Chapter 13 Review questions and answers

1. What factors make one job more ‘key’ or more strategic than another?

While organizations contain a large number of different roles, some roles have a bigger impact on the organization than others. One way of seeing this is to consider to what extent different roles add value in relation to the strategic targets that an organization has. There is perhaps some correlation between role seniority and value adding, i.e., even though their job is important, a team leader has less scope to contribute to strategy than a senior executive.

John Boudreau talks about ‘pivot points’ in organizations which is a way of labelling those roles that make the disproportionate difference and one of his questions is, ‘where would improving employee performance have the greatest impact?’ But not all pivot points are at senior levels. In a hotel, for example, guests usually encounter the employees who provide room service and those interactions can have a big impact on the guests’ satisfaction with the hotel. So one response to the question is to ask which roles make the biggest difference, for example through contact with customers or by bringing vital knowledge to production or research and development processes. If, say, an organization has to innovate its way to a better market position, then roles that facilitate innovation would seem to be pivotal. Talent management theory centres around fitting talented people into the pivot points.


2. Thinking of an organization that you are familiar with, how well do you think it identifies and manages talent in its workforce?

Responses to this question are context specific. However, factors to consider include;

- How robust is the performance management and appraisal system in assessing contribution and performance? Systems that do not make judgements about performance are less likely to be differentiating between employees. This is a good discussion point in itself. Consider whether talent can be fairly and accurately identified without a ranking-type appraisal system.

- Does the organization offer any development programmes that are distinctive to its top performers, eg, cross-border projects and mentoring structures?

Consider what HR practices are necessary to identify talent and whether inclusive talent programmes (i.e., where all or most employees are considered as talented) are viable and if so how they could operate. If everyone is getting the same HR experience via the same processes, then it is important to question whether talent will ever be identified. Furthermore, if everyone gets the same experience, is it not inevitable that differential performance will be observed, and so we are back to the starting point of elite-type structures.
3. What is talent?

This question is also context specific. Think about ‘talent’ in work settings. High performance and high potential are common starting points but also consider how ‘high’ potential and performance are socially constructed. Remember that in many jobs there are no hard, objective criteria to measure employees with. So what is it about an employee that signals to others that they are high potential? Managerialist responses might draw upon characteristics like persuasiveness, bold decision making, promotability, networking, analytical ability and strong intrapersonal management (i.e., managing self). More critical responses might refer to an employee’s ability to manipulate their image to their advantage, to leverage small achievements to give an impression of great outcomes, careful selection of the people they associate with along with shameless self-promotion and the ability to take the credit for the achievements of others. When considering the more critical view, then think about how selection processes can be designed to account for it.

You should also consider how talent could vary across levels of the organization and also what the threshold for being talented is. For example, some organizations have two or more talent pools ranging from high impact performers but without much promotion potential to employees deemed worthy of major promotions in the near future.

4. How might the notion of talent differ across sectors?

Most of literature on talent management relates to profit seeking, multinational contexts. The generic characteristics of talent drawn out in question 3 may apply across sectors while individual organizations may look for talent to fit their particular their strategic position. A company that has drifted away from its markets may need a major process of strategic change involving product innovation and human resource management to recover its position. Priorities therefore would be talent cohering around product engineering and the ability to involve people in decisions about work systems, make decisions and champion them to catalyse change. A company that has to cut costs to stay competitive may need to re-engineer its supply chains or product designs and working practices.

You should consider broad sectoral differences such as public and private sectors since the public sector appears much more reluctant to adopt talent programmes with the same enthusiasm as the private sector. Possible reasons are that there is a long tradition of collective of bargaining around working conditions that affect hospitals or local authorities, for example, on a national scale. In contrast, private organizations are more likely to engage in local level design of working practices. In simple terms, private organizations have much more freedom to do what they want.

Public organizations also seem less likely to operate performance management systems that explicitly categorise an employee’s performance. Consider how far talent management is possible without a performance management and appraisal system that rates and categorises employees. Public bodies may also run shy of differentiating among the workforce because of heightened sensitivities towards any actions that might attract
criticism, e.g., that differentiating the workforce could be seen as discriminatory. Different levels of unionization may also shape organizational policies around how employees should be differentiated and rewarded.

5. Is talent management in MNEs more complex or important than in domestic organizations?

You should consider whether the complexities of running a talent programme increase with organization size and geographic distance between subsidiaries. Operationally, a talent programme in a smaller, domestic business should be simpler than in an MNE employing thousands of people across many countries. An additional challenge for the MNE is the difficulty of making fair decisions about talent when it is geographically dispersed. Does someone thousands of miles away from HQ get the same chance as someone in the headquarters country?

Another potential problem is that, if employees are evaluated locally, there will be an overlay of local culture in the decision making processes. We know from national culture frameworks (e.g., GLOBE) that countries differ on their orientation towards performance and on their orientation to individualist ways of work organization. In countries with lower performance orientations and more collective ways of organizing, then in theory there may be more reluctance to identify an employee as talented than in a higher performance, individualist culture. Over and above the complexities of talent identification, MNEs face difficulties around the design and operation of talent programmes for different levels of employees or different levels of talent. The design of development programmes may also be more complex if it is necessary to gather employees separated by large distances together so that they can work on business solutions.

In terms of importance, it seems hard to argue that talent management is more important in one type of organization than the other. All organizations face strategic challenges for survival and talent management is a legitimate response.

6. To what extent do you agree that about 80% of the value an organization creates is generated by about 20% of the workforce?

It can be argue that some employees simply contribute more than others even though they do similar roles. Think about how performance ratings are typically distributed, i.e., on a broadly normal curve. The other angle to this question is, over and above differential performance in the same role, some roles contribute more than others as we saw in question 1 above. Consider the Pareto-like split to see how they vary from fairly equal contributions from employees (i.e., 50/50) up to larger 70/30 or 80/20 differences.
7. **How might your views in Q6 be influenced by the type of business that you are considering?**

Organization size could link to views of the 80/20 divide. It can be argued that in smaller organizations, individual contributions could be more evenly spread as there is less room for employees to 'hide in the forest' in large organizations.

8. **How could a multi-national organization evaluate the effectiveness of a talent programme?**

The evaluation of training and development is a difficult area but one that could set the context for students responding to this question. Key questions for evaluation in general concern whether participants are actually learning anything and are they changing anything at work as a result of the development?

A higher level of evaluation looks beyond the learning and change obtained and at the talent programme itself and particularly from an ethical perspective. Consider how the following questions could be applied to evaluation of a talent programme.

- What processes took place to decide and agree what 'being talented' means? How democratic were the processes involved?

- How fair are the talent selection systems and processes? Do all employees get a fair chance of being recognised and selected?

- Most excluded employees will perhaps be unconcerned that they are not in a programme but some might be concerned. So what does the organization do to assess the feelings and responses of people not in the programme (i.e., the majority of employees)?

- What are the effects of participation in a talent pool on the participants? How does it affect their careers? If they are put under increasing pressure and stress to the detriment of their work-life balance, then their health might be compromised.

- What benefits does the talent programme give to the majority of excluded employees who do not participate in it? If they are not benefitting in some way, e.g., via business improvements, then the justification for continuing with the programme is called into question.

Students should be encouraged to generate additional questions around talent programme evaluation.
9. If employees are deemed talented in one organization, what factors might influence the transferability of their talents if they were to leave and work for another organization?

There is very little known about the transferability of talent perhaps because it is a very difficult topic to research as it involves tracking people over time across jobs. The main contributor to the field is Boris Groysberg (2010) through his work on ‘star’ financial managers who switched employers and found that many found it difficult to replicate their former achievements in the new company.

The main reason put forward is that people are successful because of, at least in part, the unique organization culture that they work in and the unique social networks that they construct and leverage around them to get results. When the high performer leaves, the networks are disrupted such that performance falls. Since it takes some time to recreate similar networks in the new workplace, which may not be possible at all given that different personalities are involved, performance does not rise to previous levels; at least not quickly. This theory explains why, sometimes, whole teams transfer from one company to another; this is done to protect the unique and irreproducible social networks and keep them intact. The reverse effect may also apply at least in theory. An average performer in one workplace, could, by creating new networks, become a high performer in another.

Of course there are doubtless examples of managers who are successful wherever they go throughout their careers and students might be asked to think of examples from the own experience.


10. If an organization runs a talent management programme, how might employees not selected for it react?

This question draws on self-fulfilling prophecy theory for an explanation (e.g., see Eden 1984). There is a well-known effect that if people are told they are good performers with potential to do better then they are more likely to outperform their peers who are not told they are good performers. This effect was first noticed with schoolchildren. The effect works basically as follows. The organization identifies high potential employees and signals its intentions towards them. The leaders of the high potentials then provide better leadership. Better leadership leads to higher self-efficacy and self-motivation which result in higher achievement, and so the leaders’ expectations are fulfilled. This so-called Pygmalion effect may be matched by an opposing Golem effect in which employee performance diminishes as a response to perceived diminished leader expectations. Loss of performance could result from lower self-efficacy and lower motivation. The importance of organizations being alive to potential Golem effects is important and should be part of an evaluation framework (see question 8 above).