

## **Developing Future Leaders: The contribution of Talent Management.**

### **Abstract**

Talent Management is more than HRM, leadership development initiatives or succession planning. It is the collective approach to recruiting, retaining and developing talent within the organisation for its future benefit, and extends beyond the domains listed above to include strategy, organisational culture, and change management. While much has been written in the form of 'how to do' and '10 steps to talent management', the picture emerging is more complex than that. Drawing on a series of in-depth case studies into the talent management processes of 7 complex, multinational organisations, this paper discusses the contribution that talent management can actually make to the development of future leaders in an organisation. Key developmental dimensions emerged from the case studies requiring decisions to be made as to an organisations development approach, assessment, and implementation plans. For example, will talent follow the same but accelerated approach to leadership development in the organisation, or will they have a specialist route? Where is the focus of the organisation's development plans – do they focus on strengths or address individual's weaknesses? While organisations may have clear ideas about where they lie on these dimensions they are not always aware of the consequences. For example, an unintended consequence of an accelerated talent development path could be the arrested moral development of the talented individuals that are developed. In the moral development literature, one study found that the amount of work experience an individual had, correlated with levels of ethical behaviour, such that the more experienced an individual is, the more ethical their behaviour is likely to be. Another found that seniority within the company hierarchy seems to lower the levels of ethical decision making, such that the more senior within the organisation a person becomes, the less ethical their decisions become. Taking these two findings in parallel suggests that some talent management ideas might actually lead to the development of less ethical leaders in the future. If an organisation has an accelerated talent management system which results in people being fast-tracked through the ranks of promotions, they could actually be raising their seniority levels while reducing the amount of experience they have at each level, and thus contributing to a downward trend in ethical considerations and decision making. This paper draws on the literature and case studies of organisations talent management initiatives to offer a critical perspective of the role that talent management is really playing in developing the future leaders of organisations.

### **1. Introduction**

'Talent management' seems to be the key theme driving strategic HRM throughout organisations. IOMA's HR critical issues survey for 2006 identified talent management as the top issue for 75% of respondents (Sandler, 2006). Organisations are becoming more and more aware of the fact that they are about to suffer a significant knowledge loss due to the looming retirement of the baby boomers (Foster, 2005), as between 40 and 70% of all senior

executives will become eligible for retirement in the next five years at most major corporations (Gandossy & Kao, 2004). Couple this with the dwindling numbers of the younger generations in the developed countries, and there is the potential for a 'talent' shortage in the not so distant future.

This demographic shift is changing the nature of the psychological contract, such that workers are more able to pick and choose between employers based on issues such as life balance, diversity policy, and the extent to which they will have a voice (Berger, 2004a). The highly educated professional employee is less a malleable resource for the company and more a mobile investor of his or her own intellectual, social and emotional capitals. As such employees are 'volunteers' for organisations, who view themselves not as assets, but as investors in their organisations (Gratton & Ghoshal, 2003).

This is quite a shift from the situation two decades ago when there was a massive down-sizing of organisations, redundancies and the removal of layers of management as organisations endeavoured to increase their efficiency. Then we saw the psychological contract being renegotiated away from the idea of job security and a mutual employment relationship, to one where the individual had to maintain their employability and effectively manage their 'CV' in an effort to develop a career for themselves. Having shifted the nature of the relationship with employees in the direction of a looser bond, employers are now in a position where they may want to reverse the trend. Yet having tasted a different kind of 'relatedness', are employees willing to go back to stronger bonds? The labour market of the future is likely to favour the employee in the employment relationship. Understanding and effectively managing the psychological contract will help organisations thrive, but there needs to be clear agreement on the contributions that the workers will make to the

organisation and vice versa (Rousseau, 2004). Prospects and promises about careers, development and how talent is managed will be more rather than less important in the future.

## 2. Perspectives on Talent Management

As a concept in itself, talent management is actually quite difficult to define. It can be viewed from a number of perspectives, all of which give a different interpretation to the same activities within different organisations. The implications of each perspective on the development of the future leader could be quite stark. Table 1 summarises how the five different perspectives are operationalised differently through HR practices.

Perspective	Driver	Recruitment & Selection	Retention	Reward	Succession Planning	Development Approach
Process	Use people management processes to optimise development and deployment of talent.	Competence based, consistent approach.	Attention paid to processes such as WLB & intrinsic factors that make people feel they belong.	Calculated according to performance review and some element of potential.	Routine review process based on performance review cycle.	PDPs and development reviews as part of performance management. Maybe some individual interventions.
Cultural	Belief that talent is the most critical factor for success.	Look for raw talent. Allow introductions from in-house.	Allow people the freedom to demonstrate their talent, and to succeed and fail.	Flexible package according to individual needs.	Develop in-house if possible, if not look outside.	Individuals negotiate their own development paths. Coaching & mentoring are standard.
Competitive	Keep talent away from the competition.	Pay the best so you attract the best. Poach the best from the competition.	Good people like to work with good people. Aim to be employer of choice.	Offer more than the competition. If people leave it won't be for a better reward package.	Geared towards retention – letting people know what their target jobs are.	Both planned and opportunistic approaches adopted. Mentors used to build loyalty.
Developmental	Accelerate the development of high potentials.	Ideally only recruit at entry point and then develop.	Clear development paths and schemes to lock high potentials into career paths.	Increments based on development as well as performance.	Identified groups are being developed for each level of the organisation.	Both planned and opportunistic. Focussed on development into key roles.
HR Planning	Ensure right people in the right jobs at the right time.	Target areas of shortage across the company. Numbers and quotas approach.	Turnover expected, monitored and accounted for in plans.	Clear salary scales and structures.	Detailed in-house mappings for individuals.	Planned in cycles according to business needs.

Table 1: Differences in operationalisation of HRM according to Talent Management perspective.

Firstly, there is the process perspective in which all people management processes are needed to optimize people within an organisation (Farley, 2005). This perspective would put all the systems in place to enable a talented individual to carve out their career and succeed in their chosen organisation. Provided they meet the competency requirements and performance requirements that the process requires, they will move forwards. This could be one way of achieving the 'talent market' idea recently espoused by McKinseys (Bryan, Joyce, & Weiss, 2006) where individuals are expected to find the best opportunities for themselves, within the organisation. This is supported by an IT system to open up a nonprice-based competition across a range of candidates and job alternatives that silo mentality would previously have kept hidden.

Next is the cultural perspective that holds that talent management is a mindset (Creelman, 2004), where talent is believed to be critical for success (Michaels, Handfield-Jones, & Axelrod, 2001). Here talent is king and talented people can thrive or falter on their own merit. The opportunities are greater for the entrepreneurial. There are not the rules and processes to be adhered to for promotions that occur in the process perspective. In organisations playing by these rules, talented individuals have all the rope they need to either hang themselves or prove their competence and worth. This is perhaps the least structured approach to talent management and suits the mavericks in the workplace.

Thirdly there is the competitive perspective where talent management is concerned with identifying talented people, finding out what they want, and giving it to them – if not, your competitors will (Woodruffe, 2003). This is the perspective typically held by the large consultancy businesses or PR/advertising businesses. In industries such as PR, where

intellectual property is everything and accounts move when people do, finding a way to keep the most talented is everything (Bannister, 2005). This approach would tend to appeal to perhaps the most ambitious, or those who have chosen to work within industries where rewards are considered the greatest measure of one's achievement.

Next is the developmental perspective, which proposes talent management is about accelerated development paths for the highest potential employees (Wilcox, 2005). Here the organisation wants to 'lock in' employees by targeting recruitment at entry level to the organisation and then developing and promoting from within to maximise opportunities for high potentials. This perspective is the closest to reverting to the 'old psychological contract' of a job for life where your employer looks after your career.

Finally there is the more general HR planning perspective which claims talent management is about having the right people matched to the right jobs at the right time, and doing the right things (Mucha, 2004). This is generally supported by a very sophisticated IT system which maps out various different scenario options and future possibilities as people are moved round the company like a game of chess.

Drawing on the results of 7 in-depth case studies into complex, multinational organisations, this paper will focus on the leadership development elements of talent management systems, taking a critical perspective on whether or not talent management is indeed contributing to the development of future leaders, or whether it is actually hindering the process. The case study organisations requested anonymity and hence will not be named or identified in this paper.

### 3. Defining talent

Regardless of the perspective taken, the fundamental question of what is and what is not considered to be talent needs to be addressed. Tansley et al (2006) claim that ‘talent management requires HR professionals and their clients to understand how they define talent, who they regard as ‘the talented’ and what their typical background might be. It also requires thinking about whether such recruits should be seen as particularly gifted.’ If talents are considered to be ‘gifted’, then how many people are we talking about in an organisation? Berger (2004b) argues that only the top 3-5% are what he calls the ‘superkeepers’. Chowdhury (2002) describes talented individuals as the spirits of an enterprise, being temperamental, creative, rule breakers and change initiators. Using that definition, I doubt any organisation would want more than 3-5% of their workforce to be ‘talents’!

The case study organisations ranged from one extreme to the other here. Two organisations considered everyone to be talent as part of their egalitarian culture that did not want to deny anyone opportunities afforded to others. This said, they did then recognise that some individuals had talent that was recognised as more relevant to the organisation than the talent of others – but anyone could put themselves forward to be considered and developed, and everybody basically went through some of the same talent identification processes. This is one of the fundamental debates around talent management – the extent to which it is inclusive or exclusive. Take an exclusive approach and there is a danger that elitist tendencies will simply ensure that future leaders are in the mould of the current leaders; take an inclusive approach and there is the danger that nobody will believe that you are doing anything different, which could be demotivating for the ambitious, reward oriented and more goal-driven members of the organisation. Given that most organisations employing explicit talent

management systems operate within capitalist national cultures, the meritocratic, capitalist ideal is bound to hold some appeal. In this context, would an 'inclusive of all' approach to talent management be likely to succeed in motivating and retaining the 'ones with more relevant talent' amongst the group? Bryan et al (2006) believe that a talent marketplace is not for all employees. 'The majority of those at most companies are workers in the traditional sense: individuals who have skills that are largely interchangeable and can be managed adequately through line supervision (ibid:3). Hence they advocate a more exclusive approach. Organisations that have no explicit talent management system are still doing something with regard to talent management, only it is implicitly within their other HR processes and functions. Heinen & O'Neill (2004) claim that every organisation has a talent management system whether it is by default or design. Hence in non-capitalist countries there will be a less overt, non-explicit way of managing talent.

There is a danger that if the talent management system becomes overly focussed on the definition of talent and the process of segmentation, that the organisation loses its feel for the distinct leadership requirements in different areas. Each market within the organisation needs to be attended to in a way that is congruent with wanting to serve their market needs, so it is questionable as to the extent that workers become interchangeable pieces like a factory would exchange machine parts. While some organisations may have been successful at this approach (particularly franchising organisations), this approach is less likely to succeed in fast changing environments and industries where employees are considering themselves to be volunteers or investors in their organisations. Individuals are likely to feel dehumanised if they feel they are being moved around like replaceable parts, as it devalues their individual worth and only recognises their ability to perform a task or role.

#### **4. Transparency**

The second big question facing all organisations is whether or not to tell people that they are considered to be talented. It would seem that if the organisation takes the inclusive view and holds that everyone is talent, then it is safe to tell everyone, but if only a small group are recognised as talent, is it really beneficial to tell them? The 2005 What's Working Survey conducted by Mercer Human Resource Consulting found that 50% of employees who thought that their organisations could not meet their long term career objectives were thinking of leaving, while this number more than halved for employees who felt that their organisations could. Similarly, being given good opportunities for continuous learning reduced the number thinking of leaving from 57% to 32% (Mercer HR, 2005). This suggests telling your talented employees that they are considered talent could be advantageous. However, it does not all seem to be about opportunities. A Gallup study of 80,000 managers concluded that the greatest drivers of employee engagement and retention are intangible, mostly related to the way a line manager treats their reports (Branham, 2005). So if you tell an employee they are considered talented, they may be more likely to stay as they feel they will be treated better by their manager, and have more opportunities if they stay than if they leave. On the other hand, depending on how the organisation constructs the remaining employee population, there could be a detrimental effect on the other employees who perceive that they are less valued and have less access to the development opportunities.

Not having a transparent talent management system could also seem a little subversive. It means that an organisation is scheming a person's career and future without taking into consideration the response of the individual to their plans.. Also, there are some people who might be offering extra discretionary effort in their work in the false belief that they are

considered talent, while others are not in the false belief that they are not considered talent. That is why fearless conversations have such an important role in any talent management system, being able to have direct and tactful conversations that inquire into what the employee wants to invest on and what the company can offer. Tice & Wallace (2003) discuss the concept of the reflected self as people coming to see themselves as they believe others see them. The person observes how others view them and then incorporate those views into their self-concept, to the extent that people actively attempt to create desired impressions or appraisals of themselves in the minds of the social audience. Could a lack of transparency in a talent management system impact negatively on the reflected self resulting in less confident 'talent' under-achieving? Could a lack of ability in providing good quality feedback, both from manager and employee, hinder the possibility of the organisation and the individual achieving the best possible outcome for both?

In the case study organisations, most tended towards a lack of transparency with one being completely opaque and secretive. The majority told the individuals concerned that they were considered talent but this was then generally held as a secret amongst those that needed to know rather than broadcast more widely, while only one organisation was fairly open about where people stood in a public domain. The culture of the organisation was the explanation for this choice; in a culture where Talent Management has a developmental approach, telling individuals their transient location on a talent map was believed to deviate from the original intention of the talent management ethos: to offer development opportunities that would ensure short and long term capabilities. This view within an egalitarian culture, led the organisation to choose not to openly discuss 'placement' but to discuss feedback. Conger & Fulmer (2003) argue that succession planning systems have traditionally been shrouded in secrecy in an attempt to avoid sapping the motivation of those who aren't on the fast track,

based on the idea that if you don't know where you stand you will continue to strive to climb the ladder. However, given that the employee contract is now based on performance -rather than loyalty or seniority – they argue that people will contribute more now if they know what rung they are on.

Organisations could borrow an idea here from marketing – that of segmentation. Marketing segmentation results in each segment being targeted and treated differently by the organisation, but does not necessarily mean that any one segment is more or less important than the other. The question is how the relationship with each specific segment can allow optimal benefit for the organisation and the people in that segment. The notion of responsive segmentation can become particularly useful if an organisation is struggling with operationalising an approach to talent management that would recognise that every employee has talent, . Some of the organisations we talked to are seeking to tailor learning and career development opportunities to the distinct requirements and potential contributions of different clusters of individuals. The motivation for such segmentation is to enable the organisation to be responsive to the needs of groups within the internal ‘talent market’, and to changes in those needs.. This would require, however, a segmentation process that was a little more sophisticated than most that we have seen to date based solely on performance and potential.

## **5. Developing High Potentials**

Whether the focus is on individual competence or organisational competence, developing competence within the organisation is key to creating a talent management system. Berger (2004c) argues that an organisation should develop a list of its core competencies and assessment tools for measuring them; develop training and development solutions to support

these core competencies; assess everyone against them and forecast potential; and finally prepare action plans to ensure that the core competencies are covered. Redford (2005) believes the focus should be on the competencies rather than the future leaders per se, in an effort to find people who can do the jobs brilliantly, while Romans (2005) redesigned his entire organisation using the human capital pipeline systems thinking model. This was based entirely on a system of role competencies rather than individual competencies. A consequence of this could be that it separates the competence from the individual and dehumanises the workplace, such that employees (be they talented or not) are merely fulfilling roles rather than engaging in their work.

In order to be sustainable, rather than a simple one hit activity, talent management needs an organisational commitment to continuous professional development (Clarke, 2001). This will be visible through the range of development experiences offered within the organisation, moving away from the traditional classroom training based model, to include stringing together a range of meaningful experiences to build character. These could include coaching, issue development meetings, job rotation, interim and emergency assignments, task force assignments, extracurricular activities and so forth (Krewson, 2004). Phillips & Phillips (2004) argue that corporate universities can help by linking learning and strategy, and preparing employees for future challenges.

Ken Tucker of the Gallup organisation sees most organisations focussing on individual's weaknesses rather than their strengths. Development plans are then drawn up to address these weaknesses, rather than people being paired with others with opposite strengths and weaknesses to work in teams (Digeorgio, 2004). He argues that while focussing on weaknesses may prevent failure, focussing on strengths leads to world class success, and

people feel good about themselves, and find new ways of using their strengths for the organisation's benefit. Focussing on strengths means focussing on existing capabilities rather than capabilities in need of development. Goodman (2000) also believes that institutions now need to be organising so as to bring out the talent and capabilities existing within their organisations, to encourage people to take initiative, and to give them a chance to show what they can do, and a scope within which to grow. He sees this as a shift from management to managing, the nuance of which shifts the emphasis from a controlling development stance to an empowering development perspective.

Much of the talent management process is centred in the development of the individuals concerned. In order for them to progress through the organisation to fulfil their organisation's ambitions, they need to have a range of learning and development experiences to prepare them for their roles. The first issue here is where the focus of the organisation's development activities lies: is it on addressing weaknesses that individuals and the organisation have, or is it on building on the strengths that are demonstrated to enhance them further? In one of our case study organisations, they tried to play to people's strengths allowing them to become experts in their job role and quite specialist. Another organisation had three definitions of talented individuals: leadership talent, expertise talent and entrepreneurial talent. This again allows individuals to focus on their area of strength rather than having to be a great leader or specialist. Most organisations, however, tend to set development objectives that focus the individual on their 'areas for improvement' or weaknesses rather than playing to individual strengths in order to make employees 'better' all-rounders.

Questions also arise as to what 'development path' to map out for those identified as talent. One option is to have an 'accelerated path' whereby a talented individual follows the same career path as everyone else only quicker, while at the other end we have a 'differentiated bespoke' career path that is drawn up to meet their specific circumstances. Graduate recruitment programmes are to some extent an example of the accelerated path, while the more bespoke paths were found in one case study organisation that was going through a process of rapid growth. To some extent, talented individuals are likely to be self-directed learners (Tice et al., 2003). They will be highly motivated to learn and continually stretching themselves as they find this a positive rather than negative experience. Indeed, this may be the way to sort the talent from the rest - do not provide any formal training and see how the individuals use informal mechanisms to develop themselves!

Care needs to be taken with the development path. An unintended consequence of an accelerated talent development path could be the arrested moral development of the talented individuals that are developed. Glover et al (1997) found that the amount of work experience an individual had correlated with levels of ethical behaviour, such that the more experienced an individual is, the more ethical their behaviour is likely to be. Ford and Richardson (1994) found that seniority within the company hierarchy seems to lower the levels of ethical decision making, such that the more senior within the organisation a person becomes, the less ethical their decisions become. Taking these two findings in parallel suggests that some talent management ideas might actually lead to the development of less ethical leaders in the future. If an organisation has an accelerated talent management system which results in people being fast-tracked through the ranks of promotions, they could actually be raising their seniority levels while reducing the amount of experience they have at each level, and thus

contributing to a downward trend in ethical considerations and decision making on both fronts.

## **6. Challenging Assumptions about High Potentials**

There are a number of implicit assumptions in talent management systems that start with the assumption that talented individuals actually want to be managed, and extend to include the assumption that talented individuals can actually be managed. Tansley et al (2006) recognise that employees values and work preference can be of great importance. While talent may be defined as a complex amalgam of an employees' skills, knowledge, cognitive ability and potential, if the employee is not motivated to achieve, does not have ambition, or is happy simply to come to work and do a good job because they see their work as their work and nothing more, then it may not matter how much you treat them as talent, they will not change their behaviour, nor will they meet your expectations.

With regard to whether or not talented individuals can actually be managed, Casse (1994) argues that the definition of human beings merely as resources is obsolete, demeaning and out of line with our sociological evolution. Many corporations fail to understand that the men and women who work for them need to be appreciated and valued for who they are, lest they lose their trust in their company's executives. Casse argues that HRM as a term is alien in Europe, ethically wrong and ineffective, and that moving from a HRM approach to talent management concept involves three key leadership challenges: knowing what talent is available; using this talent effectively; developing this talent further. We would add 'knowing what leadership talent you need, both now and for the future', to this. Effectively using talent then requires three particular leadership traits: a positive and encouraging

outlook based on the principle that 'your success is my success'; the ability to delegate and empower; and a strong imagination that will enrich each team member's job (as well as the leader's own).

## **7. Managing Diversity within a Talent Management System**

For some organisations it is not just a question of being able to manage talent per se, but of being able to manage different types of talent, for example talented women. In Fortune 500, female executives are leaving at twice the rate of men due to frustration with their work environment, ie they are out of sync with the corporate culture, and see little opportunity of advancement (Dickinson Shephard & Betof, 2004). In line with this, 77% of new businesses are being opened by women, and a 2002 Leaders Edge Research Study of 100 high-level women leavers revealed reasons for leaving were culture, communication (lack of) and career development. Flexibility and life/family balance were also raised. Changes employers could have made to keep them were inclusion, flexible environment, feedback and career planning. They felt underutilized.

This gender differential could be more fundamental than simply being a communication issue. Gilligan's cognitive-developmental theory of morality proposes that in addition to the universal moral principle of justice there is a second universal moral principle, the principle of caring. Caring is defined as a morality of responsibility and relationships, a sensitivity to the needs of persons. As the individual develops, they progress from concern for survival (caring for self) to concern for goodness (caring for others) to concern for truth (caring for self and others). Gilligan sees most men as desiring separation, a goal compatible with the principle of justice, while most women reflect a desire for attachment, a goal compatible with

the principle of caring (Gilligan, 1982). This fundamental difference to moral reasoning could underpin the communication, culture and empowerment issues that senior-level women encounter in the workplace.

Women and minorities face greater challenges in organisational entry and in moving up the organisational ranks because a mentality of white male managers continues to control the bulk of the power in organisations and largely determine a company's hiring, compensation and performance evaluation practices (Ng & Burke, 2005). In addition, gender and ethnic stereotyping contributes to the lack of acceptance of women and minorities as authoritative figures, and a lack of similar others makes it difficult for them to network effectively.

Affirmative action programmes, however, only served to make women and minorities feel stigmatized (ibid).

In all our case study organisations, diversity management was espoused as being important, but only one organisation actually went as far as monitoring it, and another actually used diversity criteria as a selection process for development programs within the previously selected talent pool. There is a great danger with talent management that people will nominate others as talented because they find them easy to work with, are like they are, remind them of what they were like in their former days, and so forth. Ensuring that the talent pool is selected to include a diverse group can be problematic for some organisations, particularly those who have homogenous senior management team as a starting point.

However, care needs to be taken so that those members of the talent pool who represent diversity in the organisation do not feel they have been selected purely on the basis of the nature of their difference. Preferential selection procedures, whether they are misperceived or real, give rise to assumptions of incompetence, regardless of the basis of discrimination

(Heilman & Alcott, 2001). People who are targeted to benefit from affirmative action efforts may in fact be tainted by them, as it is perceived that they have been in need of special assistance to succeed. What people think another expects of them is likely to influence their behaviour. The expectations influence self-efficacy judgements causing the individual to feel that they are actually deficient in the relevant skill or talent rather than proficient or talented in it.

## **8. Conclusions: What is the contribution of talent management to the development of future leaders?**

While talent management systems may be established with the best of intentions for both the organisation and the individual, the actual achievement of the benefits intended may be more difficult than anticipated to achieve. The history of the organisation, its culture and the sensitive nature of some work environments can lead organisations to include everyone in the talent pool, without any attempt to differentiate between them. While this may appeal to the more egalitarian amongst the workforce, the lack of segmentation results in the talent management system being little more than an enhanced performance management process. The culture of the organisation will impact on the perspective taken on talent management, and talented individuals are likely to choose, in the longer-term, to work for organisations whose culture is more closely aligned to their personal values.

If an organisation does take a more exclusive approach and does segment a talent pool, they then face the question of transparency. At its worst, high transparency might disenfranchise those who are excluded from the talent pool while over-boosting the egos of those who are included, or it might put the identified talented individuals under such pressure that they fail

to perform well as they fear whether or not they can continue to meet expectations. At its best, high transparency could have a number of benefits: 1) supporting an open culture where information is exchanged freely and constructions about talent are discussed frankly; 2) prompting some difficult conversations about performance that may have been avoided; 3) motivating individuals to influence the way they are defined (particularly when all definitions are attractive); 4) providing clarity for people about opportunities and choices (specially if coupled a transient definition of talent).

The issue also arises as to whether or not the identified talented individuals want to meet the expectations placed on them or not. People go through phases in their lives when different elements of their life take on different levels of importance, and talented people may prefer to have the option of stepping off the ladder every so often to focus their energy on family or other pursuits.

Developing the talent can also be difficult. Push them too far too quickly and there is the danger that they will over-focus on the organisations needs at the expense of wider moral and ethical principles, but leave them unsupported and undeveloped and they are likely to leave.

In making choices about the talent management approaches, organisations should consider the kind of leadership that the organisation is looking to foster for the future. The processes that are used to identify, develop and communicate with 'talent' is likely to have a significant impact on the kind of leadership that the organisation develops. In this sense, the approach that an organisation uses needs to be congruent with the type of leadership the organisation needs in its future. Whatever system is in place, if it is effective, a significant number of the

future leaders of the organisation will be those individuals who thrived, were noticed or succeeded within the talent management system of choice.

To some extent, the need for talent management systems is an organisation-made issue. Organisations' responses to business process re-engineering, TQM and the down-sizing that dominated the previous decade have now resulted in the realisation that actually they do need good people, and having wiped out layers of managers, they perhaps don't have the pool of people ready for senior positions that they once had. Having taken job security and development opportunities away from individuals, and putting career management and employability firmly on the individual's agenda, organisations are now trying to reverse this trend by enticing individuals back to the idea of loyalty to one organisation, and they want more say in their careers. Talent management systems may yet have the potential to provide a rigour in defining business critical skills for an organisation, behaviours required now and in the future, and enable focused development for different talent segments. Will they be able to achieve this? Time will tell.

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