Talent Management:

Alternatives to the single-ladder approach

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Executive summary

In the last two decades, the issue of talent management has been increasingly discussed. In today’s society, it has become more and more critical to work with talent management. Despite the growth in interest, there seems to be no clear explanation of what talent management is and how organisations should deal with it or implement it. Furthermore, in the current literature, a business perspective is lacking. The present report looks into dilemmas and challenges that organisations meet nowadays when working with talent management. More specifically, the focus of this report is on whether there are alternatives to the current single-ladder approach of talent management. Traditionally, talent management referred exclusively to the development and replacement of top executives. Nowadays, there is recognition that attracting and retaining talented employees should take place on all levels within the organisation. This idea leads to a shift from the idea of one single-ladder (i.e. one talent pipeline focused only on (potential) leaders) towards the idea of multiple talent-ladders or pipelines (i.e. talent pipelines for different kinds of people in the organisation, not exclusively leaders). This report attempts to look into central challenges and dilemmas in today’s society, which will be related to talent management and the single and multiple pipeline approaches. Furthermore, the aim is to create a bridge between the (scientific) literature and the business world.

In literature, several definitions for both talent and talent management exist. After having discussed several definitions, the following definition of talent for use in this report was chosen:

“a talent is an individual with special competencies. In a business context these competencies are of strategic importance to the organisation. The absence of these competencies would pose an actual situation of crisis for the organisation. Furthermore, they are hard to copy for other organisations and can rarely be developed here and now.” (DEA, 2009).

This definition has been chosen, since it focuses on a select number of employees in an organisation, and at the same time implies that not only (potential) leaders, but also other employees can be talents. In order to manage these talents, organisations are thinking about special ways to attract, develop, and retain talented employees. These initiatives are constituents of talent management. Talent management aims at improving the potential of employees who are seen as being able to make a valuable difference for the organisation, now or in the future. Moreover, talent management should improve organisational performance. However, definitions of talent management in literature strongly focus on (potential) leaders, which can cause organisations to ‘forget’ the other groups of talents that are critical today. This realisation had led to the use of the following definition of talent management in this report: ‘talent management means that an organisation tries to nurture and develop the people that are defined as having both a high potential
and ability’. Furthermore, the literature shows that talent management does not necessarily mean moving talents upwards in organisations. The most important task for organisations is to make sure talents are situated at the position that suits them best. Also, it is deemed important that talent management is embedded in the organisational culture.

There are several problems related to the definition of talent management. First, it can be questioned whether it is possible to formulate a universal definition. Second, in literature, words that are not congruent with the word ‘talent’ are used as synonyms. Third, one of the core problems with the definition is that it seems to be based mainly on anecdotes and exhortation.

In this report, six current challenges and dilemmas in society that are related to talent management are discussed.

The first challenge is the emergence of both the knowledge society and economy. Today, organisational success is more and more based on the acquisition and use of knowledge. Furthermore, in the knowledge economy, knowledge represents the major resource for economic life and growth. It can be argued that not only (potential) leaders have important knowledge, but other employees at all levels and in all departments of the organisation own it as well. For this reason, a shift towards a multiple pipelines is growing in interest.

A second challenge for organisations is the change of the employment relation. Whereas in the past, the employment relation used to be based on life-long employment, nowadays, (young) employees are demanding challenging work, as well as substantive rewards and opportunities to grow and learn. There seems to be a more individualistic look on employment. Furthermore, career mobility is no longer only considered within the hierarchy of the organisation one currently works for. With regard to talent management, this means that organisations must take into consideration several groups of talent that are becoming more and more demanding and that value their own development.

The third challenge organisations are facing is globalisation. The world is becoming more international and this severely influences the way business is conducted. This has caused an increase in complexity and uncertainty. As organisations have come to realise, international business depends on the quality of top talent. This talent, however, is becoming more mobile and the management of these talents has to be coordinated globally. Furthermore, competition is becoming more generic. A dilemma that needs to be taken into consideration is the global/local debate. Organisations need a global template for talent management, ensuring consistency across
the different subsidiaries of the organisation. At the same time, this template should allow local subsidiaries to adapt to their specific circumstances. It can be argued that this requires talent management that is applicable around the world, but should also focus on different kinds of talent that are necessary in today’s globalised world.

Another challenge is the increased diversity of the workforce. Because of the ageing population, a shortage in labour supply will occur, which forces organisations to make full use of all talent available. Therefore, organisations are becoming more diverse in terms of workforce composition. In this report, the example of women has been discussed. It can be argued that organisations need a more diverse look on talent and consequently, diverse and multiple talent pipelines. The dominant group, on which talent management used to focus, is changing and organisations must consider more groups in order to achieve organisational success.

Additionally, organisations have to deal with external demands by all involved stakeholders. Organisations show a focus on the responsibility they have towards society and reputation is perceived as key by organisations. Reputation can help to differentiate and legitimate the organisation. Therefore, corporate social responsibility has to become a strategic issue and organisations have to develop an employee value proposition that shows that talent is valued and will be further developed. Linking this to talent management, organisations cannot ignore the pressures of involved stakeholders to create a positive image that will contribute to the attraction and retention of talents.

Lastly, it is important to consider the small and medium-sized enterprises. In Europe, 99 percent of all organisations fall into this category and it can be questioned whether talent management as described in current literature is applicable to these organisations.

The challenges mentioned above show that the reasons for organisations to become more and more concerned with talent management are manifold. People are said to be the most critical asset for organisations and there is a new urgent necessity to use them to the largest extent. Due to new cycles of business growth and more complex economic conditions, organisations need different types of talent, which leads to having different pipelines, since all talents need to be attracted, developed, and retained. Besides leaders, other types of talents have become critical for organisations and they need their own forms of talent management.

After a thorough literature study, two best practice organisations and several general best practices have been researched. However, it should be underlined that the talent management practices of
these organisations cannot be implemented in every organisation, since these best practice organisations operate in specific circumstances and characteristics, yet other organisations can learn from them. These best practices should therefore be seen as examples, not as a clear direction that can be copied directly.

As a first best practice organisation, the Hongkong and Shanghai Banking Corporation Limited (HSBC) is presented. Their talent management is considered a best practice, particularly in the following areas: HSBC has a global talent management strategy which is linked to the local business context. They deal with this global/local dilemma by offering the different subsidiaries a list with general talent management practices from which the subsidiaries can choose the ones that fit their specific context best. They ensure line management involvement and engagement. The engagement of the individual employee is also ensured. Furthermore, HSBC gives responsibility to all stakeholders involved.

The second best practice organisation chosen for this report is Procter & Gamble (P&G). According to literature, P&G’s talent management processes are particularly outstanding with regard to the following: it is a top management priority, it is linked to the business strategy and, it is an organisational aim and permeates the culture. Moreover, talent is moved throughout the organisation and the organisation very effectively uses its IT tool for supporting their talent management process.

Best practices regarding talent management, without focusing on one particular organisation, focus on recruitment, development, and retention. With regard to recruitment, best practice organisations have an approach different from the traditional approach. Best practice organisations recruit the best people and then place them within the organisation. Thus, instead of aligning people with roles, they align roles with people. An emphasis is on the idea of a cultural fit, i.e. employees’ values should be congruent with the organisational values. Moreover, best practice organisations use corporate social responsibility and an employee value proposition to recruit the right people.

Looking at best practices in training and development, literature discusses whether talent can and should be recruited or if talent should be developed within an organisation. The development argument is favoured, since an employee, who is a talent in one organisation, is not necessarily a talent in another organisation. However, even if an organisation has a promote-from-within policy and mainly recruits from within, best practice organisations still recruit 20 to 30 percent externally, in order to avoid inward-thinking.
The third general best practice is retention. If organisations spend a lot of time, effort, and money on the recruitment of talents and on the training and development of these talents, they wish to retain these talents. In order to do so, not only tangible, but also intangible rewards play an important role. These rewards shall not only constitute money, but go further than that, i.e. the employee should feel valued and get a sense of worth out of his or her job. It is important to offer all talents – not only leaders – attractive career paths. If organisations do not do this, talents might leave for the competition.

Concluding from the best practices, it is found that both organisations, although very often referred to as best practices, focus mainly on leadership development. Moreover, it revealed that it is particularly the alignment, and thus the synergy of the practices of these organisations, rather than the practices themselves that helps organisations create a competitive advantage. An organisation that can be seen a best practice example with regard to multiple talent pipelines, has not been defined in literature yet, at least it has not been found for use in this report.

During four conducted interviews it is revealed that when it comes to the definition of talent, organisations use the word ‘potential’, instead of the word ‘talent’. The word ‘potential’ has not been used in the definition used for this report. The interviewees stated that a talent is seen as a person with a great potential to grow within a period of time. While using another word, this relates to the definition of talent as formulated in this report. Furthermore, the four organisation all state that only a small percentage of the workforce is seen as a talent. While the organisations interviewed did not have an official definition for talent management, the interviewees have a clear idea about how to manage their talents. Talent management is described as important by all organisations, in order to attract, develop, and retain their talents. Moreover, the interviewees state that talent management is an organisational, rather than an individual aim.

Concerning the knowledge society and economy, the interviews show that knowledge is seen a core constituent of organisations. However, the value of this knowledge is dependent on the organisation and its specific context.

Regarding diversity, the interviewees state that for organisations, it is becoming increasingly difficult to find people who fit the organisation. All organisations interviewed, think about diversity management, but not all do have quotas for certain groups in place, e.g. a percentage of women in senior management. It is stated that as long as a diverse workforce comes into existence naturally, the organisations do not see a need to enforce quotas.
The changes in the employment relation represent a major challenge for the organisations interviewed, in the sense that employees want personal achievements and a sense of worth to be created by their job, instead of doing their job. Particularly, Generation Y has strong demands regarding their work and they want responsibility and growth opportunities.

Looking at the challenge of globalisation, most of the organisations interviewed, implemented talent management processes on three levels: global, regional, and local. Furthermore, these organisations have a global policy that is locally adaptable.

Regarding external demands, the organisations interviewed see their reputation and employer branding differently. Some organisations use it order to recruit (talented) employees, whereas others do not. It is stated that the organisations interviewed do not use their reputation regarding talent management to the fullest extent. Moreover, a tension between the centrality of talent management processes and the wish by organisations to be decentralised was stressed.

Looking at the single pipeline versus the multiple pipeline approach, the organisations interviewed realise that being a talent does not necessarily constitute having the talent to lead. This means that if an organisation pushes all its talents into the leadership pipeline, a loss of talent might occur, as these talents are more valuable in other positions within the organisation. This shows that it is important for organisations to have several talent pipelines, fitting the different types of talent. When organisations start implementing a talent management process with several pipelines, they should start small, in order to keep an overview of the process and possible problems or barriers. Moreover, the interviewees state that organisations need to find the individual strengths and weaknesses, as to tailor the talent management process to the individual. The interviews recommended to choose a focus and not to build a too complex talent management process.

Additional potential barriers to the implementation of talent management and multiple pipelines were revealed during the interviews. A very important barrier relates to the line managers; their support and involvement is crucial to the establishment of talent management in organisations. Moreover, a job-person fit is important, i.e. organisations have to make sure that those talents who are selected fit into the specific job they are appointed to. The last barrier mentioned relates to the support throughout the organisation is needed. Senior management must support the process in order for talent management to work to its full potential, however, the rest of the employees need to support the processes as well.
At the end of the report, ten recommendations are given, which are based on the literature review, best practices, and the conducted interviews. The recommendations do not describe how to actually implement talent management or multiple talent pipelines, but should be seen as starting points to reflect upon and sources of inspiration for organisations, when these organisations consider implementing talent management or want to create multiple pipelines. The ten recommendations are the following:

1) Talent management is not necessarily about upwards mobility.
2) Leaders are not the only crucial group anymore.
3) Organisations must think about own definitions.
4) Do not prioritize your pipelines.
5) Create supporting culture within the organisation.
6) Ensure line management involvement.
7) Show the external environment what you have to offer.
8) Do not forget the non-talents.
9) Keep it as simple as possible.
10) Realise that a ROI is difficult to calculate.

Concluding, it reveals that it has become very important for organisations to think about the question whether a single pipeline approach to talent management is still sufficient for organisations to ensure viability. For organisations, to compete economically, a performing and motivated workforce is crucial. The existence of multiple pipelines will lead to an increase in individual performance and motivation. It is also said to lead to an increase in organisational performance. Offering multiple talent pipelines is important for organisations, because if talents are not placed in the right positions, the organisation will lose value and competitive advantage, particularly in nowadays’ (knowledge) society. In order to keep up-to-date with the changes in society, and in particular to attract and retain valuable employees, organisations need to think about their talent management processes and whether or not these processes offer all valuable talents what they expect from their (current) organisation. In that sense, the most important message of this report is that it is crucial for organisations to think about multiple pipelines when working with talent management. Also, it should be stressed that multiple talent pipelines must be seen as an asset for an organisation, which is important if organisations want to achieve a competitive advantage.
Preface

The purpose of this report is to gain a deeper insight into the issue of talent management, more precisely the multiple pipeline approach in talent management. This report is written as a starting document for a think tank upon the issue, which will take place in Denmark. This think tank has been formed by DEA and a first meeting has already taken place. The following research question is discussed: “with the greater need for specialised knowledge to solve complex challenges at the labour market today, which alternatives do organisations have to the traditional single-ladder focus on leadership?” We have written this report as part of our participation in the European Human Resource Management Programme, which took place from April to July 2009.

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1. Introduction

In the last two decades, the issue of talent management (TM) has been increasingly discussed. For organisations, it becomes more and more critical to work with TM. For example, in Denmark only twelve percent of the organisations have career plans for their employees (Hjalager, Larsen & Znaider, 2009, in: Larsen, 2009). Despite the growth in interest, there seems to be no clear explanation of what TM is and how organisations should deal with it or implement it. Furthermore, in current literature, a business perspective seems to be lacking. What does the concept of TM mean for organisations in practice?

This report aims at looking into current dilemmas and challenges organisations meet when working with TM. More specifically, the focus of this report is on whether there are alternatives to the current single-ladder approach of talent management. Traditionally, TM referred exclusively to the development and replacement of top executives. Today, there is a recognition that all organisational levels should focus on attracting and retaining talented employees. However, each organisation has to create its own unique talent strategy (Heinen & O’Neill, 2004). These ideas lead to a shift from the idea of one single-ladder (i.e. one talent pipeline focused only on (potential) leaders) towards the idea of multiple talent-ladders or pipelines (i.e. talent tracks for different kinds of people in the organisation, not exclusively leaders). Therefore, the main question of this report will be: “with the growing need for specialised knowledge to solve complex challenges on the labour market today, which alternatives do organisations have to the traditional single-ladder talent focus on leadership?” In other words, is it important for organisations to look at what alternatives they have to the traditional single-ladder talent focus on leadership, i.e. pipelines for talented specialists, talented innovators, and socially competent talents etc.? What challenges do organisations meet when they have multiple pipelines? Related to this question, several questions and dilemmas arise. What does the above mean for organisations from an economic perspective? What does an organisation gain by working with more than one talent pipeline? Does working with more than one pipeline create specific challenges for organisations? Which? Are there expected gains in relation to individual motivation or organisational performance? What should organisations consider if they want to implement several talent pipelines in their talent development strategy?

This report attempts to look into central challenges and dilemmas in today’s society, which will be related to TM and the single and multiple pipeline approaches. The business perspective seems to be neglected in the literature. The aim of this report is to create a bridge between the
(scientific) literature and the business world. In order to give recommendations to organisations, an extensive literature review will be conducted. Furthermore, best practice organisations will be analysed and interviews in both Danish and internationally operating organisations will be conducted.

In literature, different terms are used to describe the ideas of talent pipelines. For this report, despite the title of the assignment, i.e. ‘single-ladder’, the term ‘pipeline’ will be used, as, by opinion of the authors, this seems the best way to describe the idea of different career paths for different types talents.

1.1. The organisation and the project

The Danish Business Research Academy (Danmarks ErhvervsforskningsAkademi, DEA) is a non-profit and non-governmental organisation. DEA wants to provide a better relation between businesses and research; they advance the use of knowledge to solve current dilemmas in organisations. DEA wants to recognise the importance of business research to increase the company's competitiveness. DEA tries to build bridges between the knowledge institutions and business world, as well as creating a stronger debate in society. DEA has seven full-time employees and three part-time employees, but is part of a bigger organisation called The Danish Society for the Advancement of Business Education and Research (Foreningen til Unge Handelsmænds Uddannelse, FUHU). Figure 1.1. shows the organisational chart of FUHU and its three subdivisions.

Figure 1.1. Organisational chart FUHU
FUHU, as the main organisation, is an interest group building platforms between the educational system and research in close corporation with companies. The Forum for Business Education (FBE) wants to create better circumstances for the business educations. It focuses on the mercantile education area. The Network of Corporate Academies (NOCA) is an association for public companies, organisations, and educational institutions that works with the interaction between business strategy and strategy for the human resources.

DEA has several projects focusing on a business perspective, particularly on management and leadership. In 2009, DEA launched a new think thank on the issue of TM. The European Human Resource Management Programme (EHRM) project is part of this and our assignment was to look at how organisations can work with TM. According to DEA, working with talent management creates several challenges for organisations. DEA wants to look into central challenges and dilemmas with regard to talent management. Thorough desk research on these challenges and dilemmas had to be conducted and then these challenges and dilemmas have been discussed. This was done in order to make research based guidelines to organisations that are the target group of the work done by the think tank. This is why DEA wanted us, as participants of the EHRM, to analyse these dilemmas. The overall research question was: “with the greater need for specialised knowledge to solve complex challenges on the labour market today, which alternatives do organisations have to the traditional single-ladder talent focus on leadership”?

The outcome of the project is very important for DEA, since the report will be – and partly has already been – presented to the think tank. Moreover, DEA will use the material for the final report on the issue of talent management. The outcome DEA expected from us was a mapping of relevant theory relating to the dilemmas and giving recommendations based on that theory. The suggested methods were desk research and interaction, i.e. interviews and/or surveys with companies. The project was subdivided into three phases: in phase 1 (27th of April – 22nd of May, 2009) general challenges in TM were investigated, based on literature. The second phase (2nd of June – 19th of June, 2009) consisted of qualitative and/or quantitative analysis of the project theme in close interactions with organisations. In our case, this meant researching best practice organisations as well as conducting interviews in four organisations. During phase 3 (22nd of June – 10th of July, 2009) the results were compiled in a written form and presented to DEA.

The detailed project description by DEA can be found in Appendix 1.
2. Talent management: definitions

Nowadays, there is a lot of pressure on organisations to find and retain exceptional talent (Paquet & Rogers, 2008). TM has become the new ‘hot’ issue for managers and HR practitioners (Ashton & Morton, 2005); however, the literature does not come to one definition. The term is used in many different contexts and for many different concepts. Some of the alternative labels that can be found are ‘talent strategy’, ‘succession management’, and ‘HR planning’ (Lewis & Heckman, 2006). Below, we attempt to define the concept of talent and the concept of TM.

2.1. Defining talent

The starting point of research into the subject of TM should be an exploration of the definition of ‘talent’. A broad definition of talent in organisations is “people, and all their abilities and skills” (Piansoongnern, Anurit & Bunchapattanasakda, 2008, p.72). It can be described as giftedness for a certain task. With this giftedness, an employee can create value in his or her work. The individual owns this talent and can decide to develop it or to invest in it (Piansoongnern et al., 2008). The CIPD defines talent as follows: “[t]alent 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, 2007, p.3). In our opinion, the above definitions can be applied to (almost) all employees. However, Stahl et al. (2007) state that talent refers to a selected group of employees, namely those that rank at the top when it comes to performance and capabilities. This is in line with Coleman’s (2005) idea that talent is sometimes described as an elite group of people within an organisation. These employees can have a high impact, but are also high-maintenance, and they think faster and differently from the majority of employees. These talents get bored more easily and thus require different kinds of challenges. Talents are complex themselves, but are also capable of dealing with complexity (Coleman, 2005).

Our own definition corresponds with the ideas of Stahl et al. (2007) and Coleman (2005). We define a talent as follows:

“a talent is an individual with special competencies. In a business context these competencies are of strategic importance to the organisation. The absence of these competencies would pose an actual situation of crisis for the organisation. Furthermore, they are hard to copy for other organisations and can rarely be developed here and now.” (DEA, 2009).
This definition implies that not all employees are talents, but only a select few, which might be about 10 to 20 percent of an organisation’s workforce. Also, this definition not only focuses on leaders or potential leaders. Talents can be found throughout the whole organisation, which leads to different types of talents, e.g. administrative talents, professional talents or innovative talents. We believe that organisations must make use of the full potential available. However, this potential can not only be found amongst (future) leaders. Other employees may be talents as well and when an organisation is only focusing on the leadership talents, it will probably lose out on performance and a competitive advantage.

It is argued that talents need a different type of management (Ashton & Morton, 2005; Coleman, 2005; Hooghiemstra, 2009): talent management. Thus, we will make an attempt to define TM in the next paragraph.

2.2. Defining talent management

What is TM? The first question that arises, is why the concept of TM needs to be explained. We believe that in order to be able to be critical about literature and ideas concerning the subject, it is important to have a definition in mind. The literature about the subject tends to be a little fuzzy. Also, a definition is needed to explain the different talent pipelines, be it a single one, or multiple pipelines. We will make an attempt to discuss the current definitions within the perspective of multiple pipelines. Therefore, this paragraph will focus on defining TM.

Different definitions exist. In the broadest sense, it is “the strategic management of the flow of talent through an organisation” (Paquet & Rogers, 2008, p.1) and could help an organisation to “align the right people with the right jobs at the right time based on business priorities” (Paquet & Rogers, 2008, p.1). It can also be defined as a holistic and strategic approach to HR and business planning, or as a new way to increase organisational effectiveness. Its goal is to improve the potential of employees who are seen as able to make a valuable difference for the organisation, now or in the future. Furthermore, TM should improve the performance of the organisation (Ashton & Morton, 2005). Practicing TM as a strategic and value-adding instrument means “responding to strategic or environmental demands with high quality HR practices” (Lewis & Heckman, 2006, p.142). TM represents the people-side of the business design and covers an interrelated set of activities that fit into the area of workforce-management (Heinen & O’Neill, 2004).
This leads to a link with HR and certain HR practices. TM can be seen as how the organisation “attracts, develops, motivates, manages and rewards its talents” (Heinen & O’Neill, 2004, p.67), or “the systematic attraction, identification, development, engagement/retention and deployment of those individuals with high potential who are of particular value to an organization” (CIPD, 2007, p.3). The business definition of TM is formulated as follows: “the recruitment, selection, identification, retention, management, and development of personnel considered to have the potential for high performance. Talent management is a model of personnel management. It focuses on the skills and abilities of the individual and on his or her potential for promotion to senior management roles. It also assesses how much of a contribution the individual can make to the success of the organization” (BNET, 2009).

This definition strongly focuses on a single pipeline, namely the pipeline for (potential) leaders. In our opinion, TM should not only be about creating leaders. According to our definition of talent, talents can be found through the whole organisation. By focusing exclusively on leaders, other talents could be ‘forgotten’ or ‘ignored’. Also, the traditional definitions above seem to focus on upward mobility. We believe it is important to keep in mind that not all talents want to move up in ranks. Talents might be valuable in their current position in the organisation without having the drive to move to a higher position or to require a management function. Furthermore, not all talents might be suitable for a leadership position. Moving someone upwards in ranks might mean that the performance of that particular talent declines. Our idea about TM strongly corresponds with Coleman’s (2005) definition. Therefore, we formulated TM as follows: ‘TM means that an organisation tries to nurture and develop the people that are defined as having both a high potential and ability’.

Taylor (2007a) states that most definitions give a definition of what TM should consist of, instead of saying what it is. Therefore, he came to the following definition: “[t]alent management is making capabilities fit commitments” (Taylor, 2007a). He suggests that his definition is focusing on the aim of TM and he further argues that TM should not be seen as an individual aim but as an aim of the organisation as a whole. TM should help the organisation to ensure that it is able to do what it is set out to do today, but also in the future.

2.2.1. Implementation and embedment of talent management

Literature provides multiple reasons why an organisation should implement TM. If TM works as intended, it should be able to help the organisation to seize opportunities and the employees to perform at their best (Piansoongnern et al., 2008). It implies a strategic deliberateness in “[the
effort] to source, attract, select, develop, promote, and move employees through the organisation” (Stahl et al., 2007, p.4). At the same time, it should allow everyone to reach his or her full potential, despite of what that potential is and in which rank that particular employee operates. TM aims at reaching a high performance through all levels of the workforce (Ashton & Morton, 2005). Once again, this explanation focuses on all employees. We argue that while TM should reach all levels of the organisation, it should not be meant for all employees. It should focus only on those labelled as ‘talents’. Therefore, we suggest changing the word from ‘everyone’ to ‘talents’: TM should allow talents to reach their full potential, despite of what that potential is and in which rank a certain employee operates. TM is a continuous process and when implemented right, it can help the organisation to build an image that will attract and retain the best people and support new employees to be immediately productive. Moreover, it enables to move talent through an organisation in order to ensure that these talents are at a position where they can have the most impact (Paquet & Rogers, 2008). This relates to the comment made earlier, i.e. that TM does not necessarily mean moving talents upwards in the organisation. The most important task is to make sure talents are situated at the position that suits them best.

However, we believe TM is more than just another HR process. TM is most effective when thoughts and actions become so embedded in an organisation, they become part of the organisational culture. While it is often seen as something to do, it should become something to be, namely a way of working through which an organisation tries to accomplish short and long-term success (Taylor, 2007a). TM should be embedded in the organisational culture and not be something just the management of an organisation attempts to do (Stahl et al., 2007). In our opinion, when TM is embedded in the culture, it is more likely to become something everyone in the organisation stands for, which also gives it a bigger chance to be successful. Also, we believe that embedment of TM is important for the improvement of the organisation: when TM is embedded in the culture, it is not only about profit, but it will be used as something to better the overall wellbeing and performance of the organisation, i.e. with TM, organisations attempt to gain more than just an increase in profit. Profit is still important, but it is not the only goal. Therefore, it should be seen as a mindset (i.e. talent-mindset), not just as a practice (Duttagupta, 2005). This mindset should be embedded in the whole organisation. TM is the belief that talent can differentiate an organisation from others by its culture and can cause a competitive advantage, both for the organisation as well as the individual (Paquet & Rogers, 2008).
2.3. Problems surrounding the definition of talent management

After having defined talent and TM, we will look at the problems that arise concerning the definition of TM. One of the problems is that it might be difficult to formulate one universal definition, appropriate for all organisations. How talent is defined, is dependent on several factors, including the type of industry an organisation is operating in and the dynamics of the organisation, i.e. its likelihood to change over time. As a consequence, it is often organisationally specific (CIPD, 2007). Moreover, current and historical attributes have an influence on the definition being formulated (Ashton & Morton, 2005). For organisations, it seems more valuable to develop their own definition of talent rather than applying a universal one (CIPD, 2007). In our opinion, this is because it gives organisations the chance to focus on specific groups that are important for the success of that organisation. As argued before, we believe TM must be embedded in an organisation’s culture and therefore different organisations need different TM processes. Additionally, a discussion point that must not be forgotten is the influence of national culture. Different cultures have different values about what a talent is and what kind of TM, or HRM practices in general, are appropriate. For example, in collectivistic cultures there is a strong emphasis on team effort and belonging to a certain group. The exclusive definition of talent, as defined above, will be problematic in these countries, since it would ‘individualise’ members of a team. One can question if this is appropriate or even ‘right’. Brewster, Sparrow and Vernon (2007) argue that while individualistic cultures are strongly focused on self-respect and personal achievement, in collectivistic cultures the focus is on fitting in harmoniously and face-saving. Therefore, it is likely to assume that the classification of a small group of talent, as the above elitist definition strives for, will not be appropriate in collectivistic cultures. Perhaps a broader definition of talent is needed in these cultures. This will also influence TM and the way it will be implemented in organisations. According to Hofstede (1991, in: Brewster et al., 2007), Denmark can be found in the top ten of most individualistic countries in the world, while most Asian countries score significantly lower on individualism and can be found in the lowest third of the 53 researched countries. This example fits our argument and shows that national culture cannot be ignored.

Second, in literature the term ‘high potential’ is sometimes used, but this should not be seen as a synonym for ‘talent’. A high potential is a “rating based on assessment of the employee’s capability to perform at some higher level of responsibility in the organization” (Heinen & O’Neill, 2004, p.74). This assessment focuses on the future, but looks at performance in the past and current
performance (Heinen & O’Neill, 2004). In our opinion, it is important to distinguish between the two terms, since they are not congruent. We see talent as something that goes deeper than being assessed as capable of moving to a higher level in the organisation. Being a talent embraces more than upward mobility.

Third, one of the core problems with the definition of TM is that it seems mostly based on anecdotes and exhortation. The definitions are often based on selective self-reports of executives and not on data or research-based findings. It is even argued that TM is just a rephrasing of already existing phenomena, for example, the standard solutions to HR practices (i.e. selecting, staffing, and developing of employees). Coleman (2005) argues that TM is more than an HR process, since it requires an integrated and holistic approach. Organisations should realise that talent might remain hidden and dormant if it is not developed, even though it can be seen as a natural ability. Organisations need to pay attention to the subject as a separate issue and not just see it as leadership development, which fits our elitist definition of talent. TM has also been used interchangeably with ‘human capital management’ (Taylor, 2007b). While the concept of TM incorporates that an organisation has to see its employees as a valuable asset, TM is focused on the individual. In contrast, human capital management has an aggregate view and is focused on the overall value of human asset (Taylor, 2007b). We agree with the above, since our definition of talent focuses on specific individuals, whereas human capital management includes all employees. It is our stance that everyone can be an asset, but not everyone is a talent.

2.4. The single-ladder pipeline versus multiple pipelines

As mentioned above, the issue of TM has been increasingly discussed in the last two decades. Many organisations recognise it is becoming more and more critical to work with TM. Traditionally, the focus of TM was on leadership and leadership development. In the past, succession management was mainly focused on replacing the current top executive. Literature suggests that today’s society has changed. This also implies that the role of employees has changed; we believe that, due to several challenges and dilemmas in society, which will be discussed below, employees have become more crucial for organisations and their success. We expect that the changes in society and the new role of employees in the organisation will lead to a new perspective on TM. This new perspective should encompass a broader view on the concept of talent and TM. We believe that it will become more and more important for organisations to consider different kinds of talent and
possibly a different way of managing these talents. In our opinion, this will create the possibility of multiple talent pipelines, since these groups will need a specific way of being managed and specific career paths. Below, we will explore the different challenges and dilemmas organisations face and how this might influence TM. Furthermore, research will be conducted in the form of reviewing best practice organisations, as well as qualitative interviews with both Danish and international organisations. The aim of this research is to find out how organisations deal with the alternatives to the single-ladder approach and how this is implemented in practice.
3. Challenges and dilemmas in today’s society

As introduced above, this report will attempt to link current challenges and dilemmas in society to the issue of TM, especially with regard to the single and multiple pipelines approach. Several challenges and dilemmas will be discussed and it will be elaborated what this means for organisations in practice.

3.1. The knowledge society and economy

Today’s societies are often described as knowledge societies. In these societies, ‘knowledge is power’. Never before, knowledge and innovation have been created and spread as fast as today (David & Foray, 2001). What does this mean and how does this influence organisations and particularly their TM processes?

Definitions of the knowledge society are broad and ambiguous (Foss, 2005) and often rather problematic. Nonetheless, the main characteristic of the knowledge society is that knowledge represents the basis of every human activity, meaning that all human activities, be they economic, social or cultural, depend on citizen’s knowledge and information. Knowledge is the source for creativity and innovation. In the knowledge society, technology plays a major role (“Knowledge society”, 2009). The emergence of Information and Communication Technology (ICT) is said to be the main driver and main characteristic of the knowledge economy (Foss, 2005). Technology causes knowledge no longer to be bound to geographic locations. Moreover, technology allows knowledge to be much more easily shared, archived, and retrieved. According to van Weert (2006), when examining the stage of development of a knowledge society, the following indicators should be considered: (1) infrastructure and resources (i.e. media and education); (2) socio-economics (i.e. employment, training and skills, social inclusion, security); (3) politics, and; (4) applications, outputs, and markets (i.e. innovation ability, work flexibility, e-applications, and quality of life) (van Weert, 2006). Knowledge societies’ success depends on fostering knowledge, as today, knowledge represents the major capital (“Knowledge society”, 2009).

This shows that a concept closely connected to the knowledge society is the knowledge economy. A knowledge economy is an economy where knowledge represents the major resource for economic life and growth. The World Bank (2002) defines the knowledge economy as follows:
“[a] knowledge-based economy relies primarily on the use of ideas rather than physical abilities and on the application of technology rather than the transformation of raw materials or the exploitation of cheap labor. Knowledge is being developed and applied in new ways. Product cycles are shorter and the need for innovation greater. Trade is increasing worldwide, increasing competitive demands on producers” (The World Bank, 2002, p.ix).

However, a literature review reveals that the knowledge society and the knowledge economy cannot always be clear cut from one another. From a historical perspective, the emergence of the knowledge economy led to the development of the knowledge society (David & Foray, 2001). Particularly the European Union has high expectations towards the knowledge economy with regard to economic growth. Its aim is “to become the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion” (Lisbon European Council, 2000). This quote reveals that the emergence of the knowledge economy provides a great opportunity for the European economy. In that sense, organisations must make use of all talent, in order to fully use all the knowledge available. Talent must be used effectively not only regarding leadership, but regarding all levels in the organisation. Looking at TM, this means that in the knowledge economy, it is not only leaders that have important knowledge, but specialists at all levels and in all departments of the organisation. As outlined above, it is this knowledge sharing that is necessary for economic development. In this sense, the importance and the role of leadership has changed with the emergence of the knowledge economy. Employees, as they are more and more specialised, are getting more responsibility and power within organisations and thus need a new kind of supervision and management. In many organisations, professionals, due to their knowledge, have much more power than leaders, which pleas for appropriate TM processes in organisations.

With regard to the issue of TM, it can be argued that human capital is highly valuable for organisations (“Knowledge economy”, 2009). Today’s society is marked by the omnipresent and increasing use of ICT (van Weert, 2006), and it is not only the knowledge economy that has experienced this increase. Furthermore, it can be argued that the knowledge society is marked by constant innovation. The concept of the knowledge society puts three new demands on citizens and employees: lifelong learning, knowledge development, and knowledge sharing. In the knowledge society and knowledge economy, citizens and employees are constantly learning, e.g. through work processes. This is captured in the concept of lifelong learning. Lifelong learning is necessary as knowledge must constantly be applied and re-applied in both life and work (van Weert, 2006). Also, for making knowledge grow, i.e. the knowledge development mentioned above, and fostering innovation and economic growth knowledge sharing is a critical prerequisite (van Weert, 2006).
From the above, we can derive that in order for TM to be effective, processes of knowledge sharing must be included. Thus, talents throughout the organisation, beyond departmental boundaries, must share their knowledge. In our opinion, this highlights the need for multiple talent pipelines in organisations, since we believe that not only leaders carry valuable knowledge; (essential) knowledge is often found in other departments, owned by specialist and talents in those functions and departments.

The knowledge society also affects the labour market. Every organisation wants to recruit the most knowledgeable people and therefore, all organisations are trying to recruit from the same talent pool. To broaden their capacities, organisations should not exclusively focus on one talent pool, but make their organisation vital on all levels and throughout all departments, with all kinds of professionals and specialists that are critical for organisational performance. What organisations have to do is create an environment and a structure that lets everyone perform to his or her full potential. In addition, from a societal point of view, the implementation on several talent tracks in organisations is necessary, as talent – no matter in which place in the organisation – must be used to foster a knowledge society’s growth, since, as outlined above, knowledge is the major source of economic growth in the knowledge society (Foss, 2005).

3.1.1. Competencies needed in today’s knowledge society

The emergence of both the knowledge society and the knowledge economy influences the competencies of employees, as they must be able to cope with constant changes and rapid innovation. From an organisational point of view, it must be made sure that employees have the opportunities and resources to continuously keep track with the knowledge development in their society. This leads to the point that in the knowledge society, competencies are not stable as they used to be and differ enormously from the traditional, more manual competencies employees needed in the past. Organisations must make sure that their employees stay “up to date” (van Weert, 2006, p.218) and organisations have to continuously offer learning sources to their employees, as lifelong learning is becoming crucial for innovation (van Weert, 2006). The emergence of the knowledge society leads to the increasing importance of human capital (Foss, 2005). Van Weert (2006) argues that “knowledge is the only resource that grows, when shared” (van Weert, 2006, p.218).
David and Foray (2001) point to challenges that societies, and thus organisations, need to address in order to use the knowledge economy to its full potential, i.e. access to information and to knowledge bases must be assured. This is a major issue for organisations favouring knowledge sharing. What is more, innovation is often achieved multidisciplinary: nowadays, employees are increasingly working in multidisciplinary and multi-professional teams (van Weert, 2006). Knowledge needed to create value is becoming more and more dispersed, both on a geographic and on a disciplinary level (Foss, 2005). In our opinion, this also pleas for more diversified talent tracks in organisations, as cross-departmental activities grow in importance. Different types of specialists are needed to reach high level results. Thus, to use all talents to their fullest potential they must be managed properly. Nowadays, multidisciplinary teams cannot rely solely on the expertise and talent of the leader. More often than not, teams cross the boarders of departments, which means that there is not one clear leader or manager anymore. This places greater responsibility on the professionals and specialists, whose knowledge is growing in importance. Therefore, we believe it is important for organisation to focus on these groups and develop their talent appropriately.

3.2. Changes in the employment relation

Another major change that has had an impact on the issue of TM is that while the employment relationship used to be based on a ‘loyalty contract’, nowadays, (young) employees are demanding challenging work, opportunities for learning, personal respect, and substantive rewards (Lawler III, 2003). In the past, instead of using the term ‘employment relations’, people talked about ‘industrial relations’, which described the relationship between employers and employees collectively. Nowadays in Europe, these sets of employment relationships have decreased significantly; union membership has decreased, as has the number of collective agreements and the number of areas these collective agreements touch (CIPD, 2009). It seems that these shifts have caused a more individualistic look on employment. Instead of collective agreements, there is more emphasis on the relationship with individual employees (CIPD, 2009). In the past, the employment relation was characterised by conformity, compliance, and loyalty by an employee. In return, the organisation would offer virtual lifetime employment to almost everyone. However, since the 1980s, the terms and conditions of this ‘loyalty contract’ have changed. Organisations are said to terminate employment contracts if this could serve their short-term interests and employees may feel they have to act in their own interest, not in that of the organisation (Brown, 2005). If the expectations of
employees are not fulfilled by their current employer, these young (potential) talents move to an employer that better fits their career expectations. This leads to the concept of the boundaryless career (Arthur & Rousseau, 1996), which is increasingly important. Life-long employment in a single organisation is not anymore the prevailing career pattern, as career mobility is no longer considered only within one’s organisational hierarchy. Each employee has a critical role in determining his or her career path and success (Arthur & Rousseau, 1996; Benson & Marshall, 2009; Inkson & Arthur, 2001). The concept of the boundaryless career mirrors Schein’s (1996) distinction between the internal career, i.e. “the subjective sense of where one is going to work in one’s life” (Schein, 1996, p.80) and the external career, i.e. the advancement in one’s organisation’s hierarchy (Stahl, Chua, Caligiuri, Cerdin & Taniguchi, 2009; Stahl, Miller & Tung, 2002). Individuals are increasingly pursuing their internal career (Stahl et al., 2002; Tung, 1998) and switch to another employer if they perceive it as better fitting their knowledge, skills, and abilities (Tungli & Peiperl, 2009). Accordingly, the boundaryless careerist is a highly qualified, mobile professional, building career competencies and market value through continuous learning and crossing of boundaries (Thomas, Lazarova & Inkson, 2005). We argue that TM processes should focus on these boundaryless careerists, since these employees are highly valuable for an organisation, but are also not hesitant to change jobs if they feel it is better for their career to move to another organisation. Therefore, development and retention of employees have gained in importance. This can also be related to the knowledge society. These careerists often own valuable knowledge, which an organisation does not want to lose, but wants to use to its full advantage.

Thus, organisations can no longer count on their employees’ loyalty as they could in the past. Consequently, organisations have to compete for talent on the labour market. This results into a virtuous spiral of increasingly growing levels of performance and rewards. The spiral works as follows: a higher organisational performance provides organisations with the opportunity to better reward their employees, contributing to organisations’ success in attracting and retaining talent. Finally, this is said to lead to competitive advantage (Lawler III, 2003). The right reward practices motivate people to excel to their full potential and to stay with the organisation as they are highly rewarded. As this is the foundation of the virtuous spiral, it becomes evident that it can result into a win-win situation, as both parties – employer and employee – are creating success for one another (Lawler III, 2003).
3.2.1. *Generation Y*

When looking at these employment relations, we believe that it is important to take into account that a new group of employees is entering the labour market at the moment, the so-called ‘Generation Y’ or ‘Millennial Generation’. This group of young employees seems to have a strong idea about what they want from life and from work. Since this group is just entering the labour force, not much scientific research has been conducted, but many articles can be found when browsing the internet. The term ‘Generation Y’ describes the group of people that have been born between the early 1980s and the early 2000s and these people are said to be the first generation that have no mature memories of communism (“Generation Y”, 2009). It is argued that this generation has a view on working life that is very much different from that of the older generations. The Millennials are sometimes called the ‘Trophy kids’ because they grew up in an environment where they continuously had to cope with competition and were often rewarded for participating, instead of getting rewarded only for good work (“Generation Y”, 2009). They were raised with the internet and sophisticated IT, but also in a period of prosperity and improving labour markets, which has made their expectations not only more individualistic, but also more demanding compared to older generations (Allard, Martín & Simón, 2007). These young people have very high, maybe even ‘outlandish’ expectations, with a very strong sense for entitlement (Alsop, 2008). Also, this generation shows a high interest in working independently or creating its own firms (Allard et al., 2007). Amongst their ‘great’ expectations are higher pay, promotion within a year, flexible work schedules, and more personal time (Alsop, 2008). However, this generation is tomorrow’s workforce and employees belonging to this generation believe they can afford to be critical and ‘picky’, since the baby boomers are about to retire, which will cause severe talent shortages (Alsop, 2008).

So, what do these changes in the employment relation mean? As said above, the new generation that is entering the labour market is very demanding, especially when it comes to its own development. We believe it is necessary for organisations to offer TM processes, to show the young talents and potentials that the organisation cares about the development of these young people. In this sense, TM can work as a message the organisation is sending out: “come work for us, since we value your talent and want to offer you a career”. Furthermore, organisations must offer TM to more than one group; we believe it is not just the potential future leaders that want to develop themselves. It is also the other groups of young employees, whether they are specialists,
professionals, or belonging to another group of talents, who want the opportunity of development. Therefore, it is important for organisations to show that they offer opportunities for talents at every level throughout the organisation. It can help the organisation to attract young talents as well as to retain them, since TM can offer the development and opportunities the Generation Y strives for.

3.3. Globalisation

In the last two decades of the twentieth century, major competitive changes and globalisation have been experienced (Boxall & Purcell, 2008). This globalisation, but also environmental changes, has weakened the traditional sources of competitive advantage, i.e. technology and economies of scale (Shih, Chiang & Hsu, 2006). There has been a growing amount of critique on the traditional organisation as well as fierce competition from low-cost countries (Boxall & Macky, 2009). Because of this highly competitive environment, a skilled, motivated, and flexible workforce can be seen as a core organisational competency (Shih et al., 2006). The world is becoming more international and this has severe consequences for the way business is conducted. An increase of the permeability in traditional business boundaries is experienced, as well as high rates of economic change, more diversity amongst employees (which will be discussed later), but also rising complexity and uncertainty. Three “waves” of globalisation have been recognised by Brewster et al. (2007). During the first wave, which started two decades ago, low-level manufacturing work was being transferred to low-cost economies. In the second wave, simple service work, e.g. credit card processing, was being relocated all over the world. The third wave regards white-collar work, which is now transferred globally as well (Brewster et al., 2007).

Globalisation leads to organisations’ need to establish TM processes in emerging markets (Stahl et al., 2007). Organisations start to realise that the success of international business depends on the quality of their top talent and how these talents are effectively managed and developed. Talent is becoming more mobile and organisations have to coordinate the management of these talents on a more global scale. However, the market for talent mostly operates nationally, and even global organisations find that their strategies related to the management of talent vary from one country to another. Furthermore, not only talent is becoming more global; the competition is also becoming more generic. Global organisations do not only compete with local competitors, but these organisations also compete with each other (Brewster et al., 2007). International organisations should be aware of whom their top talents are and for what key roles these people are needed. The
understanding of this link between the business agenda and the capabilities of talents has to be much deeper and should also include an understanding of the possible mobility of talents (Brewster et al., 2007).

3.3.1. Consequences of globalisation with regard to talent management

The above mentioned trends mean that an organisation needs a global template for TM to ensure consistency across the entire organisation, but simultaneously it should also allow local subsidiaries to adapt the said template according to specific circumstances. Organisations that do not recognise this dilemma will face a talent shortage. When there is a sole focus on global standardisation, with a little local differentiation, a big talent pool can be created, but this pool will lack the diversity to adapt to changing environments. However, a local focus limits the ability to capitalize economies of scale in hiring, selection, and retention. Organisations should strive for a right balance that aligns talents with both the global and local needs. This will create a deep, diverse talent pool (Stahl et al., 2007). As we have argued before, different cultures might perceive talent differently, which leads to a necessity of different approaches between countries and cultures.

On a global scale, convergence in TM is prevailing, i.e. the aspects of TM across the world are getting more alike: challenges are occurring more and more globally. Organisations are not only increasingly aiming at aligning their TM processes to their business strategy, but in general TM practices are becoming increasingly similar and advanced. Convergence can mainly be attributed to three factors. First, many organisations are focussing on the same talent pool, i.e. the same talents, mostly graduates from international business schools or top universities. Second, organisations are pursuing the idea of global integration, i.e. that they try to standardise TM on a global scale. Third, organisations’ presence and success today are globally visible, which leads to widespread imitation (Stahl et al., 2007).

Organisations have to react to local demands, whereas simultaneously they are pursuing standardised HR strategies and management approaches (Stahl et al., 2007). This can be called the paradox of globalisation versus localisation. Levitt (1983) states that countries are becoming more and more alike and boundaries are blurring. Different markets are becoming more alike, which means that organisations can create competitive advantage by standardising their products and strategies and therefore gain economy of scale (Levitt, 1983). The opposite vision is that the world is becoming more diverse and that there are only a few basic needs to which a global strategy can
be formulated. Customers and employees want to see their own, specific needs in products and jobs, and they want to retain their own culture (de Wit & Meyer, 2004).

This dilemma is of importance when looking at TM. For organisations, we believe it is important to formulate a TM strategy. However, this strategy should be locally adaptive. We can imagine organisations are not capable of offering every kind of training that exists, however, when formulating a strategy that involves training; we believe organisations should offer several options and give local subsidiaries the chance to choose the option that fits their culture and environment best. Organisations have to find a balance between localisation and globalisation and we believe this balance will have to be tailor-made for every organisation.

Furthermore, we believe that the globalisation of the world means that different kinds of talent are required. While leaders are essential, these persons might not necessarily excel in managing subsidiaries abroad. Nowadays, there is more focus on this development: organisations try to develop international business skills within their (future) leaders. For organisations operating on a global scale, it is important to send employees to foreign subsidiaries that have the expertise in certain fields so that knowledge can be transferred. Thus, for international organisations, not only leaders, but also specialists and professionals who can adapt to different cultures and can be sent abroad are crucial for organisational success. That leads to our belief that more talents than just leaders are needed to successfully deal with the global/local debate. Moreover, working in different countries and adapting to different cultures may require a different kind of specialists or innovators: what is a talent in one country is not necessarily (perceived as) a talent in another country. Therefore, we believe that just a focus on leaders is not enough for organisations: different groups of talents are becoming more and more essential.

3.4. Diversity

Never before, the workforce has been as diverse as today. This applies to age, gender, ethnicity, but also to live pursuits, as enormous changes in cultural norms are going on (Tucker, Kao & Verma, 2005). Thus, since the 1990s, managing diversity has become fundamental in domestic and international HRM and policy making (Brewster et al., 2007). Due to the “demographic time bomb” (Marshall, 1995, p.59), i.e. the decreasing birth-rates and aging population in Europe, shortages in labour supply will force organisations to make full use of all talent available. Linked to the aging workforce, there are three major trends. First, there is an increase in the proportion of people aged
over 65 years. Second, there is an increase in the absolute number of older people. Finally, there is an overall increase in life expectancy. Experiences of unfair discrimination against older workers are commonplace across the EU (Kirton & Greene, 2005). Thomas and Ely (1996) define diversity as “the varied perspectives and approaches to work that members of different identity groups bring” (Thomas & Ely, 1996, p.363). Although organisations became more diverse in terms of workforce-composition, formal and informal organisational rules did not diversify accordingly (Prasad & Mills, 1997). Today, discussion about the business case for diversity is a buzzword in HRM. Managing diversity not only aims at restructuring the demographic structure of the workforce, but also at increasing its effectiveness (Thomas & Ely, 1996). In order to do so, the work environment must encourage the full participation of every employee. This also prevents people from leaving and leads to stronger motivation (Myers & Dreachslin, 2007). There are three main arguments in for the business case: (1) due to a shortage in qualified people in the workforce, organisations must exhaust all segments of the labour market; (2) the demographic profile of customers is diversifying, which is why organisations strive at making the workforce reflecting customers’ demographics, and; (3) diverse teams are producing better outcomes, since they bring together more perspectives (Dietz & Petersen, 2006). Thus, a diverse workforce and a supportive culture lead to increased creativity. Consequently, a diverse workforce becomes a source of competitive advantage for organisations that strive for a high level of innovation (Kossek, Lobel & Brown, 2006). However, the major problem the business case faces is that empirical research does hardly support these arguments (Dietz & Petersen, 2006), in other words, there has been little prove that a diverse workforce actually leads to increased organisational performance, i.e. the business case for diversity has not been proved scientifically.

The notion of occupational segregation describes that minority groups (women, ethnic minorities, older workers, i.e. older than fifty, disabled, and gay and lesbian workers), statistically are employed in lower-status, lower-paid jobs offering small likelihood of promotion, training, and career opportunities (Kirton & Greene, 2005). Consequences are on the one hand that this influences individuals’ choice when choosing a profession (Hakim, 1991), on the other hand, from an economic viewpoint, it causes labour market rigidity and inefficiency (Kirton & Greene, 2005). Moreover, valuable human resources are wasted, since not everybody is considered for every job. Based on this, we argue that organisations must identify talent everywhere and in every group. For example, organisations benefit from gender diversity, because women complement male ways of organising at all levels in organisational hierarchies (Adler, 1994). Research and anecdotal evidence
suggest that organisations developing the talents and encouraging the contributions of their female employees will be the most successful (O’Neil, Hopkins & Bilimoria, 2008). Regarding TM, this could mean that as women are said to be more socially oriented workers, TM processes could focus on women’s social skill development and thus develop talent in that way. We believe organisations need a more diverse look on talent and consequently diverse and multiple talent pipelines, since the workforce is diversifying. A more diverse workforce means that talent will be spread over multiple groups, instead of the traditional managerial archetype of the white, 40-year old male. Also, since the workforce is diversifying, we believe that the white, 40-year old manager is a ‘fading breed’. This stereotype male will be harder to find for organisations and those organisations that are only focused on this kind of talent will experience a severe talent shortage in the future. If organisations do not take the above into account, they will lose ground in comparison to their competitors and consequently experience a loss in competitive advantage or economical profit.

In order to elaborate on the challenge of diversity with regard to TM, the example of women on the labour market will be used. Women occupy the lowest-paid, lowest-status, and most vulnerable jobs. The expansion of women’s employment has mainly been in part-time jobs. Thus, the increasing number of women within the European labour force had little effect on occupational segregation. Women are particularly occupied in caring, nurturing, and service activities. Men are mainly found in management, manual, and technical jobs (Kirton & Greene, 2005). Nowadays, women are becoming a bigger part of the labour force and are higher educated. Therefore, we argue that organisations need to take this group into account. Women can be of great value to the organisation and should definitely be considered human capital. This means that amongst this group of women, talents can be found. These (young) women do have largely the same expectations as their male counterparts and therefore, should be treated the same. If an organisation does not meet their expectations, they will search for a new job that will take their expectations and demands into account. This will lead to a loss of knowledge and talent. We believe that this group of talents is still underappreciated; especially the higher these women are educated. A quote we think fits in this context is the following: “in a ferociously competitive global economy, no company can afford to waste valuable brainpower simply because it’s wearing a skirt” (Fisher, 1992, p.57). When an organisation starts to think about a TM strategy, this different group of talents should be included. We do not mean that organisations have to create a special talent pipeline for women. We simply argue that women must be included in the existing pipelines. However, this means that some of the
TM processes might have to be (slightly) adjusted. If organisations have TM processes exclusively focusing on women, this might lead to the opposite of the initial aim; this form of positive discrimination might cause negative feelings within the organisation, certainly by groups excluded by these processes; especially the dominant group, which generally consists of white, 40 year old men.

So, it is important to keep in mind that the dominant group (i.e. white, 40 years old, heterosexual, healthy men) would not benefit from equal opportunities within organisations and consequently not necessarily be in favour (Woodall, Edwards & Welchman, 1997). While in our opinion organisations should strive for more diverse pipelines, they must not forget the currently dominant group, who are tended to be forgotten sometimes when it comes to diversity policies. This must be taken into consideration when TM processes are established in organisations. We believe top management’s attention is needed for TM to be effective in organisations. Thus, it is a prerequisite arouse top management’s attention to the importance of an appropriate management of today’s diverse work force.

To conclude, when linking the issue of diversity to TM, Ng and Burke (2005) found that women consider diversity management important when it comes to the acceptance of an employment offer. Thus, with regard to the war for talents, organisations must take this into consideration when they want to recruit from a particular pool of potential talent. In addition, Greer and Virick (2008) argue that for organisations, the incorporation of women in their succession planning is recognised as important but not much included in practice. They state that a deeper talent pool, i.e. including more demographic groups, leads to more flexibility in terms of innovation and the entrance into diverse and global markets. Moreover, they highlight, that organisations’ futures widely depends on the degree diversity they include in their succession planning.

From the outlined above, it can be derived that for making use of the full potential talent available, organisations must consider more groups than exclusively the managerial archetype. Moreover, a more diverse workforce puts pressure on employers to create fairness and embrace diversity in TM processes (D’Annunzio-Green, 2008), since organisations have to deal with diversity and therefore are forced to integrate the subject of diversity into their talent management strategy.
3.5. External demands on organisations

On top of the challenges mentioned above, there are several additional external demands on organisations, which may influence the way organisations deal with TM. Organisations are more and more pursuing the objective of becoming an ‘employer-of-choice’. We believe that both society and external stakeholders demand of organisations that they care about the environment and that these organisations show a focus on the responsibility they have towards society, i.e. there are external demands that go beyond making profit. As a consequence, their TM processes are crucial for recruiting and retaining talent (Jacobs, 2005), in the sense that there is a demand on organisations to find and develop talented employees.

As mentioned before, employees are recognised as human capital and can therefore be a source of competitive advantage. Skilled and creative employees, who are driven to satisfy customers, are seen as essential when it comes to differentiating the organisation from its competitors (Bhattacharya, Sen & Korschun, 2008). In this context, reputation is perceived as key by organisations and managing this reputation has become a strategic issue. Especially in the knowledge society, where organisations depend on intangible assets such as creativity, high levels of service, intellectual capital, and innovation, this has become crucial. In Western economies, the importance of reputation has also grown in the financial service sector, as a consequence of the credit crisis in 2008 (Martin, 2009). It can be argued that reputation is “[a driver for] success by helping organizations differentiate themselves while remaining legitimate” (Martin, 2009, p.92).

This is related to the current focus on corporate social responsibility (CSR), which “refers essentially to [an organisation’s] commitment to improving societal well-being through discretionary business practices and contributions of corporate resources” (Bhattacharya et al., 2008). An organisation should be aware of the responsibility it has towards the impact of its activities on the environment, employees, communities, stakeholders, and other members of the public sphere. Public interest is being included in the decision-making of the organisation (“Corporate Social Responsibility”, 2009). However, CSR is not only used to legitimate, but also to differentiate an organisation from others, as it shows its values. In order to create value, it is important that CSR is embedded in the values of the organisation and is clearly communicated to the employees. In consequence, CSR can be seen as an element of the employee value proposition (EVP) (Bhattacharya et al., 2008).
An EVP provides organisations with a list of practices, values, and goals that can contribute to the employment of people who are aligned with these values and goals of the organisation (Lawler III, 2003). It can be communicated

“in company actions and behaviours and evoke both emotive (e.g. I feel good about working here) and rational benefits (this organisation cares about my career development) for current and prospective employees. These EVPs reflect the image the [organisation] wants to portray to its target audience.” (“Employer branding”, 2009).

An organisation with a winning EVP is appealing to those people it wants to recruit and keep. It will help the organisation with the tailoring of the jobs it has to offer, which makes talented people want to work for that organisation, but also will make them want to stay (Chambers, Handfield-Jones, Hankin & Michaels III, 1998). The EVP can enable the creation of a platform that clearly states what the organisation stands for and what it has to offer, but also what it expects from its employees (Lawler III, 2003). Several issues are important when establishing an EVP. First, there has to be a fit between the business strategy and the EVP. Also, the reward system must be focused on attracting and keeping the right people and should be included in the EVP (Lawler III, 2003). Money is an important issue for many organisations. High compensation to attract and reward talent is often perceived as essential. Yet many organisations fear that big pay gaps between employees will create cultural problems within the organisation (Chambers et al., 1998). We believe that it is important to keep in mind that “money alone can’t make a great employee value proposition, but it can certainly break one” (Chambers et al., 1998, p.56). According to Lawler III (2003), rewards should not exclusively be about high compensation in terms money, although this is a significant part.

The next step is employer branding, which is especially important when an organisation needs to attract large numbers of people. Branding means creating a unique and strong image that differentiates an organisation from its competitors (Lawler III, 2003). It is not only about branding the EVP, but also about employer branding. Employer branding and TM are closely linked, especially for global organisations (Brewster et al., 2007). Employer branding can be defined as “the image of the organisation as seen through the eyes of external stakeholders” (Brewster et al., 2007, p.311). Also, Brewster et al. (2007) state that the brand should be delivered to all internal stakeholders as well, while most organisations focus their branding activities mostly on external stakeholders. Delivering of the brand to stakeholders should be done in a consistent and uniform manner. According to Martin (2009), employer branding will be successful if it creates a realistic analysis of the external and internal brand proposition, i.e. it is important to provide a link between the core value propositions and make sure these agree with each other. Employer brands thus work
best when they are credible (i.e. that they are embedded in external and internal communication), aspirational (i.e. there should be a distinct point of focus and idea), and sustainable (Martin, 2009).

In nowadays’ society and in the future, attraction and retention of talent is critical for success and sustainable competitive advantage. Therefore, organisations cannot ignore the pressures by both external and internal stakeholders to create a positive image. This will not only create legitimacy, but will also help in getting talents committed to the organisation.

Linking this to TM, we argue that, as mentioned above, organisations cannot ignore the pressure of stakeholders to create a positive image that will attract and retain the best employees. Today, employees have greater demands when it comes to their work and organisations have to meet these demands to be able to hold on to their (best) employees. Therefore, we believe that TM can play a major role in creating this positive image. By offering talent programmes to other groups than just leaders, potential future employees know their value will be recognised by the organisation. This will help the organisation to attract different kinds of talents. Furthermore, these different groups of talents can be retained when the employees feel valued by the organisation. This kind of organisational culture can reinforce the EVP and therefore legitimate the organisation.

Linking this to TM, we argue that organisations should embed their TM processes in the EVP. This would help them to attract and retain talent. As has been argued before, employees, especially talents, are more critical about their employers and often chose organisations where they feel they develop themselves to their full potential and get offered the career opportunities they strive for. As mentioned before, this will help the organisation send out a clear message to (potential) employees.

3.6. Small and medium-sized enterprises

According to Verheugen, who is responsible for Enterprise and Industry in the European Commission, “micro, small and medium-sized enterprises (SMEs) are the engine of the European economy” (European Commission, 2005, p.3). SMEs provide jobs and entrepreneurial spirit and foster innovation. Consequently, they are critical for European competitiveness and employment (European Commission, 2005). In the European Union (which consisted of 25 member states in 2005), there are about 23 million SMEs. These enterprises represent 99 percent of the organisations in the EU and employ around 75 million people (European Commission, 2005). According to
Cooper (1981), SMEs are particularly different from larger organisations in terms of resources, founders’ goals, and potential.

As outlined above, globalisation is becoming increasingly important. This led to a debate about the extent to which SMEs can compete with larger organisations (Nummela, Saarenketo & Puumalainen, 2004; Singh, Garg & Deshmukh, 2008; Soriano & Dobon, 2009). That is because SMEs often lack the international experience and resources that large organisations have or can acquire.

As today organisations have to adapt to the changing environment constantly, organisations’ human assets must be managed accordingly. People cannot easily be replaced and this increasingly makes them a source of competitive advantage. Less successful organisations fail in aligning the HR strategy with the business strategy (Stroh & Caligiuri, 1998a) which does not allow organisations to fully reach their potential effectiveness (Stroh & Caligiuri, 1998b). We argue that due to lack of experience and resources, SMEs have fewer possibilities to align their HR strategy with the business strategy, which represents a major disadvantage and challenge for SMEs. Another major disadvantage of SMEs is that they “often lack resources, skills, experience and knowledge needed on international markets” (Nummela et al., 2004, p.1). Furthermore, SMEs have to face a lack of professional institution membership (Sohal, D’Netto, Fitzpatrick & Noori, 2001).

Linking the particular situation of SMEs more specifically to the issue of TM, several remarks can be made. The above reveals that being a SME has both advantages and disadvantages for TM processes. TM practices differ enormously when it comes to the size of the organisation. For example, larger organisations are better at linking HR strategy to their business strategy and are better at planning their workforce strategically (Nantel, 2008).

In her research, D’Annunzio-Green (2008) found that most SMEs have a more exclusive approach to TM. This is mainly based on their restricted resources. With regard to TM, we believe that SMEs need to approach TM processes differently from larger organisations. While it may be easier for SMEs to recognise talent, they often do not have the resources or the money to offer talents the same sophisticated options as larger organisations can promise. However, attracting and retaining talent is very important for SMEs and their viability and survival. It may be important to think about TM in a different way. One can question whether it is possible for SMEs to practice TM in the same way as large organisations do. SMEs may not have the opportunities or resources to establish a structured TM programme. Even more so, it can be questioned whether SMEs need these programmes, since they do not have the same amount of employees. Yet, 99 percent of the
organisations in the EU are SMEs and these organisations need to find a competitive advantage. As mentioned above, human capital can create a strong competitive advantage. Therefore, it is very important for SMEs to think about identifying, attracting, and retaining different groups of talent. We believe that while SMEs may not have the opportunities to develop big, structured TM programmes, thinking about different groups of talents, as well as finding their own way of working with TM, is important: SMEs are very dependent on the (few) employees they have and need to think about how to develop these talents to their full potential. Furthermore, since SMEs are representing almost 99 percent of the organisations in the European Union, a large proportion of the talent available in Europe must be employed by SMEs. As SMEs do not have the resources to develop and use these talents, their full potential might never be reached. As has been mentioned in the part about the knowledge society, one of the goals of the European Union is to become the most competitive knowledge economy in the world. Logically, this means that SMEs have to find a way to deal with talents and TM, as has been mentioned above. We question whether this can be achieved if SMEs, which are the most common employer in the European Union, are not capable of managing talent and thus make the most of their potential. Therefore, we believe that this subject requires more attention in the future.

3.7. Conclusion

As outlined above, the reasons for organisations to become more and more concerned with the issue of TM are manifold. Knowledge has become a strategic tool and has grown in importance in a globalising world. Moreover, during the last decades organisations had to face enormous demographic changes (Guthridge, Komm & Lawson, 2006). Changes in demographics refer particularly to the aging populations in developed countries and the resulting shortage in available workforce (Jacobs, 2005; Stahl et al., 2007). It is important to underline that this not necessarily results in tighter labour markets, since productivity increases (Stahl et al., 2007). Still, societies are trying to encourage more people to enter or remain within the workforce (Jacobs, 2005). Additionally, today’s workforce can be characterized as being ‘pickier’ and exhibiting a higher degree of job mobility than preceding generations (Stahl et al., 2007). Furthermore, organisations are more and more pursuing the objective of becoming an employer-of-choice. As a consequence, their TM processes are crucial for recruiting and retaining talent. What is more, organisations are increasingly aiming at making diversity a strategic issue, thus, diversity also represents a constituent
of TM (Jacobs, 2005). Lastly, it has been discussed that SMEs play a crucial role in Europe, with regard to employment and therefore, it is important to pay attention to TM in these organisations specifically.

Although people have been said to be the most critical asset for their organisations, today, there is a new urgent necessity to using them to the largest extent. This is particularly crucial when it comes to organisational growth and even more so, growth on a global scale. Growth cannot be achieved without ideal staffing and this must be achieved fast. Even if organisations are pursuing capital, information, technology, equipment, and world-class processes, all this can only be achieved with the right people, at the right time, at the right place (Ready & Conger, 2007). As organisations face new cycles of business growth and as economic conditions are getting more complex, they need different types of talent, i.e. different talent pipelines (Ashton & Morton, 2005). The multiple challenges mentioned above have put new pressures on organisations that now have to find new ways to gain competitive advantage and manage their human resources. The conditions for organisations have become more complex and demands more varied. We believe this has caused a shift in organisations: leaders are not the only critical factor in organisations anymore. Employees are not easy to replace; whereas in the Tayloristic organisation one employee behind the assembly line could be easily replaced by another, nowadays, employees own knowledge that is critical for organisational success. If an employee leaves, knowledge is lost as well. This makes all employees part of the human capital. Consequently, this effect is even greater when talents are concerned. TM, therefore, has greatly gained in importance. To us, this means that organisations have to consider TM in a new matter: it is not only leaders that are talents anymore and therefore, we strongly believe that multiple talent pipelines are needed for organisations. Of course, the recognition and development of (potential) leaders is still important, but it is not enough anymore. Other talents have become critical for organisations and they need their own forms of TM.

In order to explore the issue of multiple talent pipelines, the following sections examine best practices of organisations that are said to be leading with regard to their TM. Furthermore, research will be conducted in both Danish and internationally operating organisations, in order to find out if and how they have implemented these multiple talent pipelines. Finally, the results will be compiled in a number of recommendations for organisations.
4. Methodology

4.1. Qualitative research approach

For this report, a qualitative research approach has been chosen, since a qualitative approach allows an in depth and detailed study of the issue, in this report TM (Babbie, 2006; Patton, 1987). This fits well with the aim of the research, which is to find out if and to what extent Danish and Dutch organisations, which operate internationally or have international contacts, integrate the multi-ladder approach into their TM. Compared to a quantitative approach, responses acquainted from the data collection are longer, more detailed, and their content is more diverse (Patton, 1987). This will allow gaining a broad insight into TM processes, in particular in relation to the multiple ladder approach. According to Creswell (2003, p.184), "qualitative research is interpretive research". The basis of analysis is direct quotations (Patton, 1987). Qualitative research is guided by questions, issues, and a search for patterns (Patton, 1987). The approach used for this research is exploratory. The findings of exploratory research often cannot state whether the theory is true, nonetheless, findings are often consistent with theory (Goodwin, 2000).

4.2. Data collection

The procedure of data collection consisted of two parts: best practices were investigated and four interviews have been conducted. Thus, this research relies on multiple sources of evidence, which contributes to the strength of the outcomes (Yin, 2009). For the first part of the data collection, i.e. the best practice-review, a literature review has been conducted. Best practices were reviewed in two different ways. First, the TM of two best practice organisations has been analysed along certain concepts. Second, general best practices for TM were reviewed. Scientific articles, online-newspapers and data-bases, and web-presentations of the organisations discussed have been used.

For the second part of data collection four semi-structured, telephone interviews have been conducted. The interviews lasted between one and one and a half hour. The participants were all involved in (some of the) TM processes within their organisations. The interviews were preceded by the establishment of a questionnaire, which has been build upon the issues discussed in the previous chapters and which was reviewed by research-experienced supervisors. The respondents
have been identified on the basis of personal networks. Some days before the interviews, the respondents have received general information about the research and the purpose of the interviews. Before the interviews started, the respondents were asked whether the interview could be recorded for note-taking afterwards, all respondents agreed. After the interviews, accurate notes have been compiled and reviewed. Then, the notes have been sent back to the respondents, who reviewed whether the researchers have interpreted the information correctly. Additionally, organisational documents have been reviewed. All this information has been compiled into an analysis of the interviews, in which the most important issues were discussed, based on the issues mentioned in the chapters above.

4.3. Data analysis

In qualitative research, data analysis is the “nonnumerical assessment of observations made” (Babbie, 2006, p.377). During the data analysis, the researcher attempts to draw conclusions based on empirical data (Yin, 2009). In order to prepare the data analysis, the data collected in the interviews was mapped along certain concepts (Babbie, 2006). During data analysis, concepts were constantly reassessed and refined by the researcher (Janesick, 2003). For this research, data has been analysed by finding communalities and differences between the best practices and the evidence gained in the interviews, and more importantly between the interviews themselves, concerning certain issues that have been discussed earlier in the report. Based on these analyses, recommendations could be drawn.

4.4. Validity and reliability

A qualitative research design must take into consideration validity and reliability.

Silverman (1999, p.210) argues that validity is a synonym for “truth”. Validity can also be described as the "extent to which an account accurately represents the social phenomena to which it refers" (Hammersley, 1990, p.57). According to Yin (2009), a distinction must be made between construct validity, internal validity, and external validity. Construct validity describes that it is necessary to establish "correct operational measures for the concepts, ideas and relationships being studied" (Remenyi, Williams, Money & Schwartz, 1998, p.179). In order to ensure a maximum construct validity in this research, which had been conducted in a relatively short time-span,
reviews of gathered information by respondents and reviews of drafts by experienced supervisors will be used (Yin, 2009). *Internal validity* requires the establishment of causal relationships (Yin, 2009) and can be defined as the “degree of confidence that the results are true given the study situation” (Davis, 2005, p.149). Internal validity is strongest, when there is no alternative interpretation of the study results left (Davis, 2005). Tactics used are informant and supervisor reviews (Creswell, 2003). Evidence of internal validity is necessary in order to attain external validity (Davis, 2005). *External validity* can be described as the domain to which the findings can be generalised (Yin, 2009), thus, it is the "transferability" of the findings to the environment (Remenyi et al., 1998, p.117). For this research, external validity can be defined as the degree to which the results from the interviews conducted can be applied to other organisations. According to Yin (2009), in order to achieve external validity, previously developed theory is used as a model with which the empirical results of the case study are compared.

As the research conducted here is exploratory, the validity of this research might be questioned, e.g. no test has been run in order to test the questions, nor was there time to use a larger amount of respondents. We are aware of that, however, it can be argued that an exploratory approach is the best one in order to explore the issue in depth. Also, part of the assignment for this report was to do exploratory research. The results of this report will be used for a more in-depth research. Furthermore, the time span did not allow for a pre-test of the interview.

*Reliability* can be defined as the "degrees of consistency with which instances are assigned to the same category by different observers or by the same observer on different occasions" (Hammersley, 1992, p.67). The evidence and measures of the research should be consistent and stable, i.e. the research should be replicable (Remenyi et al., 1998), in order to minimise errors and biases (Yin, 2009).

We are aware that the reliability of this research might be questioned, due to the reasons mentioned above. However, due to extensive literature research preceding the best practice review and the interviews conducted, as well reviews by experienced supervisors, some of the doubts can be diminished, i.e. there have been many checks in order to keep the risk for errors and biases as low as possible.
4.5. Possible bias

Bias can be defined as the "quality of a measurement device that tends to result in a misrepresentation of what is being measured in a particular direction" (Babbie, 2006, p.250). It refers to neutrality and subjectivity of both respondent and the researcher. In research, as in any human activity, bias is omnipresent, i.e. both the researcher(s), as well as the respondents are biased (Remenyi et al., 1998). Bias is often culturally inherited and unconscious (Strauss & Corbin, 1998). Nonetheless, the researchers must make sure that bias is not influencing the data analysis (Strauss & Corbin, 1998). Triangulation can be used in order to minimise bias (Strauss & Corbin, 1998). A major source of bias in this research might be the selection of respondents, leading to potential selection bias, since the respondents have been found through personal networks. The respondents have participated based on free choice and based on personal contacts.

Of course, the information gathered represents a subjective point of view and is not universally applicable. Due to the collaboration of two researchers and the constant review of the supervisors, it can be ensured that bias is excluded as much as possible from the data analysis.
5. Best practices

Below, two organisations that are considered best practice organisations when it comes to TM will be discussed. A brief history of the organisations will be given, followed by a description of their TM processes and practices. These large organisations have been chosen because they can serve as examples. However, we realise that the TM practices of these organisations cannot be implemented in every organisation, yet other organisations can learn from them. Additionally, some general best practices will be discussed. A relation will be established with the main question of this report, namely whether or not these organisations make use of alternatives to the single talent pipeline.

5.1. HSBC

In 2006, the Hongkong and Shanghai Banking Corporation Limited (HSBC) was rated 26th in the ‘most admired league table’, which is a list of 239 organisations. The rating is carried out by the ten largest public sector organisations in 24 sectors that were asked to evaluate their peers (“Britain’s most admired”, 2006). Furthermore, in 2005, Management Today put HSBC on the shortlist for best organisation to ‘attract, retain and develop top talent’ (“Britain’s most admired”, 2005). Moreover, according to Forbes, in 2009, HSBC is the world’s largest banking group, as well as the world’s sixth largest organisation (with 312,000 employees worldwide) (“HSBC”, 2009).

It is said that HSBC can be considered a best practice example when it comes to TM (Gakovic & Yardley, 2007; Ready & Conger, 2007). Below, a short history description will be given, followed by a description of TM at HSBC.

5.1.1. History of HSBC

In 1865, the HSBC group was established by Thomas Sutherland, in order to finance the growing trade between Europe, India, and China. Working for the Peninsular and Oriental Steam Navigation Company, Sutherland realised a demand for local banking facilities on the China coast, as well as in Hong Kong. Soon after this formation, the bank grew and spread all over the world; while agencies and branches could be found in Europe and North America, the emphasis remained on China and
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the Asia-Pacific region in those first years. HSBC can be considered a pioneer of modern banking practices in a number of countries (“Group history 1865”, 2009).

The next decades were marked by growth. Both the First World War and especially the Second World War brought disruption. After the Second World War, HSBC played a key role in reconstructing the economy in Hong Kong. It diversified its business in series of alliances and acquisitions, and by the 1970s, it had firmly developed a policy of expansion through acquisition or the formation of new subsidiaries. These subsidiaries all had their own identity and expertise (“Group history 1946”, 2009). During the 1980s, HSBC focused on growing in markets where it was not fully represented. In 1992, HSBC took over the Midland Bank, and thereby created one of the largest financial organisations in the world (“Group history 1980”, 2009). After this acquisition, the headquarters was moved from Hong Kong to London (“HSBC”, 2009). Despite the credit crisis in 2008, HSBC continues considering opportunities for growth, especially in emerging markets (“Group history 2000”, 2009). It seems that HSBC has been less affected by the economic crisis than other global banks and is argued to be one of the world’s strongest banks (“HSBC”, 2009). Two characteristics drive HSBC’s growth and differentiate it from its competitors, namely the brand and the 150-year old culture. Core values are integrity, collegiality, and diversity (Gakovic & Yardly, 2007).

5.1.2. Talent management at HSBC

TM is considered very important at HSBC. The official, organisational website states that they have exceptional training programmes, as well as a global talent management strategy (“About HSBC”, 2009). Ready & Conger (2007, p.2) point to the fact that HSBC has tried to “incorporate talent processes into the firm’s DNA”.

HSBC is one of the few organisations in the world that has built a “talent factory” (Ready & Conger, 2007, p.2) (another one is Procter & Gamble (P&G), which will be described later). A talent factory is an organisation that has combined functionality, i.e. talent processes that support both cultural and strategic objectives, and vitality, i.e. emotional commitment to TM processes by management, who exhibit this in daily action. This combination allows the organisation to develop and retain key employees (Ready & Conger, 2007). HSBC’s global talent management strategy is focused on attracting, motivating, and retaining top talent (Gakovic & Yardley, 2007). However, at HSBC, the definition of talent is still focused on future leadership (i.e. individuals who have the
ability to reach the top), yet nowadays, HSBC has put more emphasis on a diverse talent pipeline, one that runs throughout the whole organisation and does not only focus on the top of the business, but also on specific functions (Croney, 2008).

5.1.2.1. Functionality

Functionality “refers to the processes themselves, the tools and systems that allow a company to put the right people with the right skills in the right place at the right time” (Ready & Conger, 2007, p.2). It is important that these processes are linked to the objectives of the organisation. Moreover, they should support the creation of an effective climate and drive organisational performance (Ready & Conger, 2007). In Figure 5.1., the ‘functionality wheel’ can be found. With help of this wheel, organisations can assess their strengths and weaknesses, by filling in how successful they are at the mentioned processes. The strengths and weaknesses can thereby be visualised.

Figure 5.1. Functionality wheel

HSBC has paid a lot of attention to these different practices to develop a global talent management strategy. HSBC’s slogan is: “the world’s local bank” (Ready & Conger, 2007, p.2); HSBC wants to offer local resources to its customers, no matter where in the world it does business.
This means that performance and climate have to be linked (Ready & Conger, 2007). HSBC’s leaders need to understand both the global strategy, as well as the local business context (Gakovic & Yardley, 2007). This has led HSBC to develop the human resource practices and policies on a central level, but at the same time built in flexibility to provide local variations (Ready & Conger, 2007). HSBC relies on multiple sources of data, e.g. 360 degree feedback, panel reviews, and self assessments (Gakovic & Yardley, 2007) and has established processes that are used throughout the organisation. This means that every subsidiary has the same list containing methods, e.g. for assessment and recruitment, and local offices have to choose two or three methods from this list. This provides a degree of objectivity and a common measurement language (Ready & Conger, 2007). Furthermore, HSBC created a list of six capability clusters, on which talent nominees are rated worldwide. This list provides a basis for the measurement and decisions about the recruitment, but also the development, of talents (Gakovic & Yardley, 2007). These capability clusters form the basis of talent assessment. For this assessment, three measures are formulated: a capability rating (i.e. a talent should be rated above standard, with one or two capabilities as a strength), a performance rating (i.e. the ratings of the last three years should be above average), and self-reported career development aspirations (i.e. a focus on more complex and large roles in a different function or different culture) (Gakovic & Yardley, 2007). However, HSBC is still learning, and has slightly adjusted its assessment process in the last few years. The assessment on a five point scale was seen as demoralizing. Consequently, this assessment on a scale from one to five has been adjusted and nowadays, people are only assessed in the top two levels in some areas (Ready & Conger, 2007). Ready and Conger (2007) further mention that “[f]eedback […] is framed in terms of development needs and support, rather than “you haven’t made it into a talent pool”’” (Ready & Conger, 2007, p.3).

HSBC is a global organisation and is therefore focused on creating a global mind-set. This is why HSBC has created a system of talent pools within a global talent pipeline to track and identify talents within the organisation. These talents are assigned to local talent pools, and within these pools, they are selected for different assignments within their region. Over time, they are given the opportunity to cross boundaries. In this way, HSBC hopes to develop the future leaders of the organisation. People who are seen as fit for the most senior level of management are singled out and administrated centrally. These talents are expected to work in at least two very different cultural environments (Ready & Conger, 2007). However, HSBC is experiencing some difficulties with the younger employees, the Generation Y, who are demanding a different job than older generations, as
has been described above. This is why HSBC is thinking about ways how to offer as much variation as possible to this generation. HSBC is seen as a global organisation, which causes graduates and young employees to have certain expectations. Within HSBC, there is a realisation that the organisation needs to offer international assignments, to avoid the risk of losing younger talents. In order to overcome this challenge, HSBC has introduced alumni schemes: there is a realisation (and acceptance) that younger employees leave the organisation earlier, but by keeping in contact with these talents, HSBC might be able to bring them back as mid-career hires (Croney, 2008).

5.1.2.2. Vitality

The second focus of a talent factory is on vitality. Vitality concerns the mind-sets and attitudes of the people involved in TM. TM should not just be found in HR, but throughout the line and all the way up to the top of the organisation. For other organisations, it is very hard to copy vitality or the processes involved, in contrast with functionality, which is easier to duplicate. Vitality consists of three characteristics, namely commitment, engagement, and accountability (Ready & Conger, 2007). The vitality wheel can be found in Figure 5.2.
HSBC tries to foster commitment to TM by involving the line managers directly in the TM process. These line managers have to work together with central and regional HR functions to fill important positions with talents found throughout the whole organisation (Ready & Conger, 2007). Overall, on its website, HSBC claims to be very committed to TM. It is stated that HSBC is well-known for its development of people. HSBC has training programmes that should prepare talents for management and executive positions. The training that is offered is of high quality and will help people develop their skills and increase the knowledge, to maintain a competitive advantage (“World-class training”, 2009). Engagement is the “degree to which company leaders show their commitment to the details of talent management” (Ready & Conger, 2007, p.8). At HSBC, specific policies and practices are formulated, in order to ensure line management engaged. The growth objectives of different units are linked to the people development (Ready & Conger, 2007). Furthermore, there is a strong focus on engagement of the individual, for example, by the implementation of job rotations and international assignments. Different units work closely together, so a gap in talent can be recognised in time. These processes keep TM high on the agenda of leaders. Further engagement is created by a seven-week training program: new employees are sent to the UK for this program, and mostly work in groups that consist of around 20 nationalities
(Gakovic & Yardley, 2007). Ensuring accountability means that all stakeholders are being held accountable for making the systems and processes robust. At HSBC, this means that the group management board is responsible for the talent pools. Each member of this pool is responsible for a particular region and selecting talents for both the regional as the central pools (Ready & Conger, 2007).

Summing up, the following points have been mentioned:

- Best practice organisations have a global TM strategy which is linked to local business context.
- Best practice organisations ensure line management involvement and engagement.
- Best practice organisations ensure engagement of individual employee.
- Best practice organisations give responsibility to all stakeholders involved.

5.2. Procter & Gamble

P&G is the world’s largest consumer products organisation (Stahl et al., 2007). P&G’s portfolio entails consumer goods with 24 brands with annual sales of more than a billion US-dollars, e.g. Ariel, Gilette, Pringles, and Pampers. Eighteen additional brands have annual sales between $500 million and $1 billion (“Procter & Gamble”, 2009). As P&G states, “[t]hree billion times a day, P&G brands touch the lives of people around the world” (“Our heritage”, 2007). The organisation is headquartered in Cincinnati, Ohio (“Procter & Gamble”, 2009). Today, P&G has more than 138,000 employees in more than 80 countries. P&G began as a small, family-operated soap and candle organisation. Today, it sells products and services of high quality and value to consumers in more than 180 countries worldwide (“Who are we”, 2009).

Literature often refers to P&G as a best practice organisation when it comes to TM (Chan, 2007; Stahl et al., 2007; Ready & Conger, 2007; Lawler III, 2003). Its excellent reputation as an employer is reflected in the following labels: in 2007, P&G ranked tenth in the list of ‘America’s most admired companies’ (“America’s most admired”, 2009). Moreover in 2008, P&G was rated one of Canada's Top 100 Employers by Mediacorp Canada Inc. It was rated exceptional with regard to training and skills development, and community involvement. P&G was rated above-average concerning employee engagement, physical workplace, financial benefits and compensation, health and family friendly benefits, and employee engagement. It was also rated above average regarding
work atmosphere, communications, and vacation, as well as personal time off (“Employer review”, 2009). Moreover, in 2005, P&G was ranked first by the Hay Group amongst the “Top 20 Companies for Leaders” (Stahl et al., 2007). The above makes clear that P&G is an employer with a much valued reputation, and TM processes that can be seen as best practices for other organisations. This leads us to look into P&G’s TM processes in more detail.

5.2.1. History of Procter & Gamble

P&G was founded in 1837 by the candle-maker William Procter and the soap-maker James Gamble, who married two sisters. Their father-in-law wanted them to become business partners and based on the candle and soap businesses, P&G was founded in Cincinnati. In 1859, sales reached one million dollars, with eighty employees. In 1887, P&G launched an employee profit sharing programme, in order to deter the workforce from going on strike. As demand grew, the organisation started building more factories in the US. In 1930, the organisation became international in sales and manufacturing by acquiring an English organisation (Newcastle upon Tyne-based Thomas Hedley Co.). Over time, several new brands and products were introduced and P&C became active in new areas, such as toothpaste (Crest) or toilet paper (Charmin). By the acquisition of several organisations, P&G’s product palette was increasingly broadened. When Gillette was acquired in 2005, P&G got ahead of Unilever and now is the largest consumer goods organisation in the world (“Procter & Gamble”, 2009).

5.2.2. Talent management at Procter & Gamble

TM has a high priority at P&G: the CEO, Lafley, is spending a third to a half of his time on the development of talent (Stahl et al., 2007). P&G has set up several elaborate systems and processes in order to deploy its talent (Ready & Conger, 2007). Talent development is part of the P&G’s culture, which is, for example, reflected in the promote-from-within policy and the belief that leadership development contributes decisively to P&G’s competitive advantage. As Lafley puts it “[n]othing I do will have a more enduring impact on P&G’s long-term success than helping to develop other leaders” (Stahl et al., 2007, p.15; Holstein, 2005, p.18). Generally, as at HSBC, TM at P&G mainly focuses on leaders.
The following section will look into how the functionality and vitality wheel, outlined above, apply to P&G’s TM processes.

5.2.2.1. Functionality

With regard to functionality, several particularities about P&G’s TM can be described. First of all, at P&G, TM is linked to the organisation’s overall growth strategy, which aims at winning market share in emerging markets in China, India, Latin America, the Middle East, and Eastern Europe (Ready & Conger, 2007). According to Ready and Conger (2007), the organisation is establishing a “global talent supply-chain management process, coordinated worldwide but executed locally” (Ready & Conger, 2007, p.5). In that sense, local managers are responsible for hiring and promoting people, whereas the identification of high-potential prospects and important developmental assignments is done globally (Ready & Conger, 2007).

Looking at employee development, there are some formal training and development programmes at P&G; however, most development is achieved on the job, i.e. by direct manager’s support, mentoring, and the help of teammates (Ready & Conger, 2007). Talented employees are challenged in different postings and task forces, e.g. a marketing manager has to work in the marketing department of a number of different brands (Ready & Conger, 2007). For P&G’s CEO, succession management and leadership development have a priority (Holstein, 2005). According to Holstein (2005), Lafley spends a third to half of his time on leadership development, and the organisation is heavily investing in this. During the first year of employment at P&G, every employee gets a 360-degree review. There are multiple leadership development programmes and part of the evaluation and compensation of line managers is based on the development of their organisation (Holstein, 2005). The idea that talents cannot be easily imitated is reflected in P&G’s belief that its leadership development system can only be replicated if their competition invests enormous amounts of time and money (Ready & Conger, 2007). A key characteristic of P&G’s TM is that it is “all-pervasive and permeates the culture” (Holstein, 2005, p.28). It is a process that accompanies employees through their entire career. Lafley explains:

“We start when we recruit kids from universities. We have a process. We have an assessment tool that we use. We recruit for values, brains, creativity, leadership and accomplishment. Then every step of your career here, you are assessed. I think that is the biggest driver” (Holstein, 2005, p.28).

Moreover, P&G is making extensive use of IT tools to support their TM: the Talent Development System contains the names of 3000 top executives and their background information. The
programmes help to identify the right person for the right job (Holstein, 2005). This technology-based TM system can contain all employees. However, it is mainly used to track middle- and upper-management employees. The system contains information about the following domains: succession planning at country, business category, and regional levels; career histories and capabilities, education, and community affiliation; identification of top talent and their development needs; and diversity. This tool gives business leaders an overview of the talent in the organisation. The system is kept relevant by the implementation of a global talent review, i.e. every country, function, and business is assessed for the finding, development, deployment, engagement, and retention of skilled people.

Other key elements of TM at P&G are the effective recruiting processes. Uniform criteria are used during interviews, details about the assessments are recorded for each candidate, and quantitative scores are assigned. Later, performance is assessed against the baseline set during the interview (Ready & Conger, 2007).

A major problem with regard to TM is “silo-thinking” (Stahl et al., 2007, p.16), i.e. managers do not focus on the interest of the whole organisation but on their business units. This constrains talent mobility within the organisation and reduces the effectiveness of job rotations as a career development tool (Stahl et al., 2007). In order to break down these silos, P&G puts open job postings on its intranet. Furthermore, employees can upload their profile to the system, allowing managers to identify internal candidates. First, the search is conducted locally. If no appropriate candidate is found; candidates from another region get the opportunity. This is why (potential) expatriates are interested in working for P&G. P&G has established a culture that encourages managers to move talent around in order to develop these talents through job rotations and international assignments. In this kind of culture, an open job posting system works best (Stahl et al., 2007). P&G’s culture makes managers realise that if their units let their talents go, they also encourage the best talent from other departments to come to their own department, as these talents grasp that they can move through the organisation without suffering from it (Stahl et al., 2007). At P&G, an essential part of personal development plans include that talents are moved across business units and geographic regions, which is a very cost-efficient way of developing talent in-house (Chan, 2007). For developing its talent, P&G does offer intense training sessions that last for one or two days and then managers are sent back to their job. The organisation does not rely on a university-like campus (Holstein, 2005).
Furthermore, there are several other advantages of a promote-from-within policy P&G benefits from: training and skill development are encouraged and talent is more easily retained, as there are promotion opportunities within the organisation; as it provides trust through organisational hierarchies, it favours strong performance and facilitates decentralisation, participation, and information sharing; a sense of fairness and justice in the organisation is created, contributing to the establishment and maintenance of a meritocratic culture (Stahl et al., 2007), i.e. a culture based on employees’ achievement. However, this kind of policy might create a risk of the tendency toward inward-thinking. That is why P&G fills 20 to 30 percent of their middle management to senior management positions with external recruits. Moreover, executives are encouraged to become board members of other organisations and to become members of professional networks (Stahl et al., 2007).

What is more, at P&G, diversity management has a top priority which is also linked to their TM:

“P&G strives to build a diverse and fully engaged organization by attracting the best talent from around the globe, leveraging the full talent of each individual through effective assignment and promotion planning processes, and executing with excellence the critical systems that affect and support retention of each employee” (“Diversity facts”, 2009).

The concept of the virtuous spiral, outlined above, is found at P&G. During the last 40 years, P&G has launched several forward-thinking efforts in order to create a virtuous-spiral relationship with its employees. These efforts focus on employee involvement and leadership development. P&G adopted employee involvement practices very early in its history in its manufacturing plants. Moreover, more than 30 percent of its organisation stock is owned by employees (Lawler III, 2003).

5.2.2. Vitality

Looking at the attitudes and mindsets of people working at P&G, the organisation can be regarded as a best practice organisation as well (Ready & Conger, 2007).

People are hired and developed along principles fostering commitment (e.g. hiring at entry level and promotion-from-within). Another tool for fostering commitment is the establishment of a university intern programme. This programme gives university students the opportunity to participate in important projects with the full resources of P&G (Ready & Conger, 2007). This costs a lot of time and money; however, later, P&G can make full-time employees out of these interns.
who then exhibit a high degree of commitment. Moreover, interns work in multi-functional teams concerned with business and organisational issues, and present their solutions to the CEO and senior management (Ready & Conger, 2007). What is more, from the beginning of their employment at P&G, people are engaged in their individual career development. For high-potential employees there are “destination jobs” (Ready & Conger, 2007, p.8) that these people can reach under the condition that they continue to perform, impress, and demonstrate growth potential (Ready & Conger, 2007).

Line-management is involved in university recruiting. In order to do so, they “focus on establishing long-term relationships with educational institutions that have diverse populations of highly qualified students” (“Diversity facts”, 2009). Globally, senior managers lead campus teams at top universities (Ready & Conger, 2007). These managers are responsible for hiring outstanding graduate performers in both academic and non-academic terms. To strengthen collaboration with universities, research is funded, technology gifts are made, and senior leaders participate in classroom discussions and judge case study competitions (Ready & Conger, 2007).

Moreover, all stakeholders, i.e. also the talents themselves, are accountable for contributing in making the TM processes and systems robust. Lafley, together with P&G’s vice chairs and presidents, sponsors the leadership development courses for the 300 most senior leaders. This mirrors the organisation’s idea that TM is both a leadership responsibility, as well as a business process (Ready & Conger, 2007).

Summing up, we have learned the following:

- In best practice organisations, TM has to be a top management priority.
- Best practice organisation link TM to business strategy.
- In best practice organisations, TM is an organisational aim and permeates the culture.
- In best practice organisations, talent is moved through the organisation.
- Best practice organisations effectively use IT tools to support their TM process.
5.3. General best practices for talent management

Below, more general best practices, found in the literature, will be discussed.

5.3.1. Recruitment

As has been mentioned several times before, the recruitment of talent is important in nowadays society. In general, recruitment means “those practices and activities carried out by the organization with the primary purpose of identifying and attracting potential employees” (Orlitzky, 2007, in: Boxall, Purcell & Wright, 2007, p.273). However, Stahl et al. (2007) state that more is needed when an organisation wants to recruit talent. It is argued that best practice organisations do not try to find the right people for a certain position, but that they view recruitment in a different way, namely recruiting the best and then try to place them within the organisation. This is what Stahl et al. (2007) call a “talent pool strategy” (Stahl et al., 2007, p.10): instead of recruiting people for specific positions, an organisation with this strategy tries to recruit the best. In relation to this, Cunningham (2007) states there are two strategic choices regarding talent that an organisation can choose from: aligning people with roles or aligning roles with people. The latter strategy seems to mirror the talent pool strategy and is based on aligning roles with people. The first strategy means that an organisation tries to find people that align with agreed roles (Cunningham, 2007).

To recruit the best, best practice organisations have extended their selective ‘right people, right place’ definition with the idea of a cultural fit. This means that potential employees’ values must be in line with the values of the organisation. Formal qualification might not be the best indicator of talent. Therefore, an emphasis on attitudes and cultural fit can be seen as a best practice (Stahl et al., 2007). Above, CSR has been discussed. It can be argued that CSR can be used to attract and recruit those talents that fit with the organisation. An important constituent of CSR is employee engagement. Organisations can use CSR to acquire and retain employees through the use of ‘internal marketing’. This means that employees are seen as internal customers, whose needs must be met. An organisation can attempt this by offering a compelling menu of jobs and related products, i.e. a salary, benefits, and responsibilities. However, CSR is mostly focused on the external stakeholders and is not clearly stated and defined, which means that employees often only have a broad, maybe even vague, idea about what it entails (Bhattacharya et al., 2008). We would
like to argue that when the CSR of an organisation is well defined, it can contribute to attracting the talents that an organisation wants to recruit. Furthermore, the EVP can play a great role in the recruitment of talents, since it, just like CSR, gives a clear statement about what the organisation stands for and what it has to offer. It is not the goal of the EVP to attract, motivate, and retain anyone; it needs to focus on finding the right people. Therefore, elements, capabilities, and competencies that the organisation needs in order to be successful, must be kept in mind (Lawler III, 2003).

However, even though recruitment is considered very important, it is contested in literature to what extent talent can be brought in. Can talent be bought or does it have to be made, i.e. through means of training and development. This is what will be discussed in the next section.

5.3.2. Training and development

Regarding TM, training and development are crucial constituents. In the literature, there is an ongoing discussion about whether talent can and should be bought or build within an organisation.

Organisations have to think about what happens when they recruit (other organisations’’) talents. Will this talent also perform to his or her full potential in a new environment? Thus, the question is whether all talents are free agents in the sense that they are “workers who can pick up and take their skill sets into any environment” (Groysberg, Sant & Abrahams, 2008, p.41). This corresponds with what has been said before in the definition of talent, that talents are strategic resources of an organisation. It can be questioned if a talent will be of the same strategic value within another organisation, since the value is also dependent on the environment of the talent, not just on the talent itself. It was stated in the definition that these resources are hard to copy and difficult to develop here and now. Therefore, one can question if a talent will still be a resource, once moved out of the environment he or she was valuable in. This shows that hiring talents can be risky. Research revealed that talents’ individual performance often declines in the new organisation. Commitment to the former employees’ and organisation specific resources might have had a very strong influence on the talent’s performance (Groysberg, Nanda & Nohria, 2004). Moreover, when a hired talent is entering a team, this might lead to a decline of morale and productivity of the entire team, as the old team might start wondering why they are getting less attention and money (Groysberg et al., 2008). All this shows that training and development are crucial in TM. Motivation and a high performance of talents are mainly influenced by training opportunities,
coaching, and mentoring (Chan, 2007). Cafolla (2006) suggests to “[s]elect a group of high-
performing, highly-motivated young graduates, stretch them to the peak of their capabilities and
two years later, you’ll have a home-grown, readymade management team”. Best practice
organisations invest heavily in the training and development of their talents and thus argue for the
building rather than the buying alternative. Training can be described as a planned and systematic
effort whereby organisations help their employees learn. Learning processes develop the
knowledge, skills, and attitudes of employees (Horgan & Mühlau, 2006). Accordingly, most
organisations have a *promote-from-within policy*. This focus on training and skill development
causes organisations to offer promotions, and is an incentive for strong performance for employees
(Stahl et al., 2007). Nonetheless, it is important that organisations do not only rely on inward-
thinking, which might lead to inertia and insularity. For that reason organisations should base their
middle and senior management hires on 20 to 30 percent of external recruits (Stahl et al., 2007).

Concluding from the above, it can be said that best practice organisations do not rely merely
on recruitment, but also integrate training and development in their TM (Stahl et al., 2007). On the
other hand, training cannot be seen as substituting recruitment, but as complementing it.
Organisations must ensure an inflow of talent in order to deal with the differences in the
environment an organisation cannot compensate for (Boxall & Purcell, 2008).

5.3.3. Retention

If an organisation spends a lot of time, effort, and money in the recruitment of talents and in their
training and development, it can be assumed that this results in the wish to retain these talents.
Retention is the percentage of employees remaining in the organisation (Phillips & Connell, 2003).
Organisations often strive for high levels of retention, not only because of the knowledge
employees take with them when they leave, but also because of the investments that have been
made. The costs of losing an employee can range between 1.5 and 2.5 times the annual salary of the
leaving employee (Page & Vela-Broderick, 2009). This includes increasing costs for recruitment,
selection, and training (Robbins & Judge, 2008). How does an organisation keep its most important
talents? Many authors state that money is not the most important (Stahl et al., 2007; Chambers et
al., 1998; Lawler III, 2003). According to Stahl et al. (2007) financial incentives are only one
element of success; organisations need to offer both tangible and intangible rewards. Especially for
talents, who possess special competences, we believe it is important an organisation offers more
than a high salary: we think talents do not only have competencies that are of strategic importance, but that they also have the need to develop themselves further and see opportunities for growth within the organisation they work for. We argue that this is important for organisations to keep in mind: with the current TM being focused mostly on leaders, other talents might feel that other organisations offer something better or more suited. Retaining these talents might become a difficulty.

Furthermore, a reward system should not only be effective when it comes to attracting people, it should also be able to motivate them and push employees to a higher level of performance. Moreover, it should be able to retain the right persons, not just attract them. Organisations want to avoid attracting employees because of rewards and other offers, e.g. training, and then see these employees leave to go work for the competitors. On the other hand, encouraging employees to stay with the organisation for their entire careers is also not always wanted by organisations, since organisations want to stay flexible in order to respond to changes in the environment. The issue of retention should therefore be considered from the beginning of the employment relation, i.e. from the attraction phase onwards, so employees know what is expected of them and what they can expect from the organisation (Lawler III, 2003). So, offering faster career progression opportunities than the competition seems an effective way to put talents on different compensation trajectories than their fellow employees (Chambers et al., 1998). We argue that this can help an organisation to keep their talents.

5.4. Conclusion from best practices

As we have seen concerning TM at HSBC and P&G, both organisations focus mainly on leaders and in particular on leadership development. Furthermore, both HSBC and P&G implemented their TM thoroughly throughout the organisation; their processes are established in a way that on the one hand forces managers to make use of it and on the other hand, allows managers to benefit from it to the highest extent. It is particularly the proper alignment of the TM processes within best practice organisations, rather than the implementation of the practices itself, that allow these organisations to create a competitive advantage (Stahl et al., 2007). For organisations this means that choosing and implementing the right practices is not enough, they have to establish a TM package that can create a synergy between the practices and that include involvement from all levels of the organisation,
and do so on a global level. We believe that organisations can learn from the way these best practice organisations build their TM and integrated it into their whole organisation. However, it needs to be kept in mind that TM at HSBC and P&G is mainly focused on leadership talents, rather than on multiple talent pipelines.

There is specific literature about the single practices that are constituents of TM and these practices can be interpreted for different pipelines. However in practice, an organisation that can function as a best practice example with regard to multiple pipelines, has not been identified in literature yet, or at least, we have not been able to find an organisation that is stated to be a best practice organisation with relation to multiple pipelines. Thus, even organisations commonly seen as best practices did not establish multiple talent pipelines. The literature-based issues discussed in this section will be linked to the interviews that will be described in the following part. It will be interesting to see whether there are commonalities between the best practices presented here and the information gathered during the interviews. However, before we will present the interview results, we will present and elaborate upon the conceptual model that has been build based on the results so far.
6. Conceptual Model

From the above, the following conceptual model has been derived, in order to visualise the relationship between the different concepts and challenges mentioned.

As can be seen in Figure 6.1., TM has been placed within organisational culture. The culture of the organisation, instead of the organisation itself, has been chosen as the boundary, since, as described above, we believe TM should be embedded in the organisational culture.

The described challenges have also been integrated in the model. The emergence of the knowledge society and globalisation have been placed fully in the external environment as these occur outside the organisation, yet influence the way an organisation functions and thereby influence its culture. The other four challenges have been placed on the border between the culture and the external environment. We believe that these challenges are set by both the internal and external environment of the organisation. The organisational culture then builds the surroundings in which TM is embedded.
The different HR practices, which have been described in chapter 5, have been added as a part of TM. This has been done, to highlight the distinction between the overall HR of an organisation and the HR practices that are constituents solely of TM. Both TM and the HR practices have an influence on individual performance, it has been mentioned above that TM should enhance individual performance. In turn, the individual performance will have an impact on organisational performance. It is also expected that TM will have a more direct influence on organisational performance. Both types of performance have a relation with the culture of the organisation that is mutually influencing. The performance can influence the culture, while at the same time, the organisational culture also can influence the performance of the individual employee and entire organisation both positively and negatively. The organisational performance is shown as being related to the external environment, as we believe that the external environment can influence this, not only by the challenges that have been mentioned in this report, but also by the financial status of the world. For example, the current credit crisis affects the performance of many organisations.
7. Interview results

After having reviewed best practices, in this paragraph, the results from interviews conducted with Danish and Dutch organisations, which operate internationally or have international contacts, will be discussed. Amongst these organisations, one was a public organisation, while the other three are operating in the private sector. The aim of the interviews was to find out if and to what extent these organisations integrate the multi-pipeline approach into their TM. Overall, we conducted four semi-structured, telephone interviews. The interviews lasted between one and one and a half hour. The participants were all involved in (some of the) TM processes within their organisations. The discussion of the results will follow the same structure as the chapters above. This means that we will start by looking at the interview results concerning the different definitions the different organisations have concerning talent and TM; then the different challenges are elaborated upon. In a next section, the single pipeline and the multiple pipelines will be analysed, and finally we will look at the potential barriers to the implementation of TM. Direct quotations from the interviews will be marked by “...”.

7.1. Definitions

As outlined above, for this report we depart from the following definition of talent:

“a talent is an individual with special competencies. In a business context these competencies are of strategic importance to the organisation. The absence of these competencies would pose an actual situation of crisis for the organisation. Furthermore, they are hard to copy for other organisations and can rarely be developed here and now.”

(DEA, 2009).

The first perceptible result when comparing this definition to the definitions of talent formulated by the organisations interviewed, is that overall, the word ‘potential’ is used often, while this word cannot be found in the above definition that is used for this report. This leads us to the belief that in general, organisations see a talent as someone with the (outstanding) potential to grow within a defined period of time. This entails not only growing in ranks, but we have interpreted that it can also mean lateral mobility, because “not every talent has the talent to lead”. Furthermore, this growth can take place in every phase of a person’s career. So, in comparison with the definition for high potential by Heinen and O’Neill (2004), it can be argued that while the word high potential is used, organisations see it as more than just the “capability to perform at some higher level of
responsibility in the organization” (Heinen & O’Neill, 2004, p.74). Moreover, it can be said that the interviewees argue that only a small percentage of the workforce is labelled as a talent. While all employees can exhibit a high level of performance, “a high performer is not necessarily a high potential”. All interviewees see talents as important for their organisation and believe it is necessary to develop and retain these talents in order to gain and ensure competitive advantage.

As we have described above, “TM means that an organisation tries to nurture and develop the people that are defined as having both a high potential and ability”. Comparing this to the outcomes of the interviews, several remarks can be made. First, all interviewees see TM as something that is important for organisations. It is the overall belief that if an organisation does not have TM, it will lose its talents. Therefore, TM is seen as something that will not only help organisations to benefit from the high performance of their talents, but also help retaining them since TM can offer challenging career paths. The organisations seem not to have a definition of TM, but rather an idea about how to manage their talents. What is more, the interviewees argue that TM aims at benefiting the organisation as a whole; although TM is focusing on the individual talent, the overall objective it to ensure the viability of the organisation and to gain and ensure competitive advantage. They focus on the anticipated future behaviour of their talents and base their TM on assumptions on what the organisations will need in the following years. When it comes to training and development, all organisations have taken into consideration both, internal and external training measures.

We believe the above is clearly in line with what Taylor (2007a) argues, namely that organisations often define TM in terms of its constituents, instead of saying what it is. When asking about a definition of TM, answers included a very well thought of enumeration of different practices, rather than giving a definition of what it is. Taylor (2007a) also argues that TM should not be understood as an individual, but an organisational aim and, thus, prepares the organisation for its future performance. This is in line with the statements made by the interviewees, who argue that TM is critical for the future of their organisations. We believe that these results show that every organisation has a (slightly) different idea of what TM includes for them. This reveals that there is not the one definition of TM. However, this also shows the difficulty that organisations apparently have when it comes to defining their TM. In our opinion, most organisations are not aware of the fact that they define their TM more in terms of what it includes than in terms of what it actually is.
7.2. Challenges

Above, several challenges have been described. In this part, we will look into the findings of the interviews to see how organisations in practice experience these challenges and how they deal with them. The challenge concerning TM in SMEs will not be discussed below, since the participating organisations can all be considered large organisations. However, the interviewees all stated that it is important for every organisation to think about TM, and we believe this covers the discussion point about SMEs raised above, since there it was stated that SMEs need to think about an own way of dealing with TM, due to a lack of resources and capabilities.

7.2.1. The knowledge society and economy

Based on the interviews, it can be argued that knowledge and knowledgeable employees are becoming more important for organisations: knowledge “is the core of the company”. Knowledge is seen as an asset. However, interviewees stressed that it is important to take into account that knowledge does not have the same value for every organisation, some organisations are mainly based on their employees’ knowledge (e.g. consultancy organisations), others are also dependent on their employees’ knowledge but to a lower extent. Organisations need to think about what kind of knowledge they need, as due to demographic changes, knowledgeable employees are leaving and are taking (critical) knowledge with them. Therefore, interviewees deem it important that organisations think about the value of knowledge for their own organisation and how (new) knowledge can be attracted, developed, and retained. This also means that TM has to take this challenge for organisations into account, since talents are often seen as knowledge carriers who are extremely valuable for organisations.

Summing up:

• Interviewees state that knowledge and knowledgeable employees are becoming more important for organisations.
• Interviewees stress that knowledge has not the same value for every organisation.
• Interviewees argue that organisations need to think about what kind of knowledge they need.
7.2.2. Changes in the employment relationship

All interviewees recognised there has been a change in the way work is perceived. Moreover, they experience changes on the labour market that they have to deal with, in order to keep a knowledgeable workforce, which is able to achieve a high performance and a competitive advantage. The interviewees feel that the importance and value of work has changed in the last few decades. Whereas before, work was mainly seen as a source to obtain money, nowadays, it entails much more. People do not “just want to do their job”, they want personal achievements as well. The nominators that made work important have changed. Work is seen as something that can add value and sense to one’s life and it should be meaningful and have a purpose, not only for the personal life of the employee, but also to society, as the interviewees stressed.

The interviewees see the above as especially applying to the younger generation, Generation Y. They stated that these young talents are more demanding than the older workforce: they need to find constant challenges and they want to be involved. It is not only money that is seen as important, but the work should be “nice”, and, for example, having nice colleagues has grown in importance. Young people are also more autonomous. They want to feel responsible for their work, without being led and controlled. Furthermore, if they do not feel like there are constant growth opportunities, “they will go to another organisation”.

From the above, we argue that all organisations see an importance for TM regarding these young people. From the different interviews, it became clear that the need to show talents that they can have a career in different areas, in order to avoid them leaving for the competition. This message is also used in recruitment, to show that career opportunities are plenty and that the talent these (young) people will be valued.

Summing up:
- Interviewees experience a change in the way work is perceived.
- Interviewees state that young talents are more demanding.

7.2.3. Globalisation

In general, we have experienced that the interviewees see globalisation as an important challenge today. More and more organisations are globalising and doing business internationally. As a
consequence, organisations have to cope with the fact that their talents are spread all over the world. This led one interviewee to argue that “geography is important”. Not only talents are spread all over the world, but organisations also want their talents to go on international assignments as part of their development. However, as the interviewees stressed, this represents a challenge in itself as it always depends on the individual, whether he or she actually wants or can be sent abroad. For example, personal preferences and family circumstances must always be taken into consideration, since, as we believe, there is no value in sending people abroad who do not want to work internationally. International mobility is also important with regard to the attraction of new employees. We assume that particularly for the young generation, the opportunity to work internationally is a crucial factor when they decide to work for a certain employer.

Most organisations we interviewed, have implemented their TM process on different levels, i.e. on a global, regional, and local level. TM programmes bring together people from all over the world. Most of them have a global policy that, as at HSBC, is locally adaptable. For example, different kinds of training are offered from which subsidiaries can chose or these trainings can be locally adapted.

Furthermore, it is important for the interviewees’ organisations that people meet with and “know what it is like to work in the other cultures” that the organisation is operating in.

Looking at the above, we believe that it is important to link it to the multi-ladder approach of TM. It revealed that organisations actually can adapt multiple talent pipelines throughout the international organisation. These pipelines then include different levels, i.e. global, regional, and local talents. This shows how complex the issue of multiple talent pipelines is and who well-thought-of multiple pipeline approaches can add value internationally. Furthermore, we think that with the internationalisation of the world, different kind of talents are becoming more and more important. These talents need to be valued and developed. Therefore, multiple pipelines become important for organisations and for their global processes.

Summing up:

- Interviewees see globalisation as an important challenge today.
- Interviewees state that their organisations also want their talents to go on international assignments as part of their development.
- Interviewees state that TM processes are implemented on different organisational levels, i.e. on a global, regional, and local level.
• Interviewees want their talents to experience the different cultures their organisation is operating in.

7.2.4. Diversity

The organisations interviewed all have thought about how they deal with a diverse workforce today. They do not all have a policy yet, but those who do not, are currently discussing the subject. Organisations see a need to think about diversity, as the workforce is aging and “it will be more difficult to find people who fit”. The groups the interviewed organisations are focusing on, are varied, and for instance, include sex, religion, culture, and age. For example, people belonging to the Generation Y differ from the older generations when it comes to finding employment (D’Amato & Herzfeldt, 2008). For organisations, this means that they have to establish TM processes that are tailored for and applicable to different groups.

During the interviews, we experienced a difference in national culture when it comes to more actively offering women higher positions. Not all organisations have fixed percentages about the amount to which certain groups should be represented at a certain level of the organisation. One interviewee stated that “it is a focus point, but now it is happening naturally”. As long as organisations “feel like they have a good mix of talents”, they do not see a need to enforce certain numbers. One of the organisations we interviewed, states that quotas are heavily discussed as they are very expensive. It seems that the interviewed organisations are focussing on the subject of diversity, and see it as an important challenge, yet they prefer to let the diversity of the workforce come to be naturally, instead of enforcing it with numbers. They all believe that it is very important to recognise talent, no matter the sex or ethnic background etc., yet they also feel it is important to choose the right candidate for the job and not choosing someone because the candidate is part of a minority group. Linking this to the multi-ladder approach in TM, this shows that different groups might need a different kind of TM in order to be managed appropriately. As one of the interviewees argued, as long as there is a heterogeneous group of talents, organisations do not necessarily need different approaches; nonetheless, they have to take this aspect into consideration.

Summing up:

• All interviewed organisations have thought about how they deal with a diverse workforce today, though, not all have a policy yet.
• There is a difference in national culture when it comes to more actively offering women higher positions, some organisations have certain quotas.
• The interviewed organisations prefer to let the diversity of the workforce come to be naturally.

7.2.5. External demands on organisations

The organisations we interviewed experience that employees’ notion of a career has changed during the last decades and that people are leaving the organisation faster. As mentioned before, employees want to contribute something meaningful with their work, not only for themselves, but also for society. Some of the interviewed organisations are trying to send this message out in their recruitment process, to make it part of the reputation of the organisation. However, one interviewee stated that what is known to the outside world, are often the short-term programmes, which focus on the next five years of the career. Even though the organisations know about this, this subject showed some differences between the organisations interviewed: they view their reputation and employer branding as working in different ways. We believe this is the same for CSR and EVP, since these are influenced by what message the organisation sends out. All the interviewees stated that their organisation has a reputation, but the organisations related this to TM in different ways: some do not explicitly mention it in the message to the external environment, while others believed it was part of their reputation. What has to be taken into consideration, as mentioned by one of the interviewees, is the tension between centralisation and decentralisation. Centralisation means that authority, in this case over TM, is based at corporate headquarters, while decentralisation means that each business unit has its own autonomous approach (Weinstein, 2009). According to one interviewee, when working with TM, it seems relevant to keep this tension in mind, also in relation to the EVP and the reputation of the organisation. TM, especially when headquarters is formulating the policies and processes, can be seen as a centralised process. The interviewee argued that it seems many organisations nowadays do not want to be seen as centralised and sending out the message of a strong, centralised TM function can be in contrast with the message organisations send out, in which they state to be decentralised. Also, Weinstein (2009) states that it is important for organisations to find a balance between the two extremes, no matter which of the two sides an organisation chooses. We believe, and agree with the interviewee who pointed to this dilemma, that it is important to keep this in mind.
To us, this shows that there is still more room to act for organisations, when it comes to the way CSR and the EVP are used in relation to TM. TM is seen as something that can be used in the reputation or EVP, but is not always a part of it yet.

Summing up:

- Interviewees experience that employees’ notion of a career has changed and that people are leaving the organisation faster.
- Interviewees view their reputation and employer branding as working in different ways.
- Interviewees stress a tension between centralisation and decentralisation.

### 7.3. The single-ladder pipeline versus multiple pipelines

Since the focus of this report is on the multiple pipeline approach, in contrast with the traditional single pipeline approach, a big part of the interviews focused on this subject. The following section will look into the results from the interviews concerning the multiple talent pipelines.

Several interviewees stated that organisations need more than one career path, in order to prevent that people are getting in the one path (which is often a leadership pipeline, if organisations do not have multiple pipelines yet) that actually does not fit them. In the past, non-leading talent “felt they had to become a leader to get all the training and education”. One interviewee clearly stated that it is important to keep in mind that “not every talent has the talent to lead”. In that sense, it could be a loss of talent if organisations indirectly push their employees into a leadership pipeline, as there is only one, although they might be more valuable in other positions. We believe that this is a very important reason for organisations to adopt multiple pipelines, which are tailored towards the needs of different types of talents.

#### 7.3.1. Implementing multiple pipelines

During the interviews, it revealed that when organisations start implementing TM processes, it is important to start with a small group of employees. According to one of the interviewees, organisations should not start by implementing pipelines for several groups at the same time, but rather build one pipeline after the other. This also implies that if an organisation already has one
pipeline, this organisation should not suddenly add, for example, five more but build more pipelines in smaller steps. In that sense, it was argued that organisations should “start small and go from there”. We believe that this is important to establish a manageable TM process in an organisation. If organisations try to implement and change too much at the same time, the people responsible for the process will have a very hard time.

Moreover, one interviewee stated that when organisations implement TM processes, they need to find out the possible strengths and weaknesses of the talents in the different pipelines. This means, that even if there are generic training and education programmes for a group of talents, the choice for a certain programme should still be made on an individual basis. Thus, even though the talents in a particular pipeline require the same competencies, the methods and ways to achieve these might be very different on an individual level, since the talents differ in the competencies they already have and differ in the training and education that they need or want. In our opinion, this is very important to keep in mind, as every talent has a different background, different experiences, and different needs for further development. So, we believe that organisations must make sure that they have always to consider each talent individually. As one interviewee put it: “you cannot depend on the process, but you have to be involved with the people”.

Another issue that arose in relation to the adoption of several talent pipelines is the question, whether one of these pipelines can be prioritised. An example would be whether leadership talents are (still) prioritised over other groups or if, for example, professionals are the most important group. It seems that in the organisations interviewed, those that have more than one talent pipeline see these pipelines as equally important, as they need all groups in order to achieve success, now and in the future. We believe that when prioritising a certain group, it is important to keep in mind that this sends out a certain message to the employees. If a certain group is ranked as being more important than another group, this might contribute to lower the motivation and commitment of the lower rated group and might even make them consider working for another employer that values them and their particular talent to a larger extent.

What is more, one interviewee stated that organisations need to “choose a scope, if not, you cannot focus”. This means that each organisation has to define a scope, since a too complex TM process is difficult to integrate and to maintain, which might put at risk the whole TM process. In this context, we believe, it is important that organisations think about their core business when coming up with their own definition of talent and base their talent pipelines on this.
What is interesting, is that in one half of the organisations interviewed the pipelines focus on leadership; however, as one interviewee pointed us to, it can be argued that TM is done at every level of the organisation, i.e. there are processes deeper in the organisation that are not necessarily labelled TM, but still are a form of TM. According to one of the interviewees, for example, in a manufacturing organisation, when an employee is moved one level up and becomes a coordinator, this can be seen TM as well. These people are also important for the organisation. The interviewee argued that it is crucial for organisations to have employees who have a long track record of different functions. We believe that for organisations, these employees are of high value with regard to their experience and crucial for an organisations’ performance; however, it must be questioned whether these employees are talents in the sense of the definition raised above.

7.4. Potential barriers to the implementation of talent management

During the interviews, it became clear that there are several problems that might occur when organisations establish TM. This paragraph will elaborate on the most important of these problems.

7.4.1. Line managers

Conducting the interviews, we found that a possible barrier when it comes to the establishment of TM in organisations is the role and the involvement of line managers. One interviewee stated that each line manager deals differently with talent and that line management contribution makes a difference for the TM process of the organisation. One interviewee reported that their line managers are backed up by the responsible HR managers concerning the TM process. Moreover, one of the interviewees underlined that due to the current crisis, many line managers focus on short-term rather than long-term results. In this sense, the interviewee argues that it is important “to make sure that everyone knows what the aim of the organisation is”. Of course, line management has to deliver business results. In this context, during one interview, it was underlined that “if line managers are smart, they create a connection between the development of their employees and the success of their team”. We agree and believe that the success of a TM process is largely dependent on the support and involvement of line management.
7.4.2. Job-person fit

Another issue an interviewee pointed out to us is that organisations have to make sure that those who are selected, fit into the specific job they are appointed to. It can happen that, while a talent seems suitable at first, it might turn out that there is a “mismatch” between the job and the person. This may not have been realised at the beginning. It was argued that this does not have to be a problem, if the organisation anticipates that this might happen. Talent may fit better in one part of the organisation or a certain job than in another. It is important not to perceive this as a mistake from either side (i.e. organisation or talent), but to look further and see what kind of training or job does fit. This more positive view will ensure that both sides will continue to be motivated.

7.4.3. Support throughout the organisation

Another barrier to the establishment of TM, mentioned during the interviews, might be the support of senior management. For TM to be successful, this support is necessary in order to have an influence throughout the organisation. When senior management does not support the processes, for whatever reason, other actors within the organisation will have a very hard time implementing and executing TM processes to the fullest extent possible.

Moreover, one interviewee pointed us to the problem that they experience that when mentors and coaches are searched for talents, often many people say that they would like to coach or mentor new talents. However in the end, it is often experienced that they do not have the time. According to the interviewee, this is also a problem from the side of the talents, as they also are quite busy and often do not find the time for an appointment with their mentor or coach. So, it was stressed that this is a problem both sides will have to manage; both the talent and the coach are responsible for the time and effort put into the coaching process.
8. Recommendations

Below, ten recommendations concerning the issue of TM and the multiple pipeline approach will be given. These recommendations are based on the literature review, the review of best practice organisations, and the conducted interviews. However, we would like to underline that these recommendations should not be seen as recommendations to actually implement TM or multiple pipelines, so they are not to be understood as a recipe to construct multiple pipelines. These recommendations are to be understood as starting points to reflect upon, in order to provide organisations with some ideas when they think about implementing TM. In that sense, the recommendations below represent rather a source of inspiration than solutions, for organisations to think about. Of course, every organisation has to decide which of the points are relevant for its particular situation.

1) Talent management is not necessarily about upwards mobility.

This point has been mentioned above several times, but we believe it is important to refer to it as the first recommendation. In our opinion, organisations need to realise that the concept of a career has changed. A career is no longer seen only as moving upwards through the levels of the organisation, towards a (senior) leadership position. Nowadays, making a career entails much more: next to moving upwards, it can mean moving through the organisation in lateral paths, but also moving between different organisations. As said before, this is called the boundaryless career (Arthur & Rousseau, 1996). We believe it is critical for organisations to take this changing idea of a career into account and we think the TM of an organisation needs to be in line with this idea. In today’s society, it is important that organisations offer a career to all their talents, not only the talents in the leadership pipeline. Employees are more demanding when it comes to their career and for (almost) all employees, not only leaders, in the knowledge society, having a career has become very important. It seems that, if an organisation does not offer career paths to everyone, employees might consider leaving and going to an organisation that will offer them a career that is more in line with their expectations. Therefore, we stress that it is important for organisations to realise that the roles and the demands are changing and that TM should not only be focused on upwards mobility, but also embrace lateral mobility, in order to offer attractive perspectives to multiple groups of talents. This also sends a message for potential
employees of an organisation: they see that in order to be developed they do not necessarily have
to grow in ranks, but can have a career without having to lead other employees.

2) Leaders are not the only crucial group anymore.
As has been mentioned above, in the last few decades, the roles of leaders have changed significantly. It can be argued that leaders are not as crucial as before, since employees are becoming knowledge workers and professionals more and more, and therefore, they are less interchangeable and more valuable for organisations. This means that it is not only leaders making a difference for the organisation. Of course, leaders are still important, but they are not the only crucial factor in the organisation anymore. We believe it is necessary for organisations to take this into account, since it shows that TM should be focused on more than one group, in order to attract and retain all crucial talents, instead of just leadership-talents. As leaders are not the only crucial group anymore, organisations must find ways to offer attractive career paths to talents other than leaders.

In our opinion, offering an attractive career path for different groups of talents will also help to prevent putting people into the leadership path that actually do not want to be leaders or do not have the right competencies. As we have argued several times above, being a talent does not necessarily mean that this talent also has the talent to lead other employees. Different groups of talents can be chosen by an organisation, depending on what is crucial for its particular circumstances. However, it has become clear to us that these talents require a different form of management than the traditional sense of management. To conclude, as leaders are not the only crucial group anymore, organisations should establish talent pipelines also for talents other than leaders.

3) Organisations must think about own definitions.
In line with the CIPD (2007), we believe that it is important for organisations to come up with their own definition of what a talent is. The CIPD (2007) states that talent is often organisationally specific and that for organisations, it is more valuable to formulate their own definition than just relying on a definition provided by research or copying one from other organisations. We believe that, when organisations want to work with TM, they need to have a clear idea about what constitutes a talent and what kind of competencies are important for the talents in their organisation. This relates to the core business of the organisation. We think that
every organisation is unique and that different organisations have different core businesses. The definition of talent needs to be aligned with the specific core business of an organisation. From the interviews conducted, we understood that in practice, organisations see both the definition and the TM processes as dependant on the character of the organisation. There are some very specific approaches within organisation and organisations differ from each other. So, it is likely to assume that different TM processes will fit different organisations. This idea fits the contingency perspective of HRM. Delery and Doty (1996) state that there are several contingency factors that will influence the relationship between different variables. In this case, the variables are the organisation and the TM of that organisation. Examples of contingency factors are organisational size, age, technology, and location. These contingency factors can cause certain TM processes to work well in one organisation, while they do not fully work in another. This perspective is the so-called ‘best fit’ approach (Beer et al., 1984), which emphasizes that managers are wise to adjust HRM to the specific context; organisations may under-perform if they do not adjust (Boxall & Purcell, 2008). Therefore, it can be assumed that TM also has to be adjusted to fit a specific organisational context, in order to reach its full potential. We believe that when organisations do not take this into account, this can be a strong barrier for TM. So, we argue there is no ‘one-size-fits-all’ approach to TM and that it is very important for organisations to think about their own definition and approach to TM, to make it fit the organisation and its employees. Furthermore, every organisation seems to have different success factors. Nowadays, employees can be seen as a success factor (Boxall & Purcell, 2008). Yet, every organisation has to deal with different kinds of employees and therefore, we believe every organisation should have their own definition of talent.

Furthermore, looking at the core business of the organisation can help to figure out what kind of talent it needs. Therefore, it can help the organisation to define the groups of talent that could be formulated, i.e. what groups of employees are necessary for the organisation to perform their core business, now and in the future. This will lead the organisation to think about whether one pipeline, and thus focusing the TM processes on one group, is enough. Nowadays, it might be that organisations need multiple groups of talent in order to stay viable. Looking at the core business and at the future direction of the organisation can help the organisation anticipate what kind of talent will be needed.
Moreover, we believe it is important that the TM processes of an organisation are aligned with the other HR practices of that particular organisation. As every organisation has a different set of HR practices, the individual organisation must identify and decide which kind of TM processes would fit with the HR practices that are already established. To illustrate this idea, we would like to present the example of team rewards. If an organisation rewards its employees based on team effort and then a TM process implemented, which includes singling out talents, as a consequence, team performance may decrease, since not only will employees be rewarded for individual effort, but also because labelling certain employees as talents means that these talents will be moved through the organisation. This means that the talent will leave the team, which can decrease team performance, since one valuable member is missing and therefore team dynamics probably have changed. A TM process in that organisation must take into consideration that taking out the talent must not be at the expense of the other team members. This example highlights that not every TM approach fits into every organisation, but that an organisation has to look at, what they already have in place.

4) Do not prioritise your pipelines

In this report, it has often been mentioned that being a leader and the leadership pipeline is viewed as the most important career path, both by organisations and by society. We believe that it is very important that when an organisation implements multiple pipelines, these pipelines are seen and treated as equally important. Prioritising one over the other will give the idea that there are still certain careers that are valued more than others and that there is a possible distinction in how important the different talents are for the organisation. This might cause dissatisfaction with certain groups of talents. Furthermore, this might cause that talents will try to get into the pipeline that they believe is perceived as most important. Because of this, talents end up in a pipeline that is not suitable for them or where they cannot reach their full potential. It might also lead talents in the lower valued pipeline to leave the organisation and to go for the competition, as they feel they might be more valued in that other organisation.

The above relates to possible jealousy and envy that could come to exist when certain groups of talents are prioritised at the expense of others. This can cause dissatisfaction, which could lead to talents leaving for other organisations where they feel they are valued more than in their current organisation. Also, this jealousy might make talents try to get in the pipeline that is
the most valued, which, as has been mentioned before, can cause talents to be in a pipeline that is not suitable for them.

So, we believe that prioritisation in the beginning of the implementation process is important, since certain pipelines have to be identified based on the core business of the organisation. The organisation has to choose which groups of talents will be crucial to the organisation in order to stay viable, now and in the future. However, when these groups have been chosen and the different pipelines are established, no prioritisation should be made.

5) Create a supporting culture within the organisation.
As has been mentioned above, we believe that the culture of the organisation should support TM, in order to make TM work to its full potential. This means that the culture of an organisation should allow for TM to be fully integrated in the organisational culture. For TM to work, naturally it is necessary that certain people are singled out as talents. The culture of the organisation needs to support this. For example, if the culture is solely focused on teamwork, singling out individuals might become a problem, as has been illustrated above. Labelling talents in a team-oriented culture can create ‘lonely stars’ who are moved through the organisation and not part of a team anymore. This could cause a decrease in satisfaction, commitment, and engagement. Therefore, we believe it is essential that the culture of the organisation is supportive of the pipelines the organisation chooses and the accompanying practices it wants to implement.

Moreover, TM should be seen as an organisational aim, not as an individual aim. While growth and development can be regarded by the talents as a personal goal, it is important that the whole organisation sees and encourages the importance of TM. We believe it is essential that everyone knows that TM can benefit the organisation, since it can enhance performance and give employees the chance to develop themselves and grow within the organisation. When people are labelled as talents, their career paths most likely change. This will usually take them away from their current position and colleagues. This will also influence the dynamics of the team the talent used to be a member of. When the culture of an organisation is not supporting, the fact that talents are moving around the organisation can cause dissatisfaction or a decrease in performance. Furthermore, from the information we gathered in the interviews, it showed that many organisations that had TM in place, also offered additional training and education for the employees that had not been identified as talents. TM can send out a message that development is important and that the different employees, also the non-talents, are valued. This can create a
positive atmosphere which might enhance overall organisational performance. We believe that having multiple pipelines contributes to this enhancement even more, as it shows that it is not only potential leaders that are valued, but different groups of talents. An organisational culture that embraces the idea of multiple talent pipelines might enhance motivation and commitment throughout the organisation, since talents can be found amongst different groups of employees.

Moreover, we think it is important that an organisation appoints people, who have the responsibility over TM, i.e. it should be a separate function. These people should work closely together with the rest of the organisation, to create a form of alignment, yet TM should not be regarded as something an HR-manager can do next to all of his or her other tasks. Different stakeholders throughout the organisation must put effort in the TM processes and in order to make this happen, a supporting culture is a prerequisite. This culture will not only support the people responsible for TM in doing their job, it will also ensure that this separate function will be able to exist. Furthermore, we believe that integrating TM into the culture of the organisation will help to make TM fit the organisation. For example, different national cultures may have different ideas about TM. As has been mentioned before, singling out employees as talents may not be appropriate in collectivistic cultures. It can be assumed that the organisational culture will be influenced by the national culture. When TM is integrated in the culture of the organisation, we believe that the differences in national culture will be taken into account, as these differences are visible in the organisational culture.

To conclude, we argue that it is important to integrate TM in the organisational culture. It might be a “constant battle for priority”, to make everyone within the organisation see the importance of TM, but in order for it to work effectively, TM should be integrated.

6) Ensure line management involvement.

It is important to strike that TM is not only HR managers’ task and responsibility, as it has been mentioned before that TM should be a separate function. However, also line managers should have a special role in TM, as they are particularly important to have a high consistency of HR, and in this case TM, throughout the organisation (Boxall & Purcell, 2008). This means that if TM shall have an influence within an organisation, line managers have to integrate it in the whole organisation and integrate it in their daily work. They deal with their employees every day on a close basis and thus also with talents in the group of employees they are responsible for. Moreover, we believe line managers can be very important in identifying the different groups of
talents; they deal with the workforce everyday and could identify, together with the top management of the organisation, the different pipelines that will be crucial in the future. So, line managers can be seen as crucial filters, both positive and negative, between TM processes on paper and the actual implementation and realisation. This means that they can largely support or hinder the implementation and execution of TM. Training for line managers to better understand and communicate with their employees, and to grasp their interests and passions is significant (Boxall & Purcell, 2008). If line management, for whatever reason, is not participating in TM, there is a high chance that the complete process might fail. Also, during the interviews, line management involvement revealed to be crucial. This might include the provision of training for line managers in order to prepare them to deal with (new) TM processes in their organisations. Moreover, due to their closeness to the employees, line managers know the (potential) problems and barriers that the implementation of new policies and practices might embrace. Furthermore, line management involvement is critical in TM as it is the line managers who have to identify and recognise the talents on the work-floor.

After having been identified, talents can be moved through the organisation, and do not necessarily remain in the area of responsibility of the line manager who initially identified that talent. In order for this to succeed, it is crucial to implement a culture that shows line managers that they are acting for the success of the organisation and have a responsibility to let the talents work somewhere else in the organisation. Taking a talent out of a team might decrease the performance of the entire team, which in the end might mean that the employees not labelled as talents, as well as the line manager, might experience a negative time after the talent has been moved. It is important that line managers know how to deal with this, in order to make sure that TM is seen as something positive. This shows that line management involvement also relates to the recommendation made above, namely, that TM must be part of an organisational culture, which in turn will influence line management behaviour.

Furthermore, organisations should reflect upon the degree to which they integrate involvement in TM in the incentive schemes, performance appraisals, and goals of line management. This means that line managers not only need to realise the importance of TM, it should be part of their function. It should become a goal of line managers to identify and talent and to move these talents through the organisation. It is important that line management sees TM as an organisational aim and is in some way rewarded for the tasks related to TM. If they feel
that they will only lose their best people when they identify them, TM will not work to its full extent.

All this shows that line managers are critical stakeholders when it comes to successful TM processes.

7) Show the external environment what you have to offer.
As outlined above, the external environment has become an important stakeholder for organisations. Image, reputation, and employer branding have become crucial for the success of an organisation. So, these elements should be taken into account when it comes to the implementation of TM and multiple pipelines. The literature review and the interviews have made us realise that many organisations do not use employer branding to the fullest potential with regard to TM. Organisations could be more active and visible in showing what they have to offer to their (potential) employees. We believe that many organisations have attractive career opportunities and TM processes, but do not make full use of them in order to recruit talent, by advertising these opportunities and processes. Moreover, organisations should more actively show what makes them different from the competition, in order to recruit talented employees. Multiple talent pipelines can contribute to employer branding in that organisations show (potential) candidates that they do not necessarily have to become leaders if they want to make a career. An EVP can help the organisation to get the attention of candidates who share the values and goals of that specific organisation (Lawler III, 2003). Moreover, an EVP can contribute to keep those (talented) employees that fit the organisation. If organisations show to the outside world, that part of the EVP is the development of employees, talents know their talent will be valued and that they get a chance to develop themselves. This will make the organisation more attractive, but it will also positively influence the performance of both the individuals and the organisation. Thus, organisations should send out a clearer message to both their current and their (potential) future employees about who they are and what they have to offer.

8) Do not forget the non-talents.
All the current discussions about talents and talent management in both literature and practice might convey the picture that talents are the only important employees of an organisation. This apparent hype led us to the recommendation that organisations have to make sure that they do not forget the non-talents. Of course, as we have argued several times above, talents are the
employees that make a difference for an organisation. However, organisations must keep in mind that there need to be ‘normal’ employees surrounding and supporting the talents. Furthermore, without a complete workforce that is functioning well, an organisation cannot exist. It is not only the talents that keep an organisation viable, it is the entire workforce. Organisations must be aware that not 100 percent of their employees can be talents. As stated earlier, not every employee can be a talent, but every employee can be an asset for an organisation. Most organisations researched in literature and interviews, have a certain percentage of employees that can be considered talent. Yet, this percentage is often a small number, and if an organisation only focuses on the talents, the majority of the workforce will be ‘forgotten’ or ‘ignored’.

Nonetheless, we want to strike that organisations still have to manage the ‘non-talents’ in order to make full use also of these human resources, i.e. these assets. Although nowadays, a lot of attention is focused on TM, organisations need to find appropriate ways to recruit, develop, and retain normal employees. If an organisation identifies one percent of their employees as talents, it is crucial to think about the 99 percent of employees, who are not identified as talent. If an organisation forget about its ‘normal’ employees, it cannot stay viable, no matter how good its TM processes are. Therefore, we believe organisations should not only have elaborate TM processes, but should also offer some sort of training and education to regular employees. These employees also need to be kept motivated and they also want to feel valued by the organisation. Even though these employees may not be classified as talents or high potentials, they can be high performers. It is important for organisations to make a distinction between the two groups, but the organisation should not forget to also reward the high performers, in order to keep the whole organisation motivated and performing well. Furthermore, we believe this might help to avoid envy or jealousy among employees. Whereas the organisational culture also plays a role in this, i.e. the culture should enforce the idea that TM is an organisational aim, rewarding employees who perform well will make that these employees also feel recognised, despite the fact that they have not been labelled as talents.

So, while we argue that TM is very important, we would like to stress that focusing solely on TM will not benefit the organisation. The biggest group of employees, i.e. the non-talents, should not be forgotten.
9) *Keep it as simple as possible.*

For TM processes to function and to be applied in the organisation, it is necessary that they are easy to apply and as transparent as possible. At first glance, this might appear to be quite obvious; however, we believe that simplicity might help the TM process to have an impact throughout the organisation and we believe this is especially important in the first stages of the process, when the processes or the different pipelines have to be implemented. The more complex the process is, the weaker is the chance of actual realisation. Of course, with a growing complexity of an organisational structure it is increasingly difficult to have simple TM processes. However, organisations should keep in mind that the more transparent and easy to apply, the easier is its implementation.

Furthermore, by keeping the TM process simple and transparent, a better alignment between the new processes and the processes already in place in the organisation may occur. We believe, and this belief has been strengthened by the interviews held, that many organisations have a lot of TM processes in place, yet do not label it TM. We see it as important that these processes are recognised as TM, in order for these processes to function to their full potential and to build a synergy.

Therefore, we argue that TM can be seen as a puzzle. Many organisations have already implemented processes that are part of TM, yet there seems to be no alignment and no full recognition, i.e. the different pieces do not yet fit together. We believe that for organisations, it can be helpful to use this puzzle metaphor, to find out which pieces are already part of the organisation, which pieces are still missing, and how these pieces can fit together.

10) *Realise that a ROI is difficult to calculate.*

Of course, we realise that business is about making money. Thus, when it comes to decision making with regard to TM, management is often immediately interested in the return of invest (ROI). Organisations want to determine those investments in talent that will have the strongest impact on the execution of their strategy (Anonymous, 2004). Moreover, management is often focused, and has to be focused, on short-term success which can be shown in numbers. Nonetheless, when it comes to the measurement of ROI in HR in general, much has been discussed in literature, however, in practice, most approaches fail (Creelman, 2004).

If an organisation has a culture of which TM is a constituent, this will influence the overall performance of that organisation and not only the performance of the employees identified as
talents will grow. This means that in such a culture, not only talents, but also non-talents are performing better, which, in the end, might lead to an increased organisational performance. As a consequence it is not possible for organisations to exactly identify the ROI made in their TM, or even in the individual talent. When an organisation implements TM, the organisation as a whole is shifting, thus, it is not possible to track back the ROI of one particular talent. However, HR should be involved in the measuring of TM. Yet, these measurements are not about money. HR can measure the number of talents that flow through the organisation, or the performance of talents when it comes to certain competencies these talents are developing.
9. Discussion

In this final part, some issues related to the above report about alternatives to the single-ladder approach in TM will be discussed. First, the limitation of this research will be discussed. Then possible focus points in future research will be issued. This section will be ended with a discussion about some practical implications of this research.

9.1. Limitations of the research

As there are some limitations related to this research, this paragraph will point to them.

First, although an extensive literature review has been conducted, it is necessary to point out that not all information that exists on the issue presented in this report, has been found. The focus of this report is on the multiple pipeline approach. Even though literature has been collected from various databases, there is the chance that these databases did not provide all literature available on this subject. Furthermore, since it seems to be a subject with a strong increase of interest, much literature on the issue of multiple pipelines might not have been written (yet). So, while there might be literature on the subject, there could not be found a lot of (scientific) articles about it.

With regard to the two best practice organisations presented here, it should be stressed that these two organisations, also in literature often presented as best practices, are still fallible and their approaches must not necessarily work in other organisations. Organisations are strongly influenced by their specific environment, industry, size, and their current and historical attributes. This means that the practices that have been very successful in the two best practice organisations described, might not lead to the same results or might not work at all in other organisation, if they are copied directly. Moreover, it must be underlined that even though it has not been possible to find an organisation that is classified as a best practice organisation when it comes to multiple talent pipelines, this does not mean that there is none.

Moreover, the selection of the organisations interviewed was mainly based on personal contacts, and this means that the results presented here are not to be generalised to any organisation. Furthermore, only four organisations have been interviewed, which is a relatively small amount, nonetheless, this made it possible – in the restricted period of time – to analyse and elaborate on the
TM processes of these organisations in depth. Thus, the organisations presented here should be seen as examples and illustrations rather than as cases from which to generalise or copy TM processes. Thus, in order to derive more valid conclusions, further empirical research will be necessary.

Furthermore, due to the nature of the project, many results presented here rely on the assumptions made by the authors. Not all has been scientifically proven; however, it can be argued that the conclusions drawn here are based on literature and interview findings.

Moreover, regarding the recommendations, it should be stressed that these are only to be seen as starting points to reflect upon, but – due to the complexity of the issue – are not to be understood as a recipe how to implement and construct a TM process. In order to give strict and valid guidelines how one should proceed with the process of multiple pipelines, extensive research needs to be conducted in the organisation in question, so that guidelines that fit the specific context of the organisation can be made.

Additionally, the challenge concerning the SMEs deserves some special attention, as no SME was interviewed directly. Although the SMEs have not been discussed as exhaustively as the other challenges, it must be underlined that it is essential to mention them, as they represent a large part of the employers in Europe. They are also operating in, and therefore influenced by, the knowledge society. This means that they also have to think about how to recruit, develop, and retain talents, even though they might not be able to implement processes which are as elaborate as those of large organisations.

9.2. Future research

This report should be seen as a starting point for future research. Future research should particularly focus on why organisations should identify different groups that are valuable for that particular organisation and how they should do this. Moreover, research should look into what consequences and effects the identification of talents and the offering of extra training, development, and career opportunities of these employees might have on both individual and organisational performance. Moreover, we believe, research should look more into how the implementation of multiple talent pipelines influences the behaviour of non-talents. What needs to be taken into account is the discussion about whether organisations should be open, and to what extent they should communicate who has been identified as a talent and the TM processes in general. While in this report it has been stated that TM should be embedded in the organisational culture, there have been
questions raised (by interviewees as well as colleagues) about the impact this has on the different employees. There have been arguments that it might be better for overall satisfaction, commitment, and motivation if it is not explicitly mentioned who the talents of an organisation are. Especially when an organisation is implementing multiple pipelines, with more people throughout the organisation identified as talents, it seems important that the influence of establishing these pipelines and explicitly mentioning who the talents identified are will be researched. Future research should focus on this dilemma.

In this report, the issue of the prioritisation of a particular talent pipeline has been raised. It has been argued that leaders are still prioritised, both by people, who feel a leadership position is something to strive for, as well as by society. For future research, this issue can be of particular interest. In the report, it has been argued that prioritising one group of talents over another might have a negative effect, but this has not yet been scientifically proven. In order to state this with more certainty, and to find out the effect of prioritising, more research needs to be conducted.

Furthermore, in order to draw valid conclusions on the effect of the establishment of multiple talent pipelines on organisational performance, an empirical research (perhaps with a longitudinal design) is necessary. The conclusion of this report (i.e. that due to changes in society, organisations are wise to consider multiple pipelines and that implementing these might benefit them) has been based on a literature review and logic. However, scientific prove has not yet been found. Future research could provide scientific prove and arguments about whether or not organisations benefit from multiple pipelines.

9.3. Practical implications

The results of this report also include some practical implications. First, many organisations have not yet implemented multiple talent pipelines. These organisations might take into consideration doing so. Moreover, the recommendations given and conclusions drawn shall help to trigger more (scientific) research and discussions about this subject, which can help organisations with the establishment of TM processes and inspire organisations to more reflect upon why they include certain constituents in their TM processes and others not.

The recommendations might not only be guidelines for organisations that start implementing TM processes, but also for those that are refining and redefining their existent processes.
Moreover, this document can be used as a starting document for practitioners who want to get more acquainted with the issue of TM. As has been mentioned before, there is a growing interest in the subject of TM and this report can be used as a starting point, before diving into one or more of the issues raised in this report in more depth.
10. Conclusion

In this report, several challenges in nowadays’ society have been discussed. These challenges lead to the question whether a single pipeline approach to TM is still sufficient for organisations to ensure viability. We believe that it has become clear that it is very important for organisations to think about this question. Can organisations still compete and gain a competitive advantage when they focus their TM only on (potential) leaders? The main question of this report is the following: “with the growing need for specialised knowledge to solve complex challenges on the labour market today, which alternatives do organisations have to the traditional single-ladder talent focus on leadership?” In order to find an answer to this main question, we did not try to make a list of pipelines from which organisations can choose. However, we attempted to show why the alternatives to the single pipeline approach are crucial today. The challenges in today’s society lead to a change in the employment relation and in the external environment. We believe this forces organisations to look at TM in a different way, i.e. they have to question whether having one pipeline is still enough. The challenges presented in this report revealed the increasing need for multiple talent pipelined. That is why with this report, we tried to show the importance of a multi-ladder approach and we have given examples, both through best practice organisations as well as information from conducted interviews, how other organisations have dealt with this dilemma. Formulating the alternatives to the single pipeline approach for organisations is hardly possible, since every organisation operates in its specific context, and has specific characteristics and attributes and thus needs to define its own TM process.

The related sub-questions that have been mentioned in the introduction have been answered in this report, either explicit, or implicit. Six challenges that organisations meet, have been mentioned, as well as possible barriers to the implementation of multiple pipelines, which can be qualified as challenges for an organisation when it wants to work with different pipelines. Furthermore, the question has been raised what this means for organisations in an economic perspective. It has been mentioned several times before that, in order to stay viable, an organisation needs to be able to attract and retain talent. We assume that, in order to do so, organisations must offer them very attractive career opportunities, if not these people will go to the competition. To compete economically, having a performing and motivated workforce is crucial. Overall, it can be argued that multiple pipelines will contribute to the economic viability of an organisation. Moreover, it is argued that there are gains for organisations when they work with TM, or with
multiple pipelines, which relates to the question what the gains are in relation to individual motivation and organisational performance. It has been argued above that working with multiple pipelines will lead to an increase in individual performance and motivation. The existence of several pipelines shows to the employees of an organisation, that the different groups of employees are valued. Also, talents feel valued, since they have the opportunity to develop themselves in a pipeline that fits them, instead of having to become a leader. In order to answer the question what organisations should consider when they want to implement several pipelines, ten recommendations that can serve as starting points for reflection have been given.

We realise the above recommendations can be seen as general and applicable to the single-pipeline approach. However, we would like to stress that these recommendations are all the more important when an organisation thinks about implementing and working with multiple pipelines. As has been said before, these recommendations are not meant to be seen as guidelines how to actually implement multiple talent pipelines, they should be seen as a source of inspiration, in order to give organisations some ideas what to think about when reflecting upon TM and what they can considerer when they implement multiple pipelines. We believe that the above recommendations can be very valuable for organisations in different ways, i.e. when they think about TM and multiple pipelines or in the process of rethinking their TM processes. In Appendix 2, a checklist can be found that organisations can use to start the discussion about multiple pipelines in their organisation.

As has been visible throughout the whole report, literature focuses on the single pipeline, with an emphasis on (potential) leaders. The above recommendations can offer support when thinking about why an organisation may need more than one pipeline. One can question why the leadership pipeline is still seen as the most important and the most valuable, not only by the organisation, but by society as a whole. It seems that, traditionally, being a leader is seen as something people should strive for, as it can be seen as a position that embraces power and status. We think that by forming multiple talent pipelines, this idea can be (slightly) adjusted. In our opinion, it is very important, if not essential, that organisations show that all kinds of talents are valued, not just the ones who are (potential) leaders. Organisations need to think about multiple pipelines, to avoid that all talents are pushed into the same pipeline, where they will probably not function to their full potential. Organisations have to think about what happens when, even though they have multiple talent pipelines, they continue prioritizing leaders. This could create jealousy or envy amongst the other employees and groups of talent, as well as dissatisfaction with the talents
who feel they are undervalued. Thus, it is crucial to show talents that they are all equally valuable. To make it clear that if all of these talents would not be there, there would be an important constituent missing in the organisation, the organisation needs to send out a strong message that all groups are valuable to the organisation. It has been mentioned above that the organisations interviewed found it difficult, if not impossible, to prioritise the different pipelines, which is very much in line with the idea that all talents should be perceived equally. Therefore, it is important that organisations try to shift away culturally and societal enforced idea and processes that presume that everybody wants (or should want) to have a leadership career.

To conclude this report, we would like to stress once more the importance of thinking about multiple talent pipelines. If talents are not placed in the right positions, the organisation will lose value and competitive advantage, especially in nowadays’ (knowledge) society. The idea about work has changed and workforce composition is also changing. In order to keep up-to-date with these changes, but more importantly to attract and retain valuable employees, organisations need to think about their TM processes and whether or not these processes offer what all valuable talents in an organisation want and expect from an employer.

What we wanted to make clear throughout this whole report is that we believe it is at least crucial for organisation to think about multiple pipelines when working with TM. This is the most important message we want to convey. Therefore, we want to stress that multiple talent pipelines must be seen as an asset for an organisation, which is important if organisations want to achieve a competitive advantage.
References


Talent Management: alternatives to the single-ladder approach


Appendix 1: Project description DEA

**Master Programme in European Human Resource Management**

2009

**Company project at DEA**

**Overall theme of the project**

1.1. Brief introduction of the company – department of the company.

DEA – Danish Business Research Academy - is a non-profit and non-governmental organisation that brings to life the vision of better correlation between business and research resulting in mutual benefit and understanding. In DEA, we are fulfilling our goals by being a strong debater in the society, by building bridges between the knowledge institutions and the business world and by creating think tanks. In relation to the business world, we specifically work to advance the use of knowledge to solve the current dilemmas in enterprises.

In DEA we have a couple of projects centred on a business perspective and as part of this we have a special focus on management and leadership. Last year we had a think tank focusing on the role of the middle manager which involved contributions from both researchers and practitioners which was to great interest of Danish businesses afterwards. This year we are launching a new think tank about Talent Management. This is the work that 2 EHRM-students will be involved in.

On this project, we already collaborate with 6 students from CBS. The students are doing desk research on other sides of the subject. So we are trained in working with students as part of our projects.

DEA is a smaller organisation consisting of 7 people working full time and 3 students working part time, but we share our office facilities with 4 other organisations in the same field. So all
in all, we are about 30 people. The working environment is lively and busy with a friendly tone. DEA is situated right in the middle of Copenhagen.

1.2 Introduction to the topic of the in-company HR project.

DEA’s HR project is about how to work with talent management. This topic creates lots of challenges for companies, especially when in Denmark only 12% of the companies have career plans.

Our definition of talent does not imply that all individuals are talents. In contrast, we define talent as a specific group of individuals with special competencies. In a business context these competencies are of strategic importance to the company. The absence of the competencies would pose an actual situation of crisis for the company. Furthermore, these competencies are hard to copy for other businesses and can rarely be developed here and now.

At the current stage DEA is looking into central dilemmas and challenges when it comes to Talent Management. We do this through a thorough desk research on each dilemma and then discuss the dilemma in order to make research based guidelines to companies that are the target group for the work done by the think tank. It is the analysis of such dilemmas that we would like the students to contribute to.

The project title is: “How to work with different talent tracks in a company’s strategy for talent development”. The main research question and dilemma of the project is mentioned below:

*With the greater need for specialised knowledge to solve complex challenges at the labour market today, which alternatives do companies have to the traditional single-ladder talent focus on leadership?*

By different talent tracks, we mean for example talented specialists, talented innovators socially competent talents etc. As part of this main dilemma, we have identified the below mentioned work questions:

1. What does a company gain by working with more than one talent line?
   - In an economic perspective.
   - In relation to individual motivation and organizational performance?
   - How many different talent tracks do the company need, and which?
   - Does the current situation on the labour market demand a need for several talent tracks? Do companies need other talents than leaders? If yes: which?
- Does working with more than one talent track create specific challenges for the companies? Which?
- What should companies consider if they want to implement several talent lines in their talent development strategy?

**Importance to the company**
The analysis of these dilemmas is of very big importance to DEA since it will be part of the material that will be presented to the think tank. The material will also in some form be part of the final report done on this subject by DEA.

**Expected outcome**
The expected outcome for DEA will be a mapping of the relevant theory in relation to the above mentioned dilemma and a preparation of recommendations on behalf of the theory.

**Suggested method**
Desk Research. Interaction with companies (interviews and/or surveys).

**Suggested time table – Milestones**
Phase 1 will be an investigation of general challenges in talent management, based on appropriate literature. Phase 2 will be a qualitative and/or quantitative analysis of the project theme in close interaction with companies. Phase 3 will be compiling the results of the project in written form.

**Specific Requirements (e.g. specific profile of the students)**
Background knowledge preferred

Specific research skills: Good analytic skills and knowledge of how to find relevant information. Social skills. Self-motivation and team-spirit in appropriate mix. It would be an advantage if the students are used to working with company challenges.
Geographical site(s) of the project
Fiolstræde 44, 1171 København K

Contact persons

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Summary
Project title: How to work with different talent tracks in a company's strategy for talent development?

Promoted by: DEA

Tutor:

Place: Fiolstræde 44, 1171 København K

Date of start: April 2009
### Programme Structure

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<th>13 April 2009 - 24 April 2009</th>
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Talent Management: alternatives to the single-ladder approach

Marieke Born & Marieke Heers
Appendix 2: Checklist

The presented checklist contains 23 statements. These statements can be used by organisations in order to find out what they think about certain issues related to talent management and the multiple pipelines. The statements are based on the written report. The answers that organisations give will help them to think about how they could implement and/or refine their talent management. The checklist can be used as a tool to create discussions within the organisation. However, it should be stressed, that by answering the questions, the organisation will not have enough information to implement talent management or multiple pipelines successfully. These statements should just be viewed as a ‘helping hand’ when organisations want to raise a discussion about talent management and multiple pipelines.

- Which groups of employees are essential for your organisation?
- What do you consider the core business of your organisation?
- How would you/your organisation define talent?
- Which crucial groups of talents can you identify? Is it only leaders? Is there one group that is more important than the other groups?
- How would you/your organisation define talent management?
- Did you talk to your (potential) talents about their expectations?
- Which kind of career moves does your organisation offer? Upwards, lateral, downwards?
- How important are leaders for the success of your organisation?
- What does your organisational culture look like? For example, does it focus on team effort or individualistic achievements?
- How is line management involved in your TM process? Is TM part of their goals?
- Are the goals of line management somehow linked to the development of their employees?
- Where is employee development placed on the agenda of your organisation?

- Who will be a stakeholder in the process of TM?

- Do you believe TM is part of the reputation of your organisation? If not, do you/your organisation think it should? How could it become more embedded in the reputation?

- Do (potential) candidates know what to expect from an employment in your organisation?

- How will you deal with the feelings of people not being identified as talents?

- What do you do for the non-talents?

- What kind of HR practices for (outstanding) employees do you already have in place?

- How complex is your TM process? Can you explain it within a minute?

- Do you see all talents as equally important or is there one group which is particularly important?

- What will be the compensation package for specialists? How will you compensate the different groups of talent? I.e. leaders move up in ranks, but what about the other pipelines?

- Are you a centralised or a decentralised organisation? How do you see TM fits in this?

- If your organisation is global, how would you deal with the global/local dilemma?