



IMI TALENT FORUM 2

TALENT MANAGEMENT: WHAT'S THE EVIDENCE?



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INTRODUCTION

The first IMI Talent Forum brought together Ireland's leading talent practitioners and shared with them the insights gathered from the very successful Crossrail Project in the UK; a unique organisation designed to form, develop and disband in six years to deliver a large capital infrastructure project – a new underground line in London.

This second forum led by Dr. Rob Briner, Prof. of Organisational Psychology, University of Bath and Eric Barends, MD, Centre for Evidence-Based Management, challenged our thinking and beliefs around the concept of 'talent management' itself. Throughout the session, a few key themes emerged:

- 1) It is easy to be swayed by 'popular culture' in this field as the large consulting firms are invested in its popularity.
- 2) Talent Management is a poorly understood concept that most businesses are grappling to understand and apply. There is also very little scientific research available on the concept of talent management.
- 3) Businesses should focus on finding what the real problem or challenge is rather than treating the symptoms of poor talent management. For example: Finding talent for what?
- 4) We can start to tackle 'talent' related issues in our organisation by defining what 'Talent Management' means to our organisational context and then applying some simple 'Evidence Based Management' practices to critically analyse the challenge.

Talent Management: What is it what does it do?

Rob and Eric challenged some of the traditional thinking behind talent management which was shaped almost 20 years ago, including the ideas that potential can be identified in complex roles and that the best organisations have the best people. The idea of 'talent management' started gaining popularity based on a case study published by McKinsey which was later converted in to a book 'War for Talent'¹. A little known fact about this case study is that Enron was one of their poster children! As pioneers in HR and learning and development roles, should we as HR practitioners really get caught up in this trend?

"TALENT MANAGEMENT IS AN UNFOCUSED AND UNKNOWABLE SORT OF THING"- ROB BRINER

According to Briner, Talent management is an ill-defined construct.

It lacks a precise terminology as well as a reliable and valid approach regarding the measurement of its effect.

There seem to be 3 different views/definitions of talent management:

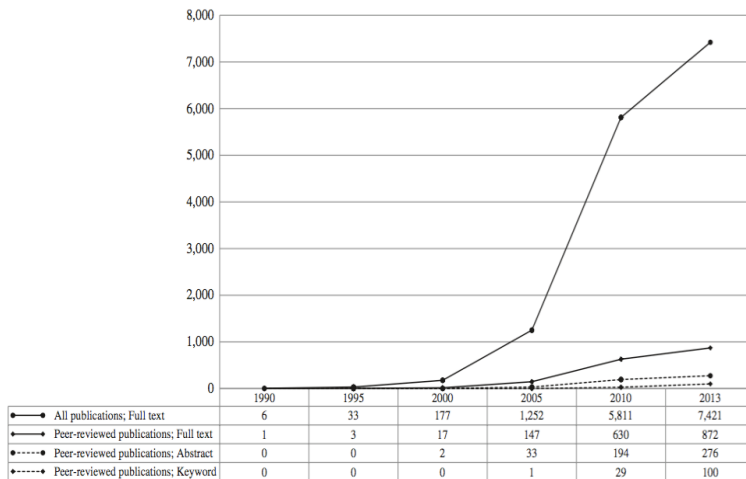
- Talent management and HR is almost indistinguishable – e.g.: it is looking after all your staff, developing all your people so that they can deliver to full potential
- Talent management is a part of HR, it is one aspect of HR for e.g.: Succession planning/potential, selecting the right people for the next job
- Talent Management is a completely different entity, it is a war for individuals- Acquiring people, maximising their potential to deliver, deploying them and retiring them

¹ by Ed Michaels, Helen Handfield-Jones, and Beth Axelrod, Harvard Business Press, 2001 ISBN 1-57851-459-2, ISBN 978-1-57851-459-5.

The overwhelming idea that emerged was that ‘Talent Management’ means different things in different organisations. It is context driven and is mostly about aligning your people strategy to deliver your business strategy.

Talent management models

While most talent management models seem to lack coherence, what they all do seem to indicate is interdependency within the different roles/functional units in a business to deliver an integrated people strategy. It is not purely the task of HR.



Rob and Eric also highlighted that there is very little scientific data behind any of these talent frameworks. Thus, it is imperative for businesses to identify methods of measuring ‘return on investment’ when engaging in any people development initiative.

“THERE ARE ONLY 29 EMPIRICAL STUDIES CARRIED OUT ON TALENT MANAGEMENT. HOWEVER, THERE HAS BEEN A STEADY RISE IN POPULIST LITERATURE RELATING TO TALENT.”

High Potentials

Briner considered the issue of the identification of high potentials and how far their contributions are linked to improved business performance. There is very little evidence supporting the fact that these so called ‘high potentials’ have any common characteristics and that there is a correlation with future performance, outlined in a study carried out by Mercer in 2015.

RESULTS

THE CHARACTERISTICS OF HIGH POTENTIALS

A number of 41 characteristics were mentioned in the literature

<ul style="list-style-type: none"> Leadership skills (34%) Learning ability (26%) Motivation (24%) Competencies specific to the job or career path they will follow (23%) Risktaking (20%) General cognitive ability (18%) Ambition (to advance, to excel) (18%) Adaptability (15%) Fit with the values of the organization (15%) Teamwork (13%) Results orientation (13%) Communication skills (11%) Action-oriented (11%) Curiosity (11%) 	<ul style="list-style-type: none"> Generic competencies (that allow performance in various roles) (11%) Broad perspective on the whole business (11%) High performance record (11%) Interpersonal skills (10%) Trustworthiness (10%) Intercultural competencies (8%) Commitment (8%) Creativity (7%) Alternative, different and challenging way of thinking (7%) Seeks/uses feedback (7%) Is available for mobility (7%) Competencies specific to the organization as a whole (7%) Dealing with ambiguity (5%) 	<ul style="list-style-type: none"> Self-confidence (5%) Integrity (5%) Strategic thinking (3%) Using information (to take decisions, to convince, etc.) (3%) Assertiveness (3%) Emotional intelligence (3%) Conscientiousness (3%) Proactivity (3%) High education level (3%) Customer orientation (3%) Analytical thinking (2%) Problem solving (2%) Resilience (2%) Tolerance (2%)
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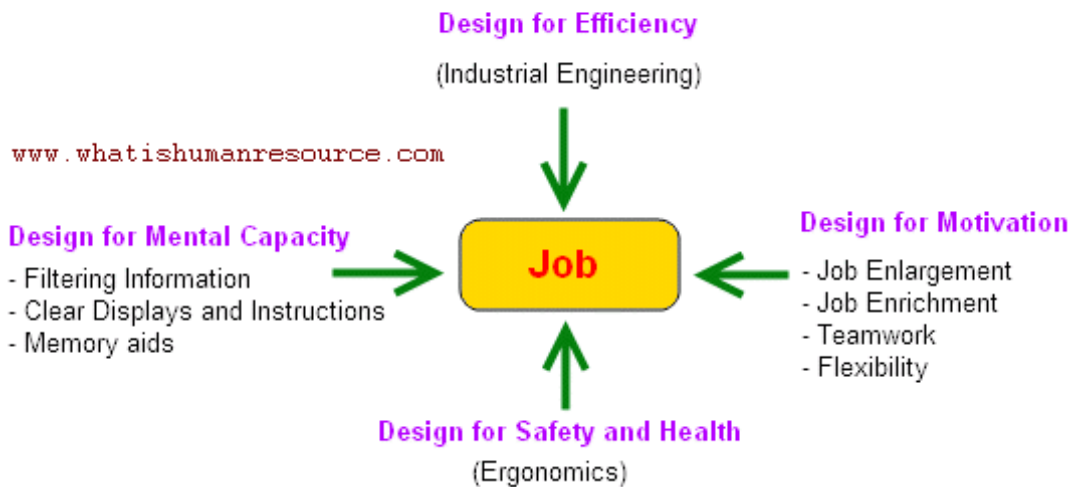
The Best people vs good enough

Rob and Eric questioned the idea that the best organisations have the best people. There is little or no evidence of this. In fact, some research has been conducted and evidence available that selecting and promoting people at random may work just as well! Selecting the absolutely best person doesn't sometimes make sense. It's hard to measure and in fact the effect of false negatives and false positive is much more detrimental to an organisation.

AN ALTERNATIVE APPROACH

They contend that 'systems and structures' are more important than talent. Instead of focusing on finding and hiring 'talented' people, companies should focus on core HR/people concepts like '**job design**'. Task design/job design is related to the specification of contents, methods and relationship of jobs in order to satisfy technological and organizational requirements as well as the social and personal requirements of the job holder. If we turn our focus on how people engage in job design, we are in a better place to determine the gaps between an organisation's requirements and a person's needs and motivations to perform. Bad job design often leads to high attrition rates, demotivated/disengaged employees and many other symptoms. So, tackling the root of the problem could in fact give us the answer.

JOB DESIGN



EVIDENCE BASED PRACTICE

While the origin of evidence based practice came from medicine, it has rapidly found appeal in many industries and businesses. EBP is based on 2 core principles:

- 1) You need to start with the problem
- 2) You need to rely on multiple sources of information/evidence to critically analyse the problem

Exercise: What's your evidence?

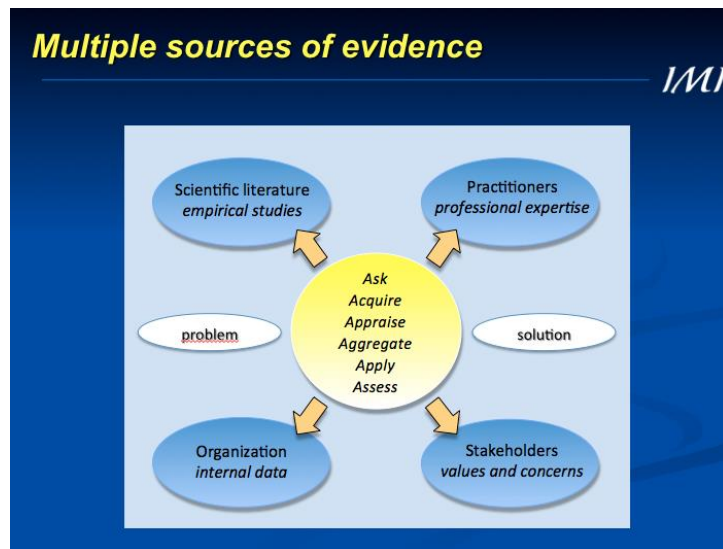
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- What's the evidence for the problem(s) you identified (ask each other these questions)
 - What exactly was the problem? Be as specific and precise as possible (probe!)
 - What types of evidence or information did you have about the problem (internal data, external, professional judgement and experience, scientific, stakeholders)
 - How much evidence?
 - How trustworthy or reliable was that evidence?
 - Overall how confident were you that you identified a real, specific, important and pressing problem?

EBM and the brain

Rob and Eric made the point that EBM practises are not intuitive to most managers because it essentially requires us to work against our dominant brain which is fast, intuitive, biased and emotional. Evidence based decisions require our auxiliary brain to kick in which is lazy, slow,

deliberate and rational. Thus, EBM is primarily about understanding how our brain works and then making management decisions.



It is important to rely on multiple sources of information and go through a deliberate process of Ask, Acquire, Appraise, Aggregate, Apply and then Assess.

THE KNOWLEDGE WORKER

In discussing a few cases, the following interesting insights were highlighted for knowledge workers:

- The greatest predictor of future performance is a work sample test, followed by general mental ability tests and structured interviews
- Assessment centres have low significance if they don't specifically focus on recreating scenarios to test ability.
- Age has very little to no correlation to performance

Predictor	r	R2
1. Work sample test	.54	29%
2. General mental ability	.51	26%
3. Structured interviews	.51	26%
4. Peer ratings	.49	24%
5. Job knowledge tests	.48	23%
6. Job try out	.44	19%
7. Integrity test	.41	17%

Predictor	r	R2
8. Employment interview	.38	14%
9. Assessment centers	.37	14%
10. Reference check	.26	6%
11. Job experience	.18	3%
12. Years of education	.10	1%
13. Interests	.10	1%
14. Age	-.01	0%

The top three factors that affect the performance of a knowledge worker:

- **Social cohesion**- A shared liking or team attraction that includes bonds of friendship, caring, closeness, and enjoyment of each other's company.

Evidence suggests that 'Social Cohesion' has a very high correlation to the productivity of knowledge workers. Rob and Eric also highlighted that tackling the issue of social cohesion should help address some of the issues of disengagement, attrition, motivation and productivity.

- **Supervisory support**- How employees feel the supervisor helps them in times of need, praises them for a job well done or recognises them for effort (mentioned social exchange theory)
- **Trans-active memory system** - Refers to how teams pool and access their knowledge and expertise – which positively affects decision making and team processes. This has led the idea of a team “transactive memory system” (TMS), which can be thought of as a collective memory in a collective mind – enabling a team to think and act together. This improves significantly as social cohesion and trust between team members is built.

SUMMARY

“Talent for what...?” is the question that HR and L&D practitioners must ask of the business. Rob and Eric were of the view that most ‘Talent Management’ literature and techniques address the symptoms of the problem rather than identifying the core issue itself. For example engagement surveys will assess motivation levels; however that is only a symptom of a deeper issue of social cohesion and trust. Rather than getting caught up in trends, businesses must go back to looking at core HR solutions and practices because a lot of these are evidence based and developed over time using scientific data. They are tried and tested! Evidence Based HR is about “being concerned with using the best available evidence in making decisions pertaining to HR profession and practice”. Briner and Barends are of the opinion that HR is often put under pressure to do things that big name firms do, “For example the nine-box grid used by many organisations in talent management. People who know nothing about talent management know it exists. There’s a pressure for HR to adopt things because someone else is. This naive idea of ‘best practice’ has really inhibited EBHR.”

As practitioners, a good starting point would be to answer the following questions for ourselves:

- *What does talent management mean for us/in our organisational context?*
- *What do we need our talent to do? What challenges are we trying to solve?*
- *What evidence do we have to support that the challenge exists? What organisational data do we have that supports this challenge?*
- *What is the evidence that a solution exists?*

