). An important practice with regard to enhancing task performance is cross-selling which is defined as the practice of selling an additional product or service to an existing customer (Li, Sun, & Montgomery, 2011). Extracting the immediate potential of the customer by the cross-selling of additional products or services to the customer affects the individual’s overall performance greatly and is a strategic priority for many financial institutions as it changes a customer’s future purchase probabilities (Li et al., 2011; Pinar, Eser, & Strasser, 2010). The contextual performance concerns the OCB which has a wider and organizational approach because performance will “contribute to the organization’s effectiveness by providing a good environment in which task performance can occur” (Aguinis, 2009: 81) and would refer to the individual’s contribution to more implicit performance criteria. Where there is a high degree of role stress, and where the frontline banker services non-professional customers (B2C), the requisite performance is primarily task performance, whereas the performance approach in the setting of servicing the professional customers (B2B) on the other hand places more emphasis on the contextual performance. The B2B setting is often less autonomous than the B2C setting and more often involves more contact with colleagues and specialists as the complexity of professional customers is higher.

Analytical Talent

Analytical abilities, that is, the ability to grasp complexity and strategic thinking, is the part of the talent construct that is most prevalent in the B2B setting where the perceived role stress is low. The professional customers are often characterized by having more complex needs (due to,

e.g. more complex corporate structures and interdependencies), which require more time and thorough case management. The fact that the amount of money involved is significantly higher than in the case of the non-professional customer, and that the professional customers are most often unique with regard to products, market, structure, performance, and potential, calls for a more in-depth analytical approach, experience, and knowledge. Thus understanding of the context (market, structure, and economic performance) in which the professional customer operates is essential in assessing risk and future potential.

In order to grasp complexity, the talented banker arguably needs to have a high intellect. Although having a high intellect would support the ability to grasp complexity, it is also associated with negative outcomes such as social inabilities (Goleman & Boyatzis, 2008). A concept that approaches intelligence more holistically is the concept of *general intelligence* which according to Gottfredson (1997: 13) is defined as “a very general mental capability that... involves the ability to reason, solve problems, think abstractly, comprehend complex ideas, learn quickly and learn from experience. It is not merely book learning, a narrow academic skill, or test-taking smarts. Rather, it reflects a broader and deeper capability for comprehending our surroundings – ‘catching on’, ‘making sense’ of things, or ‘figuring out’ what to do.” Problem-solving abilities among frontline employees are also mentioned as relevant characteristics by Nguyen (2010) and Panda and Kondasani (2014). In order to solve problems for the customers, frontline employees need to utilize their knowledge, skills, competencies (Zeglat, Aljaber, & Alrawabdeh, 2014), and expertise (Nguyen, 2010; Roy & Shekhar, 2010). Accounting and law are professions that have the highest general intelligence scores among their professionals (Schmidt & Hunter, 2004). Although the banking context is not mentioned in Schmidt and Hunter’s (2004) study, we argue that whilst the banking context is perhaps not as complex, it is still related in terms of complexity to those of the fields of accounting and law. Creating individual solutions based on true identified needs that have a large impact on customers’ financial wellbeing involves many aspects and people—among those are often lawyers and accountants.

Furthermore, the talented banker has the ability to think strategically with regard to his/her customers and assess the long-term customer

potential for the bank (e.g. the customers' effect on the banks' future earnings and aftersales) and uses his/her intelligence, knowledge, and experience to grasp the complexity of the customer and context. Long-term orientation is the "perception of interdependence of outcomes in which both a vendor's outcomes and joint outcomes are expected to benefit the retailer in the long run" (Ganesan, 1994: 2). The talent can see customer potential and knows when to sell which products to which customers, from the start of the relationship and throughout its lifetime. The talent also knows when not to sell and will always act in a long-term manner. It is also a question of seeing the potential in a perhaps smaller/upcoming customer before he/she develops the business into something larger with a higher profit potential. Based on this analytical approach to the customer, the talented banker uses his/her accumulated knowledge of the customer to strategically focus on the long-term relationship, thereby gradually adding value to the customer and the bank.

The customers need to earn money, and when they do, we also do. In that way, we have the same goal. We have a lot of focus on customer satisfaction and when we meet, the customer needs to feel that we bring more value [ed.: to the customer]. (I5—TFB)

A good banker [ed.: frontline banker] knows where the line is between a sale based on identified needs and an aggressive sale...A good sale is something that is a gain for both the bank and the customer...I guess some of us have tried to say to a customer, that this product is not the right thing for you, as I would gain more from it than you...This will generate more trust [ed.: between the frontline banker and the customer]. (I12—TFB)

In situations where the level of role stress is low, the banker has more autonomy and uses analytical abilities and assesses the consequences that different products (also from competitors) and customized financial solutions have for the customer. The analytical abilities are used for identifying the actual needs of the customer and financial consequences of customized solutions. This differs in situations with high role stress, as the lower autonomy from managerial control means that management picks products, in advance, that the banker should focus on selling to

customers. This diminishes the need for identifying the customer's actual needs and results in lowering the analytical ability needed in this respect.

Being in a B2B environment with more role stress, the frontline banker has more incentives from management to focus on the short-term outcome, instead of the long-term, thereby diminishing the strategic analytical assessment of the customer's potential in the long run. Short-term orientation is "concerned only with the options and outcomes of the current period" (Ganesan, 1994: 3). In this way, his/her professional knowledge and experience are "put aside" in the effort to create a faster outcome that supports managerial shifts in points of focus and KPIs (key performance indicators).

The analytical characteristic is not as prevalent when servicing non-professional customers. In the B2C segment, products and IT systems are more standardized and less advanced, compared with the B2B segment, as the level of information and complexity in customer needs is lower.

In the process of defining talented frontline bankers, it is also appropriate to define those characteristics that should be absent from the talent (Dalal & Nolan, 2009). A general consensus among all the talented bankers (those who service professional and non-professional customers and those who are in banks with embedded high and low role stress) was that it is very important not to be "overanalytical"—that the talented banker is not too meticulous. Quality in work should, of course, be adequate, but putting too much effort into details will slow down the process, create more stress, and negatively affect both sales performance and the relationship with the customer. The longer the process time for each case, the longer the response times to customers, which again will affect the customers' level of satisfaction. Furthermore, there is the risk that customers will equate meticulous behaviour with a lack of trust and thus adopt a pessimistic approach to (a new) relationship. Colleagues could also react negatively when sales performance drops due to slow processing that again would apply extra pressure in order to comply with branch office budgets. Also sparring situations need a balanced approach to details and feedback. The talented banker therefore needs a balanced analytical approach towards the level of detail regarding customer information, analysis, and colleague sparring/feedback/co-appropriation.

Interpersonal Talent

Interpersonal abilities, that is, empathy, integrity, communication skills, and explicit values, are most prevalent in the B2C segment when servicing non-professional customers and where the degree of role stress is low. The non-professional customer is characterized as having little knowledge about financial products and their associated risk and impact on the customer's economy. According to Söderberg (2013), financial literacy is closely related to the educational levels of the customers, as customers with high levels of education reported fewer problems in communicating their risk propensity to their financial advisor compared to customers with lower educational levels. Professional customers have a better understanding of financial matters and often use other advisors (e.g. accountants, lawyers, and economic advisors) to guide them and ensure correct choices of products and terms of business—thereby diminishing the need for some of interpersonal abilities.

The talented banker has good communication skills, as it is of great importance that he/she can communicate fairly complicated financial matters in layman's terms towards non-professional customers. Furthermore, the talented banker needs a solid understanding of key gender differences in terms of communication (Kingsbury, 2013). Ball, Coelho, and Machás (2004: 1277) define “good” communication as “helpful, positive, timely, useful, easy and pleasant” where “the service provider, in short, provides information in such a way that the customer personally benefits with a minimum of effort necessary to decode the communication and determine its utility”. Such communication is often personalized and/or delivered in a person-to-person format (Ball et al., 2004). In that way the “transfer” of knowledge from the banker to the customer ensures decision-making on an informed basis.

A banker [ed.: frontline banker] should not only be good at numbers, but also be able to communicate with the customer... Communication isn't about using professional terminology but about making yourself understandable whether the customer is on a high or low level [ed.: knowledge-wise]... It is important to break it up in parts and make it understandable for Mr. and Mrs. Jensen... Then you can see, that they actually understand what you are saying and that

*they don't just sit there and nod because they think it is the right time to nod...
If you don't get the customer to understand you, your knowledge doesn't matter.*
(I13—TFB)

Research shows that customers who are more satisfied with their providers' communication will be more satisfied with the professional service itself (Webster & Sundaram, 2009). Communication skills support the gaining of trust from customers (Ball et al., 2004; Roy & Shekhar, 2010) and are an essential factor in creating customer satisfaction (Lubin, 2001; Pinar et al., 2010; Zeglal et al., 2014).

As pointed out in the literature (e.g. Corneliu, 2013; Lau et al., 2013; Lo, Mahamad, Ramayah, & Mosahab, 2010), empathy is a crucial characteristic for obtaining trust from the customer and subsequently obtaining superior customer satisfaction. Empathy is also emphasized as an important personality trait that supports (along with the frontline employees creativity and anticipation) an adaptive service experience, tailored to the customer's needs (Wilder, Collier, & Barnes, 2014). The findings in this chapter also suggest that empathy is important for uncovering the actual needs of the customer.

It's all about the ability to put yourself in the customer's situation, in order to uncover the actual needs [ed.: of the customer]. (I1—TFB)

This emphasis is also supported by Panda and Kondasani (2014), who refer to the vital importance of the banker's empathy and cordial nature which is necessary to understand the needs and behaviour of customers. In the non-professional segment, the banker deals with more personal matters related to the customer (e.g. divorce, death, sickness, unemployment), which draws on the banker's ability to display empathy to a greater extent. Hollan (2012) distinguishes between two layers of empathy: *basic empathy* and *complex empathy*. Basic empathy refers to "our basic capacities to attend and attune to the minds and bodies of others" (Hollan, 2012: 76), whereas complex empathy refers to "our more or less conscious attempts to know and understand why other people act in the way they do" (Hollan, 2012: 71). A closely related concept that is a prerequisite for displaying empathetic behaviour is the concept of emotional

intelligence (EI), which is defined as “the ability to perceive accurately, appraise, and express emotion; the ability to access and/or generate feelings when they facilitate thought; the ability to understand emotion and emotional knowledge; and the ability to regulate emotions to promote emotional and intellectual growth” (Mayer & Salovey, 1997: 10). Employees with a high EI have the ability to recognize the emotions of others (Wong & Law, 2002), and EI is a major contributing factor for the performance of frontline employees as they are in close proximity to customers (Sony & Mekoth, 2016; Wang, 2014). The talented banker therefore has an adequate level of EI and draws on both layers of empathy as his/her sensory and perceptual mechanism must be able to perceive displayed emotions (even if indistinct and non-verbal) from customers and furthermore use the ability to understand why the customer acts as he/she does. Only then it is possible to display situational communication and behaviour and identify the true needs of the customer.

Another interpersonal ability that was found to be important was the banker’s integrity. Identifying the actual needs of the customer and introducing solutions that match the customer, even though the customer may request financial solutions that do not match his/her needs, require consistency in the banker’s character. It could be that the customer requests a financial product that has a large embedded risk in it (e.g. loans based on floating interest rates and foreign currency), which does not match the actual profile of the customer. Palanski and Yammarino (2007: 178) define integrity as the “consistency of an acting entity’s word and actions”. In order to support a long-term relationship, the talented banker must live up to his/her promised agreements and defend solutions that the banker believes will fulfil the actual needs of the customer, instead of fulfilling those that are either inappropriate or superficial.

It’s people’s financial matters we deal with every day, so it’s important that it’s done properly. We are building long-term relationships... There have been examples of solutions we wouldn’t support even though the customer wanted us to and was creditworthy... but another bank would... After a while the customer returns to us again now that they can see that the solution was wrong... It’s not about easy solutions, but the right ones. (IG—TFB)

Integrity is also important as a personal resource needed for displaying customer-oriented behaviour. According to Yavas and Babakus (2010: 225), “customer-oriented employees exhibit strong concern for others’ needs...with less emotional labor or acting”. Besides being able to deliver superior customer service (Yavas & Babakus, 2010), customer-oriented behaviour also affects the employee’s job satisfaction and commitment (Grandey, 2003). In a setting where there is a low level of role stress (e.g. due to less sales pressure from management), the frontline banker can in fact display authentic behaviour which constitutes less “acting”. This more integrity-based behaviour is arguably less applicable in a setting of high-role stress where pressure to perform is higher.

Explicit values deal with the values associated with the attitude towards others and were also a characteristic that was found to be important for the talented banker. Explicit values are the values that the frontline banker displays towards the customer (and colleagues) and could be explained by the concept of “shared values” (see Ennew & Sekhon, 2007: 64). They define shared values as “the extent to which consumers believe that an FSI [ed.: Financial Service Institution] has values similar to their own”.

In our bank, culture and values mean a lot... We have the value of being unpretentious... Once there was this new colleague that was dressed up in a nice business suit with fine Lloyd shoes. He was told that this outfit wasn't appropriate when he was to meet with a farmer [ed.: customer]. He had to go home and change his clothes... The customers need to experience a match between the values we have and the way we do things – that is expected. (I9—TFB)

Shared values between frontline employees and customers are a central element in achieving trust from the customer (Ennew & Sekhon, 2007; Roy & Shekhar, 2010; Sousa & Coelho, 2013). Korschun et al. (2014) take it a step further as they refer to the importance of value alignment between banks, frontline employees, and customers. The frontline banker represents the bank, and because of that and the fact that integrity is important, the values are not only to be shared with the customers but also to be shared with the bank in order to appear with honesty and integrity towards the customer (Di Mascio, 2010; Roy & Shekhar, 2010) and to display affective commitment and overall organizational commitment (Hackman & Oldham, 1976; Meyer, Stanley, Herscovitch, & Topolnytsky, 2002).

Intrapersonal Talent

Intrapersonal abilities, that is, the ability to prioritize, the ability to accommodate change, and the ability to have a high threshold for stress. They are most prevalent in the segment of servicing professional customers and where the level of embedded role stress is high. The empirical findings suggest that the ability of prioritizing and having a high threshold for stress is important, as bankers in this segment are perceived as having a high workload and therefore have a high level of (quantitative) role overload. As time is a limited resource, the talented banker needs to be stress tolerant and able to focus on prioritizing the tasks/customers that are most profitable, thereby creating the most value for the branch office.

I have learned that it requires that you are autonomous and can prioritise... you get input from management and from the customers all the time... you need to be in balance... there is pressure everywhere and if you can't deal with it, you'll drown in all your tasks. (I12—TFB)

You need to be focused on deadlines and structuring your day... We have to respect our calendar, and when something unplanned happens you need to reschedule. We have to be able to deliver as we have promised the customers... and management is also focused on us performing [ed.: sales-wise]... I have become better at choosing the good cases and putting the other cases away... make a quick decision and finish your tasks – you need to do that with ease. (I17—TFB)

A concept that deals with the skill of prioritizing is *time management*, which according to Claessens et al. (2007: 262) is defined as “behaviours that aim at achieving effective use of time while performing certain goal-directed activities”. Claessens et al. (2007) differentiate “behaviour” in three sub-constructs: (1) time assessment behaviours—which focus on self-awareness of one’s use of time, which again helps to accept tasks and responsibilities that fit within the limit of one’s capabilities; (2) planning behaviours—which focus on making effective use of time through planning tasks, setting goals, prioritizing, making to-do lists; and (3) monitoring behaviours—which focus on observing one’s use of time while performing activities that allow a limit to the influence of interruptions by others.

In other words, the talented banker is able to estimate time consumption in existing and future tasks in order to prioritize, make effective use of time, and continuously monitor time use. In connection with this, the talented banker may use his/her analytical abilities in order to assess “return” on future/potential invested time, equivalent to the potential business volume and earnings relative to the amount of invested time. Research furthermore suggests that time management has a positive effect on sales performance and role stress (Fournier, Weeks, Blocher, & Chonko, 2013), as it decreases role overload (Burt & Kemp, 1994; Strongman & Burt, 2000), role ambiguity (Macan, Shahani, Dipboye, & Philips, 1990), and role conflict (Jex & Elacqua, 1999). Devi’s (2012) study also supports the importance of time management and the ability to prioritize as part of the *functional coping* strategy that employees utilize when coping with role stress in both public and private sector banks.

As previously mentioned, the talented banker also needs to have a high tolerance threshold in respect of stress. Beehr and Newman (1978: 678) mention *personal facets* as a central element influencing the individual tolerance of stress and define these as “any characteristic of the human being that influences an individual’s perception of stressful events, interpretation of events as stressful, and/or reaction to stress”. Among those characteristics affecting stress tolerance positively are high self-esteem, good health, low need for perfection, satisfaction with the job and other major aspects of life (Beehr & Newman, 1978). According to Lazarus and Folkman (1984), there are two coping strategies that the individual can adopt to reduce the adverse effects of the appraised stressor: *problem-focused* coping and *emotion-focused* coping. The problem-focused coping behaviour actively confronts the problem (e.g. by tackling the problem head-on), which typically relates to situations when the individual perceives the situation as controllable and solvable. Devi (2012) found that confronting problems head-on and devoting time and energy to tackling it is one of the most used coping strategies among bankers. The emotion-focused coping behaviour reduces the emotional distress (e.g. by selective attention, minimization, avoidance) and is most likely utilized when the individual perceives the situation as uncontrollable and less solvable. Another perspective into stress tolerance is the concept of *resilience*. Resilience plays an important role as a protective factor, protecting the

individual's psychological being and increasing positive changes when coping with stressful situations (Dolbier, Jaggars, & Steinhardt, 2010; Kinman & Grant, 2011; Lian & Tam, 2014). Resilience is defined as "the capacity to withstand, regulate and cope with ongoing life challenges and succeeds in maintaining equilibrium despite negative effects from stress" (Lian & Tam, 2014: 46) and has shifted focus from chronic stresses (like abuse and discrimination) towards the context of overcoming everyday/occupational stress (DiCorcia & Tronick, 2011).

The talented banker has a high stress tolerance threshold, which we know from the literature entails (1) having high self-esteem, good health, a low degree of meticulous behaviour, satisfaction with the job and other major aspects of life, (2) the ability to confront controllable problems that can be dealt with (problem-focused behaviour) and the ability to accept uncontrollable problems that are difficult to solve (emotion-focused behaviour), and (3) resilience in personality that acts as an individual capacity that enables the talent to maintain equilibrium and avoid emotional dissonance (Yang & Chang, 2008) despite negative effects from work-related role stress and/or privately induced stress.

The final characteristic found to be relevant in the intrapersonal component of talent is the ability to accommodate change. Product life cycles are becoming shorter due to rapid transfer of innovation in a global marketplace. This results in organizations having to change what they do and how they do it to remain competitive on a more frequent basis (Lepine, Colquitt, & Erez, 2000). The consequence of this continuous change is that employees' knowledge, skills, and abilities are subject to continual obsolescence and displacement (Howard, 1995). As frontline employees are critical to organizational success (Kafetsios & Zampetakis, 2008), the adaptability of frontline employees is also critical, when banks develop and change in response to society.

One of my former colleagues was very good at talking to customers, but was relocated to another branch office and function, against his will. A lot of us thought it incomprehensible, as he had a huge network in town, and was in fact hired for that very same reason... Often when customers came in to the branch office, you could see them hailing him, and you could see they knew him privately. With regards to his sales performance he wasn't doing well...that's why

he was moved. He wasn't good at closing his sales efforts...he talked too much with the customers and in terms of systems, he couldn't handle them [ed.: the IT systems]...he was an older fellow that hadn't kept up with the needed skills and the new ways of doing things. (I18–UR)

Research into employee adaptability distinguishes between *skill flexibility* and *behaviour flexibility* of the employee (Bhattacharya, Gibson, & Doty, 2005). Skill flexibility is defined as flexible skills that “generate output stream for existing requirements and are also capable of producing output for possible alternative requirements” (Bhattacharya et al., 2005: 625), and behaviour flexibility is defined as “the capacity of people to adapt to changing situations or to exhibit appropriate behavioral repertoires under different situations” (Bhattacharya et al., 2005: 625). Behaviour flexibility separates itself from skill flexibility in the sense that the employee may be skilled but lack the motivational aspect of accommodating change and vice versa (MacDuffie, 1995). Adaptable employees adjust to the complexities and novelties of changed situations (Lepine et al., 2000) and therefore minimize losses associated with lack of changes, thereby enabling the organization to facilitate change implementation (Bhattacharya et al., 2005). The talented banker accommodates changes as he/she has both the flexibility in skills and behaviour needed to deal with the continuous change that is required of him/her by customers, employer, and/or society in general. Furthermore, this adaptability will reduce the amount of perceived qualitative role overload, as changes in areas such as IT systems, procedures, and cultural norms will be more easily integrated into behaviour and skills. Based on the interviews, the amount of change has been slightly more present in the professional segment as the development speed of products and IT systems in recent years has been more distinct in this segment, compared with the segment servicing non-professional customers.

Potential-Oriented Talent

The last part of the talent construct is potential-oriented talent. This component was not mentioned in the interviews as being important for the definition of talent—at least not with regard to the specific tasks of

being a frontline banker. According to Fernández-Aráoz, Groysberg, and Nohria (2011: 77), employee potential is defined as “a person’s ability to grow and handle responsibilities of greater scale and scope”. Greater scale refers to jobs within the same area, but with, for example, a larger budget or staff, whereas greater scope refers to jobs involving activities of substantially more breadth and complexity (Fernández-Aráoz et al., 2011). We would argue that potential is the outcome of fulfilling the other four dimensions within the talent definition. In other words, the employee has potential when he/she (1) shows significant performance, analytical abilities, interpersonal and intrapersonal abilities in the present job context and (2) has an assessed high probability of combining these characteristics correctly in order to handle future responsibilities of greater scale and scope.

Correspondingly, Silzer and Church (2009) emphasize that the definition of potential should take into account that it is something that develops or is capable of development and, therefore, should not just focus on past performance as a main criterion for identifying potential. According to the model from Silzer and Church (2009), potential has three dimensions: (1) foundational dimension (cognitive skills and personality—e.g. interpersonal skills, resilience, and the ability to deal with complexity), (2) growth dimension (learning and motivation—e.g. adaptability, career ambition), and (3) career dimension (leadership, performance, knowledge, and cultural fit—e.g. leadership capabilities, performance record, skills, and values). This multicharacter approach to the definition is also supported by Ready, Conger, Hill, and Stecker (2010) who argue that potential is identified as the basis of delivered results (actual results and how they have been attained), expertise (beyond the technical), and behaviour compliant with company values.

Discussion

The outcome of our interviews gives rise to the thought that management (ethics) seems to have a large impact on role stress. With regard to this, we can draw on the concept of theory of professions to further explore, explain, and emphasize causes for role stress. The theory of professions is

here used as an explanatory concept, which underpins the overall managerial approach to the profession and thereby also to employees. Although difficulties exist in defining the banking industry as a profession in the fullest sense, the banking industry can still be defined as a profession (Bennion, 1969), where managerial approaches to a profession can be seen as a continuum with *altruistic functionalism* at one end and *opportunistic functionalism* at the other end of the continuum (Brante, 1988).

The altruistic approach to the profession is about achieving rationality by helping others in dealing with the complexity of society, satisfying stakeholders, and focusing on ethics through obligations. In contrast, the opportunistic approach is where rationality is achieved through money and power, satisfying shareholders, and focusing on ethics only to the extent that they have consequences for one's own group (Brante, 1988). We believe that no banks are being managed only by an altruistic or opportunistic approach, as these represent "extremes" of a continuum. So, if we were to use theory of professions to discuss reasons for role stress, we would not adopt the theory as extremes but as managerial approaches leaning either towards the altruistic or opportunistic approach, as the frontline banker perceives it.

Based on the analysis of our interviews, role stress seems to be predominant where the perceived managerial approach to the profession is opportunistic. A recent survey regarding the number of customer complaints in the Danish banking industry (Iversen, 2015) shows that the level of complaints from customers of opportunistic banks is higher than from banks where management is perceived as more altruistic. Here, the banker is faced with greater pressure from management with regard to selling products that are not actually needed by customers or are not the right (ethical) product for the customer. This subsequently enhances perceived role stress among those employees who approach their work with high ethical standards.

If the (potential) customer is a new (and therefore unknown) customer for the bank and banker, role conflict does not seem to influence the banker as much as if the customer is already a customer of the bank and therefore has a relationship with the banker. In the case of known customers, role conflicts are higher due to the existing relationship between customer and banker. Linking this to the customer relationship typology

identified by O'Loughlin and Szmigin (2006), role conflict would more frequently occur with the *outcome-focused*, *interactive*, and *personal* customers, which constitute 86% of the customers in a branch office. The *transactional-focused* customer (14% of the customers) has no particular relationship with the bank/banker (O'Loughlin & Szmigin, 2006) and therefore supports role conflict to a lesser extent than the other types of customers. Dalziel, Harris, and Laing (2011) define this transactional relationship as a *faltering* relationship in contrast to the *affective* relationship, wherein the relation between the banker and the customer is deeper and thereby more inclined to create role stress if management has a perceived opportunistic approach to the profession.

Conclusion

Based on a qualitative case study—23 interviews—among talented frontline bankers in the Danish banking industry, this chapter offers definitional characteristics that constitute talent in a specific sector on a selected organizational level. The talent construct is linked to four contextual settings in the banking industry, drawing on role stress theory and distinguishing between bankers delivering services to professional customers (B2B) and non-professional customers (B2C). This way we develop four talent characteristics—interpersonal talent, performance-oriented talent, analytical talent, and intrapersonal talent—which are based on distinct frontline settings. Characteristics which should provide a better basis for qualifying talent management in practice, at the same time as new empirical knowledge is added to the research community.

In order to work with TM and support profitability, organizations need to identify talent characteristics that support (1) customer relations, subsequently customer satisfaction; (2) organizational relations, subsequently organization commitment; and (3) coping with role stress. From interviews with talented frontline bankers in the largest banks in Denmark, this chapter more specifically shows that different contexts result in different characteristics being needed to be a talented frontline banker. Besides looking at two different customer segments (professional and non-professional), the context in this chapter also distinguishes

between being in an environment embedded with high and low role stress within each of the two segments. Although all aspects of the talent characteristic come into play in each of the four sub-contexts, some of the characteristics draw more focus than others, dependent of which sub-context the talent definition concerns.

In the professional segment, where the banker services B2B customers and where the embedded role stress is high, *intrapersonal talent* is the predominant characteristic needed to cope and perform. The intrapersonal characteristic refers to (1) the ability of prioritizing (time management), (2) high threshold for stress (stress tolerant and resilient), and (3) the ability to accommodate change (both skill and behaviour). Where the embedded role stress is low, *analytical talent* is the predominant characteristic needed to perform. The analytical characteristic refers to (1) the ability to grasp complexity (general intelligence) and (2) strategic thinking (long-term focus).

In the non-professional segment, where the banker services B2C customers and where the embedded role stress is high, *performance-oriented talent* is the predominant characteristic needed to cope and perform. The performance-oriented talent refers to the ability to deliver results (task and contextual performance). Where the embedded role stress is low, *interpersonal talent* is the predominant characteristic needed to perform. Interpersonal talent refers to (1) communication skills, (2) empathy (basic and complex empathy), (3) integrity, (4) explicit values.

This chapter has also discussed and suggested causes for role stress, as we argue that it is influenced by the frontline banker's perception of the bank's managerial approach. Banks in which management is perceived as leaning towards an opportunistic approach to the banking profession are more likely to create and support a high degree of role stress, whereas banks in which management is perceived as leaning towards an altruistic approach to the banking profession are more likely to reduce role stress.

The theoretical implication of this chapter primarily contributes to the TM literature in a contextualizing manner. The chapter approaches the construct of talent in a more holistic approach than has been found in the existing literature concerning competencies in the banking context. Furthermore, the chapter has theoretical implications for the role stress literature that deals with role stress in the banking industry. As shown,

role stress is scarcely researched in the European banking context. This chapter contributes to knowledge about role stress in the European (more specifically Danish) banking context. Although this study does not follow a quantitative methodological approach in the inquiry into role stress, as is the case in many other studies based on the questionnaire from Rizzo et al. (1970), the qualitative approach used here enriches the literature by confirming that the degree of role stress varies within the same overall context (due to various sub-contextual differences).

The practical implications of this chapter concern both the understanding of the talent construct in a banking context and understanding of the talent construct in different role stress environments. This study contributes to the banking industry's efforts of working with and implementing the concept of TM and thereby focuses on attracting, retaining, and developing talented employees—subsequently supporting the banks' business model, whether that constitutes efforts to enhance/ensure customer service and/or profitability. In order to work with talent in an organization, we argue that first and foremost, consideration must be directed towards the definition of talent within the specific organizational context. Taking this further, one could argue that the context of this contribution is not limited to the banking sector but can in fact be extended to sectors in which employees have both advisory services and sales incorporated within their job description (e.g. lawyers, accountants, consultants).

With respect to limitations, this study focuses on interviewing and analysing talented bankers about the characteristics needed in order to be defined as talented frontline bankers in four different settings. The identified characteristics are therefore limited to bankers' perceptions and to these four specific settings. As the banking profession has, at the end of the day, to serve customers and other stakeholders, another study might be done to identify whether there are gaps between internal and external stakeholders' views on talent characteristics. This limitation is just partly bridged by interviewing the selected key informants.

Furthermore, this study is qualitative which only allows us to generalize analytically. A next step could be to undertake a large-scale survey of frontline bankers. Finally, another interesting step in further research might be to investigate whether, and (if so) to what degree, there are differences between being a talent in a small bank compared to a large bank.

Appendix: Participating Interviewees

	Number	Job title	Age	Years of banking experience	Code and role
Actors	11	Business Advisor	34	7	TFB: Talented Frontline Banker—Business Segment (B2B)
	12	Business Advisor	28	7	TFB: Talented Frontline Banker—Business Segment (B2B)
	13	Key Account Manager	38	8	TFB: Talented Frontline Banker—Business Segment (B2B)
	14	Business Advisor	31	7	TFB: Talented Frontline Banker—Business Segment (B2B)
	15	Business Advisor	29	5	TFB: Talented Frontline Banker—Business Segment (B2B)
	16	Business Advisor	33	6	TFB: Talented Frontline Banker—Business Segment (B2B)
	17	Business Advisor	26	3	TFB: Talented Frontline Banker—Business Segment (B2B)
	18	Business Advisor	32	5	TFB: Talented Frontline Banker—Business Segment (B2B)
	19	Business Advisor	32	5	TFB: Talented Frontline Banker—Business Segment (B2B)
	110	Key Account Manager	30	11	TFB: Talented Frontline Banker—Private Segment (B2C)
	111	Business Advisor	49	27	TFB: Talented Frontline Banker—Business Segment (B2B)
	112	Key Account Manager	25	6	TFB: Talented Frontline Banker—Private Segment (B2C)
	113	Key Account Manager	34	13	TFB: Talented Frontline Banker—Private Segment (B2C)
	114	Key Account Manager	27	6	TFB: Talented Frontline Banker—Private Segment (B2C)
	115	Business Advisor	29	6	TFB: Talented Frontline Banker—Business Segment (B2B)
	116	Agricultural Advisor	34	7	TFB: Talented Frontline Banker—Business Segment (B2B)
	117	Key Account Manager	26	5	TFB: Talented Frontline Banker—Private Segment (B2C)

	Number	Job title	Age	Years of banking experience	Code and role
Key informants	118	Union Representative	33	10	UR: Union Representative working in the Private Segment (B2C) within one of the six largest banks in Denmark. The interviewee has approximately eight years of experience as a union representative
	119	Head Coach	49	22	HG/FM: Head Coach and Former Manager—coaches frontline bankers and has done that in two of the largest six banks in Denmark. Also former Branch Office Manager
	120	Former Regional Director	57	31	FM: Former Manager—management experience from both small and large banks
	121	Former Director	54	25	FM: Former Manager—national and international management experience from one of the six largest banks in Denmark. Also experienced with the largest corporate customers
	122	Former Regional Director	54	15	RS/FM: Recruitment Specialist and Former Manager—management experience from a small bank. Also extensive experience as a recruitment specialist in the banking industry (small and large banks)
	123	Head of Human Resources	45	23	Responsible for educational activities and the development of competencies of frontline bankers

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9

Why Do Organisations Run Talent Programmes? Insights from UK Organisations

Sunday Adebola

Introduction

Extensive and ongoing practitioner interest in talent management (TM) is, on the face of it, fuelled by a belief in the importance and contribution of above-average, talented employees to competitive advantage and organisational excellence. Concerns about diversity and equality may also play a part as might a level of mimicking successful and envied competitors who happen to run successful talent programmes. Some firms might do it for fun as chief executives like evaluating and choosing from among the 'stars' (DeLong & Vijayaraghavan, 2003). Looking in more detail at the motivations behind it, increasing practitioner attention given to talent and supposed talent shortages is thought to be affected by a range of factors such as the ageing workforce, increasing labour mobility, and globalisation (Basri & Box, 2008; Beechler & Woodward, 2009; Schuler, Jackson, & Tarique, 2011a, 2011b; Tarique & Schuler, 2010). Transformational changes in business environments also affect the

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quantity, quality, and characteristics of the talent needed (Guthridge, Komm, & Lawson, 2008); Schuler et al., 2011a, 2011b; Vaiman, Scullion, & Collings, 2012).

The so-called war for talent has intensified in the UK due to a combination of factors including relatively high employment; the expansion of a knowledge- and service-based economy where intellectual and relational capital rather than practical or manual skills are crucial; the nation's continuing failure to build the kind of skills base needed to drive the economy forward, a regular reorganising process by organisations to achieve greater cost efficiencies, faster innovation, and enhanced competitive capability; and an accompanying need for the development of gifted corporate and front-line leaders (Harrison, 2009). On the one hand, the grand narratives giving reasons why organisations run talent programmes are appealing and convincing. They make good sense, and it is easy to see why many senior managers and HR directors particularly in profit-seeking sectors will be attracted to them.

They are, however, very broad reasons, and, despite its extensive academic following, research to date has not yet offered much in the way of explanations of the motivating factors behind why individual organisations implement talent programmes which, of course, are not without their faults and potential adverse side effects (De Boeck, Meyers, & Dries, 2018; Gelens, Dries, Hofmans, & Pepermans, 2013; Swailes & Blackburn, 2016). For instance, a study of German firms (Ewerlin & Suss, 2016) concluded that some firms implemented talent management out of economic necessity but also that some firms implemented it as a facade to show greater legitimacy in their operating environments. Using a single case study, Huang and Tansley (2012) suggested that 'rhetorical obfuscation' (plausible but not always entirely accurate language) was used by senior managers to manage stakeholder impressions, to serve particular agendas, and to divert attention from operational problems within the organisation. The HR department played a key role in perpetuating this obfuscation.

The main aim of this chapter, therefore, is to look beneath the standardised rationales for implementing talent management to search for more idiosyncratic practical reasons why organisations run talent programmes. Findings are presented from four cases studies conducted in

private sector companies in the UK. Findings suggest that, although developing human capital was the broad reason applying in each case, at ground level each company's approach to talent management had a different driver (philosophy). The talent drivers were variously; inclusivity, the desire to fill pivotal positions, a desire to classify employees, and succession planning.

Talent Management

There are substantial differences in understanding what talent management is (McDonnell, Lamare, Gunnigle, & Lavelle, 2010) ranging from seeing it as a reinvention of basic human resource management (HRM) to sophisticated approaches that constitute a distinctive high-performance work system. While many of the key ideas advanced by talent practitioners, such as assessment centres, succession planning, and 360-degree feedback, are not new and stem from the 1950s (Cappelli, 2008, 2010; Iles, Chuai, & Preece, 2010), most commentators agree that talent management is fundamentally different to HRM (CIPD, 2007; Duttagupta, 2005). A key difference is that talent management, as an integral part of an overall people management strategy, focuses on a small subset of employees (the talent) and covers activities such as the attraction and retention of talented employees and their development and deployment for such time as they are deemed talented (Tarique & Schuler, 2010). It is not concerned with broader aspects of HRM such as collective bargaining, labour relations, HR planning, compensation, and benefits (Dowling, Festing, & Engle, 2013; Festing, Kornau, & Schäfer, 2014).

Defining Talent Management

There is no universal definition of talent or talent management. How talent is defined for talent management purposes is a tricky issue with no consensus in practice as to what talent is (Tansley et al., 2007). Some argue that "companies do not even know how to define 'talent', let alone how to manage it" (Economist, 2006). Tansley et al. (2007) suggest that

“Talent consists of those individuals who can make a difference to organisational performance, either through their immediate contribution or in the longer term by demonstrating the highest levels of potential.” In general, people who are regarded as talent are assumed to provide organisations with competitive advantage proportionally greater than the majority of ‘average’ employees. Supporting this assumption is some recent and compelling evidence that individual performance does not follow a normal distribution but is highly skewed (O’Boyle & Aguinis, 2012). Despite the variety of definitions, a common denominator is that individuals deemed to have talent possess technical capability and leadership potential to contribute significantly and disproportionately to the effectiveness of their organisations.

Talent management according to Cappelli (2008) is “simply a matter of anticipating the need for human capital and then setting out a plan to meet it”. Blass (2007) suggests that it refers to “additional management processes and opportunities that are made available to people in the organization who are considered to be talent”. Tansley et al. (2007) define talent management as “the systematic attraction, identification, development, engagement/retention and deployment of those individuals with high potential and who are of particular value to an organisation”. Similarly, Meyer and van Woerkom (2014) define talent management as the systematic utilisation of HRM activities to attract, identify, develop, and retain individuals who are considered to be ‘talented’. In practice, this often means the high-potential employees, strategically important employees, and employees in key positions.

Approaches to Talent Management

The dominant form of talent management is exclusive/elitist and focuses on a small percentage of a workforce—the A players, stars, high performers, and other strategically important employees (Boudreau & Ramstad, 2005; Collings & Mellahi, 2009). Inclusive approaches, to the extent that they actually exist, are directed at the whole workforce (Buckingham & Vosburgh, 2001; Swailes, Downs, & Orr, 2014; Yost & Chang, 2009). Stahl, Björkman, and Morris (2012b) suggested that in addition to

exclusive and inclusive approaches to talent management, a hybrid approach that combines both inclusive and exclusive philosophies is possible. Although recent research by the Chartered Institute of Personnel and Development (CIPD, 2012) shows that about 40% of companies claimed they had talent programmes covering most or all employees, Swailes (2013a) argues that the majority of organisations running talent programmes adopt exclusive approaches and that, to be taken as a separate and distinctive alternative, inclusive talent management is fundamentally different and calls for very different features to those seen in exclusive strategies. The alternative ‘inclusive’ approach sees all employees as talented somehow or at least potentially so. Inclusive approaches are more humanistic and the job is to manage all employees to deliver high performance (Iles et al., 2010; Swailes et al., 2014). In this regard, it becomes hard to separate genuinely inclusive talent management from what good HRM should be doing.

Theoretical Perspectives

Although some scholars (see Collings & Mellahi, 2009; Gelens et al., 2013; Lewis & Heckman, 2006) are concerned with what is perceived as lack of theoretical foundations in the advancement of knowledge on talent management, Swailes (2013b) argues that “while it is true that the field suffers from the lack of an integrative theory there are plenty of theoretical perspectives that explain why organizations pursue talent management”. Some of these are very briefly summarised below.

Workforce Differentiation

Workforce differentiation or segmentation are fundamental to understanding elitist talent management (Becker, Huselid, & Beatty, 2009) as the underlying presumption is that some of a firm’s employees add more value to the firm than others (Collings, 2017; Huselid, 2011). In workforce differentiation, employees are categorised into A, B, and C players, for example, albeit notionally rather than literally, with ‘A’ players adding

most value to the organisation and hence being treated differently. Similarly, workforce differentiation emphasises the categorisation of critical or core positions; 'A' players are placed in 'A' positions and so on. Putting 'A' players into 'A' positions is a variation of the harder, elitist forms of talent management but does rely, if it is to be effective, on accurate judgements of people and positions.

Differentiation requires assessing both the performance and potential of employees and investing in the 'A' players through promotion, incentives, and development opportunities, sustaining the potential of 'B' players and recognising their contributions (DeLong & Vijayaraghavan, 2003) and acting decisively on 'C' players by re-engaging them or removing them. This sort of thinking about employees, however, tends to be accompanied by assertive managerial advice on how to deal with the so-called C players (e.g., see Axelrod, Handfield-Jones, & Michaels, 2002) which seems blind to the possibility that the label they are tagged with might not be all their fault.

Pivotal positions can also be classified as follows (Huselid, Beatty, & Becker, 2005):

- 'A' positions are strategic, require autonomous decision-making, have performance-based compensation, and create disproportionate value for the organisation compared to other organisations, and the consequences of mistakes (in job design or in hiring the wrong employee) can have serious financial outcomes.
- 'B' positions are essentially support roles that may be strategic, but the skills required to execute them are common, and there may be little variability in the performance of individuals in these positions.
- 'C' positions may be required for the company to function but are not strategic to its success and may simply be outsourced or even weeded out.

A consequence of differentiation is that talent management is not just about people in senior positions (Boudreau & Ramstad, 2005; Silzer & Dowell, 2010). Pivotal positions can be anywhere within an organisation, and where they are then talent management becomes a company-wide strategy.

Human Capital Theory

In a knowledge-based economy, people should be considered as revenue creators rather than costs (Lawler, 2008). “Human Capital Theory (HCT) provides a framework for understanding the choices that companies make in managing employees with high levels of human capital” (Stahl et al., 2012a: 213) and has much to offer to understanding talent management (McDonnell, 2009; Tarique & Schuler, 2010). The fundamental principle underpinning HCT is the belief that people’s learning capacities are of comparable value to other assets involved in the production of goods and services (Lucas, 1988, 1990). When the resource is effectively utilised, the results are profitable for the individual, organisation, and society at large (Schultz, 1961). Human capital theory seeks to explain the gains of education and training as a form of investment in human resources, and the main proposition is that people are considered a form of capital for development (Aliaga, 2001; Becker, 1993; Benhabib & Spiegel, 1994; Engelbrecht, 2003). From this perspective, education and schooling are seen as deliberate investments that prepare the labour force, and the main outcome from investment in people is the change that is demonstrated at the individual level in the form of enhanced performance, at the organisational level in the form of improved productivity and profitability, or at societal level in the form of returns that benefit the entire society (Nafukho, Hairston, & Brooks, 2004).

In the context of TM, investments or activities related to the attraction, development, and retention of talented individuals can be viewed as an investment in the human capital of the organisation. In addition, HCT can be used to understand the decisions organisations make about how to staff their core positions and jobs. A key decision in the TM process is the choice the organisation has to make about either developing the body of human capital that already exists within the organisation or acquiring capital from external labour market (Stahl et al., 2012a).

Institutional Theory

Institutional theory provides a unique perspective on the adoption and diffusion of management practices. According to Paauwe and Boselie

(Paauwe & Boselie, 2003), the idea that organisations are deeply entrenched in wider institutional environments implies that organisational practices are often either direct reflections of or responses to rules and structures built into their larger environment. For example, organisations may implement business practices because doing so enhances their legitimacy (DiMaggio & Powell, 1983). Björkman, Fey, and Park (2007) argue that “organisations are under pressure to adapt to and be consistent with their institutional environment in order to acquire legitimacy and recognition by adopting structures and practices viewed as appropriate in their environment”.

The focus of institutional theory is on how external pressures influence organisations and their practices. It provides a rich and complex view of organisational behaviour that explains how regularised organisational behaviours are the product of ideas, values, and beliefs that originate in the institutional context (Meyer & Rowan, 1977; Meyer, Scott, & Deal, 1983; Zucker, 1983). To remain competitive, organisations must entertain and accommodate the expectations of their business environments even though these expectations may have little to do with organisational performance (D’Aunno, Sutton, & Price, 1991; DiMaggio & Powell, 1991; Scott, 1987).

Institutional theory argues that the institutional environment can have a bigger effect on the development of formal structures in an organisation than competitive pressures. Where early adoption of an innovation such as talent management is seen to confer advantages, then the practice starts to become legitimised to the extent that failure to adopt it is seen as irrational. At this point, other organisations will adopt the innovation even if it does not improve efficiency (Stanger, Wilding, Hartmann, Yates, & Cotton, 2013). Rather than seeing managers as rational actors making dispassionate choices about innovations to adopt, managers conform to the expectations of the institutional setting (Meyer & Rowan, 1977). This coming together of organisational practices, institutional isomorphism, is a process through which organisations adopt similar practices in response to similar pressures. Resembling one another helps to legitimise organisations and their standing in their respective fields (Raynard, Johnson, & Greenwood, 2016). This is a very compelling explanation of why organisations in a sector tend to structure in the same way and employ similar management practices.

The isomorphic processes operating in institutional theory easily explain why TM occurs in some sectors much more than others. For example, widely in large profit-seeking firms but uncommonly in the public sector. Mimetic pressures drive companies to look at successful TM practices and then attempt to implement them (Sidani & Al Ariss, 2014). Normative pressures from professional bodies such as the Chartered Institute of Personnel and Development (CIPD) can promote the diffusion of talent management practices through their influence on the HR profession. Coercive pressure could arise, for example, from perceived pressures from the government or the media to decrease the gender pay gap and/or increase women's or minority representation in senior management.

Research Methods

This study was carried out in four private sector organisations in the UK operating in manufacturing (TechCo), hospitality (HotelCo), healthcare (CareCo), and logistics (ParcelCo). The data are presented in a way that protects the anonymity of participants and case study organisations. Case organisations were selected to provide rich and comprehensive information on the research topic. Adopting a multiple case study strategy gives the advantage of a robust, in-depth understanding of the talent management phenomenon (Yin, 2009) and the exploration of similarities and differences within and between cases (Eisenhardt, 1989). Furthermore, the four case organisations were selected across different sectors in an attempt to obtain good variation in talent practices and to open up as many facets as possible (Merken, 2004; Patton, 2002).

The case studies are limited to private organisations since established talent programmes are more likely to be found in the private sector given the competitive pressures that exist there. Given the small number of cases, greater comparability would arise from comparing only private companies. Each organisation had been running talent management strategies for at least three years. Semi-structured interviews were conducted with a total of 28 participants across the 4 organisations. Participants included HR/talent managers, senior managers, and employ-

ees inside and outside the talent pools. To get around problems of confidentiality regarding who was in and not in a talent pool, some interviewees were nominated by the main contact in each case company. Interview questions focused mainly on approach and meaning of talent management, the rationale for adopting TM practices, as well as the evaluation of talent management initiatives evident in the organisations. All interviews were audio recorded with permission of the participants and subsequently transcribed.

Using semi-structured interviews gave the room for flexibility and the opportunity to ask questions that were not in the interview guide as a follow-up to participants' responses. To achieve rich data, participants were asked a set of open-ended questions within the topic area and "allowed the interviewee the freedom to talk and ascribe meanings" while bearing in mind the wider aims of the project (Noaks & Wincup, 2004: 80). The interview questions were pre-tested informally with three individuals that share similar characteristics of the research target population (a manager, a high-potential employee, and an employee outside a talent pool) lasting between 40 and 50 minutes. The pre-testing checked whether the questions were understood in the manner intended and to ensure that the interview questions and responses adequately covered the research aim and objectives of the study.

Data analysis was conducted in stages as proposed by Creswell (2014). Interview data were complemented by company documents and information from case organisations where possible. Interviews were transcribed verbatim which gave the opportunity to begin a preliminary data analysis. Organising and preparing data provided a general sense of the information and the chance to reflect on the overall meaning of data collected. Data were labelled to enhance the identification of data sources and how they were obtained.

Reading and reviewing the transcripts and notes taken during the interviews revealed the general ideas that were emerging from each case and gave a valuable insight to some significant but unanticipated responses from participants concerning their lived experiences with talent management practices. The data coding process was employed to create a report of talent management initiatives in the study organisations as well as themes (categories) for analysis. Within-case and cross-case analyses

(Eisenhardt, 1989) were undertaken by identifying themes within the cases and then grouping or contrasting the cases according to those themes (individual case description was used which formed a base document for further analysis and subsequent comparisons across case study organisations). Tabulation of case data according to the identified themes was used to aid the cross-case analysis.

Case Study Settings and Their Talent Programmes

CareCo

CareCo is a private sector organisation in the healthcare industry with over 1500 employees. It is a leading provider of specialist support for adults with learning disabilities and complex needs. Current services include an independent hospital, residential care homes, and supported living services. The TM initiative is managed by the senior management team including directors, managers, and the HR department. Talent identification at CareCo starts with the immediate line managers identifying talented employees and nominating them for the various award schemes through regular supervisions, performance appraisal, and observations on the 'shop floor'. The HR department conducts what is known as a 'health check' on employees with respect to their suitability for the talent scheme. Although it is possible for employees to put themselves forward for the scheme, it is very unlikely for an employee to be selected if they are not recommended in the first instance by their line manager. Talent identification is very much around the line manager's judgement.

CareCo utilises various methods to develop talent including internal and external training, learning on the job, secondments, and shadowing. For example, a deputy manager secondment programme ran at two centres initially for six months but possibly longer. On completion of the programme, employees returned to their former position but are added to the talent pool from which they can apply for a deputy manager's position. Employees in the bronze award scheme, that is, those aspiring to be team leaders, are developed mainly through shadowing and learning on

the job activities. Retaining talented employees is seen as a crucial aspect of managing talent. New retention packages were implemented to address employee turnover to competitors including a long service wage scheme and access to medical insurance.

ParcelCo

ParcelCo is a leading consumer delivery specialist handling around 190 million parcels each year. Although it has a talent and resourcing department, the responsibility for talent management is a coordinated activity within the senior management team which cuts across three main departments, namely, talent and resourcing, organisation and learning capability, and the HR department. Line managers are involved in the talent identification process and are assisted by the HR department during appraisals and in managing employee performance.

ParcelCo utilises different approaches to identifying talent for the two schemes (a graduate scheme and a leadership development programme) it operates. For the graduate scheme, talented employees are identified through a series of activities including assessment centres, interviews, and an open day fair. For the leadership development programme, since not all managers are considered for the scheme, the process of selection begins with more senior managers nominating and supporting managers in their departments for the programme. An assessment of the suitability of a manager for the scheme is carried out based on the outcome of the potential-performance matrix assessment (nine-box grid) before the nomination process. Interested managers also have to put forward an application for them to be considered for the programme.

ParcelCo utilises both internal and external means of developing identified talents. Employees on the talent leadership initiative embark on an 18-month external training course with a partner university, while the graduate scheme involves participants undergoing a 15-month programme with different departments within the organisation. ParcelCo also runs some in-house courses on leadership for managers on team leading, leadership management, and recruitment. The organisation offers benefits and very competitive pay as a means of retaining employees.

HotelCo

HotelCo is a four-star international midscale brand for business and leisure travellers with hotels located in the centre of the main international cities, tourist destinations, and business districts. It has over 30 hotels in the UK. The 'Professional Development' programme at HotelCo is an HR tool designed to enhance the development of all employees at every level. The HR department manages the talent scheme with the support of heads of departments (HoDs). While the HR department provides the tools and guidance for the talent initiatives, the managers/HoDs facilitate most of the in-house training as they are seen as being critical to the success of the scheme. They are also responsible for ensuring that learning from the scheme is evident in day-to-day job behaviour.

The organisation offers financial and non-financial incentives to employees who are able to progress their career within the organisation. In respect to talent identification, management believes each employee has their own strengths, and rather than focusing on identifying high-potential employees, they are concerned with identifying and developing areas of competencies in employees that can potentially add value to the organisation. Both formal and informal learning and development activities are undertaken internally although this may involve going to different locations in which HotelCo operates. HotelCo views career advancement, training and development opportunities, and employees' feeling valued as key to employee retention. The TM initiative is seen as strategically important as it offers employees across all levels the opportunity to acquire competencies, improve knowledge, and advance their careers.

TechCo

TechCo is a diversified global technology company and industrial leader serving the automotive and construction industries in over 150 countries. TechCo operates an internal leadership institute where most employee learning and development takes place, and the institute also sources external training according to the developmental needs of employees. Managers play significant roles in the talent management process; they are given the responsibilities of identifying and managing high-potential employees within their

departments through performance appraisals and a yearly strategic talent review (STR) which is carried out in conjunction with HR and the senior management team. The HR department advises on and facilitates the talent management process supporting managers in the development of talented individuals. Individual talents have a responsibility to identify and push for their development, that is, it is expected that employees will identify and put forward their training and development needs for consideration.

The STR takes into consideration a learning evaluation model (LEM) which looks at employee behaviour and the employee's performance and potential appraisal (nine-box grid). Employees who come out top are believed to have high potential and are then considered as talent ready to be developed. After the STR is completed, successful employees are placed in the talent pool, and areas of development are subsequently identified. High-potential employees go through two development processes, namely, 'ready now' and 'ready next'. The 'ready now' initiative is a 12-month process of getting talents prepared for a higher level role that may be required in the short term. The 'ready next' initiatives focus on developing talents for future roles, that is, developing for roles in a five-year plan. Other tools for developing talent include secondments of 12–24 months as well as coaching and mentoring. TechCo views employee retention as an important process in the talent management scheme. It operates a retention policy that looks at annual recognition through achievement, merit recognition, and salary adjustment for high performers. It also looks to provide opportunities for internal career progression as a means of stopping employees joining rival firms.

Results and Discussion

Rationales for Talent Management

Across all four cases, evidence indicated that employees are considered as assets and a source of competitive advantage. For these organisations to stay successful in highly competitive business climates, there is much emphasis on investing in people through training and development as well as investment in the attraction and retention of talented employees. Table 9.1 summarises the underlying approaches to managing talent in

Table 9.1 Comparison of talent philosophies

Key findings	HotelCo (hospitality)	ParcelCo (logistics)	CareCo (healthcare)	TechCo (manufacturing)
Why TM?	Staff development, retention, and competition for best talent	Rapid growth in business, retention, developing skills for competence, and competitiveness	Growth and expansion of business, retention, and succession management	Organisational growth plan, staff retention, and filling key positions that impact on organisation success
Talent definition	All employees—everyone is believed to be talented	People with great skills who are able to take a step towards a bigger role and employees that exceed performance expectations	People with valuable skills that can help progress the organisation forward	People that show potential to develop outside of their existing role
Approach to TM and TM definition	Inclusive: nurturing, training, and developing all employees across all levels and departments	Exclusive: identifying, developing, and retaining talented individuals who will be leaders and business drivers of the future	Exclusive: promoting talent from within to make sure there is a succession of staff into leadership and managerial positions	Exclusive: developing high potentials to fill key pivotal positions
Underpinning TM philosophy	Talent equals human capital; so talent management equates with HRM (a collection of typical HRM practices)	Talent management is all about differentiation of employees into A, B, and C performers. Talented employees are seen as valuable goods	Succession planning and human resource planning intended to fill specific, mainly management positions	Emphasises the identification of pivotal positions that have the potential to have an impact on the competitive advantage of an organisation

each organisation on four dimensions: why run talent management programmes, how do they define talent, how do they approach doing talent management, and what was the underpinning talent philosophy?

Developing Human Capital

All four organisations viewed talent management as a means of developing their human capital. While the concept of HCT was originally advanced to explain the levels of investments people make to improve themselves through training and education in order to improve their productivity and earning potential (Becker, 1993; Schultz, 1971), the underlying conviction of HCT is that education creates assets in the form of knowledge and skills, which build the efficiency of educated and highly skilled workers (Becker, 1993).

TechCo has a ten-year growth strategy to remain successful and competitive in a global market. Management believes that one of the key ways of achieving this goal and for the organisation to maintain its current technology edge in the automobile industry is by investing mainly in people, maintaining and growing competence and skills through continuous training and development. Talent management is therefore seen as a means of investing in the organisation's human capital to remain competitive in over 150 countries.

CareCo as a growing and rapidly expanding organisation sees TM as a means of developing talented employees' capabilities. CareCo realises the need to develop its human capital and grow talent from within to sustain its growth and remain profitable in the care service industry. Previous experiences of hiring managers externally were deemed to have hindered the ability of the organisation to sustain its expansion and provision of new services in the UK, hence the heavy investment in the identification, training, and development of talented employees who already share the values and culture of the organisation into managerial positions.

ParcelCo, operating in an industry where the organisation's market share is constantly changing, had come to terms with the fact that for the organisation to remain competitive and increase market share, there is a

need to invest in talented employees who are innovative and who can develop new products and services. Through its innovative products, the organisation was able to expand its services and increase profit margins. ParcelCo sees TM as a means of building on and developing the skills and competence of its unique high-value human capital.

Unlike the above case study organisations in manufacturing, care, and logistics that focus a large proportion of training and development efforts on a few selected employees, HotelCo as an organisation operating in the hospitality industry believes that all of its human resources (capital) can contribute to its success and competitiveness by providing excellent customer services, hence the adoption of an undifferentiated approach in the provision of training and development opportunities for all employees across all levels. With so much competition in this sector, it is believed that continuous investment in professional development will produce customer satisfaction and a positive contribution to the brand's success.

Pressure from Institutional Environment

Although evidence from the case study organisations suggests that the adoption of TM practices is predicated on a rational account, that is, adoption based on the presumed economic benefits that TM brings to the organisation and its employees, further evidence in three out of the four cases (TechCo, ParcelCo, and CareCo) indicated that in addition to the investment in the development and retention of their human capital, institutional factors also play a vital role in the adoption of TM practices.

At TechCo and CareCo, normative pressure appeared to influence the adoption of TM practices. The TM initiative at TechCo is supported by a top management consulting firm working for the organisation. Although the TM strategy is seen as a key factor in influencing the level of employee development and retention, the pressure exerted on the organisation by such an influential management consulting firm played an important part in the design and implementation of the TM programme. Whereas at CareCo, normative pressure was evident in the

adoption of the TM strategy in that the talent scheme programme in use was developed and introduced by the operations manager from her experience and networks in a professional association and her position in the organisation appears to influence the adoption as well as the operationalization of the talent scheme.

Normative pressure in this regard is connected to the relationships between the management policies and background of rational actors regarding their networks of professional associations, job experience, and educational levels (Paauwe & Boselie, 2003). The norms and values that professionals develop through professional networks and formal education increase the similarity of the skills and knowledge of the total workforce in a given organisational field (Boon, Paauwe, Boselie, & Den Hartog, 2009). Homogenization in the adoption of management practices by organisations is made possible by agents' adoption of behaviours because they are deemed superior by influential individuals in the organisations or by professional organisations that the adopting organisation depends upon (Hofer, Hofer, Eroglu, & Waller, 2011).

In ParcelCo, the increasing popularity of TM amongst organisations providing similar products and services in the transport and logistics industry appears to have influenced the adoption of talent management practices, and evidence indicates that mimetic pressure had a significant impact in the restructuring of the talent management programme undertaken. To remain competitive, maintain its market share, and stop talented employees from going to a rival firm, the learning and development manager introduced a standardised form of talent identification and development from his previous organisation in a similar industry, an organisation that was thought to be better at managing talent. Among organisations operating in the same industry, mimetic isomorphism will drive them to look at the best TM practices and attempt to implement them especially from firms which are perceived to be successful and legitimate (Sidani & Al Ariss, 2014).

Underpinning Talent Management Philosophy in the Case Organisations

Evidence from this study shows four distinct approaches to TM. In HotelCo, the inclusive talent management approach has much in common with good, overall HRM practices (Hartmann, Feisel, & Schober, 2010). The focus of talent management is on the totality of employees in the organisation and is viewed as nurturing, training, and developing employees at all levels. Talent management in HotelCo helps to identify and develop areas of strength and competence in all employees and to assist employees in progressing their careers with the organisation. This approach to TM acknowledges that there is a need for a dedicated set of advanced and sophisticated human resource practices directed at attracting talent, identifying and recruiting talent, developing employees, managing talent flows, and delivering performance, that is, managing underperformance and stretching/improving the performance of talented employees. The talent initiative at HotelCo is an HR tool devised for professional development as a large proportion of its employees are in front-line positions, impacting directly upon customer satisfaction and contributing to the brand's success. The improvement of employee learning and development across all levels is therefore crucial to operational success.

Talent management at CareCo is geared around and viewed from the perspective of succession management. The organisation values having people who have already imbibed its culture and values in senior positions. Talent management is seen as a strategic tool used to develop and promote talented employees from within into managerial positions as the organisation grows and expands its services. It runs a secondment scheme to develop talented employees, via an internal talent pool, who are ready to step into senior management positions whenever such situations arise. The talent pool represents groupings and clusters of talent, and not just positions, where human capital investments make a great difference to strategic success and because improvements in capabilities are brought about by the development and retention of talented employees. CareCo believes that they will have the most significant impact on the growth and

competitiveness of the organisation. This view of TM argues that companies draw their energy from employees, their individual strengths, motivation, and interest, and sees talent management as succession planning concentrating on the flow of employees within them (Hartmann et al., 2010).

Talent management in TechCo revolves around pivotal positions fed from the talent pools. Talent management is viewed as a strategic activity that focuses on the development of a pool of high-potential and high-performing employees to fill pivotal positions which have the potential to impact on the growth and competitiveness of the business. Huselid et al. (2005) suggested that while there are ethical issues in relation to the classification of employees into top, middle, and low performers, there might not be the same emotional reactivity to classifying positions or segmenting jobs within an organisation. This perspective emphasises the identification of key positions that have the potential to impact upon on competitive advantage such that talent management should begin with the identification of pivotal/key positions before identifying talent.

In ParcelCo, talent management is geared around the classification of employees into high, middle, and low performers. Among the high performers are two groups of employees. The first group is labelled as 'exceeded'—the employee's performance is superior to most others and has a significant impact on the department and/or organisation. High-performance standards are consistently achieved by the individual in this group. The second group is labelled as 'achieved plus', and these individuals regularly surpass performance objectives and deliver results; high-performance standards are maintained. Medium performers are employees who are consistently meeting expected performance standards and are able to deliver the anticipated results. Low performers are divided into two groups, namely, (a) 'achieved minus'—the individual accomplishes some of their performance objectives but fails to meet others and in addition does not constantly meet the necessary standards—and (b) 'did not achieve'—the individual frequently falls short of meeting the performance objectives with little or no progress visible. This perspective on talent management views talented employees as valuable goods ('high potentials') that need to be sought irrespective of the specific needs of an organisation. From a people perspective, talent management starts with

identifying these individual ‘star’ performers who are deemed to be a source of competitive advantage. The philosophy then advocates differentiating the management of these high-performance and high-potential employees. The broad divide of these four cases on an inclusive-exclusive continuum observed here has also been observed elsewhere (Stahl et al., 2012a).

Conclusions

This chapter contributes to the conceptual and empirical understanding of the nature of talent management. It provides empirical findings that help to clarify aspects of organisation practice as a stimulus for further academic interest in the field especially concerning why individual organisations adopt talent management practices. All four organisations see their employees as valuable assets in a fast and changing business environment. For these organisations to maintain their competitiveness, investing in the capabilities of their human capital (assets) is essential. This is consistent with classical rationales for talent management that equates talent to human capital (Lepak & Snell, 1999; Tarique & Schuler, 2010). Human capital thinking, therefore, played a key role in the adoption of TM practices in all four cases.

In three of the four case organisations (TechCo, CareCo, and ParcelCo), institutional isomorphism influenced the adoption of talent management initiatives in addition to the rationale based on developing and retaining human capital. Rationalising pressures from a management consulting firm influenced the incorporation of socially constructed beliefs in relation to exclusive talent management at TechCo (manufacturing). Normative pressure in the homogenization of TM practices was evident in CareCo (healthcare) where the operations manager appears to have influenced the nature and direction of TM initiatives following her experience and networks in a professional association. ParcelCo (logistics) introduced a specific TM practice which was assumed to be effective in other organisations providing similar products and services.

The key point of the chapter is to show that, while the conceptualisation of TM varied from one organisation to another, each variation and

its associated philosophy can be encapsulated through a unique and particular core talent driver. In healthcare, talent management was principally driven by succession planning and human resource planning. In hospitality, talent management equated to more general HRM given its wider reach across all employees. In manufacturing, talent management revolved around key/pivotal positions with talented employees being identified and developed to fill these positions. In logistics, the conceptualisation of TM was reflected in the classification of employees into top, middle, and low performers. This is not to say that other driving forces were not present in the case companies, but a dominant driver was identifiable.

These findings reveal that while broad-brush narratives around competitiveness and the value of key employees applied to each case company, at the ground level, each company had a distinctive talent driver which, in turn, shaped the overall talent philosophy. These driving forces may change across time as companies evaluate their talent programmes, competitive positions, and priorities. Further qualitative research could usefully expand on the range of talent drivers that occur, the field's understanding of how the underlying driving forces shape the design and success rates of different forms of talent management, and also the ways in which programmes are received and evaluated by both participants and senior managers.

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Index¹

A

Acquired talent, 54, 57, 60, 61, 102
Attention, of others, xv, 13, 47

B

Banking sector, talent in, 177
Bias, in talent identification, 75–116

C

Case studies, xxii, 129–131, 175,
195, 197–200, 203
Celebrity gossip, 45
Celebrity society and talent, 12
Commitment, of individuals, 70,
110

Competence

clusters in, 61
frameworks, 11, 37, 46, 55, 69
Contribution, of individual, 63, 161
Control, *see* Power
Court society, analogy with
managing talent, 14
Cross-cultural management, 97–116

D

Dawkins, Richard, 7
Decision support systems (DSS), 77,
87, 88
Differentiation, workforce, xxii, 12,
46, 191–192
Due diligence, in HR, 76, 77, 84–89

¹Note: Page numbers followed by 'n' refer to notes.

E

Elias, Norbert, xix, 14, 35, 38–44, 46, 47
 Executive turnover, 76

F

Figurational sociology, xix, 36, 40–44
 Foucault, Michel, 37, 38
 Frontline managers, xi, xxi, 123–144

G

Global talent management (GTM), xx, 97–99, 102, 106, 110–112, 114–116
 Grounded theory (GT), xxi, 124, 128–130

H

Habitus, 40–42, 40n1, 112
 Healthcare, 195, 197, 207, 208
 High-performance work practices, xvi
 High-potential employees, 2, 6, 54, 66, 190, 196, 199, 200, 207
 Hotel management, 205
 HR information systems (HRIS), 77, 79, 82, 87–89
 Human capital theory (HCT), xxii, 193, 202

I

Impression management, 13
 Innate talent, 11, 57
 Innovation diffusion, xix, 1–15

Institutional theory (IT), xxii, 82, 164, 172, 193–195
 Interviews, 7, 77, 89, 99–101, 109, 111, 114, 115, 124, 129, 156, 157, 159, 172–175, 195, 196, 198

K

Knowledge regimes, 125, 135–136, 140–143
 Kripke, S. A., 22–24, 22n1, 28

L

Learning agility, 67–68, 71
 Logistics, 195, 203, 204, 207, 208

M

Manufacturing, 195, 203, 207, 208
 Matthew effect, 47
 McKinsey & Co., xviii, 7, 11
 Memes, xviii, 1, 2, 6–15, 25n3
 Mergers & acquisitions (M&A), 75–89
 Meta-competencies, 58, 62, 62n1, 63, 67, 106
 Multinational enterprises (MNEs), xx, xxi, 97–100, 102–104, 110–115, 127

N

Nine box grid, 39, 45, 198

O

Ontology, of talent, xix, 21–32

- P**
- Performance appraisal, xvii, 39, 81, 84, 197, 200
 - Performance-potential paradox, 66
 - Performativity, 40, 42, 47, 106
 - Performing, in the right way, 43, 46
 - Philosophy and talent, 60, 102, 201, 202, 205–208
 - Pivotal positions, 88, 189, 192, 201, 206, 208
 - Potential
 - components of, 54, 55, 67–69
 - evolution of, 64
 - Power
 - in HRD, 36–39
 - in mergers & acquisitions, 76, 83
 - relations, 35, 37, 38, 47
 - in talent management, 35–49
 - Professional communities, xxi, 125, 136–138
 - Professionalisation, 124
 - Public management, 143
- R**
- Role stress theory, 154, 175
- S**
- Scandinavian management, 98, 116
 - Semantic emptiness, xix, 21–32
 - Singapore, xxi, 97–116
 - Social network analysis, 83
 - Stars, xv, 13, 42, 44, 46, 47, 57, 60, 61, 63, 67, 76, 78, 111, 116, 187, 190, 207
 - Status, xix, 12–14, 40, 41, 46, 47, 160
 - Strategic HRM, methodological problems in, 9
 - Stratification, 6
 - Subsidiary companies, 97, 100
 - Succession planning, xiii, 60, 82, 189, 206, 208
- T**
- Talent
 - ambiguity of, 11, 12, 57
 - and attention, xv, xix, 2, 4, 13, 27, 42, 46–47, 67, 76, 108, 187
 - as celebrity, 12, 13, 44
 - and connections, 6, 46, 170
 - consumption of, 13, 170
 - continuum, 57
 - definition of, xvi, 56, 57, 70, 150, 172, 177, 189–190
 - development of, 27, 31, 98, 106, 112, 123, 127, 200, 202
 - and etiquette, 14
 - etymology of, 24, 27, 31
 - evaluation of, xviii, 76, 80–82, 196
 - identification, xx, 3, 55, 60, 70, 102, 105, 110, 114, 115, 197–199, 204
 - idiosyncrasy of, 9, 30, 188
 - meaning of, 53–71, 84, 196
 - as a meme, xviii, 1, 7–15
 - ontology of, xix, 21–32
 - and performance, 39, 70, 159–161
 - pools, xvii, 3, 13, 14, 36, 38, 39, 42–49, 87, 89, 196, 197, 200, 205, 206

Talent (*cont.*)

and potential, 10, 13, 70, 81
shortages of, 3, 6, 75, 116, 187

Talent management

birth of, 1–15, 25n3
diffusion of, xix, 1–15, 25n3,
195
historical development, 43
inclusive, 54, 60, 190, 191, 205
and organizational performance,
xvii, 5, 9
power in, 35–49
psychological effects, xvii

rhetorical wave, 15

status and, xix

V

van Krieken, Robert, 12, 35, 38,
40–43, 45–47

W

War for talent, 7, 11, 77, 102, 188

Workforce differentiation, xxii, 12,
46, 191–192