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The Routledge Companion to Talent Management

Edited by Ibraiz Tarique

THE ROUTLEDGE COMPANION TO TALENT MANAGEMENT

The field of Talent Management has grown and advanced exponentially over the past several years as organizations, large and small, public and private, global and domestic, have realized that to gain and sustain a global competitive advantage, they must manage their talents effectively. Talent Management has become a major theoretical and empirical topic of intellectual curiosity from various disciplinary perspectives, such as human resource management, arts and entertainment management, international management, etc. This Companion is an indispensable source that provides an authoritative, in-depth, and comprehensive examination of emerging Talent Management topics.

Divided into five thematic sections that provide a unique overarching structure to organize forty-one chapters written by leading and renowned international scholars, this Companion assesses essential knowledge, trends, debates, and avenues for future research in a single volume: Evolution and Conceptualization of Talent Management; The External Context of Talent Management; The Internal Context of Talent Management; Individuals, Workforce, and Processes of Talent Management; and Outcomes of Talent Management.

In this way, the Companion is essential reading for anyone involved in the scholarly study of Talent Management, including academic researchers, advanced postgraduate and graduate students, and management consultants. For further debate on Talent Management, readers might be interested in the supplementary volume *Contemporary Talent Management: A Research Companion*, sold separately.

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Edited by
Ibraiz Tarique

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FOREWORD

Talent management has emerged as one of the most significant topics in human resource management and international human resource management during the past twenty-five years. It has been widely embraced in both academia and in practice domestically and globally, both as talent management and as global talent management. Although already extensively written about, still much remains to be developed and researched. This book provides us an overview in one volume of our existing knowledge of a wide variety of topics, and then offers suggestions of what remains to be further developed and researched around the world at this time. As such, this book represents a huge undertaking – a community of more than one hundred outstanding scholars, researchers, and consultants, all with extensive knowledge and experience in talent management, from more than twenty countries.

In addition to a very useful introductory chapter, there are forty more chapters that are expertly organized by the editor into five coherent sections about talent management (TM) and written by the best scholars on those topics.

Section 1 focuses on the *evolution and conceptualization of talent management*. This section consists of five chapters that provide a historical analysis of talent management research, provide insights on where the field is today, and offer a way forward, both disciplinarily and methodologically, for further research.

Section 2 looks at the *external context of talent management*. Eleven chapters in this section examine TM from a macro or an external perspective. The goal of this section is to discuss research and findings related to the external context within which TM takes place and to suggest opportunities for further research.

Section 3 has seven chapters that focus on the *internal context of talent management*. More specifically, these chapters examine TM issues that are internal to an organization, such as how TM practices are designed and how talent is managed, viewed, and organized to support the goals within organizations. Ample suggestions for future research are provided.

Section 4 investigates *individuals, workforce, and processes of talent management*. Fourteen chapters in this section examine TM at the individual and group (workforce) levels, along with a focus on the organizational processes involved in effectively managing talent.

The final **Section 5** examines *outcomes of talent management*. Three chapters cover topics related to assessment or the “effectiveness” of individuals, TM practices, and TM systems along with suggestions for further research.

Overall, each chapter attempts to offer a balanced overview of current knowledge in the specific topic of the chapter including important knowledge, issues, trends, and debates, and suggest many ideas

Foreword

and paths forward for further development and research in the future. It is a book that will prove to be invaluable for any researcher and practitioner focusing on talent management.

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TALENT MANAGEMENT

An Introduction

Ibraiz Tarique

Overview

There is considerable evidence that the field of talent management (TM) has grown exponentially over the last decade. Significant improvements have been made in understanding how the field has progressed, areas for improvement, and how the field needs to advance. A great deal of research has been conducted to assess a variety of topics across organizations, countries, and multiple levels of analyses (see Collings, 2014; Collings & Mellahi, 2009; Dries, 2013; Gallardo-Gallardo & Thunnissen, 2016; Gallardo-Gallardo, Thunnissen & Scullion, 2020; Khilji, Tarique & Schuler, 2015; Lewis & Heckman, 2006; Sparrow, Scullion, & Tarique, 2014; Tarique & Schuler, 2010; Thunnissen, Boselie, & Fruytier, 2013; Vaiman et al., 2021). Some studies have *focused on different types of employee groups* such as “stars” (e.g., Kang et al., 2018), high potential employees (e.g., Asplund, 2020; Jooss, McDonnell & Burbach, 2019), “A” players (e.g., Huselid, Beatty, & Becker, 2005), and expatriates (e.g., Collings, 2014).

A few studies have *described trends and cross-country differences* in Macro TM (e.g., Cooke, Saini, & Wang, 2014; Khilji, Tarique & Schuler, 2015; King & Vaiman, 2019; Lanvin & Monteiro, 2020) and issues related to *TM in global organizations* (e.g., Collings, Mellahi, & Cascio, 2019; Tarique & Schuler, 2018; Teagarden, 2020;). Others have analyzed a variety of topics such as *TM practices in organizations* (Latukha, 2018; Myers et al., 2020), *TM and employee commitment* (e.g., Luna-Arocas et al., 2020), *TM in the public sector* (e.g., Kravariti & Johnston, 2020), *burnout among talented employees* (Malik & Singh 2020), and *lack of rigorous empirical investigations in TM* (e.g., Thunnissen & Gallardo-Gallardo, 2019).

While interest in TM is growing, and recent research has provided valuable insight into various TM topics, there remain many opportunities for additional exploration and research; I highlight three:

- TM is multifaceted. There is a lack of consensus regarding TM’s exact conceptualization illustrating the discipline’s diverse nature with a multifaceted identity affected by many variables. *TM is defined from a variety of perspectives depending on the context, unit of analysis, and level of analysis;*
- TM is multidisciplinary. TM is continuously evolving across a variety of disciplines, including arts and entertainment, industrial/organizational psychology, military/armed forces, strategy, organizational behavior, human resource management, and cognitive psychology. The field is researched and studied by various professionals and researchers, such as management scholars, management consultants, organizational experts, labor economists, political scientists, and public administration specialists. *TM is a multidisciplinary effort that involves scholars and experts from different disciplines who cooperate and work together to improve our understanding of issues related to TM;*

- TM is a bridge field. The TM literature suggests that issues, problems, and ideas discussed by scholars are occasionally examined by HR/TM managers, professionals, and consultants. There is increased collaboration and transfer of knowledge between academics and practitioners, which has improved the quality of papers and findings and allowed managers and scholars to leverage each other's resources. *TM can be categorized as a "bridge field."*

Thus, I edited two books: this book (*Companion to Talent Management*) and its partner book (*Contemporary Talent Management: A Research Companion*, sold separately) that bring together 105 scholars and researchers from 21 countries in the context of the three opportunities (multifaceted, multidisciplinary, and bridge field) to provide academic researchers, advanced postgraduate and graduate students, and TM research consultants with an authoritative, in-depth, and comprehensive examination of critical scholarly topics related to TM that can encourage further research. More specifically, the aim is to provide an essential resource that will assist individuals and organizations that seek the convenience of two books that cover a spectrum of scholarly research on TM.

Organization of the Book¹

This book is organized into five sections of varying lengths, each of which covers a separate agenda. **Section I** consists of five chapters that focus on *the evolution and conceptualization of talent management*. **Section II** consists of 11 chapters that look at TM's external context, that is, examine research and findings related to the external context within which TM takes place. **Section III** comprises 7 chapters that investigate the *internal context of TM*. More specifically, these chapters examine how TM practices are configured to support business goals and objectives. **Section IV** includes 13 chapters that examine *individuals, the workforce, and the processes of TM*. **Section V** brings this book to a close with three chapters that explore TM outcomes with a particular focus on assessment or the "effectiveness" of individuals, TM practices, and TM systems.

Chapter Topics

Section I

As mentioned earlier, chapters in **section I** focus on the evolution and conceptualization of talent management. Paul Sparrow (**Chapter 2**) provides a historical analysis of TM research, offers insights into where the field is today, and provides current and new researchers a way to move forward. David Collings and Dana Minbaeva in **Chapter 3** provide a mapping of conceptual boundaries using a micro-foundational approach as a diagnostic tool to help us identify some of the essential but under-researched issues that future research in this critical field must explore. **Chapter 4** by Karin King introduces the organizational TM system from the perspective of the employee's participation in the workforce. Kushal Sharma (**Chapter 5**) uses the resource-based theory to argue that if the field is to advance and become relevant to practice, it needs to adopt a dynamic capabilities view because of the limitations of the static view of talent. The final chapter in this section is by Heba Makram (**Chapter 6**), who lays out an updated broader framework of Value to describe how TM adds Value to earlier four value-driven processes.

Section II

Eleven chapters in **section II** examine TM from a macro or an external perspective and discuss research and findings related to the external context within which TM occurs. There are four chapters dedicated to the emerging topic of macro talent management.

Chapter 7 by Violetta Khoreva and Vlad Vaiman examines how macro and micro environments affect decision making at the organizational and individual levels. Shaista Khilji and Ramien Pierre, in

[Chapter 8](#), further establish macro global talent management (MGTM) as an interdisciplinary concept and present five domains that directly impact TM systems within organizational, national, and international contexts. The notion of talent competitiveness at the country level is examined in [Chapter 9](#) by Paul Evans, Eduardo Rodriguez-Montemayor, and Bruno Lanvin. These authors take an interdisciplinary approach that jointly considers organizational practices and broader economic and social forces that shape talent development. Building on [Chapter 9](#), Paul Evans, Eduardo Rodriguez-Montemayor, and Bruno Lanvin discuss their empirical model and database called the Global Talent Competitiveness Index (GTCI) in [Chapter 10](#) and show how GTCI can frame the complexities of country/city level TM in a logical way that stimulates both research and policy change. The next five chapters in this section focus on selected TM issues at the regional/country level of analysis. Fang Lee Cooke examines TM issues in Asia in [Chapter 11](#) and TM issues in Africa in [Chapter 12](#). Jordi Trullen and Jaime Bonache in [Chapter 13](#) look at Latin America, while Agnieszka Skuza and Hugh Scullion focus on Europe in [Chapter 14](#). The next chapter ([Chapter 15](#)) by Jean-Luc Cerdin, Chris Brewster, and Lovanirina Ramboarison-Lalao discusses how migrants are being, or are not being, integrated into Global Talent Management. Paul Boselie, Marian Thunnissen, and Joost Monster in [Chapter 16](#) focus on TM in public sector organizations and particularly on the current knowledge regarding the linkage between TM and performance in the public sector. The final chapter in this section, [Chapter 17](#) by Marian Thunnissen, Pleun van Arensbergen, and Marieke van den Brink, looks at how TM is organized in academic institutions.

Section III

Seven chapters in [section III](#) of this book focus on TM issues that are internal to an organization. Maria Christina Meyers and Anneloes Bal, in [Chapter 18](#), visit the traditional topic of the nature versus nurture debate in TM. In the next chapter, Marion Festing and Lynn Schäfer ([Chapter 19](#)) focus on the interplay of heterogeneous workforces (especially concerning age and generational challenges) and TM. Dagmar Daubner-Siva, in the next chapter ([Chapter 20](#)), provides an understanding of the (dis-) connect between TM and diversity management in an attempt to dovetail the fields. [Chapter 21](#) by Nicky Dries, Elise Marescaux, and Anand van Zelderen compares and contrasts the TM versus the career management literature, highlighting areas of overlap and contradiction, and their implications for research and practice. In [Chapter 22](#), Stephen Swailes examines TM within business ethics, focusing on the individual and evolutionary nature of talent to highlight ethical implications. Jennie Sumelius and Adam Smale, in [Chapter 23](#), examine the issues relating to talent communication and strategic ambiguity in TM communication. In the final chapter ([Chapter 24](#)) of this section, Sharna Wiblen examines the strategic Value of talent and information technology (IT), focusing on the interrelationship between the two fields.

Section IV

As mentioned earlier, this section of the book includes 17 chapters that focus on the organizational processes involved in effectively managing talent. The first four chapters in this section focus on global topics. Allan Bird and Mark Mendenhall, in [Chapter 25](#), share findings from the field of global leadership that can provide Value to both scholars and practitioners working in the field of TM. [Chapter 26](#) by Jan Selmer, Yvonne McNulty, and Jakob Luring examines Adult Third Culture Kids (ATCKs) as high potential employees to provide an overview of essential issues that represent vital challenges when managing ATCKs as high potential employees. The next chapter ([Chapter 27](#)) by Cordula Barzantny and Rachel Clapp-Smith looks at the possible benefits and challenges of incorporating global mindsets into GTM strategies as an inclusive approach that can contribute to international success. Vlad Vaiman, Yvonne McNulty, and Arno Haslberger in [Chapter 28](#) explore expatriates' TM, focusing on two specific types of expatriates: assigned expatriates (AEs) and self-initiated expatriates (SIEs). The next two

chapters focus on issues related to workforce differentiation. [Chapter 29](#) by Michael Koch and Elise Marescaux examines the link between workforce differentiation and TM. In contrast, Amina Malik and Parbudyal Singh in [Chapter 30](#) investigate B players' significance in the context of TM.

The next three chapter focuses on “Star” employees. Shad Morris, James Oldroyd, and Kathleen Bahr in [Chapter 31](#) provide an overview of important TM issues related to star employees. [Chapter 32](#) by Len Karakowsky and Igor Kotlyar examines how the receipt of status-based labels can influence the recipient's capacity to learn from experiences. Julia Eisenberg's chapter ([Chapter 33](#)) discusses research at the intersection of virtual teams and the management of stars to facilitate future research in this space.

The next three chapters focus on TM issues related to attracting talent. Anthony McDonnell and Agnieszka Skuza in [Chapter 34](#) illustrate the variety of tools organizations tend to use in identifying talent to articulate several future research avenues. James Breaugh, in [Chapter 35](#), reviews research on talent acquisition to highlight issues meriting future investigation from a TM perspective.

The next four chapters in this section focus on TM issues related to talent development. [Chapter 36](#) by Miriam Lacey and Kevin Groves examines high potential employees' development, focusing on the complexity and interaction of the factors driving the unintended consequences of hipo programs and processes. Margarita Nyfoudi and Konstantinos Tasoulis provide a detailed review of the coaching literature from a TM perspective in [Chapter 37](#). The next chapter, [Chapter 38](#), by Chandana Sanyal and Julie Haddock-Millar provides an overview of the literature on leadership theories and how it has developed over the last 50 years.

Section V

The final section of the book includes three chapters that focus on TM outcomes and topics related to assessment or the “effectiveness” of TM. [Chapter 39](#) by Alec Levenson highlights critical aspects of talent analytics's current state and provides recommendations on areas for improvement. Brian Burgess and Shaun Pichler in [Chapter 40](#) integrate the TM and performance management literature to identify opportunities for utilizing TM and PM strategies to bolster HRM and delineate directions for future research in this area. In the final chapter of the book ([Chapter 41](#)), Benjamin Krebs and Marius Wehner aim to synthesize theoretical and empirical accounts on the relationship between TM and individual and organizational performance.

Overall, I hope that the chapters in this book provide several avenues for further research and encourage future researchers to investigate and improve our understanding of TM topics discussed in this book.

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Dr. Tarique teaches Human Resource Management and Talent Management Courses at four levels: Executive MBA, Regular MBA, MSc in HRM, and Undergraduate Business Management.

Note

- 1 The opinions expressed in [Chapters 2 to 41](#) are those of the chapter author(s) and do not necessarily reflect the opinions of the book editor

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SECTION I

Evolution and Conceptualization of Talent Management



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2

THE HISTORY OF TALENT MANAGEMENT

Paul Sparrow

Introduction

This chapter shows how the language of “talent management” (TM), and the ways in which this language has subsequently been used to imply what should be involved in the field, has evolved over time. The label TM has brought with it many “fuzzy concepts”, many implicit notions and assumptions, and indeed some overt ideologies. However, language is important, for it can be used to allow those who take us through the history of TM interested in a topic to “gain entry” to associated ideas, thereby changing their own practice and mindset.

The chapter is structured into seven sections. The first section takes us back to the period before the TM narrative began. It shows how there were six broadly parallel-in-time developments that helped “enable” the subsequent notion of TM: 1) the convergence and integration throughout the 1980s and 1990s of resourcing and career development into a single life-cycle perspective; 2) increasing individualization of organizations and the capturing of behavioral repertoires associated with organizational effectiveness by the competency movement; 3) developments in portfolio thinking and the use of frameworks to categorize managers across a performance-potential matrix; 4) the growth of the human resource planning movement in the 1980s and 1990s; 5) the argument that technical changes were leading to “informed” workplaces and that this was changing the power of talent; and finally 6) how this development came hand in hand with another intellectual shift that we had to move away from a pay-for-the-job approach in selection systems, towards a pay-for-the-person approach.

The second section then shows how it was only in the late 1990s and early 2000s, once these enabling concepts had gained ground, that we saw the use of TM as a label in its own right. By the early 2000s, a situation emerged that led to a significant shift in policy as organizations attempted to design competitive HR strategies. It introduces the most famous – perhaps now infamous – exposition of this position in the book *The War for Talent*, and examines how it reflected some of the six enabling concepts, but also how it introduced new ideas that were introduced into the field.

The third section shows how in parallel to this influential narrative, we saw important critiques of the “star talent” perspective, which argued that the new TM narrative was misdirecting the attention of those interested in the nature of organizational effectiveness. It shows how this led to attempts to develop a compromise between the two competing narratives by incorporating an organization design perspective into the TM narrative.

The fourth section shows how in the late 2000s, under the impetus of human capital management thinking, there were three significant developments in the study of TM. These led to the incorporation of decision science thinking and risk management thinking into the TM narrative, along with further refinement of the TM-organization design interface.

The fifth section shows how in the later 2000s the field arrived at another important juncture. There was by then a gap between the suggestions, observations, and exhortations coming from the academic community and the realities of organizational practice. It examines the narrative that came from practitioners at that time as they began to question their own practice.

The sixth section returns to the direction of academic study, and shows how at the very same time there was an adoption of a more global and comparative management perspective, notably as a result of attention by global talent management (GTM) and international HRM (IHRM) researchers moving into the field. This renewed the level of interest in the topic and brought with it the opportunity to strengthen our understanding and improve our practice.

The seventh section shows how not long after, a series of special issues emerged on the topic (a process continuing to this day). The chapter explains how these were intended to delineate the topical research issues, and build an extended community of academics, and lead to a progressive narrative on the challenges that remain.

Finally, the chapter concludes by identifying and examining four near-future areas of research and development for the field: the need to 1) re-theorize the topic; 2) put the strategy back into practice; 3) contextualize TM practice; and finally 4) conduct research that crosses levels of analysis.

The Intellectual Roots of Talent Management Thinking and its Enabling Concepts

In laying out the history of TM and the way in which the academic debates have developed throughout that time, this chapter develops a series of steps in the development of the field that we can use to help position the current stage of evolution in the field. The historical developments that are explained here will also serve as primers for, and introductions to, many of the other chapters in this volume. By teasing out some of the main strands of debate in this history, the chapter by definition has to cover a wide territory.

The intellectual roots of TM as an identifiable practitioner field can be traced back to a series of developments in HRM thinking that emerged in the 1980s and 1990s. As an academic field, it has only really been in the last decade that there has been broad coverage of the topic, built mainly around a series of journal special issues on the topic, interspersed by a growing number of stand-alone studies. However, many of the principles that have gone on to guide this more recent study, can of course be traced back to earlier academic debate and developments (Silzer & Dowell, 2010; Sparrow, Hird, & Balain, 2011). Sparrow, Scullion, and Tarique (2014) called these developments “enabling concepts”. They argued that a number of intellectual developments helped to establish some of the base problems and assumptions that initially shaped and directed academic study, and later helped establish what has become a vibrant TM narrative. In historical terms, there were *six* broadly parallel developments (dealt with in this opening section) that have helped enable more recent study (see [Table 2.1](#)).

The first enabling concept was the convergence of resourcing and development functions. In the 1990s, roles emerged within the HR structures of larger organizations – typically called Heads of Resourcing – that focused on the general stewardship of a cadre of senior managers and directors. These roles brought together responsibilities for senior employee role rotation, development of the senior cadre, identifying members of the cadre with the highest potential for Board-level roles and, where considered necessary, the exiting of low performing members. It was this Head of Resourcing role that most often was later relabeled into that of Talent Director (Sparrow et al., 2011). The new portfolio of responsibilities of Talent Directors added critical role analysis, co-ordination of external search and recruitment relationships, executive strength benchmarking, and in some organizations, performance management and strategic workforce planning to the role mix. This bringing together of recruitment and career development responsibilities therefore led to the advocacy of a life cycle approach – managing employees across the total span of their tenure with the organization (Sparrow et al., 2014).

Table 2.1 Intellectual developments in the 1980s and 1990s that enabled the subsequent talent management narrative

<i>Developments that enabled the subsequent talent management debate</i>	<i>Primary authors</i>	<i>Impact on the talent management debate</i>
Convergence and integration of resourcing and career development into a single life-cycle perspective	Harvard Model of HRM (Beer, Spector, Lawrence, Mills & Walton, 1984)	General management role of stewardship of cadre of senior managers (management across total span of tenure) through critical role analysis, high potential identification, role rotation, and development
Increasing individualization of organizations and capturing of behavioral repertoires associated with organizational effectiveness	Competency movement (Boyatzis, 1982)	Behavioral event investigation (BEI) techniques used to inform design of assessment centers and career development workshops
Portfolio thinking and use of frameworks to categorize managers across a performance-potential matrix	Human resources portfolio (Odiorne, 1984)	Frameworks to facilitate the categorization of managerial employees and highlight “high potentials”
Growth of the human resource planning movement	Human capital and human resource accounting traditions (Boam and Sparrow, 1992; Gubman, 1998; Fitz-enz, 2000)	Focus on forecasting, planning and managing staffing in broader context of business needs. Augmenting short-term management development activity with long horizon activities
Technical changes leading to “informed” workplaces	Importance of intellectual skills, and treating high-value, difficult-to-replace talent as a strategic asset (Zuboff, 1988)	Technological innovations and IT creating more fluid, social, distributed, and less hierarchical work arrangements, impacting the value and power of talent.
Move away from a pay-for-the-job approach in selection systems	Pay-for-the-person selection systems (Lawler, 1994)	To design HR systems around highly skilled people, especially those who possessed high levels of self-efficacy and who had what were called “job crafting” skills

Life cycle thinking can be seen in many of the practitioner definitions of TM that emerged in the 2000s. The American Productivity and Quality Center (2004) defined TM as involving cradle to grave processes to recruit, develop, and retain employees within an organization. The United Kingdom’s Chartered Institute of Personnel and Development defined TM as the systematic attraction, identification, development, engagement/retention, and deployment of those individuals who through their potential have a positive immediate or long-term impact on organizational performance (CIPD, 2008). Avendon and Scholes (2010) defined TM as an integrated set of processes and procedures used in an organization to attract, get onboard, retain, develop, move, and exit talent to achieve strategic objectives.

The second enabling concept was the shift in thinking about management effectiveness, whereby it was seen as a series of behavioral competencies within the individual. Attention shifted to the codification of the ways in which skills, abilities, and motivations created these behavioral repertoires (Boyatzis, 1980). Being part of the observational school of management and leadership, this school of thought defined competencies as overt behavioral repertoires that were embedded within the person. Behavioral event investigation (BEI) techniques could be used to surface the most effective behaviors. Such behaviors were a proxy for underlying and covert mental functioning, and captured the previously under-stated interpersonal, informational, negotiating, and decision-making domains of management.

The behaviors in turn were rooted in skills, attitudes, values, personality traits, self-image, motivations, knowledge, or social roles, but what they had in common was an association with superior (excellent) performance.

The third enabling concept was the development of portfolio thinking about human assets, and the performance-potential matrix. Although still a sub-function of HRM, by the mid-1980s, newly labeled Talent Management functions began to emerge and develop their own identity. Having mastered the BEI techniques linked to the competency movement, they looked for frameworks that would facilitate the *categorization* of all their managerial employees, and identify and highlight so called “high potentials”. For the majority of organizations, TM began to operate around a few core technologies and tools – notably systems that categorize people as talented based on evaluations of their performance and potential.

It is very hard to find the original ownership of what is known as the 9-Box model of performance-potential – a model that still dominates much thinking in TM today. The notion of human resource portfolios, categorized on the basis of performance and potential, began to be “cut and pasted” into consulting presentations and into designs for organization’s TM systems (Sparrow et al., 2011). Consequently, a number of people lay claim to the notion, but Hird, Whelan, and Hammady (2010) traced the ideas back to a 1980s article by Odiorne (1984). Odiorne (1984) in turn borrowed his ideas from the Boston Consulting Group, which had developed the now famous product market portfolio, in which organizations managed a spectrum of businesses that were high or low in terms of the market share, and the growth of market. The high-high business units were “stars”, the low-low ones “dogs”, the high-low ones “cash cows”, and low-high ones “problem children”. Odiorne (1984) adopted this thinking to similarly categorize managers along a performance and a potential axis. “Cash cow” businesses became “work horse” managers, and “dog” businesses became “deadwood” managers! In the now ubiquitous 9-Box model, which has no ownership but intellectual routes in portfolio thinking, the language shifted again from being “deadwood” to “requires close scrutiny”. However, the message was clear. HR was the function that categorizes people, and people represented a strategic portfolio that could be used to differentiate investments and focus them on the areas of most rapid, or most consequential, returns (Sparrow et al., 2011).

The fourth enabling concept was the human resource planning movement, with its focus on forecasting, planning, and managing staffing in the broader context of meeting business needs. By the 1990s it was argued that systems could be developed that built upon the competencies identified by “measuring” the effectiveness of the person, into a broader system of organization-level competencies. The identification of organization-level competencies required techniques of competency requirement forecasting (Boam & Sparrow, 1992) because the value of competencies (and therefore the value of the individual talent who possessed these competencies) waxed and waned over time. Some competencies emerged in value, others matured, some enabled specific short-term transitions but were then redundant, while others were core to performance regardless of strategic context. The portfolio of future competencies could be predicted by augmenting the individual-level BEI data with insight from strategic vision workshops, business process mapping, cultural analysis, business scenarios, and study of expert knowledge. This was not called TM as such, although it was in practice, but was instead described as a “total resource development system”, used to coordinate and integrate the design of core HR processes, principally external recruitment, internal assessment and development, performance management, and business change, around an outcome of organizational effectiveness (Boam & Sparrow, 1992).

By the late 1990s, and growing out the human capital and human resource accounting traditions, claims were also being made that investment in talented employees resulted in significant financial benefit for organizations (Gubman, 1998). However, Fitz-enz (2000) argued that management teaching was either ignoring or avoiding the question of human value in business environments, or even worse, was throwing out gratuitous or simplistic platitudes about it. Fitz-enz (2000) argued that talent shortages were not solvable just by attending to productivity (which he saw as a by-product of good management). Rather, managers had to address fundamental issues around fulfillment at work, and this could only be based on knowledge of, and feedback on, achievement. Human capital planning required an

integration of *five* core elements: planning, acquiring, maintaining, developing, and retaining human capital. In turn, in converting this human capital planning cycle into a TM system, the organization had to develop two (difficult to build) capabilities:

1. Measuring the impact that human capital (talent) had on the collective ability to execute an organization's business processes, evaluated and analyzed only against truly best practices, not simple and essentially copied processes.
2. The use of the forward-looking skills of trending, forecasting, and predicting.

This human capital perspective came to influence a number of later HR academics active in the TM field, with for example Cappelli (2008) defining TM as the process through which employers anticipate and meet their needs for human capital. It also had a considerable impact on the way that nascent TM functions were implored to think about their processes. It made it clear that any TM process had to be analyzed in terms of whether its impact helped reduce business performance, according to metrics such as operating costs, product or service costs, cycle time of important processes, error and defect rates, being able to do more with less, and customer or employee satisfaction. The original discussion of human capital planning was about the demonstration of lean, efficient, and effective performance through the efforts of talent, not the more lazy and fairytale (his language) practice of bench-marking a portfolio of star managers.

Therefore TM functions needed to incorporate forward-looking skills of trending, forecasting, and predicting deemed necessary for the identification of relationships and patterns, fallacies in trends, finding meaning in variables and their predictable consequences, avoiding mixing up linkage and correlation with causation, and identifying data sensors (data that tip you off to the emergence of a problem or opportunity). Fitz-enz (2000) saw this requirement as a necessary yet dangerous art, but a manageable one.

The fifth enabling concept was the informing of workplaces and the power of individuals. This forced some uncomfortable realities to the surface of HR thinking – such as the nature of power. While organizations needed firm-wide systems of competency requirement forecasting and human resource development and HR planning processes, there were nonetheless a small number of people who, in the organizational world dating from the 1980s, could have an extraordinary impact on the organization. This observation was in fact embedded in the technical changes that were taking place at the time. Managers were for the first time being exposed to ideas about how information technology was transforming organizations. This development was captured by Zuboff (1988). She argued that technological innovations and IT, in creating more fluid, social, distributed, and less hierarchical work arrangements, were also impacting the value of talent. In an “informed” workplace, individuals and groups could create new meanings and new understandings through the information they used. As a consequence of these shifts, it was argued that a process of “upgrading” was taking place – and a need for people who had the power to understand business and social opportunities that now existed (this understanding was termed “intellective skills”). It was argued that such high-value, difficult-to-replace technical talent was best seen as a strategic asset.

Finally, the sixth enabling concept in the 1990s was the call to shift away from a pay-for-the-job approach in selection systems towards a pay-for-the-person approach (Lawler, 1994). The pay-for-the-job approach had always assumed that jobs could be designed, evaluated, and differentiated dependent on their size and complexity. Employees could therefore be fitted to the job (or fitted to the broader organization culture or values in which jobs sat) through the process of selection. However, the pay-for-the-person approach, following a similar logic to the “informed” workplace perspective, argued that jobs had become too flexible, uncertain, and unpredictable to be “sized” in any reliable or stable way. It was more appropriate to design HR systems around highly skilled people, especially those who possessed high levels of self-efficacy and who had what were called “job crafting” skills. The competent person, it was argued, had the capabilities to design their own jobs in appropriate ways, and sadly, not all people, despite our best intentions, either possessed or displayed these newly-important skills.

In reality, job evaluation and person-job matching, rather than person-organization matching, continued to dominate most HR practice for many years after this initial call. And in later years, Lawler (2008), reflecting his organization effectiveness and design perspective, made it clear that while his advocacy of pay-for-the-person thinking was motivated by the sense that “star” TM was *necessary*, such talent was never felt to be sufficient. He later argued that organizations had to seek a balance between sourcing great individual talent and melding individual talent into a collective organizational capability, and ensure that the knowledge of star talent was turned into performance. This requires equal attention to the processes that reliably create individual talent and a more collective capability.

There have been six historical themes in the development of talent management (see [Table 2.2](#)).

Table 2.2 Historical themes in the development of talent management

<i>Talent management narrative</i>	<i>Primary authors</i>	<i>Impact on thinking</i>
War for talent narrative	Michaels, Handfield-Jones, & Axelrod (2001); Sears (2003)	Definition of talent extended to include an individual’s social capital. HRM policy influenced by marketing thinking. Employee value propositions to manage attraction and retention behavior. Talent treated as consumers of the organization. Talent management seen as a leadership imperative and cultural mindset. Management of inter-person and intra-person competitions
Linking talent management and organization design	Huselid, Beatty & Becker (2005); Pfeffer (2001)	Critique of star talent perspective. Alternative categorization of job positions into A, B & C positions
Re-booting of human capital management and human resource accounting traditions to translate organizational capabilities into specifications for talent	Bhattacharya & Wright (2005); Boudreau, (2010); Boudreau & Jesuthasan (2011); Boudreau & Ramstad, (2005, 2006, 2007); Cappelli, (2008); Cascio & Boudreau (2010, 2012); Collings & Mellahi (2009); Ingham (2007); Nahapiet (2011); Sparrow, Hird, Hesketh, & Cooper (2010)	Evolution of workforce analytics into broader strategic workforce planning (SWP) activity. Governance of talent systems and incorporation of decision science and risk management thinking. Notions of clusters of talent and pivotal talent pools
Crisis of practitioner confidence	Avedon & Scholes (2010); Cheese, Thomas, & Craig (2008); Davies & Kourdi (2010); Gubman & Green, (2007); Schiemann (2009); Silzer & Dowell, (2010); Sparrow, Hird, & Balain (2011)	Debates over best bundles of differentiating practices. Linking of talent management to broader workforce engagement, and to knowledge management. Teasing out of alternative philosophies, providers, practices, and principles guiding practice
Globalization of the talent management agenda	Farndale, Scullion, & Sparrow (2010); Schuler, Jackson, & Tarique (2011); Scullion, Collings, & Caligiuri (2010); Sparrow (2007); Tarique & Schuler (2010)	Shift in employer competition from country level to regional labor markets. Increase in demand for expatriates and skills shortages. Globalization of some professional labor markets
Mobilization of more critical agendas	Al Ariss, Cascio, & Paauwe, (2014); Collings, Scullion, & Vaiman (2011); Collings, Scullion, & Vaiman (2015); Farndale, Morley, & Valverde (2019); McDonnell, Collings, & Burgess (2012); Scullion et al. (2010); Scullion, Vaiman, & Collings (2016); Vaiman & Collings (2013); Vaiman, Collings, & Scullion, (2017)	Awareness of cultural and institutional limitations. Delineation of talent management in different national contexts. Extension of conceptual and intellectual boundaries. Talent management moved to the intersection between HRM, strategy, and international business

The War for Talent Narrative

The developments that this chapter now goes on to document were all in fact iterations of this earlier groundwork. Although the six intellectual developments began to dominate much HRM thinking, it was however only really once we got to the late 1990s and early 2000s that we saw the use of TM as a label in its own right (Silzer & Dowell, 2010). What was new perhaps was the language of “talent management”, and the ways in which this language has subsequently been used to imply what should be involved in the field. As is made clear throughout this chapter, this label brought with it many “fuzzy concepts”, many implicit notions and assumptions, and indeed some overt ideologies. However, language is important, for it can be used to allow those interested in a topic to “gain entry” to associated ideas, thereby changing their own practice and mindset, whether for good or bad.

By the early 2000s, a situation emerged in which organizations were designing competitive HR strategies in their struggle as employers to “land” and “upskill” employees in what was presented as a cutthroat free-agent employment market (Sears, 2003). It was argued that businesses were at a moment of dramatic change – an inflexion point – and that this required a significant shift in policy. The most famous – perhaps now infamous – exposition of this position was the book *The War for Talent* by Michaels et al. (2001).

From a historical perspective it is important to note this book in turn was the product of a strand of earlier consulting research. It also reflected many of the six enabling concepts and assumptions discussed earlier:

- The definition of talent in the book reflected the earlier competency movement and notions of human capital, but extended effectiveness to also include an individual’s social capital. Talent was defined as the sum of a person’s abilities (gifts, skills, knowledge, experience, intelligence, judgement, attitude, character, and drive) and a sharp strategic mind, leadership ability, emotional maturity, communication skills, the ability to attract and inspire other talented people, entrepreneurial instincts, functional skills, and the ability to deliver results (Michaels et al., 2001).
- All the HR systems – but particularly performance appraisal, rewards and incentives, work or job design – were to be designed around a pay-for-the-person as opposed to pay-for-the-job philosophy.
- The argument that the whole HR system of an organization had to be aligned to a performance-led talent strategy reflected Odiorne’s (1984) earlier notions about categorizing and differentiating employees into a portfolio. Rather than using a 9-Box performance-potential taxonomy, the differentiation of employees was infamously captured as A, B, and C players. This meant assessing the performance and potential of employees and pursuing an elite strategy, i.e., investing in the A players by giving them promotion, compensation, and development opportunities; affirming the potential of B players; and acting decisively (either quickly re-engaging or more likely removing) C players.

However, four new ideas were introduced into the TM narrative at this time through the book:

1. HRM policy was for the first time influenced by marketing thinking. First, TM was to rely on there being an employer brand, positioned to attract key people (the stars) and then to exceed their expectations. Second, it had to adopt the notion of employee value propositions (EVPs). In the same way that organizations asked why should you buy my product or service, they needed to ask why a highly talented person would want to work in their organization, then use the answer to convey a clear statement of some of the more explicit obligations that the organization would commit to for talent and develop a proposition that could drive attraction and retention behavior.
2. To the system of workforce segmentation and its identification and isolation of particularly critical workforce segments (which had prior antecedents in 9-Box thinking) was added another

marketing concept of “talent as consumers” and the dominance of their needs as consumers of the talent system – what did critical talent care about most? (O’Donnell, 2009; Watson Wyatt, 2009)? Talent management was therefore *not* about having sophisticated HR processes concerned with succession planning, recruitment, and compensation, it was argued, but rather having HR systems that differentiated and affirmed the status of talent, hiring assumed talented people and paying them more than they thought they were worth.

3. The notion of TM was considered to need a leadership imperative – a cultural *mindset*. The language of TM was used to signal the importance of the surrounding managerial culture to the success of any particular HR strategy. The book asked how organizations could develop, sustain, and manage “pools” of talent, how they could engrain a talent “mindset” into their culture, and how they could align their varied HR programs and processes more effectively towards the needs of the proposed small elite of talent. Corporate leaders needed to be obsessed with talent, and hold a deep-seated belief and mindset that having better talent at all levels enabled an organization to outperform its competitors.
4. The narrative stressed two such competitions: one between individual talent (an inter-personal TM focus), and one within the individual so that they could be of their best (an intra-personal talent perspective).

Incorporating the Talent Management-Organization Design Interface

The moment the War For Talent narrative began, it was (in academic circles, although not in the field of practice) immediately recognized as having strong ideological undertones. In the same year, Pfeffer (2001) produced a famous critique of the “star talent” perspective. Many years before the global financial crisis legitimized some of the discomfort, Pfeffer (2001) argued that a cultural mindset that emphasized a fight to source talented individuals was “hazardous” to the organization’s broader health. The argument was that the new TM narrative was misdirecting the attention of those interested in the nature of organizational effectiveness. It assumed the wrong fulcrum for improving this effectiveness (i.e., focusing on people, or stars, at the expense of systems), and that given the way people behave in organizations, such a system would create a set of side effects that would nullify any human capital gains. His key objections were:

1. The Star approach emphasized individual performance at the expense of teamwork and would give rise to a system of disharmony between employees who in reality needed to work collaboratively. Market-led HR practices made it hard to share knowledge, ideas, and best practices.
2. Celebration of individual brilliance created an elitist and arrogant attitude, downplayed the importance of learning and wrongly assumed that those dubbed as “Stars” should have their way over otherwise perfectly good ideas coming from “B” or “C” players.
3. Organizations that adopted an “A” player approach to TM also relied heavily on monetary incentives to attract and retain these key individuals, making the approach expensive, non-strategic and easily imitable.
4. Labeling (especially as a C player) would lead to horn and halo effects (past performances biasing judgments about current performance and future potential), and a negative self-fulfilling prophecy. Lower expectations would lead to fewer resources being available to B and C players, demoralization, and thus poor performance, artificially inflating the contribution of A players.
5. The philosophy also suggested that individual ability was a fixed invariant trait, a dangerous assumption that was not supported by research on careers.

Huselid, Beatty, and Becker (2005) attempted a compromise between these two competing narratives, by incorporating more of an organization design perspective into the TM narrative. They co-opted the ABC language and applied it to positions:

- A positions are strategic by dint of having a disproportionate role in an organization's ability in executing some part of its strategy, yet there is wide variability in the quality of work displayed by employees in that position. The consequences of mistakes (in job design or in hiring the wrong employee) can have serious financial and performance repercussions.
- B positions are largely support roles that may be strategic for the company but the skills required to perform them are common and there may be little variability in the performance of employees in these positions.
- C Positions may be required for the company to function but are not strategic to its success and may easily be outsourced or even weeded out.

On the one hand, they wanted to ameliorate the ethical objections that some HR professionals had to classifying people as "A, B, or C", understanding that there might not be the same emotional reactivity to classifying positions – or segmenting jobs – within the organization. In a nod to the war for talent narrative, it was still argued that A position holders required autonomous decision making, enriched job design, and performance based compensation, but it called for a more targeted approach to the allocation of "star talent". Organizations did not need A players throughout their operations, only in A positions. However, by building an element of intrinsic reward in-built into these positions, and attracting those who seek job enrichment at their work place, the TM strategy could be less reliant on monetary rewards, thereby making the strategy more acceptable to the wider organization.

Returning the Debate to Human Capital Management and Human Resource Planning Traditions

A number of writers, coming from a human capital planning perspective helped refine Huselid et al.'s (2005) positions perspective (see for example Boudreau, 2010; Boudreau & Jesuthasan, 2011; Boudreau & Ramstad, 2005, 2006, 2007; Cappelli, 2008; Ingham, 2007). By the late 2000s, the early work on workforce analytics had evolved into the broader topic of strategic workforce planning (SWP). SWP was aimed at identifying the characteristics of human capital needed to achieve a strategic objective, and then scaling the activities needed to enable this. It used a combination of data and analytics to create insight into the relative value of specific talent to the execution of an important strategy, and the necessary investments and actions needed to avoid any loss of value. The workforce plan in essence became the talent component to the business strategy. This work was driven by developments in the field of human capital management (HCM) – notably human capital (or workforce) analytics and human capital accounting (HCA). Nahapiet (2011) later reminded us that the word capital reflects a concept from economics that denotes potentially valuable assets. This human capital management discourse had never gone away, but it had perhaps been somewhat subsumed by the war for talent narrative.

However, in the late 2000s, under the impetus of human capital management thinking, there were three significant developments in the study of TM and the research narrative:

1. The incorporation of decision science thinking.
2. The incorporation of risk management thinking.
3. Further refinement of the talent management organization design interface.

Boudreau and Ramstad (2006, 2007) helped incorporate decision science thinking into the TM narrative. They returned the TM field to the underlying question of how you can create value from your human capital and introduced two notions into the narrative:

1. The need for a “talentship decision science” with the goal of increasing “the success of the organization by improving decisions that depend on or impact talent resources” (2007, p. 25);
2. “Pivotal talent pools”, which were groupings and clusters of talent (i.e., not just positions) in which differential human capital investments could make the biggest difference to strategic success, because the improvements in capabilities brought about by investment would have the most significant impact on competitiveness. Pivotal talent pools could exist in undervalued parts of the organization.

Their work also began to make some of the theoretical underpinnings of the TM field more explicit. It argued that TM research needed to be underwritten by both:

- human capital theory: to argue that the costs associated with the development and retention of talent should be viewed as investments on behalf of the firm;
- expectancy theory: to argue that people have choices about the investments they chose to make in themselves, and will make more investments if there are signals that they are in an area of special importance to the organization.

Reflecting their own intellectual inheritance, Boudreau and Ramstad (2006, 2007) returned our attention to one of the enabling concepts noted at the beginning of this chapter – the effective use of *metrics* and a more open form of strategic thinking needed to identify these pools. In terms of the evolving historical narrative, this early work made three additional contributions:

1. It highlighted the need to translate the organizational capabilities articulated in the strategy into specifications for talent.
2. It used a number of frameworks to segment the existing, or the target talent population, to urge practitioners to think about talent either on the basis of the centrality of the roles to the strategy,
3. It assessed the consequences or feasibility of the above, and helped organizations decide whether they should pursue “build” or “buy” talent strategies.

HR and business leaders were implored to broaden their traditional focus and develop frameworks to identify which decisions about human capital were most crucial, and then to connect these decisions logically to questions of organizational effectiveness.

The late 2000s also saw the incorporation of risk management thinking into the TM narrative. For example, Sparrow and Balain (2008) looked at organizations operating in environments where the business model was fluid and the successful technologies were as yet still to be demonstrated. They drew upon the work of Bhattacharya and Wright (2005) on options theory, to argue that as part of this management of risk, organizations in practice took out different “talent options” against the various projected developments of their business model. They attempted to “future-proof” their organization by attracting pools of talent associated with several alternative ways in which the organization might develop. The expense of having competing pools of talent was nothing compared to the cost of not having the winning pool. Therefore, in situations of continuous business model change, organizations needed to adopt a risk management approach, and this required the development of the capability to take out positions or options on key talent.

Cascio and Boudreau (2010, 2012) argued that talent strategies had to be risk aligned to balance the inherent risks in talent planning, with investments in talent for several future scenarios, according to their relative likelihood and risk. The answer to this problem was to use a risk

optimization, management, and mitigation framework to look at human resource strategy and strategic workforce planning.

This application of risk management thinking into the TM narrative made three contributions to the debate of that time:

1. It raised questions about the governance of talent systems and their functional ownership (which might not be HR functions).
2. It made it clear that human capital strategies had to be built around the reduction of uncertainty, elimination of bad outcomes, and insurance against bad outcomes.
3. It cautioned against the illusion of predictability, but argued that increased precision in predictions about the future supply and demand for skills was still possible by the application of quality-control tools to TM, and could achieve the same “low-defect” rigour seen in engineering and operations processes.

The third development as a result of human capital management thinking was the further refinement of the TM-organization design interface. There was a further softening of the “star talent” approach and clarification of the links between TM and organization design. Collings and Mellahi (2009) were supportive of the notion that TM had to include activities and processes that systematically identified key positions that differentially contributed to the organization’s sustainable competitive advantage, and the development of talent pools of high-potential and high-performance incumbents to fill these roles. However, they introduced three further refinements to the key positions philosophy that helped tie the TM narrative into the broader HRM narrative. They argued:

1. There must also be a human resource architecture (discussed later in the chapter) that facilitates the filling of these positions with competent incumbents and differentiates their management to ensure their continued commitment to the organization.
2. Building on the observations of Boudreau and Ramstad (2006, 2007), as TM was not just linked to top tier employees of the organization, and strategic positions did not just include those near the strategic core of the organization, TM should be seen as more contextual endeavor, and should become an organization-wide strategy.
3. Organizations should therefore de-link the TM strategy from leadership development and debates about star performers, though this aspect of TM was naturally still one part of a broad strategy.

This linkage between TM and organization design subsequently led to a series of further “refinements” to the position. The assessment of how “valuable” a role was a complex endeavour. Therefore it was argued that two additional capabilities were needed as part of any broader TM architecture:

- Business model analysis;
- Value analysis.

Identification of more or less strategic roles in the field of practice had always been used as part of a talent system, but by the 2010s, it had become of particular importance given the high levels of business model change then taking place. Changes in business model often meant that the relative contribution of important roles to the success of the organization also changed, and the success (or failure) of the business model could become crucially dependent on the job design of a small number of mission-critical jobs – key positions. Drawing upon Fitz-enz’s (2000) arguments about the nature of human value in business environments, and Boudreau and Ramstad’s (2006, 2007) ideas about the risks to that value being realized, Sparrow, Hird, Hesketh, and Cooper (2010) argued that the judgment of how important a role was, and the contribution that talent might make to that role, depended on three judgements about strategic value. How did a role, and the surrounding organization design, contribute

to processes of value creation, value leverage, and value protection? Building on this further, Sparrow et al. (2011) then argued that in order to forge a workable link between TM and organization design, HR academics needed to co-opt business model analysis.

Self-Criticism from the World of Practice

At this point in the chapter, it is worth “drawing breath” and reflecting on the situation that the field seemed to have arrived at in the later 2000s. There was an increasingly yawning gap between the suggestions, observations, and exhortations coming from the academic community (and consulting community) and the realities of organizational practice. Some of the professional bodies for HR practitioners began to step into the debate, and practitioners began to question their own practice.

There was no agreement about the exact bundle of differentiating practices that should be involved in TM, but at least the thinking was similar to that seen in the high-performance work practices debates within the academic field of HRM. Organizations needed an additional or a strategically-integrated set of practices in order to be able to say that they were good at TM. Typically, these key activities, or components, revolved around the following (Gubman & Green, 2007; Silzer & Dowell, 2010):

- Identifying and recruiting talent (analysis of labor pools, benchmarking competitor strategies, decentralizing or centralizing recruitment strategies, coordinating preferred suppliers, establishing brand and reputation among key employee segments);
- Attracting talent to the organization (creation of employee value propositions, management of an employer brand);
- Minimizing attrition through engagement and retention (effective onboarding, aligning rewards and recognition structures, improving line management skills and engagement with talent, and retaining initiatives);
- Identifying key internal talent (systematic and effective approaches to affirm individuals with the status of talent, high-potential identification systems, identifying the roles that are most talent dependent, and using assessment instruments and frameworks);
- Managing talent flows (developing effective succession systems, creating flexibility in internal mobility, career management and planning systems, succession management);
- Developing employees (coaching and mentoring, flexible portfolios of development activities, learning opportunities and options for employees, team learning processes, strategic and operational leadership development programs, coaching);
- Delivering performance (organization talent review processes, linking data on organizational performance to the selection of talent, stretching the performance of talented individuals, managing under-performance).

These component practices had to be more than just a string of HR programs, practices and processes. They had to form part of a broader system that was driven by the business strategy and must be managed as a core business process (Gubman & Green, 2007; Silzer & Dowell, 2010).

Perhaps realizing that they were hard pressed to make sophisticated judgments about talent, organization design, and risk, and also well aware that their practices in reality fell far short of covering the above territory, practitioners themselves became more questioning of their achievements.

For example, Cheese, Thomas, and Craig (2008) from the United Kingdom argued that TM had to be managed hand in hand with broader workforce engagement, in order that the combined capacity and will of people to achieve an organization's goals was treated as a productive resource. Schiemann (2009), writing on behalf of the Society for Human Resource Management in the U.S.A., complained of unfocused activities, woefully inadequate measures in a nascent field, and a failure to accept that TM was not just a business issue, but a social issue. There was a need to change in the rules of the game and for TM to capture the issue of engagement (through what he called a need for people equity).

Davies and Kourdi (2010) feared that practitioners in the area had bought into the notion of star talent. They had worked with many people in doing this: with CEOs undertaking extensive talent reviews, with psychologists to assess people's capability, with technology specialists to introduce databases to capture skills across the workforce, with recruiters to scour the market for more talent, and with "the talent" themselves to act as coaches. Yet "the struggle [remained] systemic... in truth, we had metaphorically put sticking plasters over the obvious issues without really getting to the root cause of the problem... it felt to us that organizations were operating in a talent 'doom loop'" (Davies & Kourdi, 2010: 3). Their critique of their own practice argued that TM needed to be about knowledge, innovation, and relationships that took place in their organizations today, rather than executive potential tomorrow – the vital many were as important as the special few. The idea that organizations could manage talent was an outdated conceit. And organizations needed to manage the social dimension in which talent was developed, rather than the capability and resources of individuals. They needed to manage how talent works – and that meant managing the whole ecology of an organization and its ability to create social capital.

There was a questioning of what was meant by the term "strategic" as a label for TM. Silzer and Dowell (2010) in the U.S.A. argued that the label "strategic" could only be earned if TM processes identified:

- Individuals who had individual competencies that enhanced or established competitive advantage and played a crucial role in identifying, developing, and protecting core organizational capabilities;
- Different talent for different business strategies – aligning talent profiles more specifically to both near-term and far-term organizational demands;
- Talent strategies that supported entering and surviving in other geographic markets.

Avedon and Scholes (2010), in a further rejection of the star talent philosophy, argued the label strategic TM required processes that enabled much more "contingent" talent pools. This meant managing four contingencies:

1. A flow of leadership talent with appropriate competencies through early career, mid-career, and late-career stages, building talent for strategic functions;
2. Talent for key functions of critical importance to the strategy at a given time, often technical specialists but also hybrid roles that become central to the effective delivery of a new business model, or in the pursuit of different strategic foci such as innovation, operational excellence, customer intimacy, or globalization;
3. Talent for strategic technologies, ensuring access to new educational disciplines and start-up activities;
4. Talent for strategic geographies, covering mature through to emerging markets.

Similarly, Sparrow et al. (2011) argued it was time for organizations "to question the tablets of stone". They teased out differences in the underlying philosophies, providers, practices, and principles of TM. They found immense variability of practice, the way that these practices were bundled together by organizations under the label or umbrella of TM, the underlying models of potential, leadership and human capability, career advancement and career derailment, and differences in the underlying *principles* – the fundamental rules that guided action and conduct within the TM system. After the global financial service crisis, a number of organizations had begun to re-stress the corporate values that talent managers were supposed to possess and display, re-specified the underlying leadership models by creating linkage between their TM and efforts to foster specific concepts or brands of leadership, such as authentic or sustainable leadership, and were attempting to re-stress the social purposes of their organizations.

It became evident that decisions around talent in practice were rarely optimal and there was often only a weak link to the previous academic narrative (Mäkela, Björkman, & Ehrnrooth, 2010; Vaiman, Scullion, & Collings, 2012). This was because:

- They were not based on the frameworks being promulgated by the human capital management academics, but were still driven by the informed preferences or intuitive instincts that senior managers had of the visible talent within their organization.
- Even when informed by data provided by HR functions, they lacked a synthesis, provision of usable metrics and analysis or any explanation of important nuances.
- They were also bounded by the natural cognitive limits of managers who had neither the time, capability, nor inclination to access data about all global talent – the inclination was to select those who were “good enough” based on previous experiences and beliefs about talent.

The Globalization of the Talent Management Agenda

Interestingly, the introduction of both more critical and more global academic debate came at exactly the same time as this period of practitioner self-critique. There was a sudden groundswell of interest and attention given to the topic. The first major development was the incorporation of international HRM traditions into the TM narrative.

Sparrow (2007) argued that the globalization of labor markets was leading to an interesting development, in which academics from a number of fields related to international management had started to come together, beginning around the late 2000s onwards, to address global TM issues. As a strange quirk of history, much of this work seemed to come to fruition in 2010 (Farndale, Scullion, & Sparrow, 2010; Schuler, Jackson, & Tarique, 2011; Scullion, Collings, & Caligiuri, 2010; Tarique & Schuler, 2010). A number of writers had begun to argue that global TM had become of increasing strategic importance to organizations

Farndale et al. (2010) felt that a number of factors had led to this growth of interest of TM in a broader international context.

- An intensification of competition between MNEs, leading to an increased importance of innovation and learning across borders, in turn much dependent upon the quality of leadership talent;
- A shift in the competition between employers for talent from the country level to regional labor markets and different parts of a global network of talent;
- An increase in demand for expatriates with the capability to develop new markets, access to specialized talent to assist the execution of overseas projects and to develop emerging markets, managers with distinctive competencies and a desire to manage in culturally complex and geographically distant countries; and the need for highly mobile elites of management to perform boundary-spanning roles to help build social networks and facilitate the exchange of knowledge necessary to support globalization;
- Shortages of such capable leadership talent in many geographies and local labor markets, coupled with rapid shifts in demographic profiles that are impacting the supply of labor, the retention of key knowledge and capability, and the depth and breadth of future talent pipelines;
- The globalization of a number of professional labor markets (such as healthcare and information technology), the shift towards skills-related immigration systems, higher levels of international migration into domestic labor markets, and the growth of reverse migration patterns for returnee immigrants bringing skills and networks back to home markets;
- Growing demand for alternative forms of international assignments such as short-term assignments, commuter assignments, and the like.

For Scullion et al. (2010: 106) global TM included “all organizational activities for the purpose of attracting, selecting, developing and retaining the best employees in the most strategic roles... on a

global scale”. GTM had to take into account differences in the global strategic priorities of the organization and the differences in how talent should be managed across the national contexts in which they operated. Tarique and Schuler (2010) saw GTM as a subset of international HRM policies and practices that were focused on the attraction, retention, development, and mobilization of talent, in line with the strategic direction of a multinational enterprise.

The Mobilization of Critique Through Special Issues

This renewed interest, and adoption of a more global and comparative management perspective, brought with it the opportunity to strengthen our understanding and improve our practice. With the benefit of hindsight, it could be argued that this explosion of academic debate had the advantage of bringing the topic of TM to a wider academic audience, notably the global talent management (GTM) and international HRM (IHRM) researchers, but it also had the disadvantage that many of these researchers had not been HR strategy academics, and so were not automatically cognizant of some of the prior historical context. There was a period of a few years in which both communities “equalized” their insights, and slowly integrated each other’s findings into their own narratives. This new group of GTM and IHRM researchers were, however, as outsiders moving into a field, quickly able to spot the many flaws and inconsistencies in the debates that seemed to have been taking place. They were also very well placed to understand the cultural and institutional limitations that seemed to surround what had previously been a very Anglo-Saxon HR led debate. These special issues therefore brought a wave of critical thinking into the field of TM. These criticisms were directed at practitioners (and the lack of attention by HR strategy and HCM researchers to the realities of practice); but also at the theoretical and contextual shortcomings in much of the prior narrative.

The new academic interest was evidenced by a number of special issues on the topic that were intended to delineate the topical research issues, and build an extended community of academics. The pursuit of GTM was covered in *Journal of World Business* (Scullion et al., 2010), European perspectives were covered in *European Journal of International Management* (Collings, Scullion, & Vaiman 2011), and Asia-Pacific perspectives in *Asia Pacific Journal of Human Resources* (McDonnell, Collings, & Burgess 2012). A general review of debate appeared in *International Journal of Human Resource Management* (Vaiman & Collings, 2013).

After this first bout of issues, later special issues focused on an analysis of current theories and future research directions in *Journal of World Business* (Al Ariss, Cascio, & Paauwe, 2014), general progress and prospects in *Human Resource Management Review* (Collings, Scullion, & Vaiman, 2015), the nature of strategic TM in *Employee Relations* (Scullion et al., 2016), the importance of a number of organization contextual factors in *Journal of Organizational Effectiveness: People and Performance* (Vaiman, Collings, & Scullion, 2017), and critical perspectives in *Business Research Quarterly* (Farndale, Morley, & Valverde, 2019).

The special issues from 2010–2013 raised two important questions:

- What did talent management look like in different national contexts?
- Was it a concept that had any resonance beyond its Anglo-Saxon origins?

It was argued that there was a geographical narrowness in our understanding of TM practice. Discussions around the practice had been dominated by both the study primarily of Anglo-Saxon organizations and by analysis of U.S. academics (Scullion & Collings, 2011). The effectiveness of and types of TM activities had yet to be fully understood in different national contexts (Stahl et al., 2012; Scullion & Collings, 2011). Indeed, once academics began to look at TM in relation to different stages of globalization and also across countries, it became apparent that there were many differences in the understanding of, definition of, meaning in, and goals of, TM (Collings et al., 2011; McDonnell et al., 2012).

Vaiman and Collings (2013) reflected on the first set of special issues by noting four challenges that remained:

1. Understanding the conceptual and intellectual boundaries of talent management;
2. The practice of talent management in different national contexts;
3. The practice of talent management in different types of organizations;
4. Understanding which elements of talent management are the most effective for organizational performance.

The earlier 2001 critique of an elite approach to TM by Pfeffer (2001) was picked up again in the early special issues in what might be called the elite versus egalitarian debate of the early 2010s. Many contrasts can be drawn in terms of TM philosophies, but one of the most obvious is whether the practices that come along with the philosophy are associated with a view that TM is best focused on the management of a small elite – those high-performance and high-potential individuals – or whether a more egalitarian, universal, and inclusive focus is also needed, one that looks at TM practices as it relates to the majority of all employees. The latter perspective of course found much favor in the early reviews of the field (Collings & Mellahi 2009; Schuler et al., 2011; Scullion & Collings, 2011). Sparrow et al. (2014) argued some of this criticism is directed at the assumption that individual talent is one of the most significant sources of competitive advantage. Some of the criticism reflected ideological discomfort with a differentiated approach to talent, or the balance between this approach and the other more collective and less hierarchical parts of a talent system. Some of it was a more ideological, or cultural, discomfort with some of the practices that seemed to have come hand in hand with the philosophy, especially the level of reward given to those differentiated by the system.

This academic debate also asked whether the field was still in a stage of infancy or had reached a stage of adolescence (Collings et al., 2011; Thunnissen, 2016; Thunnissen, Boselie, & Fruytier, 2013). There was still no precise definition of what was meant by TM and this was slowing down the development of the field (Collings & Mellahi, 2009; Garavan, Carbery, & Rock, 2012; Iles, Chuai, & Preece, 2010; Lewis & Heckman, 2006; Tarique & Schuler, 2010). Academics also argued (and have continued to argue) that there was still no consensus around the intellectual boundaries that would help us understand the topic (Collings et al., 2011).

In support of the charge of infancy, Thunnissen et al.'s (2013) search of the academic literature from 2001 to 2012 found that over 170,000 hits on Google Scholar could be boiled down to 62 documents on the subject, 43 of which were peer-reviewed articles in international journals, one-third of which presented some empirical evidence (mainly only since 2010), and talked primarily about the scope and scale of TM challenges faced by organizations (rather than actual practice), or reflected single case studies, or views from a particular geography. The other two-thirds were either conceptual or review-based (i.e., trying to define the field). Hence the conclusion was that even by 2013: "the majority of the academic literature is still conceptual, trying to respond to the question of what talent management is" (Thunnissen et al., 2013: 1749).

By 2016, however, the field was considered to have now reached a stage of what could be called adolescence, though it was still far from being mature (Thunnissen, 2016). There has been a tradition of using bibliometric and content analysis of publications in the field to try to capture the central issues being discussed, but also to critique the level of drift and self-referencing that has taken place (self in the context of a small group of researchers leading debates). A retrospective analysis of the recent empirical effort suggests that there remains a fragmented body of knowledge, that is scattered over a wide range of journals (Gallardo-Gallardo & Thunnissen, 2016), resulting in a lack of any stable theoretical foundation. Similarly, a systematic review of studies in leading journals (although only capturing studies until 2013) concluded that the field has evolved "at the intersection of HRM, strategy, international business and other related fields" (McDonnell, Collings, Mellahi, & Schule, 2017: 90).

Research has been conducted in two main contexts: the management of high-performers and high-potentials, and the identification of strategic positions and TM systems. On a positive note, most papers now draw, to some extent, on primary research. However, the authors argued there remains a need for greater clarity around the conceptual boundaries of TM, and more comprehensive and nuanced methodological approaches. Although 60% of studies have some empirical component, 56% of this is survey based, many studies still rely on convenience samples providing limited information on response rates, and 18% of studies are based on single case studies, drawn from widely different geographies. Less than 30% have any theoretical framing, and in many instances such framing is superficial. The latest content analysis by Thunnissen and Gallardo-Gallardo (2019) captures 174 peer-reviewed articles published between 2006 and 2017 that restate the charge that the quality of TM research is often worrisome and is hindering the progress of the academic field.

McDonnell et al. (2017: 117) also conclude that in order to move the field forward an overriding need is for “talent management [to be] concerned with understanding where value is added in organisations by human capital”. Borrowing the architectural metaphor from the field of strategic human resource management, Sparrow and Makram (2015) have attempted to lay out how TM systems might be assumed to create value, to then capture this value, to leverage it around the organization, and finally to protect and preserve this value. They introduced the notion of TM architecture, which is the combination of systems, processes, and practices developed and implemented by an organization to ensure that the management of talent is carried out effectively. While on the surface these architectures might appear the same across organizations, in reality, they are underpinned by assumptions that are often unique to each organization, dependent on its business strategies, the insights of its organizational decision makers, and the talent philosophies inherent to each organization. They also argued that the field of TM is at an important juncture. Its development is being impeded by this rapid contextualization and the different values, assumptions, allegiances, and philosophies that are being surfaced. Sparrow and Makram (2015: 249) concluded that because of the “different values, assumptions, allegiances and philosophies [that] are being surfaced” in the evolving field of TM, “answering questions about value” is the core challenge that must now be addressed for the field to develop further.

Conclusions: Where Next for Talent Management Research?

Although the field is maturing as a result of significant debates about its breadth and focus (Sparrow & Makram, 2015), problems remain and the field remains disjointed. This chapter argues that there has been a process of developing arguments and counterarguments, and through this debate the field is becoming increasingly coherent rather than fragmenting. However, to avoid the danger of fragmentation, researchers need to maintain their focus by both developing strong theoretical arguments but also staying connected to the dynamics of practice.

Having finally reached a stage of adolescence, when we look now to the current and emerging debates within the field of TM, what do they suggest are likely to be the near-term directions that researchers will take? There seems to be four future developments:

1. re-theorizing the topic,
2. putting the strategy back into practice,
3. contextualizing talent management practice,
4. crossing levels of analysis.

The first near-term direction is the need to re-theorize TM. The burst of attention via special issues also opened up a debate around the need for better theorization in the area and a widening range of theoretical perspectives. Al Ariss et al. (2014) felt that despite this first burst of concerted attention, it was still consultant and practitioner research that had aggressively driven the discourse on TM, and there remained only a limited amount of peer-reviewed literature that showcased the gap between academic

and practitioner interest in TM. There are grounds for optimism though in terms of the level of theoretical diversity, especially of late.

The early work, as noted, stemming from traditions as various as human capital management (Lepak & Snell, 1999, Wright & McMahan., 2011), strategic human resource management (SHRM) (Becker & Huselid, 2006; Lado & Wilson, 1994; Wright et al., 1994), the resource-based view (RBV) of the firm (Barney, 1991; Barney & Wright, 1998), marketing perspectives such as brand equity and signalling theory (Boudreau & Ramstad, 2005), and supply chain management (Cappelli, 2008). More recently, attention has been drawn to the contribution that might be made by social exchange theory (Wang-Cowham, 2011), resource dependency theory (Garavan, 2011), institutional theory (Iles et al., 2010), and learning theory (Oltra & Vivas-Lopez, 2013; Yoon & Lim, 2010), the theory of value (Bowman & Ambrosini, 2000; Sparrow & Makram, 2015), and strategy-as-practice theory (Makram, Sparrow, & Greasley, 2017).

At the time of writing, there is a period of reflection taking place among academics in the field. Farndale et al. (2019) argue that being built upon a wide range of academic and applied perspectives may be something which may over the course of time prove to be a strength, but is also potentially a weakness, depending on the capacity of researchers to coalesce dispersed theoretical insights and engage in robust evaluation studies. They believe there are now three sets of questions that need answering. First, there are ongoing debates around the conceptualization, theoretical development, and framing of the field. Does the construct of TM have some useful theoretical utility, and do these theories have useful explanatory power in understanding the mechanisms that govern different TM architectures? As we continue to forge links between TM and other useful fields and theories, is there any useful evidence regarding which boundaries are most useful? Second, do we have sufficiently exact contours around the practices involved in TM, and does any anatomy of practices help serve to advance previously generated insights from proximal fields such as strategic human resource planning and competency-based management? Third, what are the stakeholder perceptions and priorities related to the adoption of TM? As we begin to cross broader levels of analysis at the micro, meso, and macro levels, does study of TM help us understand under-researched issues in the contemporary employment relationship?

Indeed, there is a need to continue to integrate TM thinking with the traditions of human capital theory. For example, recent work on strategic human capital (Boon, Eckardt, Lepak, & Boselie, 2018) moving to the collective level of the total human capital resource argues that the management of the portfolio of talent, and in particular the range and dispersion of knowledge, skills, abilities, and other characteristics (KSAOs) raises important questions familiar to the field of education. Can one high-performer carry a group of average performers, or does a lower average reduce the potential of high-performers?

The second near-term direction therefore is the need to contextualize TM. This process began of course in the early special issues once they brought in a more international and comparative perspective. However, there is now a broader process of rapid contextualization taking place, understanding important variations in practice or philosophy. This process of contextualization (above and beyond understanding the different global perspectives on TM noted above) began with contributions that debated the assumptions and philosophies used to both define “talent” and “talent management”, and to underpin its practice (Collings & Mellahi, 2009; Dries, 2013; Gallardo-Gallardo et al., 2013; Meyers et al., 2013).

The theme has also been picked up in another special issue. Vaiman et al. (2017) consider the importance of a number of organization context factors on the practice of TM: the role that organizational climate plays in supporting talent development and employee perceptions and interpretation of TM practices; the impact of diversity management within the TM debate, how key actors in organizations actually understand talent in the particular context of the organizations in which they work, and how the networks of scholars working in the TM area is influencing the evolving literature and the evolution of the field of research.

The third near-term direction is the need to put the strategy back into practice. The link between TM and performance, the assumed line of sight between the two systems, and the assumptions this

rests upon, have all been discussed in the literature in recent years (Collings, 2014; Makram et al., 2017; Sparrow et al., 2014). Makram et al. (2017), in studying both the talent system designers and the talent system implementers from a strategy-as-practice perspective, had mixed conclusions in terms of the level of strategic thinking in practice. Harking back to Lewis and Heckman's (2006: 152), they lament that we needed to improve "the quality of talent conversations in organizations". They found that managers continue to view TM as a bundle, or set, of management ideologies manifested in all their HR-related practices, and that performance management was the cornerstone of their TM. There was little new thinking in the area. However, there was evidence that practitioners could engage with more critical thinking, principally in terms of four important dialogues: 1) the need to translate the corporate and business strategy into talent capabilities; 2) leveraging identified potential and capitalizing on it so they could get a return on their investment; 3) extending the capabilities of existing talent so that they could learn, acquire, and institutionalize new knowledge and skills; and 4) developing the right culture in the organization to nurture, develop, and grow its talent.

Reflecting on this link back to strategy, Sparrow et al. (2014) argued that there is a clear talent management/knowledge management link. Today's organizations need to be much more aware of the need to manage the collective wisdom of their talent. Effective TM is about getting talent to talk to each other. Organizations therefore need to focus less on just identifying and categorizing talent, and more on getting effective brokerage out of their talent's knowledge and insight (and indeed the talent that exists across the extended networks of organizations and institutions in which their organization operates). The field may therefore evolve into one that is less concerned about *talent management*, but more about *the management of talent*. HR functions need to proactively manage the talent that exists across what increasingly is a "distributed capability system".

Finally, as the last point makes clear, the fourth near-term direction is the need for our analysis to now cross – and create linkages between – important levels of analysis. The majority of TM research is still focused at the meso- (organizational) level, with only limited attention being paid to individual-level research. This short coming is now being addressed, and in the near future, we should expect to see some interesting research that brings the individual back into the frame (see for example King, 2015, 2016; Nijjs, Gallardo-Gallardo, Dries, & Sels, 2014; Swailes & Blackburn, 2016).

In a similar vein, opportunities to expand the field from its meso (organizational) roots to micro (employee) and macro (societal) contexts abound. We are now seeing discussion of the rapidly evolving field of macro talent management (MTM). King and Vaiman (2019: 199) define a macro view of GTM as "the activities that are systematically developed by governmental and nongovernmental organizations expressly for the purpose of enhancing the quality and quantity of talent within and across countries and regions to facilitate innovation and competitiveness of their citizens and corporations". As MNEs build skills and capabilities around the world, researchers need to understand the role played by the associated activities such as global capability transfer, strategic workforce planning, and employer branding. As professional labor markets have themselves become highly globalized, MNEs are trying to harmonize their strategies across countries, markets and even cities. Reflecting such developments, a number of writers have recently begun to argue the links between this wider perspective on TM and the requisite strategies for MNEs, and have introduced the concept of "macro talent management" (Khilji, Tarique, & Schuler, 2015; Khilji & Schuler, 2016; Lanvin & Evans, 2014, 2015, 2017; Sparrow, Brewster, & Chung, 2017; Vaiman, Sparrow, Schuler, & Collings, 2018a, b). This emerging field incorporates the study of activities aimed at attracting, mobilizing, developing, and retaining top talent at the country-level. It examines country-level processes and their outcomes within organizations, including multinational enterprises and nongovernmental organizations (NGOs), and individuals in order to ensure high-quality TM.

Again, we see a natural progression of thinking taking place within the field. Once researchers begin to lay out the core elements of TM systems or architectures, (Sparrow & Makram, 2015), then it becomes evident that we can think about these architectures across several levels of analysis. King and Vaiman (2019) have picked up on the notion of TM architectures to call for a similar investigation of

the “architecture of external macro talent management systems”. They note that as the available supply, composition, and flow of talent into and out of organizations is subjected to and shaped by complex political, institutional, technological, and cultural forces and systems. As researchers continue to contextualize TM and “nest” their analysis of TM architectures in their broader context, then they will continue to supplement the current and dominant firm-level orientation to TM with broader country-level system analyses. King and Vaiman (2019) believe this will see a continued move away from a primarily HR-centric orientation towards understanding TM in its organizational and business strategy context, and the broader cross-organization ways in which TM can operate.

In the final analysis, it is clear that the language of “talent management” has continued to evolve, as too have the paradigms that tell us what should be involved in the field. It is clearly true that the label TM continues to bring with as more new “fuzzy concepts” often before the field has answered some of the previous ones! However, this very same language has allowed us researchers to gain entry to a wide range of real-world phenomena and useful ideas that should be associated with these developments. We may yet be able to change our own practice and mindset.

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3

BUILDING MICRO-FOUNDATIONS FOR TALENT MANAGEMENT

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Introduction

Talent management (TM) has captured the attention of senior organizational leaders, human resource professionals, and academic scholars since entering the mainstream when McKinsey declared the *War for Talent* in the mid-1990s (Cappelli & Keller, 2017; Collings, Cascio, & Mellahi, 2017). While initial interest in the topic was largely restricted to a practitioner audience, since about 2009, we have seen a significant body of academic work on the topic emerge (Gallardo-Gallardo et al., 2013; Gallardo-Gallardo et al., 2020; McDonnell et al., 2017; Meyers et al., 2020). However, this literature is highly diverse, ranging from discussions of the conceptual boundaries of TM, to TM practices and the intended outcomes or effects of TM (Thunnissen et al., 2013: 1744). The literature has, however, failed to develop consensus around the meaning and definitions of TM (Cappelli & Keller, 2017; Collings & Mellahi, 2009). The link between TM and performance has also yet to be established (Collings et al., 2019), and indeed, there is little consensus on dominant TM practices. In many ways, the field is still operating with generic notions of “attract, develop, and retain” and lacks specificity.

Theoretically the foundations of the literature on TM are also diverse. For example, Gallardo-Gallardo et al. (2013) identified four dominant theoretical frameworks informing TM research – the resource-based view, international human resource management, employee assessment, and the institutional lens. They criticized the field for applying multiple frameworks in single projects, claiming that such combinations may create “an inconsistent ‘story’ and often also a severe mismatch between theory and data” (2013: 276). A more recent review by McDonnell et al. (2017) concluded that there are two primary streams of the literature that dominate TM research: “the management of high performers and high potentials, and the identification of strategic positions and TM systems” (2017: 86). The authors also lament the disjointed nature of the field and call for greater clarity around the conceptual boundaries of TM. Achieving such clarity is central to the exposition of the relevant underlying mechanisms of TM, which are currently only partially understood.

This chapter aims to begin to fill in this gap. We provide a mapping of conceptual boundaries using a micro-foundational approach (Felin & Foss, 2005). We then use this mapping as a diagnostic tool to help us identify some of the key but under-researched issues that future research in this important field must explore. We begin by defining TM and reviewing the basic logic behind the arguments of micro-foundations. Then we illustrate that the key state-of-the-art discussions in TM are currently happening at a number of different levels. We finally argue that these discussions will benefit from explicating underlying mechanisms at the individual level.

Defining Talent Management

Given the lack of agreement over defining talent management, it is important to be clear on how the construct is defined in the context of the current chapter. We adopt Collings and Mellahi's (2009) definition, which was identified by Gallardo-Gallardo et al. (2013) as the most cited definition of TM. They define TM as:

... activities and processes that involve the systematic identification of key positions which differentially contribute to the organization's sustainable competitive advantage, the development of a talent pool of high potential and high performing incumbents to fill these roles, and the development of a differentiated human resource architecture to facilitate filling these positions with competent incumbents and to ensure their continued commitment to the organisation. (2009: 304)

This definition broadens the TM agenda beyond a sole focus on leadership talent and highlights the importance of key positions that have the potential to disproportionately contribute to competitive advantage. As we outline below, key positions thus become the locus of differentiation from a strategic perspective. They are defined by their centrality to organizational strategy and by the potential for significant difference in output between an average and top performer in the position (quality pivotal) or by the potential differential in output when the number of people in the role increase (quantity pivotal) (Becker & Huselid, 2006; Cascio & Boudreau, 2016; Collings & Mellahi, 2009; Minbaeva & Collings, 2013).

The focus on talent pools calls for a move from vacancy led recruitment toward "recruiting ahead of the curve" (Sparrow, 2007). This reflects an emphasis on "flow" or "process" notions of human capital, as opposed to the more traditional "static" or "stock" perspective on human capital (Burton-Jones & Spender, 2011; Collings et al., 2017). Peter Cappelli likens this approach to managing talent through a supply chain. This approach aims to minimize talent risk in the supply chain. Such risks can be qualitative, meaning the organization does not have the types of knowledge, skills, abilities, and other characteristics (KSAOs) required to deliver on its strategy, or quantitative, when the firm does not have the requisite number of people available to deliver on its strategy. The challenge for organizations is to systematically identify future business needs in terms of knowledge, skills, and capabilities that will be required in the future but are not currently available in house and recruit on this basis (Collings et al., 2019). Stahl et al.'s (2012) study of global TM confirmed that the high performing organizations they studied followed a talent pool strategy – recruiting the best people and then finding positions for them.

Finally, the differentiated HR architecture is intended to increase organizational performance through maximizing the work motivation, organizational commitment, and extra- role behavior of those in the talent pool (Collings & Mellahi, 2009). Extant research provides some support for this position. Marescaux et al. (2013) demonstrated that employees who perceived they had received more favorable treatment in the workplace displayed higher levels of affective commitment. Similarly, Gelens et al. (2014) found that being designated as "talent" was perceived as a signal of organizational support, which, in turn, triggered affective commitment. However, the evidence is not conclusive on the positive impact of differentiating HR, and there is ample opportunity for further study here (Collings, 2017; Meyers et al., 2017).

Micro-Foundations: A Brief Overview

Micro-foundations have been an important theme in management research and can be seen as an instance of "reductionism" (Foss, 2010). Advocates of the micro-foundations movement in management argue that micro-foundations must be provided as building management theories for three critical reasons:

1. Alternative explanations: There are likely to be many alternative lower-level explanations of macro-level phenomenon that cannot be rejected with macro-analysis alone. Even if a large sample can be constructed on the basis of macro units of analysis, a problem of alternative explanations may persist.

2. Managerial interventions/practices: The ultimate goal of managerial interventions is to modify individual behavior. However, not every organizational practice gets implemented as intended, and not everything that is implemented affects individual behaviors to a similar degree. The differences between intended and implemented managerial practices are caused by a range of organizational antecedents that would cause variations in the implementation across organizational units. There are also variations in individuals' reactions to the actual/implemented practices, which may explain differences in perceived practices. Hence, a single-level perspective can never be adequate for research on managerial interventions.
3. Fundamental causes and predictability: Fundamental to micro-foundations perspective is the recognition that micro-level phenomena are embedded in macro contexts and that "macro phenomena often emerge through the interaction and dynamics of lower-level elements" (Kozlowski & Klein, 2000).

All three arguments speak directly to the need for building micro-foundations in TM research. However, the fundamental question for TM research is "*where* this deep structure is located, as there may be several analytical levels below a given aggregate phenomenon" (Foss, 2010: 13; original italics). We argue that for TM, given its focus on KSAOs, individuals should be considered as ultimate "micro", and individual heterogeneity must be treated as a source of explanations for variance observed at organizational level.

Yet, until now, the TM field has taken a more collective level (aggregate) approach, reasoning in terms of "talent pools", "talent management systems", and "talent architecture", which are posited to somehow directly influence firm performance. However, the link between aggregate "talent" and performance at the organizational level is merely a correlation, and one that has yet to be verified empirically. Building a causal link between aggregate "talent" and performance will require acknowledgement of the fact that "the system's behavior is in fact *resultant* of the actions of its component parts" and hence "knowledge of how the actions of these parts combine to produce systematic behavior can be expected to give greater predictability than statistical relations of surface characteristics of the system (Coleman, 1990: 3). Because little attention has been paid to heterogeneity between individuals, nor indeed to heterogeneity within individual performance (Minbashian, 2017), it is reasonable to characterize the treatment of the linkages between TM practices and organizational performance as a black box. We argue that exposition of this black box is the most pressing challenge facing TM field. Finally, we know very little about the link between investments in TM and corporate performance (Collings, 2014; Collings et al., 2017). This is largely because we lack the understanding of the dynamic processes of aggregation from individual talent contribution to collective, organizational performance.

Overall, we argue that drilling for micro-foundations in TM will allow researchers to discover "novel aggregate consequences of explicitly micro-foundational assumptions" (Foss, 2010: 29). Because individuals are treated as a homogenous group, there are a number of questions that remain unanswered. "To fully explicate organizational analysing ... one must fundamentally begin with and understand the individuals that compose the whole, specifically their underlying nature, choices, abilities, propensities, heterogeneity, purposes, expectations and motivation" (Felin & Foss, 2005: 441). This will also create a much more fine-grained understanding of how organizations are better able to cope with challenges associated with human-capital-based competitive advantage (Coff & Kryscynski, 2011).

Multiple Levels, Overlooked Individual Heterogeneity and Unanswered Questions

Currently, central discussions in TM are happening at a number of different levels. This may be a consequence of the diversity of theoretical frameworks applied in the area to date. Yet, in all of these discussions, heterogeneity of individuals is often assumed but not articulated.

We focus on two key ongoing conversations, which will benefit significantly from explicitly articulating micro-foundations:

1. Choosing the point of differentiation for TM
2. Building a differentiated architecture for organizational performance.

Choosing the Point of Differentiation: Strategic Positions or Stars

The notion of workforce differentiation is fundamental to TM. This focus emerged as a result of the squeeze on resources after the economic crisis of the 1970s when firms found it increasingly challenging to sustain an inclusive approach (Cappelli & Keller, 2017), combined with an increasing realization that investing equally in all employees led to unnecessarily high costs for firms (Becker & Huselid, 2006). Workforce differentiation has its roots in the strategy literature and emphasizes the importance of choices about where to invest in human capital (Collings, 2017). It recognizes that firms can create value through differences in the design and management of workforce strategy (Becker et al., 2009) and calls for a greater investment in employees expected to deliver greater value or return of investment for the firm (Collings, 2017; Gallardo-Gallardo et al., 2013; Huselid & Becker, 2011).

However, a key question for firms is choosing a point of differentiation for their TM systems. The individual star was identified as the nexus of differentiation in earlier approaches to TM (Collings, 2017). This work takes a bottom-up focus in theory development, and foregrounds the perspective that employees contribute to the firm's strategic objective simply because of their individual value and uniqueness (Becker & Huselid, 2006). This perspective was central to the McKinsey perspective emphasized in the War for Talent, and was given further credence by high profile advocates such as Jack Welch at General Electric. It recognizes a relatively small group of employees as generating the greatest value for the organization. Employees are thus classified into two broad groups: a small group of stars or A-players "with talent" and a larger group of B- and C-players who are considered average or below average performers (Meyers & von Woerkom, 2014).

This view is also reinforced by recent literature on stars that explains that star performance is better captured by a power distribution than a normal distribution, owing to the disproportionate output that these exceptional performers deliver (Aguinis & O'Boyle, 2014). A central notion to differentiating at the level of the individual employee is that talent is relatively stable and reflected in intelligence and other individual differences (DeLong & Vijayaraghavan, 2003; Meyers & von Woerkom, 2014; Pfeffer, 2001), or graduating from a top school (Gladwell, 2002). Hence, recruitment and selection are prioritized in the context of attracting top talent given the stable and innate view of talent underpinning the perspective (Vaiman et al., 2012). Performance management was also viewed as a key enabler of such differentiation as tools like forced distribution emerged as central in identifying talent and forcing managers to differentiate in identifying those employees (see Collings, 2017, for a more elaborate discussion).

More recently the locus of differentiation in TM has shifted to the job level and the importance of strategic or pivotal jobs as the driver of competitive advantage is central to this perspective (Boudreau & Ramstad, 2007; Becker et al., 2009; Collings & Mellahi, 2009). This shifts the focus to a top-down perspective in theorizing. As Becker and Huselid note "When employees are able to contribute to a firm's strategic objectives they have (strategic) value" and that "...not all strategic processes will be highly dependent on human capital" (2006: 904). In line with more recent shifts in the strategic HR literature, this reflects an increased focus on the practices that impact human capital rather than the human capital itself (Delery & Roumpi, 2017; Wright & McMahan, 1992). This approach recognizes that human capital is of little economic value unless it is deployed in the implementation of the organization's strategic intent (Becker & Huselid, 2006; Bowman & Hird, 2014) and that the organizational capabilities that harness this human capital are as central as the human capital itself in this context (Linden & Teece, 2014).

Theoretically dynamic capabilities are identified as the fulcrum of workforce differentiation (Collings, 2017; Collings et al., 2018). From this perspective, competitive advantage is found from the unique way in which a firm can execute business processes in implementing its strategy. Such capabilities are reflective of the unique history, assets, and capabilities that any firm possesses (Bowen & Hird, 2014) and generally built as opposed to bought (Rumelt, 1984). While the production and sale of a relatively defined and stable portfolio of goods and services can be achieved through stable capabilities or ordinary capabilities, in more fast-paced or evolving contexts more dynamic capabilities are called for (Linden & Teece, 2014). This is reflective of more recent theorizing on human capital that acknowledges the more dynamic business environment that firms are faced with and recognizes that static conceptualisations of human capital requirements are no longer effective (Cascio & Aguinis, 2008; Cappelli, 2008; Lepak et al., 2011). This perspective also considers the potential impact of the future value of human capital beyond its present value (Lepak et al., 2011).

Dynamic capabilities are reflective of the firm's capacity to integrate, build, and reconfigure internal and external resources in adapting and responding to the evolving business environment (Linden & Teece, 2014). Routines are identified as key in reconfiguring intangible assets, such as human and social capital, in ways that facilitate the renewability, augmentation, and creative responses to dynamic and unpredictable business conditions and have been applied to recent conceptualizations of TM (Collings, 2014; Collings et al., 2018; Teece et al., 1997). This reflects the value of organizational routines – repetitive, recognizable patterns of interdependent actions involving various actors through which work is accomplished in organizations – in creating stability and boosting efficiencies and guiding organizational activity (Feldman & Pentland, 2003).

In a recent example of this perspective, Collings et al. (2018) identify pivotal positions as the starting point in any consideration of TM (see also Cascio & Boudreau, 2016). Their approach very clearly reflects the job as the locus of differentiation, and they adopt a top-down approach to theorizing consistent with this logic.

The discussion around the point of differentiation could benefit greatly from strengthening the focus around individual heterogeneity. First, when arguing for the choice of critical/pivotal positions, the literature often fails to recognize the importance of the fit of the individual to the chosen strategic position, given the individual's KSAOs. O'Boyle and Kroska (2017) frame this question in the context of the great person theory, arguing that it is premised on the notion that some individuals innately display particular traits and abilities that make them destined for greatness regardless of context. Using the example of Julius Caesar, they question if he were born in 19th-century London, would he have risen to a similar level of prominence as he did in late-republican Rome two millennia previously? This view is reflective of earlier contributions to the TM literature were premised on loading the organization with star performers.

More recently this approach has been challenging. Recent research points to the potential benefits of stars to teams as boundary spanners providing early access to critical new knowledge (see Kehoe, Rosikiewicz, & Tzabbar, 2017) but equally the potentially destructive effect of star overload in firms (Groysberg, Polzer, & Elfenbein, 2011). For example, Aguinis, O'Boyle, Gonzalez-Mulé, and Joo (2016) point to the impact of environmental factors that can serve as conductors in enhancing emergence and star performance versus insulators that can minimize and impede stars (see also O'Boyle & Kroska, 2017). Yet, much of the literature continues to treat stars as a homogenous group and hence implying the additive effect overlooking issues of complementarity and possible synergies between stars.

Building a Differentiated Talent Architecture for organizational performance

As noted above, a central premise of differentiating the talent architecture is to increase organizational performance through maximizing the work motivation, organizational commitment, and extra-role behavior of those in the talent pool (Collings & Mellahi, 2009). The underlying objective is to invest disproportionately in positions that offer the potential for above average impact (Boudreau & Ramstad, 2007). This is consistent with recent strategic HRM literature that acknowledges that better management of the core workforce will likely have the greatest impact on value creation and sustainable

competitive advantage (Delery & Shaw, 2001; Lepak & Snell, 1999; Schmidt, Pohler, & Willness, 2017). This means that organizations should make informed decisions around the optimal level of talent required in key positions and other roles (Huselid & Becker, 2011) and the appropriate levels of investment in individuals in those roles (Collings, 2017).

A key tension that emerges in discussions of a differentiated HR architecture is that while heterogeneity in aspects of the employment experience has the potential to motivate those in the talent pool, it also raises the risk of perceptions of inequality or injustice for those outside the talent pool (De Boeck et al., 2018; Meyers et al., 2017). De Boeck et al.'s (2018) recent comprehensive review of the literature concerning how those who were and were not designated as talent reacted to the designation is a useful contribution in this regard. It is important to state that their findings should be considered with the caveat that there is little empirical research showing a direct relationship between workforce differentiation or strategic TM more broadly and organizational performance outcomes (Collings, 2017; Meyers et al., 2017). Indeed, the extant research has tended to focus on proxy measures of performance at the individual level, as opposed to organizational-level outcomes. A key example is affective commitment. Theoretically affective commitment has been proposed as a key bridge between TM and organizational performance (Collings & Mellahi, 2009; Gelens et al., 2014).

De Boeck et al.'s (2018) analysis showed that TM practices generally correlated with positive affective (job satisfaction and organizational commitment) and behavioral (task performance and reduced turnover intentions) outcomes, with smaller positive effects on cognitions (psychological contract fulfillment and beliefs in knowledge, skills, and abilities). An interesting finding from qualitative studies they reviewed was that talent status was simultaneously associated with more negative affective reactions such as stress and insecurity. However, when they compared the evidence on the differential impact between those designated as talent versus those not designated, the former was also correlated with higher reported levels of work effort and stronger intentions to remain with the organization.

The situation with regard to differences between the groups in terms of attitudinal and cognitive reactions was less clear. This was largely traced to imbalance between the perceived employer and employee obligations. Those designated as talent often expected to receive more from their employers than they were prepared to give in return and also reported higher levels of psychological contract breach. This suggests the designation of talent translates into a more demanding attitude towards their employer from the perspective of the talented employees (Meyers et al., 2017). However, we need far more research that considers both positive and negative impacts of bundles of TM practices and of the differentiated HR architecture has on these outcomes.

By bringing the individual level of analysis, we should be able to better understand how individual employees deliver performance outcomes that are linked to the strategic intent of the organization. Based on a micro-perspective, this literature positions individual knowledge, skills, abilities, and other characteristics (KSAOs) as positively related to performance regardless of context. Hence, the value is additive and a more-is-better approach is appropriate (c.f. Ployhart & Moliterno, 2011). Equally, as is evidenced through the human capital resources literature individual-level human capital is not necessarily isomorphic with firm-level human capital. This literature highlights that, while individual human capital may facilitate individual performance, this will not necessarily translate to firm-level performance (Ployhart & Moliterno, 2011). This points to the value of micro-foundations in developing a multi-level understanding of TM to which we now turn.

Towards a Multi-Level Understanding of Talent Management

As we illustrate above, TM is discussed at multiple levels. We have also argued that regardless of the level, to advance the discussion, it must be rooted in the individual behaviors, since individuals are embedded in various contexts.

Figure 3.1 illustrates the causal relations of embeddedness and simplifies causal mechanisms underlying TM with “arrows” linking various “nodes” located at multiple levels of analysis. This visualization

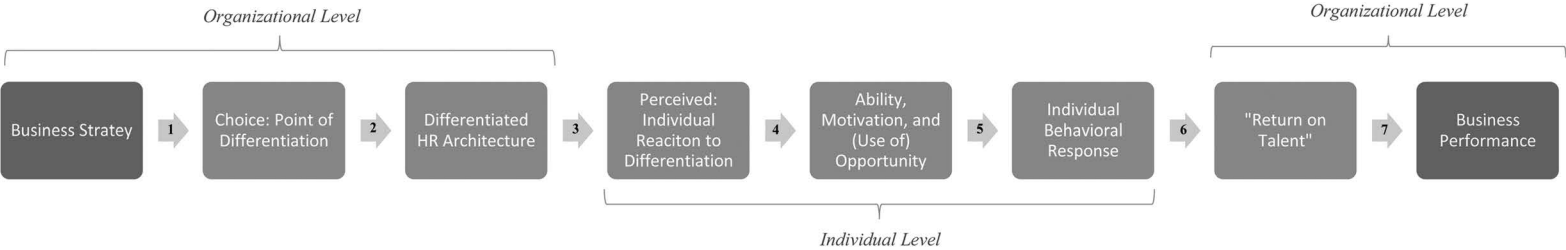


Figure 3.1 Road map