

Cambridge University Press

978-1-107-03210-1 - Strategic Talent Management: Contemporary Issues in International Context

Edited by Paul Sparrow, Hugh Scullion and Ibraiz Tarique

Excerpt

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PART I

*Mapping the field of strategic  
talent management*

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# 1 *Introduction: challenges for the field of strategic talent management*

PAUL SPARROW, HUGH SCULLION,  
AND IBRAIZ TARIQUE

## 1.1 Introduction: why this book?

The origins of this book can be traced back to a symposium held in Chicago at the 2009 US Academy of Management on the topic of *Global Talent Management: Understanding the Contours of the Field and the Challenges for HRM*. A group of academics from the UK, the United States, Ireland, Finland, the Netherlands, and Australia got together to explore what they felt were the emerging challenges in this field, which was in the infancy stage of development. Under the umbrella term of global human resource management (GHRM), they identified the need to understand an increasingly wide range of challenges, including a changing set of academic contours that were being placed around their field, and a range of innovations in practice. Their historical interest in how organizations exported talented expatriates around the world had been taken over by the need to look at multiple resourcing options – organizations were now combining the use of assignments with efforts to localize management across new global operations. They were capitalizing on international commuters and business travel, short-term assignments, international projects, knowledge management exchanges, building centers of expertise, moving people from countries or regions into these centers and then exporting them back out again, using passive recruitment to pick up potential talent in globalized labor markets or global cities, and attracting skilled migrants. In short, they were trying to build skills and capabilities around the world. They might not be managing these multiple ways of moving talent and their insight around the world very strategically, but by default this was what they were doing. Who knows how to solve these sorts of problems? Were the new contours of talent management making it a branch of knowledge management, global leadership, and international human resource management (IHRM) strategy, we asked?

Organizations were looking at important locations around the world, such as emerging markets or into regional hubs of expertise, and they were thinking more long term about what they needed to do to build up their organizational capabilities in these locations. They were partnering with other talent across organizations in these locations, sending in their own expertise to carry out very specific tasks rather than just to manage the locals, making judgments about the speed at which they could ramp up their business offerings in these markets, moving them from a simple to a more full-service business model as the demand justified it. They were thinking about the pace at which they could move from providing the skills and insight to support this from their central operations toward a situation where this capability existed locally. They were looking to make investments in building an employer brand and mapping the local talent markets before they needed to actually switch on their traditional resourcing activity. Who knows how to solve these problems? Were the new contours of talent management also really making it a branch of strategy, operations management, and marketing, we asked?

For those of us who worked closely with organizations and their human resource management (HRM) functions, it was clear that practitioners were equally grappling with what this meant for their own expertise. While some were not really doing much more than repackaging traditional resourcing and career management activity under the label of talent management, others were setting up networks of practitioners from a range of disciplines to work on important projects linked to these challenges, or innovating their practices. This was clearly not easy for them to do – line managers did not always understand the need to start operating differently. There was also a degree of disquiet among practitioners by this time – the consequences of the global financial crisis were becoming evident and many practitioners looked to their internal systems and wondered if those they were classifying as talent really were as talented as we might wish. Were their tools, technologies, and mindsets tuned into the real task at hand?

Moreover, were they structured in the right way to do anything about this? Who really should own talent management if it had to solve these increasingly cross-functional problems? The HRM function seemed to have taken control of designing the talent-management processes, but line managers actually owned these processes – and

the people who were deemed to be talent – and had the ability to either engage or totally switch off this talent. The need to integrate a whole range of processes potentially associated with talent management – from planning, searching, locating, attracting, sourcing, assigning and deploying, tasking, coaching, building, developing, retaining, internalizing the learning, and exporting – raised questions about whether those with the traditional recruitment, selection, development, and career-management skills really were the best equipped to do this? In any event, were the challenges of talent management something that needed to be managed by other people than human resources (HR), either given the cost pressures of the recession or for other managerial reasons? The chief executive officer (CEO)? The chief operating officer (COO)? The capability directors? The major business divisions?

At the symposium, the question that arose was, do we really need to build a new field of management here? Should we build bridges between the IHRM specialists who deal with the management of globalization and those who understand how HRM operates differently across countries? Should we build bridges between the people who know how to solve the strategic and organizational capability, distribution of global resources, knowledge management, and organizational learning challenges that organizations were having to deal with?

Would this lead to the development of a new field of management? Will it loosen up academic constraints, and in creating new bedfellows, lead to more fruitful paths of research? Will this field be of any value to practitioners? Is there a need to lay out a new education syllabus for those who wish to contribute to talent management?

It is in the context of this history, this intellectual but also pragmatic quest, that we wish to position this book. Is it time to build organizational functions and academic insights that truly deserve the title of *strategic talent management*?

## 1.2 The challenges at hand: competing definitions and interpretations

Talent management might not even be the best starting point. It has become a topic of central interest to practitioners and academics alike. Yet, despite over a decade of debate about the importance of talent management for success in what is an increasingly competitive global business environment, the concept of talent management is still lacking

in definition and theoretical development. There are also many debates and criticisms about the way it is applied in practice. Putting to one side more strategic concerns for a moment, there is already a host of practical but rather important questions being asked.

- Is talent management primarily concerned with how best to handle an elite, or selected, group of employees who have exceptional skills, the potential to handle greater responsibility, and the likelihood of significant organizational impact? For advocates of this exclusive approach, the issue is how to differentiate the level of attention and resources given to this elite. An exclusive approach is based on the notion of workforce differentiation, which involves using a differentiated HR architecture (Becker, Huselid, and Beatty, 2009; Sparrow, 2012).
- Should everybody be seen as talent? For advocates of the “all employees have talents” stance, then talent management should be about that set of HR practices that enables the identification, exploitation, and optimization of the generic capabilities of all employees. The key question is, should an organization provide all employees with the same opportunity to succeed within the organization?
- Is talent management just a new term for the existing HR function – a relabelling of, and substitute for, many traditional activities such as succession planning, human resource planning, and leadership development?
- Is talent management more about critical roles, not just critical people?
- Is talent management best served through the use of a focused set of metrics that can be used to evidence the most effective and efficient use of human capital? For those who take this stance, talent management becomes a form of economics.

To many people, the field continues to suffer from both theoretical and practical limitations. Many of the currently available texts in the area of talent management are simply descriptive of practices and organizations that seemed to have had some success at one point in time – that may be presented as the heroes of practice – and yet a few years later the same organizations are used as case studies of how easy it is to get it all wrong. Much of our practice and underlying models and theories still seem to lack rigor. But to make such a statement is perhaps too critical. There has been a groundswell of interest and attention given to

the topic, and in this renewed interest, there lies the opportunity to strengthen our understanding and improve our practice.

The growth of an academic interest, for example, is evidenced by a number of special issues that have been published, independent of and since that 2009 symposium. These have started to delineate the topical research issues, and build a community of academics. The pursuit of global talent management has been covered in the *Journal of World Business* (Scullion, Collings, and Caligiuri, 2010), European perspectives covered in the *European Journal of International Management* (Collings, Scullion, and Vaiman, 2011), Asia-Pacific perspectives covered in the *Asia Pacific Journal of Human Resources* (McDonnell, Collings, and Burgess, 2012), and most recently a general review of debate has been covered in the *International Journal of Human Resource Management* (Vaiman and Collings, 2013). In the latter, Vaiman and Collings (2013) drew attention to four challenges that remain: understanding the conceptual and intellectual boundaries of talent management; the practice of talent management in different national contexts; in different types of organizations; and understanding which elements of talent management are the most effective for organizational performance.

Not surprisingly, given the relatively recent history of this field, once academic reviews began to be conducted, they argued (and continue to argue) that there is still no precise definition of what is meant by talent management and that this is slowing down the development of the field (Lewis and Heckman, 2006; Collings and Mellahi, 2009; Iles, Chuai, and Preece, 2010; Tarique and Schuler, 2010; Garavan, Carbery, and Rock, 2012).

There is still no consensus around the intellectual boundaries that will help us understand the topic (Collings, Scullion, and Vaiman, 2011) and there is also a view that, as is often the case, discussions around the practice of talent management have been dominated by both study of Anglo-Saxon organizations and by analysis of US academics (Scullion and Collings, 2011). In particular, the effectiveness of and types of talent-management activities have yet to be fully understood in different national contexts and in different types of organizations (Scullion and Collings, 2011; Stahl *et al.*, 2012).

Despite these concerns, as outlined in the next chapter, there have been some significant contributions to the conceptual development of talent management and there is a growing understanding of the

different ways in which talent management is defined and conducted in different organizations and contexts (Cappelli, 2008; Collings and Mellahi, 2009). Further, recent reviews suggest the emergence of more cohesive talent-management frameworks (Dickmann and Baruch, 2011; Valverde, Scullion, and Ryan, 2013).

Recent academic debate has also asked whether the field is still in a stage of infancy or whether it has reached a stage of adolescence (Collings, Scullion, and Vaiman, 2011; Thunnissen, Boselie, and Fruytier, 2013). It has also asked whether, indeed, it is time to question “the tablets and stone” upon which practice is based (Sparrow, Hird, and Balain, 2011).

In support of the charge of infancy, Thunnissen, Boselie and Fruytier’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 present some empirical evidence (mainly only since 2010), and talking mainly about the scope and scale of talent-management challenges faced by organizations (rather than actual practice), or they reflect single case studies, or views from a particular geography. The other two-thirds are either conceptual or review-based (i.e., trying to define a field). Hence the conclusion: “the majority of the academic literature is still conceptual, trying to respond to the question of what talent management is” (Thunnissen, Boselie, and Fruytier, 2013: 1749).

But we should remember that the infancy versus adolescence debate is a traditionalist critique. It is one that is applied to any new discipline. If everything depends on context, it argues (which it generally does no matter what aspect of management we talk about), then isn’t it time that the field of talent management accepts the impact of context and internalizes this context into its rhetoric? This is a fair point, and much of this book lays out exactly what these contextual considerations need to be.

But the traditionalist critique has a positive and a negative aspect to it. On the one hand, it legitimately asks that a new discipline begin to ground itself in pre-existing knowledge, providing a counterbalance from other areas of research.

On the other hand, it can be a gravitational force that acts against innovation, because at its heart it asks that one ideology (the rhetoric of talent management) starts to espouse the existing academic status

quo – the functional research interests and perspectives of academics who may be equally grounded in their own ideologies!

Therefore the more reflective practitioner is sitting in a difficult space. They realize that their fellow practitioners are cautioning against the ideology of some consultants or service providers, or the mindless adoption of best-practice ideas, but then they can also see that the academic debate may be equally politicized or in danger of being driven by ideologies.

Meanwhile, in the real world, events happen, their people and organizations need managing, and someone has to make some decisions and do something about the management of talent.

### 1.3 The structure of this book

This book therefore draws on recent theoretical contributions in the area and presents a current and critical review of the key issues in the field. As authors we map out the territory that the field covers in the opening and closing chapters, and contribute to some of the issues in chapters in between. But we also draw on contributions from the leading figures in the field. We aim to provide practitioners, students, and researchers alike with a well-grounded and critical overview of the key issues surrounding talent management. We think there are a number of questions that now need to be answered.

1. It is clear that we need to bring strategy back into assessment of what makes individuals talented. What do strategists think about the debates about talent management?
2. In making such assessments, we need to answer the “talent for what” question. We noted the importance of what we called “business model capital”. What should be the role of expert knowledge in the assessment of talent?
3. Talent management also involves the potential for more strategic workforce planning, especially around the creation of more extended and reliable talent pipelines. How should talent-management functions best think about such issues in an era of high levels of uncertainty?
4. It is clear that the field of talent management has expanded the role and contribution of HRM functions, but that it also brings in a language from other related management disciplines – notably marketing. How should the field of talent management best draw

upon these concepts when articulating concepts such as employee-value propositions or employer brands?

5. Given the competing models of talent management that exist, what are the issues surrounding the formation and alignment of talent-management strategies? How should organizations think about the configuration of talent-management practices that they need to put in place?
6. The talent-management agenda increasingly is driven by international dimensions. What challenges does this create for the convergence–divergence of best practice across international operations, and what impact will the growth of emerging markets have on global models of talent management?
7. How then do firms accommodate competing dynamics of global integration and local responsiveness into the structures of the talent function?

To answer each of these questions we have invited contributions from leading scholars working on the talent-management problems and issues they are grappling with. The book follows a clear structure in terms of the sequence of the issues examined. It is organized into three parts, each of which addresses a separate agenda. We lay out the contribution of each chapter a little later in this chapter, but begin by explaining the overall design of the book.

In Part I, which includes this chapter, we cover the necessary territory to ground our understanding of strategic talent management. In this chapter we lay out a brief history of how practice has developed and how some important differences in understanding began to emerge. We outline the routemap for the whole book, moving from early debate about talent management in domestic settings, through to explanations about what a more strategic use of talent management might mean, and finally the evolution of talent-management interests as they deal with more global issues. In Chapter 2 we then look in much more detail at the competing philosophies associated with the study and practice in talent management, explaining where these ideas came from and the assumptions on which they are based. Part I is intended to help lay out some answers to the following.

- What are the existing contours of the field of talent management?
- How did we get to these contours?
- What are the questions and challenges that dominate existing practice?