Book Review


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Introduction

What is talent management? Why has it become the 'centre of gravity' in management theory? What must managers do to 'manage talent' effectively? How, in other words, can talent become a 'competitive advantage' for firms? The urgency of these questions is related to the globalization of the knowledge economy where talent has become an important raw material for the production of 'intellectual capital.' While the traditional factors of production continue to be necessary, they are not sufficient. In order to differentiate its offerings, a firm will not only have to do things differently; it will also have to learn to think differently. This process of differentiation is more likely to be sustainable if it is built upon a platform of knowledge that is unique to a firm and the markets in which it operates. In other words, 'differentiation' increasingly depends on 'individuation' in terms of cognitive modalities. Whether or not a firm is specifically in a knowledge-based sector, it will have to work out the relationship between talent management, the knowledge economy, and intellectual capital in its definition of the value chain.

Talent & Technology

The availability of information and communication technology platforms in contemporary firms makes it possible for knowledge workers to contribute to the production of intellectual capital from wherever they find themselves. The essays in this anthology, however, are not specifically about knowledge workers, but about how managers should manage and relate to the modalities involved in attracting, deploying, and retaining the best-possible talent in their firms. I have used the term 'knowledge worker,' before invoking the term 'manager,' because all managerial work today necessarily has a knowledge and talent component; talent is by no means synonymous only with star performers. The increasing levels of complexity that we are seeing today, in both firms and the global economy, has made it impossible for managerial work to be 'reductive' in the traditional, task-based, 'administrative' sense of the term. Knowledge is increasingly mediating even the performance of simple administrative tasks in firms. Even clerical/staff workers increasingly don't merely ask their managers 'what' they must do, they also want to understand 'why' they are doing what they are doing, and 'how' that relates to the strategic direction of the firm as a whole. In the absence of such a holistic understanding, they don't feel that they are adding value even if they put in a lot of time and work. Talent management can therefore be understood as the point of convergence between management theory and human resource management. These essays from HBR are interesting because they address these and many other developments of relevance to firms throughout the world. Furthermore, Harvard has always been synonymous with 'talent management' even before this term gained much currency in contemporary management theory. It will therefore
be an intellectually exciting exercise to try and understand what the relevant themes and modalities of talent management are in the context of this anthology of recent essays.

**War for Talent**

A firm must do a number of things to fight the 'war for talent.' While it is not possible to list all these things, it is important to remember that a firm must have a good understanding of whether it is 'product' or 'service based,' and hire and manage talent accordingly. Erickson and Gratton argue through a few case examples, such as those of the Container Store, Whole Foods Market, JetBlue, and others that a firm must work out something that is 'distinctive' to its style of functioning, which they term a 'signature offering,' rather than fall into the commodity trap. While this is not a new argument the importance of this essay is that it offers a number of persuasive case studies to give readers a feel for what it means to develop a 'signature experience,' even if the firm is selling only a product rather than a service. The notion of a value-added experience then that is symbolized through the metaphor of the 'signature,' is not reducible to either a product or a service per se, but an attempt to subsume both in the context and modalities of value addition. There is a direct link then between the modalities of talent management and the modalities of value addition, which can be worked out by understanding what the firm defines as the structure of its value chain. While it is true that all workers contribute in their own way, the firm must be clear on who is doing what in order to allocate resources effectively.

**A Differentiated Work - Force**

Huselid et al. argue that once a firm decides to offer a differentiated product or service, it must also develop a differentiated work force. What this means is that the tasks allocated for different categories of players must not be the same. Instead the modalities of managing and defining value addition will have to vary according to the category an employee belongs to. Evaluating workers using the criteria that are meant for a category, other than the category to which they actually belong, will make a failure out of every employee. While this may seem a bit obvious, it is often forgotten in practice since 'treating people well' is not necessarily the same as 'treating them equally.' This is where talent comes into the strategy of the differentiated workforce since it is important to deploy the available strengths rather than wallow in the inevitable weaknesses in the workforce, which are bound to be many, especially when the external environment is marked by socio-economic discontinuity.

**Integrating Talent**

Workers can, of course, be reallocated to other categories based on their ability to develop their own skill-sets and talents. This is the point at which talent management is related to managing human resources as such. Neither talent nor human resources are static entities, but always evolving into forms of value addition, if deployed properly, by the firm. Cohn et al. take this argument even further by asking us to imagine scenarios where talent actually matters since they know that talent is often wasted through underemployment in firms and unemployment in society. They therefore argue that it is necessary to integrate talent successfully through forms of managerial and/or leadership development, especially in the context of top management, where attrition has a much higher cost factor, given the
competitive dynamics that the top players are generally subject to. While each firm then will have to work out its own set of modalities to integrate its best players into the firm, it will also have to do so knowing fully-well that there is, in fact, no correct way. They use case studies featuring Tyson Foods, Starbucks, and Mellon Financial to think through the challenges involved in doing so. Ready and Conger push the process of talent development even further by arguing that it is not just 'integration of talent' that is at stake; we can actually envisage, if we have the confidence, the notion of a 'talent factory.' Of course whether a firm will want to do this depends on the problem of 'bench' strength. How much talent do we want to invite, integrate, and deploy, and to what effect, is a question that goes beyond the specificities of talent management; it will have implications for the HR function as such in a given firm. The case studies that are relevant in this context include those of Procter & Gamble and the HSBC group, which are trying to develop a deep bench of talent rather than what is barely needed to get by.

**Academy Companies**

There is a well-established HR tradition that Capelli calls attention to elsewhere, of so-called 'academy companies,' like GE, which insist on not just being 'talent factories' but 'CEO factories.' These companies are not only preoccupied with the competitive dynamics to which they are subject to, but with raising standards in the industry to which they belong. They have understood that the standards specific to the industry are as important as the firm-based standards of talent development and management. Ready and Conger argue that what makes the talent management strategies of P&G and HSBC interesting is that in an attempt to fill in key positions and/or make sure that they have the talent necessary internally to draw from in their attempt to fill the key positions, they use 'functionality' and 'vitality' as their basic modalities of talent management. The term 'functionality' is used in the sense of being able to yoke talent to the problem of strategic alignment while vitality pertains to the level of 'emotional commitment' that they are able to inspire in key players. These key players, also known as 'A' players in the literature since they go on to staff 'A-Teams,' that report directly to the CEO in global firms, represent an interesting problem in talent management. Their arrival and departure is read symbolically in the business press about what is in store not just for these players but also for the concerned firms since they make a disproportionate contribution to its earnings. The ability to attract and retain such players then becomes 'symbolic' of the strengths and weaknesses that characterize a firm's leadership. It is therefore important to understand the requisite modalities necessary to provide the conditions that will keep these 'A' players engaged and productive in a given firm. Berglas is preoccupied with working out precisely the nature of these modalities by developing an 'A' player psychology to understand under what conditions these people are productive and what, if anything, a firm must do to make their productivity as sustainable as possible. This is especially the case in knowledge-based industries that are neither capital nor infrastructure intensive and which are totally dependent on the production of intellectual capital as sources of competitive advantage and value addition.

**Middlecence**

Managing a team of 'A' players alone, however, is not enough since those in other categories also require attention from the management. A vast majority of these players are
steeped in a psychological state that Morison et al. term 'middlescence,' after the analogy of 'adolescence.' They are bored, tired, find it difficult to pay attention to what they are doing, looking for other possibilities, wondering if life has anything more to offer, etc. The term 'middlescence' is not necessarily the same as a 'mid-life crisis,' since the latter requires formal intervention from a medical/psychology worker. What is in contention here however is an acute consciousness of the existential underpinnings of the worker's existence, and the role of work-place conditions in making the worker's life less/more meaningful, in the larger scheme of things. Not all these workers are actively planning to change jobs or quit at short notice in terms of the competitive dynamics of what other firms are willing to offer, but wondering whether they have made the correct set of choices as workers, and whether these are, in fact, the kind of careers that they originally envisaged when they started out. So it is important to understand their symptoms without getting worked up if they consider other possibilities. These are psychological states that are marked with existential preoccupations rather than with straight-forward career building goals and/or the quest for better opportunities. These situations are actually quite difficult to handle for HR personnel since the bulk of the workforce is bound to go through these phases, and may well find that they are bogged down inextricably in job-based situations that are monotonous and repetitive. How a firm handles challenges such as this will mark its style of personnel and human resource management, if not necessarily its style of talent management.

Linear Careers

Hewlett and Luce argue that the workforce is not a closed set of personnel since workers may leave and return subsequently for a number of reasons including the demands of further education, training, raising families, etc. They wonder whether talent is defined as necessarily involving those who are always within a firm, and whether the modalities of leaving and reentering the work force is a problem for human resource management or talent management as well. While there is no simple answer to this question, it is an interesting way of extending the scope of talent management to what used to be a simple question of personnel management involving merely the 'conditions of employment,' and the costs and benefits of those who are leaving and/or returning. The most pressing condition of employment, needless to say, is 'retirement' since it brings to an end the linear set of developments and expectations that characterize the notion of the 'career,' which is compared in the popular imagination to traveling from one point to another point within the space of a straight line. Retirement traditionally marks the end of this line or rather the last significant phase of this line with little or no activity though the notion of post-retirement postings is not uncommon. The post-retirement phase is compared to a brief extension of this line or even as a parallel line. This model does not work so well for knowledge workers since they are expected to have considerably longer life-spans than most industrial workers. Drucker estimates that knowledge workers will have post-retirement careers that can add as much or even more value than the original career which they may have served out in a few firms, especially if they have managed to keep their enthusiasm, energy, and learning levels high. It is therefore time to retire the notion of retirement itself, especially in countries that suffer from an acute shortage of talent, and/or the availability of suitable workers. Given the demographic shifts that we are witnessing in many parts of the world, which is characterized by an ageing work-force and increasing life spans, this is probably the most likely socio-economic situation in the years to come. Drucker
therefore argues that knowledge workers, especially in the West, should pro-actively prepare for 'second careers' many years before they actually retire. The work of these knowledge workers is not yet done; they have much more to contribute in the years to come.

Retiring Retirement

Not all knowledge workers will necessarily have the fitness required for this second career, but those who are interested can contribute as consultants in a whole host of firms and sectors of the economy including education, health, non-profits, NGOs, inner-city churches, etc., which are looking precisely for this combination of experience, knowledge, and wisdom. The best way to harness the residual talent of the ageing workforce then is to provide flexible work hours and also the possibility of alternate work spaces such as home. This is especially necessary in Europe where restrictions to immigration are making it difficult to find effective substitutes for those who are headed for retirement. Dychtwald et al. then are seeking a more 'inclusive' notion of a 'flexible' work force whose talents can be harnessed for as long they would like to contribute. This then, to summarize, is the larger spirit that this anthology of essays represents in the context of talent management. It starts with a conventional notion of talent as that which marks the exceptional performer, but subsequently expands this notion of talent to encompass those who are traditionally 'excluded' within this ambit to develop an inclusive notion of talent management in order to subsume the functions represented by human resources management and personnel management. This theoretical extension however is not being done out of 'political correctness,' but because of a genuine understanding that we must not presuppose that we actually know what talent is, or make it a necessary preserve of star performers alone. Instead, we must come to terms with the roles that managerial and firm-based expectations can make in not only increasing productivity, but try to harness talent in a varied set of employees. In order to do this effectively, a firm must try to actively understand what the special skill-sets and knowledge bases of its employees are. It must not only identify this talent correctly, but deploy it as a source of competitive advantage.

Conclusion

The war for talent then must not necessarily be fought between firms but within the firm as well, which is probably where most of the talent is waiting to be discovered. Just spotting and shifting workers systematically from the throes of 'underemployment' in which most find themselves, to something that is like a regular set of opportunities to add value is itself the most important step, I think, in talent management. The whole debate on the efficacy, if any, of internal job-postings, is a step in that direction. But this is not the only modality available. What is actually necessary then is a sense of generosity in not only defining what we mean by talent but by having the determination to take along not only as many workers as possible, but for however long as possible. What this HBR anthology of essays represents is precisely this model of 'inclusion' within the literature of talent management.