



**Centre for  
Managerial  
Excellence**

# **TALENT MANAGEMENT AND DEVELOPMENT**

An Overview of Current Theory and Practice

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## Contents

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### Part One:

The current state of knowledge about Talent Management	1
1a. The Context: Short history, speedy growth but absence of knowledge	1
1b. Why has management of talent become so important?	1
1c. Talent Management in the NHS	1
1d. Talent Management in recession or times of retrenchment	2
1e. What is Talent Management?	2
1f. The need for local definitions of Talent Management	3

### Part Two:

Developing a Talent Management System: Guidance from the literature	4
2a. Health warning: lack of an evidence base	4
2b. What is Talent Management in Practice?	4
2c. What do Talent Management programmes involve?	5

### Part Three:

Examples of Talent Management Systems in Practice	10
3a: An example from the US healthcare sector	10
3b: An example from the U.K.	11

### Part Four:

The Negative side of Talent and its Management	12
--	----

### Part Five:

Conclusion	13
------------	----



# Part One:

## The current state of knowledge about Talent Management

### 1a. The Context: Short history, speedy growth but absence of knowledge

In 1998 staff of McKinsey consulting group published a paper in The McKinsey Quarterly entitled 'The War for Talent'. They had carried out research in 77 large US companies and found that

**'Companies are about to be engaged in a war for senior executive talent that will remain a defining characteristic of their competitive landscape for decades to come. Yet most are ill prepared, and even the best are vulnerable' (Chambers et al, 1998, p. 46).**

This is where talent management was born. Today, one-third (36%) of UK organisations, predominantly those with more than 5000 employees, have some talent development activities (CIPD, 2009). There is a vast outpouring of web- and paper-based discussions on the topic by management consultants, but as yet scientific studies of its effectiveness are almost non-existent. The academic publications that do exist tend to adopt an unquestioning and uncritical stance, are rarely research-based, and with rare exceptions are as concerned as management consultants with propounding one best way to do talent management. There is therefore little credible research into talent management. What research has been carried out comes from descriptive case studies, some of which provide little detail

and thus make external evaluation difficult. The available evidence, based on a very thin evidence-base, suggests: -

- There is little consensus about what talent management actually is;
- Organisations define and practise talent management in many different, often conflicting ways.

### 1b. Why has management of talent become so important?

There is a general understanding that globalisation, the development of knowledge economies, and the emergence of the BRIC countries (Brazil, Russia, India and China) as economic power houses, are leading to a shortage of managerial talent. The numbers of excellent managers and leaders has not increased while the numbers of companies seeking them has. Therefore the demand for the best managers and leaders exceeds the supply. This means there is great competition to recruit and retain the best managers.

In addition, today's generation of managers are believed to be more mobile, more demanding and to have greater expectations of their careers than previous generations. Recruiting and, perhaps more importantly, retaining the best of this generation is therefore assumed to be trickier than in the past. It is no longer sufficient to offer the best managers high salaries – they require

additional incentives and better development opportunities than previous generations of managers and leaders.

The NHS is affected as much, if not more so, than other major organizations. How can the NHS, as a public sector organization and so lacking the freedom of manoeuvre of other major employers, compete in the recruitment and retention of the very best people?

### 1c. Talent Management in the NHS

Talent management in the NHS was initiated in October 2004 when a talent management team was established to address leadership challenges and promote a talent management culture (Clake and Winkler, 2006, pp. 8-10). The aims were to "establish an executive talent pipeline that identifies, tracks, develops, positions and retains critical leadership talent within the service" (p.8). A letter was sent from the DoH in November 2004 summarising the initiative.

**([http://www.dh.gov.uk/prod\\_consum\\_dh/groups/dh\\_digitalassets/@dh/@en/documents/digitalasset/dh\\_4095597.pdf](http://www.dh.gov.uk/prod_consum_dh/groups/dh_digitalassets/@dh/@en/documents/digitalasset/dh_4095597.pdf))**



The DoH published the first national guidelines on 'talent and leadership planning', entitled *Inspiring Leaders: Leadership for Quality* in January 2009, which charged Strategic Health Authorities and Trust Boards with the task of ensuring the conditions were right for the development of talent and leadership across the NHS in England.

([http://www.dh.gov.uk/prod\\_consum\\_dh/groups/dh\\_digitalassets/documents/digitalasset/dh\\_093407.pdf](http://www.dh.gov.uk/prod_consum_dh/groups/dh_digitalassets/documents/digitalasset/dh_093407.pdf)).

Key drivers for NHS have been similar to those in the private sector, but in addition the scale of the reform agenda demanded greater breadth and depth of leadership.

The five elements of the talent management approach in the NHS are

- Identifying
- Tracking
- Developing
- Positioning
- Retaining

those with high potential, the 'talent'.

The process of *identification* was launched in 2005 and is implemented through annual talent stock takes by the SHAs. The aim is a database of talent containing details of the aspirations, potential and geographical preferences of those identified as most talented, so as to enable *tracking* of talent. Talent development is done through career development programmes for senior executives involving a variety of interventions including coaching and mentoring.

The information on the talent within the organisation helps with establishing recruitment strategies, while *retention* is targeted through secondments and fellowships (Clake and Winkler 2006, pp. 8-10) and, increasingly, through the types of activities recommended by the CIPD (see below).

## 1d. Talent Management in recession or times of retrenchment

There appears to be no let-up in the 'war for talent' (McKinsey, 1998) during the current recession. The CIPD recommends that organisations in these difficult times:

- Develop the abilities of leaders and talent to lead in difficult times – this will also stand them in good stead when business improves in the future.
- Consolidate the people management skills of line managers to identify, assess and develop talent effectively;
- Develop pivotal roles and opportunities for stretch assignments that are well supported.
- Maintain a proactive and consistent approach to performance management.
- Simplify and embed talent management processes and anchor development to the needs of the business.
- Support and engage employees

through the downturn – communicate what is happening and why, keep an ear to the ground to gauge the general mood of employees and support the 'survivors' of the business;

- if not currently recruiting, keep talent warm for the future.
- Think holistically and link organisational design, talent management and performance management and engagement (Mccartney, 2009a:10)

## 1e. What is Talent Management?

This all begs the question: what is 'talent'? It is proving extremely difficult to arrive at a coherent definition, to the frustration of many authors.

It may be helpful to separate definitions of talent from talent management. Talent has been described as consisting of

**'those individuals who can make a positive impact on organisational performance either through their immediate contribution or in the longer term by demonstrating the highest levels of potential'**

[CIPD, 2007:3].



'Talent' has become understood as *the person who possesses talents* rather than the skills and abilities they excel in.

In relation to managerial positions, *talent* has been presented as:

**'A code for the most effective leaders and managers at all levels who can help a company fulfil its aspirations and drive its performance. Managerial talent is some combination of a sharp strategic mind, leadership ability, emotional maturity, communications skills, the ability to attract and inspire other talented people, entrepreneurial instincts, functional skills, and the ability to deliver results'** (Michaels, et al, 2001, p. xiii).

So 'talent' can be seen to refer to those limited number of people who possess the highest quality of managerial and leadership skills.

Talent management refers to ensuring that these people are identified or recruited, developed, and retained, in such a way that their outstanding contribution can be fully achieved. It has been defined as:

**'...the systematic attraction, identification, development, engagement/retention and deployment of those individuals with high potential who are of particular value to an organisation'** (CIPD, 2008:7)

Now, some writers refer to talent management as a fad, as the latest set of management buzzwords, and dismiss the concepts. Others, more in line with the

thinking of the DoH, accept David Guest's argument (cited in Warren, 2006:29) that talent management is

**'an idea that has been around for a long time. It has been relabelled and that enables wise organisations to review what they are doing. It integrates some old ideas and gives them a freshness and that is good'**.

Some of the older ideas that have been incorporated include elements from recruitment and retention strategies through to career development, workforce planning, succession planning and leadership development initiatives.

## 1f. The need for local definitions of Talent Management

We were asked to develop benchmarks for talent management in Yorkshire and the Humber, but this is impossible to do, because there is currently a consensus that there is no single approach to talent management. Rather, there is a plurality of perspectives, and organizations are advised to develop their own talent management strategies and programmes that complement their culture, market and unique circumstances.

CIPD research, for example, has shown that there are many varied approaches to talent management, and there is no blueprint for achieving effective talent management

across all organisational contexts. Each organisation will have different resourcing requirements and issues and it is these that should determine the talent strategy that an organisation adopts. The key message here is the importance of understanding and valuing the variety of approaches and ensuring that the best approach is developed to suit particular local and contextual circumstances. Organisations need to develop their own local meaning of talent rather than seeking to adopt some universal or prescribed definition, in short

**A coherent Talent Management strategy relies on organisations to create their own definition that meets their specific needs and circumstances.**

Local definitions of talent therefore need to be:

- Organisation-specific
- Highly influenced by the business context, the industry and the nature of the work
- Dynamic and flexible enough to develop as organisational priorities change.

Importantly, talent management in each organisation is conditioned by the approach and definition of talent adopted by the organisation.

# Part Two:

## Developing a Talent Management System: Guidance from the literature

### 2a. Health warning: lack of an evidence base

Despite the paucity of evidence in relation to the effectiveness of the different practices of talent management, there is no shortage of advice on how to design and implement talent management systems. What follows must therefore be understood to be lacking an evidence base.

### 2b. What is Talent Management in Practice?

Although each organization should design and implement its own, unique talent management strategy, there are some guidelines available which suggest that talent management programmes should refer to the following.

Each organization should

- Develop a strategy and an accompanying set of practices which are future oriented, integrated and result in measurable outcomes;
- Ensure that talent management is a major HR responsibility, incorporating recruitment, selection, performance management, succession planning, professional development, diversity and culture;
- However, the boundaries between HR and talent management are blurred but talent management is seen as more

proactive than HR, so the HR function may need to change its culture;

- Ensure that its strategy allows development of both individuals and organisations.

However, there is one area about which there is no consensus, and this concerns which parts of the organization should be included in the talent management programme.

Programmes may

- focus solely on nurturing of future senior managers and leaders (exclusive) or
- may develop high potential employees in all parts of the organisation (CIPD, 2009) so as to fully reflect talent and diversity issues (inclusive).

This leads to several potential categories in which talent management programmes may fall. The following typology, developed by Paul Iles, summarises the positions:

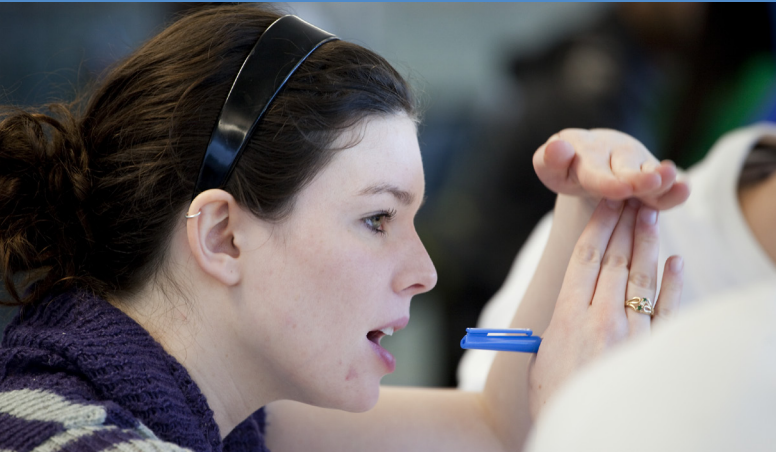
- Inclusive approaches focused on developing each individual employee;
- Inclusive approaches focused on developing social capital more generally, throughout all networks in the organization;
- Exclusive approaches focusing on developing elite, identified individuals;
- Exclusive approaches that focus on key positions/roles and identifying and developing talent to fulfil those roles.

Currently, (CIPD, 2010) most organisations have adopted an exclusive approach which aims to develop and grow future senior managers. Much of the language

associated with talent management reinforces this exclusive approach – it refers to high potential/ high fliers/ rising stars/ future leaders. Many organisations using an exclusive mode identify senior job roles and seek to link individuals identified as having talent to these roles (Mode D above). The philosophy here is that each organisation has a number of key positions which must be filled and there needs to be in place a stream of key workers to occupy these positions – the talent pipeline.

This is the approach recommended by the McKinsey Report in 1998, and it is the approach favoured by the Department of Health.

However, in 2008 the McKinsey Consulting Group published an up-dated report on talent management. This cites research which shows how important is the contribution of 'B players' because 'top talent is more effective when it operates within vibrant internal networks with a range of employees' (Guthridge, Komm and Lawson, 2008, p. 55). The McKinsey Consultancy Group is therefore now advocating inclusive approaches to TM which: targets talent development not just at 'A players' but at the 'B players' found at all levels throughout the organization; develops different reward systems and benefit packages for different types of employee and; strengthens the HR function.



An inclusive approach therefore focuses not so much on the key people or key roles but more on recognising the unique contributions and talents of all staff. This approach has the advantage that it does not single out a certain proportion of the employees as 'talent' or 'talented' and thus does not demotivate excluded staff. The CIPD survey (2010) found that less exclusive approaches tend to be adopted in only a small minority of organisations, especially in relation to talent and diversity initiatives, although the editors of a special edition of *Public Personnel Management* (2008) on talent management suggest that the more inclusive approaches are better suited to public sector organisations. Such an approach involves segmentation of talent pools, e.g. through recognising groups of employees who may not be senior but whose roles are crucial for organisational success, and focusing on the developmental needs of these groups (Bersin, 2010). Indeed, if McKinsey's recent report is correct, those organizations adopting an inclusive approach to talent management are ahead of the field, with others needing to catch up with them.

A hybrid approach may be appropriate. This would foster an exclusive approach for key senior managerial roles, using common criteria for such roles. In the NHS this is arguably identifiable through the NHS Top Leaders programme recently launched by the National Leadership Council. These managers need to be part of vibrant and dynamic teams, so programmes for managing all the talents and reflecting local

needs/local populations/local circumstances etc. should be designed. There could be scope for generic skills for chief executives and aspiring directors across NHS organisations, but again, there may be debates as to whether this crosses the health economy or becomes specific to sector (acute, mental health, PCT etc) or level of work (senior to more junior managerial and clinical levels) or professional groups (clinicians, HR professionals, finance professionals, etc). Our research in NHS Yorkshire and the Humber, as the second report shows, suggests a far more radical approach is favoured.

## 2c. What do Talent Management programmes involve?

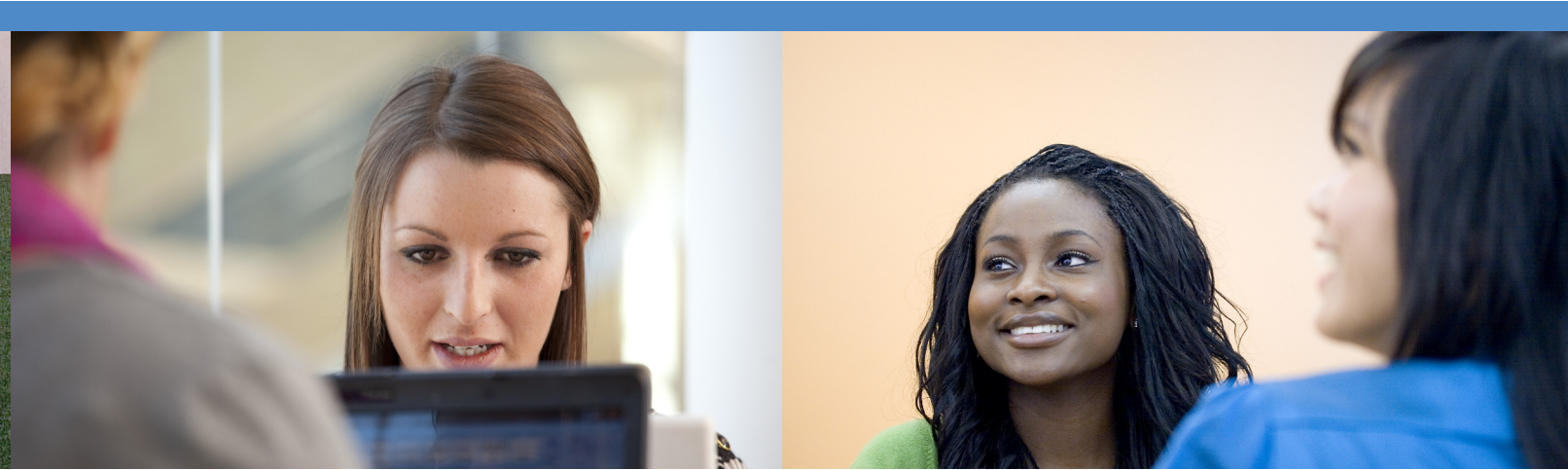
There is no universal approach – talent management is organisation-specific. Context determines the talent management strategy, and therefore each organisation should find its own approach. The needs of the organisation should be key to developing good objectives for talent management schemes. The CIPD's Learning and Development Survey (2009) found that the top two most effective talent management activities are in-house development programmes and coaching. Formal programmes are increasing in popularity. More formal programmes include a mix of the following:

### Contents of a Talent Management System

- Support from the leadership team
- A retention strategy
- Strong leadership of the programme
- Leadership development
- Succession planning
- Strategic direction
- Systems of rewards
- Employer branding – 'this is a good place to work'
- Labour market intelligence
- performance management
- learning/training
- high-potential employee development
- individual professional development
- recruitment strategies
- engagement
- compensation and rewards
- retention strategies
- organisational development
- assessment
- competency management
- team development
- career planning
- critical job identification
- integrated HRM systems
- workforce planning
- diversity initiatives
- acquisition of outsourced or contract talent

(Based on Chambers et al, 1998; Garrow and Hirsh, 2009; Israeliite, 2010)





Which combination of actions is chosen depends on the understanding of talent within each organisation. For example, if talent is understood and defined as senior management, the initiatives most likely to be included would be succession planning, executive coaching, external executive education programmes etc. If a wider and more inclusive approach to talent management is chosen, the range of activities would also include new hire training, performance management, career development, management development, employee opinion surveys etc. (Israelite 2010, p.7)

It should be noted that embedding and institutionalising talent management practices takes time (Israelite, 2010).

Guidelines on talent management and development programmes state they should:

- be oriented towards the future and dynamic;
- be adjusted so that they always align with strategy
- be continuously evaluated;
- have an impetus towards ensuring the organisation improves itself and markets itself well so as to attract and retain the best talent;
- be dialogical, i.e. involving a two-way process about career and skills development in which active listening takes place;

- be focused towards answering three main questions:
  - For what part of the organisation? what kind of job roles?
  - Where can we find the right kind of people and when should we start developing them?
  - What development outcomes are we looking for?
- Informed by workforce planning;
- Part of the equality and diversity programme so ensuring less traditional talent pools such as migrant or older workers are included (inclusive approach);
- tailored both for organizational and individual needs (inclusive approach)

A talent management plan for an individual may include: a development plan; a mentor; learning from others; personal coaching, shadowing and mentoring; a role model in senior management; secondments; attending seminars and conferences; membership of an action learning set (Cook and Macaulay, 2009).



## Benchmarking v. Checklisting

Benchmarking is unwise, as talent management programmes should be organisation-specific. However, when developing a talent management programme there are a number of questions that can be used as a framework for exploring talent management and talent development at a local level: -

### Checklist for developing a Talent Management system

#### Have you?

	✓
1. Made talent a priority and explained why it is a priority?	<input type="checkbox"/>
2. Demonstrated senior management support?	<input type="checkbox"/>
3. Recognised the changes taking place in the psychological contract?	<input type="checkbox"/>
4. Created policies and practices to enhance the organisation's attractiveness to current and potential talented staff?	<input type="checkbox"/>
5. Made line managers accountable?	<input type="checkbox"/>
6. Created opportunities for self-development and learning?	<input type="checkbox"/>
7. Provided support to individual development?	<input type="checkbox"/>
8. Ensured realistic job reviews?	<input type="checkbox"/>
9. Provided challenging and career enhancing work experiences?	<input type="checkbox"/>
10. Redefined the role of the HR managers?	<input type="checkbox"/>
11. Built the talent pool/s internally?	<input type="checkbox"/>
12. Created a culture and climate that will persuade the right people to stay?	<input type="checkbox"/>
13. Improved your forecasting techniques?	<input type="checkbox"/>
14. Developed policies to deal with uncertainty of demand for and supply of talent?	<input type="checkbox"/>
15. Considered replacing succession planning with portfolio competencies (Cappelli, 2008)? This will produce a group of employees who can fit into a range of different jobs.	<input type="checkbox"/>
16. Considered how to calculate the return on investment of talent management?	<input type="checkbox"/>
17. Balanced employer and employee interests so as to nurture long-term commitment and preserve the investment in developing talent?	<input type="checkbox"/>
18. Linked macro- and micro, i.e. ensured the needs of individuals and the needs of the organisation are considered at the same time and are made mutually beneficial?	<input type="checkbox"/>
19. Built a talent-enabling organisational culture	<input type="checkbox"/>



## Finding out more about Talent Management

There are numerous publications advocating specific approaches to talent management, with a large number of consultancy firms offering their services. For example, as we were writing this report we received an email from a company called Research and Markets Ltd. offering to sell a 90 page report, containing case studies from the magazine talent management Review, for 243 Euros (hard copy) or 365 Euros (electronic version).

To illustrate the types of advice available, we are focusing on just one model. This is the work of Bersin et al (2010). We are not advocating this as an approach, but using it to illustrate current thinking about talent management and the sort of guidelines that can be found. You will see that the advice provided appears comprehensive, but the model is untested and its effectiveness in practice is unknown.

Bersin (2010) and his colleagues have developed a 'high impact talent management model' which seeks to develop integrated organisational processes aimed at attracting, managing, developing, motivating and retaining key people in the organisations (p.19). The model is elaborate and includes all the main HR activities and functions, linked with learning and development and compensation processes. It provides a useful framework in terms of talent management activities specifically, based on four core functions:

## Example of 'a high impact talent management model' (Bersin et al, 2010)

### 1. Talent acquisition

- Sourcing, recruiting and staffing
- Assessment
- Employer brand
- Recruitment
- Selection

### 2. Performance management

- Goal setting
- Goal alignment
- Coaching
- Manager evaluation
- 360 degree assessment
- Competency assessment
- Self-evaluation
- Development planning

### 3. Succession planning and management

- Calibration meetings
- Talent reviews
- Career planning
- Talent mitigation plan

### 4. Leadership development

- Format programmes
- Stretch assignments
- Executive education
- Coaching
- Mentoring
- Job rotation
- Assessment
- Evaluation



All of the above are integrated with the business strategy, critical talent strategy, target metrics and measurement, process governance and systems strategy. They are underpinned by competency management including job profiles, corporate values, leadership competencies and functional competencies.

The underlying understanding of the model is that “talent management is not squashing together of HR roles but something quite different: applying strategic HR disciplines to your company’s business needs.” (Bersin 2010, p. 28). Hence talent management is about ‘building a process infrastructure that supports business goals’ (ibid). This requires that the HR function is redesigned.

However, Bersin warns against undermining talent management by promoting it purely as an HR initiative. Rather, a system-wide approach should be adopted and organisational leaders should be actively involved. The talent management strategy, Bersin argues, has four key elements: performance management, competency management, leadership development and learning and development. They should all fit together in an integrated talent management approach and fit increasingly as the process evolves. Below are a few relevant remarks on each of them (following Bersin 2010, pp. 36-42).

## Performance management

- The core of talent management: set the rules for discussion and evaluation
- Should be built around the organisational culture (hence can be competitive or highly collaborative)
- Involves processes such as goal setting, goal alignment, self-assessment, management assessment, 360 or peer assessment, competency analysis or discussions, development planning

## Competency management

- Understand your organisation’s core competencies, leadership competencies and role competencies
- Fewer may be better

## Learning and development

- Key to talent management in its function to provide deep levels of skills development across the organisation
- Career development

## Leadership development

- Strategic role
- Organisations can be at different stages of maturity, but building strong leadership development is vital

Alternative guidelines to those of Bersin et al (2010) can be found in a publication by the CIPD (2010). For this, a team from Nottingham Business School developed a tool for assessing the organisational needs, the CIPD online talent management, development and evaluation tool (CIPD, 2008). It contains step-by-step guidance on the development of such processes and check lists of questions organisations should be answering at the different stages of the design and implementation. The CIPD has published a range of documents on talent management.

# Part Three:

## Examples of Talent Management Systems in Practice

### 3a: An example from the US Healthcare Sector

The most detailed case studies on the implementation of talent management come from the US. Here we have focused on a case study of a healthcare organisation, Mohl's (2010) account of the Children's Healthcare organization in Atlanta. Although there are vast differences between the health sectors of the US and UK, this case study demonstrates some of the complexities of talent management in practice.

Facing a number of challenges, including rapid growth and the need for sustained high quality services, the organisation gathered an integrated HR team driven by the strategic vision of the senior vice president of HR. A People Strategy was developed which addressed the perspectives of the employees, the management and the organisation. The employees' perspective engaged with the ways in which the employees could best employ and utilise their skills and abilities as well as how they can grow and contribute to the mission of the organisation. The managers' perspective focused on how they can utilise their time and energy to find, engage, develop and retain the talent. The organisational level involved setting a general direction and specific annual targets in key areas. The ownership of the strategy was with the

whole organisation and not just the HR team. Attracting, engaging, retaining and developing employees was made a priority for the leadership. The strategy is based on a deep understanding of the talent within the organisation.

At the top of the strategy there are the organisational vision, strategies and goals. This leads to the people strategy which has filters, strategies and infrastructure. The filters are workforce planning, talent segmentation and employee promise. The strategies are 'attract and select', 'engage and retain' and 'develop and perform'. Enabling all these is the people informatics and the infrastructure.

#### Useful tips from the experience of the Children's Healthcare Atlanta are:

- The importance of workforce planning as part of a talent strategy: through estimates of retention, estimates of supply are made and talent gaps identified, with currently available (internal) talent identified, thus allowing estimates of the external talent required.
- The organisation uses talent segmentation in order to prioritise initiatives and investment, i.e. leaders, business operations managers, first-year nurses, all nurses, etc.
- Employees contribute to identifying the aspects of the organisation which make it a good place to work, and the organization then commits itself to ensuring these aspects are maintained and developed;
- Children's Healthcare has developed a strong developmental or learning culture;
- The organisation has identified leadership as one of the most important segments and has made special efforts and investment in relation to leaders, including creation of a Centre for Leadership;
- Annual leadership talent planning is undertaken, involving analysis of both supply and the demand for leadership talent. Leadership supply is analysed through nine-box mapping and succession planning. The organisation maps the leaders in the position of manager and above across the organisation. The nine box axes are based on performance and potential factors. Standard definitions are created for each box in order to achieve consistency. The initial mapping is done by individual leaders and then followed by successive rounds of talent reviews aimed at calibrating the analysis. These capture strengths, development areas, movement opportunities. This process results in an aggregate talent pool which is further segmented into: top talent, leverage talent pool and performance pool. The process is also used to develop succession planning.
- Specific initiatives such as the Management Acceleration Experience and Executive Experience initiatives;
- The role of the immediate manager is strongly recognised



- The organisation uses action learning, coaching and mentoring.
- Evaluation is emphasised and rigorously performed.
- The organisation uses performance management as a key tool for talent management.

This is just one example of how a people centred talent management strategy has been implemented. As with most case studies of talent management programmes that claim to have been successful, it has been designed according to specific organisational values, goals, existing talent, challenges etc. It shows, again, that designing and implementing a talent management system is not a standardised process, but involves working in partnership, being creative, and developing and embedding a mix of integrated initiatives.

### **3b. An example from the U.K.**

The available cases studies from the UK are not as rich in detail. However, we have selected one from the Healthcare sector which may provide a good example of successful talent management: the National Leadership and Innovation Agency for Healthcare in Wales. The Agency developed and implemented a talent management and succession planning strategy and within a year was able to demonstrate tangible achievements.

### **Key factors in a UK Talent Management Programme**

Engagement with various stakeholders (including various groups of professionals)

Establishing a talent bank/talent pipeline process (based on private sector experience of companies such as Cisco, Vodafone and British Airways)

Using tailored personal development, knowledge management and impact projects as core tools

The talent process was delivered in-house but the relevant components were accredited by a reputable University

The organisation innovated in the initiatives, for example, developing a new style development centre modelled after The Apprentice where the learning was 'visualised': participants were monitored remotely through a video link and given feedback. The Agency also worked on branding its talent development process as 'Care to Lead' which had a powerful impact on the staff.

A useful lesson is the response to the change: shrinking of the NHS from 38 to 8 organisations. The talent management process was adjusted by a shift from developing for top posts to retention through:

- career management support programmes
- alumni development for talent bank individuals

- web-based learning channel to keep connected
- capability and capacity-building development centres for the new organisations
- local succession and talent pipeline processes
- organisational development and culture-building process

Christine Bamford, Director of Leadership, National Leadership and Innovation Agency for Healthcare says: "We see our role in NLIAH as supporting the newly appointed chairs and chief executives in the large new organisations establish their boards, embed a new culture with an integrated OD, improvement, leadership and talent bank process. So talent management, despite a shrinking number of top jobs, still remains a priority – it is just that the climate has shifted. There is a real need to anchor development to the needs of the business – to do more with less – while at the same time delivering quality services." (from McCartney 2009a, p.14)

Another case study from the UK is the North Wales NHS Trust which demonstrates that developing a clear understanding of the organisational context, its strategic approach and relevant labour market are of vital importance in setting up a talent management programme (CIPD 2008).

# Part Four:

## The Negative side of Talent and its Management

Causes of failure of talent identification and management recounted in the available literature include:

**Lack of knowledge:** we do not know what motivates talented people, and should be suspicious of a 'one-size-fits-all' list of motivators.

**Fitting talent management into the organisation:** There is uncertainty about how to link talent management to strategy, and concern about how equal opportunities and diversity policies are damaged by talent management programmes. The competitive nature of exclusive talent management strategies may not be conducive to more egalitarian organisational cultures.

**Time:** talent management involves negotiation, dialogue, support and accommodation of needs and preferences, so can be time-consuming;

**Unexpected outcomes:** a talent management programme raises expectations – is the organisation able to live up to these expectations? A misfit between numbers developed and available posts may result in over-qualified people having to work in positions that require competence rather than exceptional abilities. The focus on the individual may have a negative impact on teamwork, and may make those not included feel less able, value-less and expendable.

**Credibility:** many of the claims related to talent management are based on partial or self-reported data as opposed to rigorous research evidence or systematic evaluation.

**Difficulties in identifying who are the people who are 'talented'.** There is no fool-proof way of identifying talent, so talented people may be overlooked, or those chosen may not have the potential they originally seemed to possess. For example, studies of multinational corporations show that those nearest to headquarters are more likely to be identified as talented than those in more far-flung enterprises (Mellahi and Collings, 2010).

**Impact on those not identified as 'talent'.** People not included in the list of those described as talented may suffer a loss of morale, become demotivated, less efficient, and may leave the organisation.



## Part Five: Conclusion

This report aimed to develop benchmarking on talent management to help support and advise the 37 organizations in NHS Yorkshire and Humber about their talent management strategies. However, the current state of knowledge made this benchmarking exercise impossible to carry out.

This is because, although there is a vast number of publications on talent management, the evidence base that should show its effects in practice is lacking. It is widely recommended by management consultancy firms who often base their guidelines on research they have undertaken that, on closer inspection, does not meet guidelines for rigour in research. The limited academic literature available tends not to be based on research. Much current research has been limited to self-reported descriptions of talent management systems, without any evaluation of how they work in practice.

The knowledge base about talent management is therefore currently very weak. What evidence is available suggests that organizations are developing talent management programmes unique to their individual circumstances, and this 'contingent' approach is recommended by the CIPD. There are numerous guidelines available, some of which we have summarised in this report, but their effectiveness in achieving the claimed benefits are unproven.

However, there tends to be agreement about the most important things to be included in a talent management programme, including:

- active support of the top management team;
- strengthening of the HR function;
- a focus on the future;
- a rigorous approach to identifying what talent is needed, where, and how it can be developed.

There is evidence that the approaches to talent management are evolving: an earlier focus on exclusive models that aimed to identify and develop top management talent (A players) is giving way to a recognition that A players need to be part of dynamic and talented teams, and these teams, consisting of 'B players', can be found at all levels of the organization, and indeed in supplying or partner organizations. Inclusive approaches may therefore dominate in the second decade of the 21st century, much as exclusive approaches did in the first decade.

This report should be read alongside the second report, findings from the NHS Yorkshire and Humber, in which we show that knowledge of talent management across Yorkshire and Humber is, in many places, as sophisticated as that found in the academic literature. We show that there is an emergent talent management strategy across the 37 organizations in the region, one based in an

inclusive approach that complements the public service ethos of the NHS. However, current practices reveal some of the nuances, complexities, and resistances to the implementation of talent management that are ignored in much existing literature.



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