



Research into talent management activity

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Executive summary

The Learning and Skills Improvement Service (LSIS) have commissioned this research as stage one of an expansive collaborative project on talent management. This is in recognition that effective talent management is a critical success factor for the future of the learning and skills sector, particularly in an economic climate that demands resilience and a willingness to be open to different perspectives and potential solutions.

Within this research there is an exploration of what is understood by the terms ‘talent’ and ‘talent management’, while considering the implications and outcomes for individuals and organisations when an inclusive or exclusive approach is taken. Equality and Diversity is therefore an integral part of the discussion and analysis, however this will be taken beyond the nine protected characteristics as stated within the Equality Act 2010. There are aspects of identity not covered by anti-discrimination legislation that impact on an individual’s life chances, for example, socio economic status and class – so the impact of the relationship and intersections between different aspects of identity will also be considered.

The role and expectations of the educational provider as an employer within any particular community may be considered relevant by organisations, taking into account the local labour market and economy. This offers a reflection of the expectations on educational providers to offer equality of opportunity to all learners and going beyond this, actively working to narrow the inequalities in achievements evidenced between different groups.

The recent report called the ‘Anatomy of Economic Inequality’ published in 2010 by the National Equality Panel stated in their concluding themes that:

- *Some of the widest gaps in outcomes between social groups have narrowed in the last decade, particularly between the earnings of women and men, and in the educational qualifications of different ethnic groups.*
- *However, there remain deep-seated and systematic differences in economic outcomes between social groups across all of the dimensions we have examined – including between*

men and women, between different ethnic groups, between social class groups, between those living in disadvantaged and other areas, and between London and other parts of the country.

This may illustrate that the active approach taken by educational providers to narrowing the gaps has been effective. It perhaps offers evidence of the positive impact that may result if talent management strategies take into account similar considerations of socio economic status and acknowledged under representation from different groups.

This approach would be in keeping with the views of UK society, found in the survey Changing Attitudes to Equality (2010):

A significant majority prioritise an equal and just society with strong values of equality as a goal, and this proportion is slowly increasing but remains slightly lower than EU averages.

The presentation of this research offers a framework for raising questions and discussions on talent management within any provider, so that a common understanding of the language can be negotiated and agreed upon for any specific organisation. It identifies key areas for exploration and inclusion in talent management strategies and in doing so a framework that informs organisational development is offered.

The success of any strategy or policy generally relies on its effective implementation. A range of factors will mediate this; however the culture and talent mindset that is found in the organisation will be critical. So this research integrates evidence that illustrates this point and in doing so raises potentially different perspectives of analysis and action for providers to consider.

The current environment has increased the complexities that any provider needs to consider, with change and organisational transformation being central. Therefore a key question within this element of the research is to reflect on how decision-making power works within the senior management team? How influential are human resources within the fundamental strategic planning activities and processes? In a global survey of 758 companies, 86% consider HR as strategic business partners. (ACE report, 2011).

The role for human resources within the context of facilitating and enabling a talent mindset and talent management is critical.

Discussions on leadership development are often inherent within the topic of talent management.

This research seeks to clarify the potential differentiation that can be made and why this is an important part of the development of a talent management strategy.

Section 1 Introduction and background to the project

1.1. Introduction

This review has been commissioned by the Learning and Skills Improvement Service (LSIS) as stage one of an expansive collaborative project initiated in recognition that effective talent management is a critical success factor for the learning and skills sector, particularly in an economic climate that demands resilience and a willingness to be open to different perspectives and potential solutions. This is in alignment with the report from CIPD in 2009 that highlighted ten cases studies, *Fighting Back through Talent Innovation*, and to further support the findings of the recent LSIS report, *Leading and managing in recession: same or different skills?*

The review presents contemporary research and case studies, from the public and private sector, as is relevant to the topic identified as talent management. This review considers what talent management means, why is it used and what planned or expected outcomes are to be achieved using it?

The importance of language and the benefits of creating a common understanding are central to this project and being able to effectively identify the outcomes it has within the sector in supporting quality improvement. Therefore the term 'talent management' is considered and a working definition offered to LSIS to use and potentially apply to the sector. In doing this, a perspective is offered on the development of this term and its current meaning.

1.2 Integrating equality and diversity

Throughout this project, diversity and equality will be a consistent thread of the discussion, analysis and recommended actions. This is in alignment with the research from CIPD, highlighted by the following quote:

Talent management and diversity need to be interlinked. Diversity should be threaded through all talent management activities and strategies to ensure that organisations make the best use of the talent and skills of all their employees in ways that are aligned to business objectives. (Opening up talent for business – Integrating talent management and diversity. 2010)

Diversity implies the inclusion of a wide range of characteristics but is generally now seen within the context of the legal framework for equality and the nine protected characteristics¹; namely, sex, age, race, disability, religion or faith, sexual orientation, marriage and civil partnership, gender reassignment, pregnancy and maternity. However it is important to also consider those characteristics not covered by anti-discrimination legislation such as social class, appearance or economic status and their impact on access to employment and progression opportunities within the workforce.

One of the outcomes of people who have a low socio economic status is being identified as experiencing poverty. Recently released research from the Joseph Rowntree Foundation (2011) identified that outcomes for individuals come from two broad sets of factors:

1. Informal processes – the texture of everyday life, the decisions and assumptions of individuals, communities and organisations,
2. Wider structures – labour markets, housing options, services, geography, social norms.

It then went on to identify the importance of intersectionality or interactions of the dynamics of poverty with specific protected characteristics, highlighting the need for further research including:

- How ethnicity affects in work poverty – in particular the part played by informal workplace culture and the effects on access to training and qualifications, development and progression in work.
- The second area was how social networks are linked to escaping from poverty.

These factors are relevant to the development and analysis of talent management and the associated organisational objectives and strategies. For example, it has long been recognised that the capacity and capability to access opportunities into and within the labour market are fundamentally affected by a person's social capital. Some organisations currently recognise this through their talent

¹ Equality Act 2010.

management initiatives by providing positive action mentorship programmes, work shadowing and networking opportunities.

The legal framework for equality is a fundamental consideration for all providers. Providers have a general public sector duty² to prevent discrimination, advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The equality objectives that an organisation then sets may inform their talent management strategy.

This highlights the potential role that human resources provide within any organisation and the development of a talent management mindset and strategy. There is an expectation that they will provide the moral stewardship of an organisation and its culture, as was stated by Johnson (2003):

All HR practices have an ethical foundation. HR deals with the practical consequences of human behaviour’.

With this statement in mind there is an additional aspect that is important to include in this review as creating a talent management strategy will involve the creation of policies and their implementation. It is in the implementation of such policies that the real equality impact can be evidenced, where the existence and effect of unconscious and perhaps conscious bias is illustrated through effective monitoring and auditing processes. As Kandola (2009) states if it is taken for granted that despite the agreement that stealing is wrong, finances in organisations expect to be audited so as to uncover such behaviours and manage the risks to the business. If it can be accepted that as we are all biased and that sometimes discrimination will occur as a result then it is important relevant auditing is undertaken, so uncovering such incidences. Such standard practices may positively inform an organisational culture that seeks to offer equality of opportunity to its workforce.

Prejudice informs our bias so it is relevant to quote recent research from a government report: *Changing attitudes to equality* (2010) that highlights that:

Prejudicial attitudes are mostly hidden and therefore may not be obvious (people keep it to themselves or do not admit to it publicly). Most attitudes are recorded in a way that enables this prejudice to be hidden.

² S.149 Equality Act 2010.

The reasons for a lack of effective change in representation across most workplaces may therefore be subtle to identify, but in taking bias into account it will begin to change how the talent management solutions are identified and implemented. (Kandola, 2009), (Hannum, K. et al. 2010)

We know that bias is having an impact on the development of the workforce as illustrated in the most recent research from LSIS on Age Equality³, where it was found that older employees were both less likely to be offered training and development and less likely to expect it. This is an illustration of how bias operates as a result of a set of assumptions and stereotypes and impacts on potentially limiting the development of talent.

1.3 Leadership and talent management

Within the topic of talent management, the subject of leadership development is often assumed or inherent in the discussion. This research will seek to highlight how these two terms may be differentiated and the potential impact this may have on strategic thinking and planning.

Historically talent management has taken an exclusive approach or been thought to take an exclusive approach, so it is important within the context of leadership development to ask the following questions:

- Who is selected and who is excluded?
- How does this inform our organisational culture?
- How do exclusionary practices impact on inequalities within the workplace, within the provider's external community?
- And how is it possible to consider inequalities in isolation of each other? For example, is it feasible to consider racialised inequalities without also recognising the role of class, gender and disability?

1.4 The project described

The project is conceived in four stages. The overall outcome is to support providers to take action and develop their organisational capability, through a comprehensive understanding of what talent

³ A review and analysis of age equality practice in the Learning and Skills Sector.(2010) accessed at: <http://www.lsis.org.uk/Services/Publications/Documents/LSIS-age-equality-report-13012011.pdf>

management is in 2012, why it is done and how it can support effective performance improvement and sustainability for all stakeholders – learners, employers, staff, community and the economy, both local and national.

As a result of this project, LSIS will seek to audit their current offer of relevant courses and programmes and identify where and how these can be developed and adapted to meet the needs highlighted through this programme.

The four stages of this project are:

Stage 1: A broad literature review to establish a working definition of talent management, supported by a broad reflection of the development of the concept of talent management, identifying what it means for organisations broadly, in 2012 and why it is important. The differentiation between talent management and leadership development is part of this review.

Stage 2: The development of ‘clusters’ of colleges to peer review what they currently do that can be related to talent management, and asking them to explain why they do it. In doing this they will consider what works for them and why they see it as successful, identifying the issues that they have faced and what action they took to manage these. In doing this they are expected to highlight areas of common and ongoing challenge. Associates from LSIS will provide a critical friend support, drawing together common themes that can then be taken into account and responded to, within the legal framework for equality and diversity. This will be through the development of appropriate support and highlighted areas where the sector may not be having due consideration in relation to employment law or their public sector equality duty.

Stage 3: LSIS currently offer a range of products and programmes – these will be reviewed to assess their relevance to talent management as identified in stage 1 and audited in relation to both the findings in stage 2 and the expected standards in meeting their public sector equality duty. This will provide LSIS with the information to be able to adapt or develop programmes that are relevant to the sector, meet their needs and provide genuine opportunities to offer improved quality of performance.

Stage 4: This will involve the self-examination within LSIS against the findings of stages 1 – 3. The questions posed: does LSIS practice talent management that is shown to work? What do they do? What is the capability that LSIS needs across the organisation to meet its strategic objectives? What could they do differently to ensure that their talent management practices support the achievement of their strategic goals?

1.5 Policy context

'We want to see the FE sector build on and increase its innovation, responsiveness and its high quality offer to students and employers.'

This statement is from *New Challenges, New Chances, Further Education and System Reform Plan. Building a World Class Skills System*.⁴ To realise this, the sector will need to maximize all available potential, in every sense, creating the very best performance from those who work in the sector so that their organisations are able to deliver the highest quality of services for learners and employers.

Over the last few years there has been a clear recognition, through national policy and strategy from government that the learning and skills system is acknowledged as a vital resource for the UK economy and central to supporting healthy workforces and businesses.⁵

The Learning and Skills Improvement Service as a sector-owned body is funded to support the sector and accelerate their drive for excellence through building the sector's own capacity to design commission and deliver improvement and strategic change. This project aims specifically to support providers in their drive to maximize their capability, deliver on their own strategic expectations and improve the quality of their performance.

In addition there is further pressure within the learning and skills sector to consider effective talent management due to the current age demographics within the sector. This was one of the motivators for this project as is quoted from the tender documents:

With a workforce that is ageing and increasing numbers of Principals and senior leaders due to retire in the next five years, the FE and Skills sector needs to address the issue of talent management ever more effectively. (MiniTender Talent Management 2011).

It is also expected that providers in the learning and skills sector develop a workforce that equips the organisation to meet community needs and to exercise good stewardship on the way public money is

⁴ *New Challenges, New Chances, Further Education and System Reform Plan. Building a World Class Skills System. Chapter 9.*

⁵ Ibid.

spent. Talent management is therefore a relevant topic for governors to be engaged with at a strategic level and for organisations to consider the additional dynamics of social economic status and class in relation to their local labour market.

Section 2: Defining ‘Talent Management’

2.1 Exploring what is ‘talent’ and ‘talent management’

Current research demonstrates that there is no universal understanding and no definitive definition of what constitutes ‘talent management’ (Stewart, 2008; Lewis, & Heckman, 2006; Ford, et al 2010). Therefore, in the first instance, it may be helpful to consider what is generally understood by the word ‘talent’ within a work context. Undertaking this exercise illustrates immediately some of the tensions that exists around the topic and that are inherent within the meaning of the word itself.

The first and contextual definition offered by the Oxford English dictionary (Concise OED, Eleventh Edition, 2004) describes talent as ‘natural aptitude or skill, indicating breadth and inclusivity.’ But it is also defined in more exclusive; some might say more precise terms in other dictionaries including: ‘a special natural ability or aptitude and/or a capacity for achievement or success.’

(www.dictionary.com)

Given such differences, taking time to consider what is meant by talent is an essential starting point for creating a definition and it is an activity that will also support the raising of awareness about the assumptions that can be made when the terms, ‘talent’ and ‘talent management,’ are used.

Moving on from dictionary definitions to the workplace, talent is seen there:

- As a quality that any actual or potential employee can possess, and which can be used to add value to individual, team and organisation performance. (Stewart, 2008)
- As denoting personal qualities which enable an individual to make a difference to organisational performance...more than simply a matter of possessing more highly developed skills.(Stewart, 2008)

“Talent consists of those individuals who can make a difference to organisational performance, either through their immediate contribution or in the longer term by demonstrating the highest levels of potential.” (CIPD, 2006)

Clearly, in applying these definitions identifying those considered to have talent or be talented, will inevitably involve a high level of subjectivity and potentially judgmental thinking and analysis.

For how else can the 'personal qualities' that indicate that a particular individual has talent be defined without subjectivity?

The introduction of the phrase 'talent management' in 1998 by McKinsey & Company in their first report on 'War for Talent'⁶ identified from their research that there was only a limited supply of 'talent' within a global context. One response to this research was for organisations to focus activities on creating programmes that identified those with potential or established talent, and offer them 'fast track' opportunities that incentivized their commitment to join, contribute and stay within an organisation, so becoming the 'high fliers' within the organisation. Within the context of the McKinsey approach, these people would be assessed as being 'A' category employees.

So how are these decisions made and by whom? Who has the power to act and influence, and have an impact on who is identified as being talented or having talent? How does bias operate in such situations? (Kandola, 2009). These questions will be explored further in the research to follow, but for now the key reflective questions around the identification of talent in this specific context are:

How does a person demonstrate that they have 'talent'?

Who says a person has 'talent' or is 'talented'?

What motivates someone to identify a person as talented?

How are people with 'talent' identified?

What criteria is used to review skills and personal attributes that lead them to being acknowledged as 'talented' or having the potential to develop the skills and attributes to become talented?

Who sets the criteria to decide who has 'talent' and how is it implemented?

How much does the way someone presents him or herself, influence their access to development opportunities.

⁶The McKinsey Quarterly 1998 Number 3. The War for Talent.

In answering these questions the tensions and dilemmas of this understanding of talent management begin to emerge.

Creating a select group of people who are identified, as being ‘talented’ also requires actively screening out others deemed not to be ‘talented.’ It is therefore an activity based on exclusion as well as inclusion and the criteria for inclusion having the potential to be drawn very narrowly.

It is worth pointing out that the learning and skills sector itself adopted this particular language of ‘talent’ as can be seen in the programmes created in 2008 by The *Centre for Excellence in Leadership* (CEL) when a fast-track programme for talented middle-management staff was announced. That was CEL’s *Routes to Success* programme providing tailored training and support to individuals who aspired to senior-management positions.⁷

When CEL proposed a fast track programme in line with the idea that those participating were ‘talented’ or ‘high fliers’ it also recognized the tension that this created, at least with reference to equality and diversity. Applicants were self-identified and determined, with individuals being free to apply. However each individual depended on organisational support for the funding of his or her place. As a result a positive action initiative was put in place in order to minimize any negative impact that the programme might have on any particular group. In the first instance this was directed at black and minority ethnic staff and latterly also encompassed disabled staff.

In 2010 research and comment on ‘talent’ showed that most organisations still used the word to refer to ‘high fliers’: people they expected to be destined to become top executives or high-level specialists in the future. (Tomorrow’s Global Talent, 2010).

So what impact and outcome has this exclusive approach to talent management had on individuals and organisations? One of the challenges that this area of discussion presents is the lack of rigorous research on such questions. However it may be useful to consider that within the context of the business sector and specifically within the theme of career progression, the statistics continue to frustrate even those companies who have invested significantly in talent management, with continued under representation of women at senior and board level. (Rutherford, 2011)

Within the learning and skills sector, there continues to be an under representation of disabled staff at all levels of organisations, (while acknowledging that this may be aggravated by under reporting) as

⁷Accessed at : <http://www.fenews.co.uk/archive/cel-announces-fast-track-programme-to-senior-management-in-learning-and-skills-sector>

well as the consistent under representation of black and minority ethnic staff in middle and senior management, and an older age demographic for management positions. (A Review of Age Equality Practice. LSIS, 2010)

More recent thinking indicates a change of approach that may go some way towards mitigating these unwanted impacts of exclusive talent management. An increased emphasis on sustainability and organisational resilience has created a noticeable shift in thinking (CIPD, 2010). (Caplan, 2011) This shift has been developing over the last few years, with McKinsey's revising their recommendations for exclusive practices and instead acknowledging the importance of being inclusive in talent management due to the interdependency of high fliers or 'A' employees with fellow employees who are denoted as 'B' in order to give their best performance (Ford, et al 2010).

This perhaps reflects the alternative perspective offered as early as 2002 by Malcolm Gladwell in an article in the New Yorker, called the '*Talent Myth*.' In it he focused on the potential connection between the original McKinsey Report in 1998 and the outcome that their approach to talent management may have had at Enron, where they were lead consultants. He asks the pertinent question: *what if smart people are overrated?* (p.29).

Tomorrow's Company in their research report in 2010 concluded that an exclusive approach to talent management was taking '*too narrow a view for a world with multiple challenges, needing people with a wide range of capabilities*.' This report argues that talent is in abundance; it is diverse and multifaceted and exists in everyone. This is reiterating the views of the well know educationalist, Sir Ken Robinson, (2009) who believes that talent is all around when working with learners, and they just need to be offered the right environment or culture and opportunities, to enable them to grow.

Accepting this view raises the question of what needs to be done to acknowledge and realise the benefits of this abundant talent. This will be explored further in the research that follows, however part of the answer to that question must include engaging and enabling people, creating a positive organisational culture and working environment that is diversity positive (Kandola, 2009) so that all who choose to, can develop and demonstrate their talent. *Everyone is important. Make Talent important for everyone* (Caplan, 2011).

"Indeed, if McKinsey's recent report is correct, those organisations adopting an inclusive approach to talent management are ahead of the field, with others needing to catch up with them." (Ford, et al 2010)

2.2 Constructing a Definition

For an organisation such as LSIS to place itself in the vanguard of such a momentous change would be congruent, not only with its quality improvement role in the learning and skills sector but also with the principles of equality, the legal obligations of providers⁸ and the realisation that organisations will inevitably overlook talent if they take an exclusive approach to identifying it.

In adopting a change in the view or mindset on what constitutes talent for their organisation, it is more likely that it will be found in unexpected places, within people who previously the organisation might have overlooked (Tomorrow's Company 2010, Puwar, 2004). Sir Ken Robinson (2009) also points out that talent is not always apparent; it requires some digging down to find it. Often people find themselves disconnected from their natural strengths, as a result of choices of education and work, informed by apparent economic pragmatism or support.

In finding the strength of an individual, an organisation can collaborate with the person so that their talent can be developed, managed and applied, contributing to improved performance for all stakeholders.

The activities required to achieve this outcome include empowering, enabling and guiding people into pathways and programmes for development, offering opportunities to stretch as well as consolidate or rebuild skills and personal attributes. Therefore the thinking, designing, methods and criteria used are intended to be inclusive rather than exclusive. This reflects the approach that the learning and skills sector already applies to its learners – where equality of opportunity to access education and realise their potential are fundamental principles, implemented through the equality legislation and supported by national policy (Foster, 2006).

The term 'management' implies planning and thinking ahead, being strategic in the developing, controlling and directing of resources, being able to meet the expectations of the organisation and those who work there, in the short and long term.

⁸S.149 The Equality Act 2010. The public sector equality duty.

When management is applied to 'talent' - an essential resource for any organisation, then there has to be a strategic element to the definition but one that is mediated by the individual organisation's shared understanding of 'talent' and what this means for them (Ford, et al. 2010).

Taking all of this into account here are four slightly different potential definitions of 'talent management' for LSIS to consider:

1. ***Talent management is how an organisation implements a flexible framework of systems and procedures that operating together:***
 - ***Seek to inspire commitment, acknowledge achievement, provide opportunities for increased responsibility, value difference and promote a working environment, which encourages creativity, intellectual development and its application.***

This framework will be dynamic and capable of adapting to the priorities of the organisation changing and may include collaboration with partners.

- ***The systems and procedures will address the needs of each person as an individual, will be based on equality of opportunity and will balance accountability with support in meeting the current and future needs and objectives of the organisation.***
2. ***Talent management is about developing a flexible, inclusive framework of systems and procedures that work with all employees, to acknowledge achievement, inspire commitment and provide opportunities for increased responsibilities. Talent management promotes equality, creativity, intellectual development and its application supporting the realization of present and future strategic objectives for the organisation and its employees.***
 3. ***Talent management is organisational action to inspire commitment, an increased sense of responsibility and the continuous promotion of achievement in all staff in order to deliver future strategic expectations.***

- 4. Talent management seeks to inspire commitment, acknowledge achievement, value difference and provide opportunities for increased responsibility for all staff so that they can deliver their current and future strategic expectations more effectively.**

It does this through:

- ***Engaging and collaborating with the workforce, to develop and implement a flexible framework of systems, processes and procedures that are dynamic and capable of adapting to the priorities of the organisation changing, anticipating the future***
- ***The systems, processes and procedures are transparent, promoting a working environment that encourages creativity, intellectual development and its application.***
- ***It addresses the needs of each person as an individual, based on equality of opportunity.***
- ***It balances accountability with support in meeting the current and future needs and objectives of the organisation.***

Section 3: A review of talent management

3.1 Why talent management?

- Why do organisations participate in talent management?
- What is its purpose?
- What do providers in the learning and skills sector plan to get out of it?

The combination of the speed and nature of change within this economic climate places pressures and stresses on the current approach and systems. It is essential to create effective ways of considering what these are for an organisation and what the implications are for future sustainability and performance. To do this successfully talent matters. (Lawler 111, 2008) An organisation needs people who have the skills and knowledge to analyse and predict the environment ahead and in collaboration work with those who have the skills and talent to be able to identify how this future

environment can be used to create optimal performance and what skills and approach they will need to be available. In other words, people with the rights skills and attitudes in the right places and the right time – to be able to achieve this, an organisation needs to consider talent management as part of their fundamental business strategy. This is one reason why an organisation will participate in talent management with the clear purpose of ensuring it has the appropriate workforce at any given time.

The definitions of talent management that are offered in section two above include the view that it is a strategic element for an organisation. By definition that requires a forward-looking approach, identifying trends, opportunities, and threats. All organisations and businesses need to plan how they are going to continue to sustain and perform within the context of their function and purpose. At the same time they also need to identify what needs to be done and who will do this work, in order to create a culture and mindset that ensures the effective implementation of this plan. There are many examples of organisations where an excellent strategic plan has been developed that supports the ongoing function but for reasons related to their organisational culture it has failed to be effectively implemented or it has started well but due to the nature of the culture established, perhaps based on fear, it will not be sustainable even with the people who are the most appropriately skilled and experienced.

The development of organisational culture becomes a critical factor, with the intersection of leadership, motivation, employee engagement, power and organisational values with strategy development and implementation. Assuming your organisational values offer a strong foundation then this is all about talent management. However who is going to make it happen, how they do this and how the workforce is predicted to respond is not often given priority within the strategic planning process. Having created the strategy there is an expectation that it will just happen as set out irrespective of who is in place and what they are now being expected to do and the attitudes and behaviours they may adopt to try to get the job done.

In section two we raised questions about what talent was and who defined it. In Mathew Syed's latest book, *Bounce*, he states that talent is overrated, echoing Malcolm Gladwell back in 2002 in the *New Yorker*, when he proposed that perhaps clever people were overrated. Working on the premise that is set out within the definitions, i.e. that all people have talent, there is a clear motivation to ensure that organisations create an environment that provides opportunities for people to learn, develop their aptitudes, skills and knowledge and increase their ability and motivation to contribute to the performance of the organisation. This approach has been likened to farming – the farmer cannot

always predict their outcomes but they can create the optimal environment for crops or livestock to grow to their full potential (Robinson, 2009). In understanding this, it is helpful to appreciate that progression in a career may not always be about moving up the career ladder but sometimes improving within a current position or moving across the organisation, into another area.

3.2 Talent mobility

Staff turnover for the sector historically is approximately ten percent, relatively low in comparison to other sectors of the economy (York Consulting, 2005). However this is qualified by evidence from a range of reports from 2002 until 2011,⁹ which demonstrate that this is not consistent across all groups of staff; all of the reports highlight a higher turnover for black and minority ethnic staff, and there are no statistics available for disabled staff or people with other protected characteristics.

The lower rate of turnover historically has been viewed as a positive indicator, but it is necessary to recognise the implications of low turnover as well as the benefits. In the current climate it places potentially greater demands for adaptation and flexibility on established staff. This in turn creates greater pressure on the sector to provide opportunities to support enable and encourage personal development. A paper from TALEO Research in 2011 highlighted within the context of the business sector, the importance of “talent mobility”, describing it as an ability to rapidly and strategically move people from role to role and function to function as business needs change. This was echoed by another group of consultants Bersin and Associates who published research in 2009 on the same topic.¹⁰ They too highlighted the need for a more dynamic process within internal movement of employees. (Note the term ‘talent mobility’ may mean different things to different people in different contexts. For example the use of this term within the most recent World Economic Forum reports called ‘*Collaboration in Talent Mobility is Key to Job Creation*’ defines it in relation to the collaboration of employers.¹¹)

Although there appears to be limited academic research on talent mobility, there is enough to indicate that it is of practical relevance to the learning and skills sector, which is facing budget cuts alongside the imperative of increased or changing expectations of local employers. It is likely that talent mobility

⁹ Commission for Black Staff (2002) : Challenging Racism further education leading the way.

¹⁰ *High-Impact Succession Management: Best Practices, Models and Case Studies in Organisational Talent Mobility*, Bersin & Associates / Kim Lamoureux, April 2009.

¹¹ Report: Collaboration in Talent Mobility is Key to Job Creation

<http://www.weforum.org/news/report-collaboration-talent-mobility-key-job-creation>

is already happening informally, for example, when a post is vacated and the decision is made not to recruit, but to share the work across remaining employees. The risk of this happening informally is that there is no planned opportunity to offer appropriate development to those employees that are expanding their responsibilities beyond their previously expected boundaries. This may have a consequential impact on the performance of the organisation in that particular area because of loss of expertise. So what if, instead of occurring by default, talent mobility was part of a planned solution thus ensuring that resilience to change is built into the workforce?

This would lead to the creation of the very environment that Syed (2010) highlights as essential for individuals seeking to develop excellence in their performance.

If it is designed to provide opportunities for stretching a person's current capability whilst at the same time offering 'purposeful practice' within a new area of work or skill. Purposeful practice is practice that is directly relevant to the work being done or developed.

Such opportunities for exploring and expanding an individual's skill would then be identified within the context of 'talent management' and not as previously within the context of succession planning, where the focus was on the needs of the organisation rather than the individual. In reviewing talent mobility within the context of talent management therefore both the needs and expectations of both the organisation and the individual are considered.

3.3 Management models and the impact of talent management

The following section is designed to support reflection on what the current management model within the sector is and to consider how effective talent management might affect it (Carrol, D. 2008).

How might talent management encourage a model where there is an increase in self-management, thus removing or reducing the need for 'managers'?

Such changes would necessitate the development of individual capability as well as a different level of engagement and shared vision within and across the sector. This introduces the topic of performance management and raises the question of:

- How can performance management be adapted to encourage and support self-assessment and self-criticism?
- What type of management approach operates where employees are being encouraged and enabled to self-manage and self-assess?

There is both a need for managers to be brave and let people go, enabling them to self-determine and develop, and an expectation from the 'Google' generation that will be given greater autonomy. (Thomson, P., et al 2012). This is relevant to employee engagement and to performance management, which will be covered later in this review.

For organisations that take this approach, like Innocent, the smoothie company, there is a high level of shared values, where trust is central and the style of leadership is empowering and encouraging. This may particularly suit individuals and organisations that do not take a linear approach but more of an organic view to career development and progression. This potentially offers a greater degree of flexibility that can take account of an individual's life patterns, for example in relation to caring responsibilities, ill health, personal circumstances.

However for this to result in an inclusive approach to talent management, the managers need to have a high level of capability in relation to working with and managing difference. This is due to the potential impact of stereotype threat, (Steele, C. 2009). This will often mitigate some individuals realising and believing that they have indeed got potential and talent to develop and that is possible to achieve. The potential of stereotype threat will apply across all aspects of social identities but will be particularly relevant for those where there are cross cutting elements or intersectionality associated with their identity. For example being gay and coming from a lower socio economic group.

3.4 Organisational culture and talent management

The established western economies are said to be moving from a knowledge-based economy to one that demands innovation and creativity. We have a government department called 'Business, Innovation and Skills' reflecting this at a political level. Innovation is acknowledged as central to the UK's future success. So what does this mean for the learning and skills sector and how is talent management relevant?

On first consideration this may seem simply about adapting existing systems and processes and renaming them to meet these new demands. However this is not likely to be a guarantee of success. For example, consider the efforts that many successful organisations have made to diversify their representation, in particular within senior management and leadership positions, introducing flexible working policies, gender neutral policies on child care and leave of absence and much more. And yet there continues to be, in the private sector an acknowledged 'leaking pipeline' of women employees

(Global Human Capital, 2007) and black and minority ethnic employees, with both groups leaving at a greater rate than white male employees, particularly from middle management posts.

The influence that organisational culture has on decision making and the implementation and effectiveness of presumed 'best practice' policies and procedures can on the face of it be subtle, but in its impact over time is stark, as illustrated in the rates of retention, progression, disciplinary cases and harassment claims where people from certain minority groups are disproportionately represented. These unintended consequences of presumed best practice can be proactively managed and indeed predicted through using tools like equality impact assessments, looking not at the policy, as has historically been the case, but at auditing its implementation, highlighting the sometimes subtle impacts of individual bias and organisational culture and adjusting the practice accordingly. Effective talent management is similarly affected by this same context of the organisation and its culture. (Kandola, 2009)

Historically the private sector has sustained an organisational culture that is gendered (Rutherford, 2011), supporting on going privilege and assumption of power to white men.

Is this also the case in the learning and skills sector, where there can be said to be increasing representation of women across organisations? Is this one of the ways that the sector has changed more than the private sector? Or has it only changed in relation to gender and the dominant group? Does this mean that the status quo is little changed and there remains a lack of dynamic development which is about inclusion?

In Lord Davis recent report about the lack of women on the board, he focused solely on the lack of women, without considering the impact of exclusion of many women who have multiple elements to their identity – being black, being disabled, being lesbian, not being Christian. So the analysis of what the issues are is too narrow and therefore the fix of targets or quotas will not sustain the changes that are already being seen, with an increased number of women being appointed to FTSE boards this year. The women will simply continue to have a shorter tenure than the men and will leave, the culture of the Board is too hostile to sustain. So in light of this and the existing research on the sector, highlighting the experience of different groups, it can be seen that it is essential to create and develop an organisational culture that will sustain the outcomes of change where diversification of the talent pools occurs and there is an expectation of those in senior positions being capable of effective talent management.

As organisations demand more from their employees, the active and consistent engagement of the latter with the organisation and its leadership is essential. This may be viewed as a change in the psychological contract; the balance of power is changing; job security is no longer part of the offer. In order to want to give more in this changing and less certain working environment the employee needs to be actively and effectively motivated with different types of rewards. Some of these rewards will be about the emotional feedback and feel good factor that is created for employees working in the organisation.

Attracting and retaining people with acknowledged talent and those with potential will depend increasingly on the effectiveness of an employer to be regarded as an employer of choice, and that involves, amongst other things, creating an inclusive organisational culture that offers equality of opportunity. This is true despite the current economic climate. (Thomson, P., et al 2012). Those who can move to develop their careers or skills will, if the employer does not engage with them and maintain their commitment and interest. There is therefore potentially a greater danger in times of difficult economic times that those who choose to stay but are disengaged from their employer, will not perform to their optimum. This will have a direct impact on the performance of the organisation and the quality of their products and services.

This is not a time to be consciously or unconsciously excluding talent for reasons of any aspects of personal identity, for example, gender, ethnicity, sexual orientation, etc. (Lord Brown, BP, 2007 as quoted in Rutherford, 2011). Integral to this is ensuring there is a talent mindset (Caplan, 2011). (Cannon et al 2010) across the organisation, where line managers recognise that they have the responsibility and power to manage and enable talent to grow. Within this context the importance of creating a diversity positive environment (Kandola, 2009) becomes clear. A diversity positive environment is one where equality of opportunity and fairness are acknowledged as essential and acknowledged by management. In order to achieve this, those with power and influence are aware that they must consider how the culture around them and bias may influence their decision-making processes and take steps to counter this. (Kandola. 2009)

This last element of promoting equality within the context of employee engagement is potentially of greater significance within the public sector, as opposed to the private sector, where the 'business case' has generally taken precedence over the moral or ethical case. This view is clearly shared by the legislators as it is the public sector that has been given the greater leadership role for promoting equality. Therefore within the learning and skills sector, the legal framework for equality is more

demanding, as it carries with it a public sector equality duty,¹² that organisations must demonstrate what they are achieving and how they are achieving it in relation to equality. It is designed to be outcomes focused. They need to demonstrate that they are preventing discrimination, advancing equality of opportunity, and fostering positive relations between diverse groups. This therefore must be an integral part of why, as well as how, talent is managed within the learning and skills sector.

Considering this additional dimension, the role of the learning and skills sector – unlike the private sector – creates an expectation and potentially a responsibility to the local community that it serves to be inclusive, not just with learners but as an employer. So actively developing a talent mindset that is about engaging all staff and potential staff, from within the current learners but also from within the local community, both business and social.

3.5 What does talent management involve?

- What are the activities that organisations undertake when they are involved in talent management?

These may vary in their specificities, however there are key themes that organisations might expect to be active in as part of a comprehensive approach. The success of their implementation and their effectiveness will be mediated by the culture and talent mindset that is found in the organisation.

The following list is derived from a variety of sources (CIPD, Bersin Associates, 2010, Cannon et al 2010, Caplan, 2011):

- Business strategy and planning
- Talent acquisition through recruitment
- Capability assessment
- Performance management
- Talent development
- Employee engagement
- Succession planning and management
- Leadership development

¹² s.149 The Equality Act 2010.

A number of theoretical texts set out frameworks to deliver on talent management themes and it is worth remembering that not all of them have been tested. Therefore the frameworks that organisations find most useful will arise out of their strategic vision and from their view of talent management and what they want it to deliver for them. An effective framework will incorporate an idea of what success looks like and will also incorporate the means of evaluating its implementation.

The degree of emphasis on each individual theme within any framework will vary depending on the different drivers for both the organisation and the labour market generally, however two specific areas of employee engagement and performance assessment are considered below.

a. Employee engagement

The power of effective engagement has been acknowledged by many different commentators, including a report (Macleod et al 2008) commissioned and published by the government from the department of Business, Skills and Innovation, which states in its introduction:

We believe that if employee engagement and the principles that lie behind it were more widely understood, if good practice was more widely shared, if the potential that resides in the country's workforce was more fully unleashed, we could see a step change in workplace performance and in employee well-being, for the considerable benefit of UK plc.

Effective employee engagement might be described as being about conversations and relationships, between leaders, managers and employees, where each recognises and acknowledges what the other expects to gain, seeks to build trust and deliver on these, (Caplan, 2011). The examples of organisations where this is said to happen effectively are John Lewis Partnership, Google, and Standard Charter Bank.

- So what does effective employee engagement look like?
- What are the key indicators for success and how do these relate to talent management?
- What are the characteristics of employees who become engaged with the organisation?

Caplan, 2011, concluded that the following were all indicators of engaged employees.

- *They felt respected and treated fairly in areas such as pay, benefits, job security and opportunity;*
- *They know that they are listened to and their opinions count;*

- *They understand how they contribute to organisational goals and success;*
- *They feel proud of their jobs and accomplishments;*
- *They know what the future might hold for them and how they might be supported to get there;*
- *They enjoy good, productive relationships with their co-workers.*

From this list, topics for conversations with managers can be identified, and different indicators that HR might use to track effectiveness of talent management practices can be seen.

There is however, within the context of the learning and skills sector, as influenced by the current economic climate, some key topics in this list that may offer particular challenges. For example, job security, knowing what the future might hold for them and how they might get there. There are also challenges on pay and benefits and feeling fairly treated, not least because of the range of different contracts that operate within the sector, but also because of restrictions on public sector pay. It is also true that although there is increased representation of women in senior positions, the gender pay gap, in common with all other sectors, is likely to persist.¹³

If effective talent management strategies and systems are adopted by an organisation they might well provide opportunities to meet these challenges by creating additional benefits for employees; benefits that may offer compensation to some degree for the lack of job security. For example a management approach that includes coaching builds in opportunities for employees to develop additional skills and capabilities and therefore offers the benefit of increasing individual resilience to change in an unpredictable employment market while enhancing their capacity in their current role.

This introduces a tension common in many organisations where there may be reluctance to invest in the support and development of employees to any great extent in case they leave and the organisation 'loses' the benefit of its investment. This could be described as a negative and defensive position for an organisation to adopt, although in times of economic austerity it is bound to be a consideration. Without the offer of development, the more driven, ambitious employees are probably even more likely to look for opportunities to leave and join more progressive organisations.

¹³ UK Commission for Employment and Skills 2010. Accessed at:
<https://ness.ukces.org.uk/Pages/Articles.aspx?ArticleID=1>

There is an increased political awareness of the need for the democratization of the learning and skills sector, where not only the learner voice is heard and seen to influence decision making in providers but also the voice of all staff. For both learner voices and the voices of employees to be heard and influence decision- making, those in positions of power and influence need to be prepared to listen, seek further clarification and take action. Leadership styles and organisational culture are both key to this process.

The old style of command and control leadership has been shown not to be as effective as supporting autonomy and self-determination where increased levels of motivation and engagement are evidenced. (Gagne, M. et al 2005) (Johnson, P.A. 2009). To be able to offer freedom of decision-making and action requires managers to be brave and to have built up a relationship built on trust with their team (Thomson, P. 2011). The generation that is entering the labour market now – the ‘Google generation’ – anyone born after 1993 – have an expectation of increased autonomy at work, that will shape future management practices seeking to build rapport and maximize performance (Thomson, P., 2011).

Caplan (2011) talks about the increased rise in the ‘devolved leadership ‘model, where there is a shared foundation in relation to vision and values, that is mobilized through a coaching style of management, encouraging and enabling increased collaboration and team working. This model can be enabled and supported as part of effective talent management.

Examples of effective employee engagement are offered from the report completed for BIS, and highlighted above. One of these included a very complex public sector organisation – Blackpool, Fylde and Wyre NHS Foundation Trust. Within the trust and the project to redesign services in the area:

...one of the most significant partnership outcomes has been the ‘partnership for learning’ project supported by the Trust, UNISON and Blackpool and the Fylde College, to improve literacy and numeracy skills, improve the motivation and confidence of staff and widen participation in learning. The learning partnership has seen over 1,000 members of staff undertake a wide variety of courses. In particular literacy and numeracy skills have been improved as well as basic IT skills, and all partners believe it has been significant in breaking down barriers to learning. The project now aims to expand its horizons by offering financial advice and support, working with the Financial Services Authority, Blackpool Council and a local credit union. The trust won the Healthcare People Management Association (HPMA) partnership award in 2008.

b. Performance assessment.

Another theme where an organisation is taking a talent management approach to workforce development is performance assessment. This is an area that most practitioners and commentators highlight as challenging for organisations. The following is adapted from Edward Lawler (2008) where he identifies four reasons for difficulties in creating an effective performance management system:

- a) There are many different designs of systems – choosing the right one for your organisation is difficult.
- b) Both the evaluator and evaluated are uncomfortable with their role and the processes involved. Often the evaluator has had minimal training on how to implement the system effectively.
- c) The measures that people are judged on, can be complex and can create opportunities for subjective judgment, where the power sitting with the evaluator can result in outcomes that the evidence presented does not reflect. This can result in unintentional discrimination against people different from themselves.
- d) The assessments can be time consuming in a time poor environment, resulting in a level of pressured engagement that often undermines the validity of the review, making it much more about a process than genuine opportunity for engagement and discussion.

In each of these four areas a great deal depends upon the evaluator and their implementation of the assessment processes used, illustrating that the potential for the operation of bias is high. The likelihood of bias becoming relevant is increased when there are key differences between the evaluator and the evaluated. For example from research in the sector, based on gender, ethnicity and sexual orientation, it is known there are different career progression outcomes for different people with these elements of personal identity. In order to prevent this happening and to promote equality, it is essential that evaluators understand equal opportunities and how the cycle of oppression and discrimination can operate. (Crawley, 1994). This is consistent with the approach to talent management set out in the introduction to this paper, where there is an expectation that the sector will aspire to be inclusive and prevent discrimination against any individual or group.

For an assessment system to be effective, Lawler also points out that it needs to result in a clear understanding of what is expected from an individual and to measure whether this has in fact been achieved. To achieve this requires good communication and conversations between managers and the individuals they manage. This should also lead to increased motivation and skills development.

In the application of systems that aim for genuine employee engagement, it might also be expected to include a clear understanding from the manager of what they are required to do in terms of supporting the individual so that they can indeed meet their agreed goals. There is increasing use of 360 degree appraisals and discussions where employees also want to understand what the manager is going to do to support them. This reflects the need now for a negotiation of authority or influence that is highlighted by Mathew Taylor, the CEO of the Royal Society of Arts, and referred to in the BIS report on the impact of employee engagement.

The democratization of organisations and their management and the increased use of coaching as a management style, offers the sector an opportunity to move on from heavily bureaucratic systems of assessment. This is an opportunity to embrace an approach that is designed around a more continuous conversation on development and performance, as suggested by Bersin (2012). Bersin and associates, predict that performance management will 'go agile' in the future, with a more dynamic approach being taken, where there is ongoing feedback as part of a transparent and formalised conversation, using different tools, facilitated by technology.

For any system of performance assessment to be effective the employee needs to be engaged in the process. For this more 'agile' approach to performance management, the attitude or approach of the employee will be highly influential to its success, as they will need to be self-motivated and capable of driving their own assessment and development. However there is a danger that this will impact negatively on those whose behaviour is mediated by stereotype threat, as highlighted earlier. This does mean that managers need to have a very high level of awareness of what stereotype threat is and how it may impact on the people they manage or even their own responses. The impact where the employee has a high level of self-motivation, were identified by Jim Collins (2001) as being present when company performance moved from good to great. This may be an element that is particularly relevant to providers who have already been awarded outstanding by Ofsted across the board, bearing in mind that this is in relation to their learners.

There is no doubt that effective performance assessment needs a transparent system and those who hold the power within it as evaluators, need to be appropriately trained to administer it fairly. In

addition several case studies and commentators emphasise that the reception and effective use of the assessment system may be improved greatly if employees are also involved in its design (Caplan, 2011).

In the process of performance assessment across the organisation, it is also worth specifying that all members of staff irrespective of their roles are expected to participate. It is often assumed that performance assessment is not about the senior team and executives and is only about middle managers and junior staff. This assumption is inevitably undermining of the system and can lead to exacerbation of hierarchical divisions and an 'us and them' type culture, where senior leaders or managers don't appear to have to play by the same rules.

An increasingly widely used tool that lays emphasis on comprehensive assessment is 360 degree feedback, where several colleagues are asked to give feedback on performance. However care needs to be taken on which 360 tool is used as there are inherent bias that have been shown in some tools, that result in creating additional barriers for some people with specific characteristics, to progress, gender being one of these. (Vanderbroeck, 2010) This tool can be used via the intranet and it facilitates the concept of assessment being 'agile.' However there are dissenting opinions on its effectiveness to deliver real performance improvement. If the results of the 360 degree feedback mean that there are difficult conversations to be had, conversations that may involve conflict, then they may not happen; the assessment will in effect be ignored and none of the opportunities it created for improvement will be realised. (Ghorpade, J. 2000) as quoted in Caplan, 2011).

And with reference to equality and diversity a note of caution about the implementation of 360 degree feedback is advised, even if a range of colleagues are asked to give feedback, where someone is in a minority within their working environment as a result of gender, ethnicity, sexual orientation and/or other aspects of social identity that will differentiate them from the dominant group, the bias, conscious or unconscious of the dominant 'in group' may offer feedback that is potentially very damaging, and due to the volume of the feedback and the apparent consistency of it, the subject of it will find it very difficult to challenge or counter. In effect they may feel under siege and this may have a detrimental impact on their performance, as well as their feelings of self-worth. This reinforces the need for the training of line managers to enable them to implement assessment process effectively and within the mindset of talent management, where it is linked to personal as well as organisational development.

3.6 What does effective talent management look or feel like?

There is limited research within the public sector, on what effective talent management looks or feels like. To this extent there is an opportunity for the learning and skills sector to demonstrate its leadership and create an approach that delivers for the sector and provides a working model for other public sector organisations. It is clear from existing research that there is no definitive model or set of processes and approaches, which can be said to work in all circumstances with all organisations. It is therefore up to individual providers who are striving to improve their performance and be the best they can be, using talent management as a means of delivering this, to identify what ‘effective’ and ‘success’ will look like for them. To be able to do this it is essential that evaluation tools and methods are included in the planning and implementation of the strategy.

The following six factors have been shown to be present when talent management is effective. These are illustrated with different examples from various organisations.

1. **A business strategy for the organisation that informs a talent management strategy.** In this instance, the aims and objectives of the organisation will drive the quality and quantity of the talents it needs. How can this link be identified and evidenced? In the Deloitte Review, they highlighted from their survey of manufacturing organisations that the answers lie in specific aspects of people management practices:

The data suggests that certain practices help some manufacturers outshine the rest. These companies have developed clear talent management strategies that align consistently with their overall corporate strategy and complement their culture and values in ways that point to improved results. The most profitable large companies share three practice areas that differentiate them from the least profitable companies:

1. *Defining a clear and explicit people strategy that is linked to the business strategy.*
2. *Performing formal succession planning across the workforce. For example: Colgate-Palmolive also developed an innovative way to ensure that all levels of management make succession planning a priority. It instituted a program that mandates that all senior managers must retain 90 percent of their staff who have been designated as “high potential” or risk losing part of their compensation.⁷*

3. *Linking employee pay directly with productivity of the company or to the respective manufacturing plant.*¹⁴

2. An organisation that is achieving its targets as set out in its business strategy.

One way that organisations have been seen to achieve this through specific approaches to talent management is when attracting, recruiting and selecting new staff; it looks for potential and not simply for previous experience or existing skills. So for example: Ikea selects staff on the basis of their attitudes, values and cultural fit with the company, as much as for their qualifications. This reflects their belief that job related skills are not always the best predictor of performance and can in fact be easily changed or adapted while this is more difficult with a person's values and beliefs. This also serves to highlight how an approach that believes in transferability of skills may mean that they have access to a wider group of potential employees or employees seeking progression.

3. Effective employee engagement culture. One extreme example is offered by Apple. They developed their employee engagement, their organisational culture and internal brand through getting employees to '*view their role as attacking the status quo*'. This was done by getting the employees to think that they were a group of revolutionaries, using a range of techniques that included wearing t-shirts with pirate logos, flying pirate flags in the workplace, encouraging them to see themselves as attacking the status quo, supporting continuous and disruptive innovation. This was done in spite of a very top down leadership style, where everyone was expected to adhere to the strictest codes of secrecy.¹⁵ It is striking reading this example just how planned or manipulated the culture that developed was from the outset. The outcomes and impacts were planned and have been achieved, increasing the power of the external brand of all Apple products. However the question now that is asked is how will it be sustained now that the charismatic leader Steve Jobs has gone. And as more information has come to light that in fact although a very effective culture and approach to employee engagement, not everyone enjoyed working with a leader whose style was clearly bullying and directive for many. So here in lies the tension – it is possible to have effective employee engagement that produces optimal

¹⁴ Kleinert, R. et al (2009) Tailored to the Bottom Line - People management practices and profitability in manufacturing. Deloitte Review.

¹⁵ Sullivan, Dr. J. (2011) Talent Management, Lessons from Apple

performance but at what cost to the happiness of the individual workers when the resultant culture has a negative emotional impact?

4. Talent management involves more than the HR department.

The responsibility for strategic development and delivery is shared across the organisation from the CEO (Principal) to line managers. This needs to be led by the CEO, supported by the Board or in the case of most learning and skills providers, the Governors. For example the CEO of Proctor and Gamble, one of the largest consumer product companies in the world, claims to spend up to 50 per cent of his time developing talent. (Holstein, 2005, as quoted in INSEAD Working Paper, Global Talent Management.) This view was recently reiterated by Robin Schneider, of Schneider Ross Consultants, (March 2012) at the Tomorrow's Workplaces conference in London, hosted by the Employers' network for equality and inclusion (enei). The role of HR is to be a strategic partner that facilitates and leverages human resources to improve organisational performance and workforce effectiveness. HR is a key facilitator to develop a 'talent mindset' across the organisation (Lockwood, N.R. 2006).

5. Evidence of effective performance assessment processes being used consistently.

- All employees participate in assessment.
- Evidence that there is no bias in the outcomes of any particular groups of employees based on protected characteristics (Equality Act 2010).
- There is evidence of a direct link into take up of learning and development opportunities and stated intentions from personal development plans/ action plans form appraisals, as agreed with line managers.

6. A talent mindset.

This is where there is evidence of an overarching drive to take action that is not about following a process or procedure but about creating a dialogue that is rich in its reference to the following key elements, as adapted from those recognized by Caplan (2011):

- Where people are managed for their strengths and preferences as evidenced.
- There is recognition of the importance of understanding people's aspirations and then providing meaningful opportunities to achieve these.
- The management actively looks ahead and plans the development of capability to meet future needs.

- An organisation looks to match people and their capabilities to roles that is not only about their direct experience, nor informed by assumption or stereotypes, but also about their potential to develop.
- There is recognition of the value of regularly conducting meaningful conversations about performance and personal development.

Section 4: Leadership and talent management

Leadership development is part of any talent management strategy, however the understanding of what is meant by leadership has also evolved. Leadership is no longer only demonstrated by people in senior positions. Rather it is increasingly considered to be the development of specific capabilities, where people at any level of the organisation are empowered to practice and be rewarded for, so encouraging others to adopt a similar approach and attitude, illustrating a virtuous leadership spiral (Lawler 111, 2008).

What is of vital importance is developing individuals or teams so that they have the capability to take a leadership role when the situation, need or opportunity arises.

Consider how this is relevant to the learning and skills sector where there is an increased emphasis on partnership working and collaboration, not just within the organisation but with external parties. So leadership development as an integral part of talent management and in keeping with a more inclusive approach can therefore be expected to create a capability found at all levels of the organisation and in all roles. This will support the development of improved performance of the organisation as it will mean there are a greater number of people who are equipped for direct partnership negotiation and working.

In order to harness the benefits that such an approach offers there will need to be high levels of trust and autonomy built into the organisational culture.

Section 5: Summary and key drivers for talent management identified

Theories of talent management have developed beyond the earlier assumption of it being about the recruitment of high performers, who were assumed or expected to progress and become those in positions of senior leadership. Instead it has come to mean an integrated approach to all aspects of organisational development and people management that considers the present and the future. This has implications about who is therefore appropriate to be involved and responsible for the delivery of a talent management strategy. Caplan, (2011) highlights the evidence to show that senior management increasingly recognises the direct relationship between the performance of the business and the people involved. How self-aware the senior management team are in relation to their own values and behaviours and its impact on their decision making and power sharing, will have a significant impact on how talent management strategies are viewed and implemented.

Through this short overview of research on what talent management is and why organisations participate, there are several drivers that emerge across all sectors. It will be important to consider these and clarify to what extent these apply equally to the learning and skills sector.

5.1 Drivers for talent management:

- **The changing dynamics of existing models of management.**
This means that the structure of management is changing, how managers are expected to manage, what they are responsible for.
- **A demonstrable relationship between better talent management and better business or organisational performance.**
For example a research study in 2006 revealed that organisations that were effective in human resources management; employee engagement, leadership development, learning capacity, workforce organisation, show higher stock market returns with better health and safety records.

- **Employee expectations of career opportunities, and for the organisations and managers they work for, are changing.**

For example, the increased emphasis on work/ life balance, even for senior managers, will be less accommodating of traditional structures and management models and increasingly about being prepared to take responsibility for one's own career development and progression.

- **The talent in an organisation increases its value creation and so the greater value they offer to the development of the organisation.**

So there would be an expected direct link in those organisations that consistently achieve 'outstanding' from Ofsted in their inspections to be able to demonstrate this was in part as a result of effective talent management.

- **The type and pace of change, economic, technological and organisational, is increasing, making it essential to adapt business models, service design and delivery on an almost ongoing basis.**

For example the average tenure for a CEO has reduced markedly over the last few years from 7 years (2007) to 4.5 years¹⁶(Vicky Wright, ex-president of CIPD, 2011). What is the position in the learning and skills sector for principals and senior managers?

- **Changing workforce demographics are essential considerations.**

This makes diversity and equality an essential and integral element of all talent management strategies and actions.

Section 6: Recommendations for LSIS

In light of this research the following recommendations are made that aim to support LSIS to model an approach to talent management that the sector can consider and use to inform their own development processes and talent management strategies:

1. Actively supports and promotes an inclusive approach to talent management.
2. Considers their language and what they mean by 'talent' and talent management with

¹⁶ As stated in article by R. Goff. (23rd June 2011) People Management. <http://www.peoplemanagement.co.uk/pm/blog-posts/2011/06/how-long-should-ceos-stay.htm>

the recognition that the current systems maintain the 'status quo' or who gets in, who gets on and who leaves.

3. Actively identifies the purpose of talent management for them as an organisation and to consider how this informs their definition of talent management and their strategy. This will involve identifying what the future is expected to offer to the organisation and how their current business strategy is seeking to influence this.
4. Enables the individual providers to identify what success or effective talent management would look like for them as an organisation, and how this informs their strategic planning.
5. Identifies where they are in relation to developing a talent mindset across the organisation by creating a self- assessment tool that is offered to the entire workforce.
6. To review and consider the current capability and role of HR within the organisation and how HR can be empowered to support the development of a talent mindset across the organisation.
7. Review key aspects of current HR practices that include employee engagement and performance assessment and identify the challenges faced. In doing this, provide opportunities for HR to develop their solutions to these challenges, building their capability and resilience as part of the capacity building of the organisation.
8. The review of the management models used across the organisation and how line managers are currently held accountable for the performance of their teams and team members, taking into account their capacity to work effectively with difference, advancing equality and diversity.
9. Review the learning and development opportunities for all staff and how leadership development and capability is embedded in all aspects of the opportunities.

Section 7: Ideas for future research

Considers further research to identify if there are direct links that can be made between those organisations recognized by Ofsted as outstanding and their current approach to talent management for their employees.

If these can be established then it may be possible to identify the key elements to this success and how this effective practice may be shared across the sector.

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