Talent management, the ultimate solution?

At first glance one might think that talent management is a real solution. It could also be just a new buzz word. As such it may soon to be used in many companies, just as HR management was a new buzz word for the traditional personnel department. The reactions so far hint at the assumption that nobody knows exactly what these terms mean or should mean within a given organization.

Traditionally there was some help by a special branch for hiring people. This went so far that in some organizations the "*boss*" even had hardly any influence on who would be the new employee. Keeping track of changes in address, marriage, divorce, children, yearly increase in salary, if applicable, chasing the bosses to hold a periodical review, sometimes even the salary payments were "*normal*" tasks for a personnel branch.

Specialized tasks like job evaluation might be incorporated in the personnel branch or left outside. There might be a separate unit for organizational structuring. Once these tasks were combined the head or director of that department – as it became bigger its status might rise as well – often would focus on the organizational side, as drawing nice organization charts appeared to be sexier and better attracting the attention of the top management than dull lists of dumb workers.

Capital and turn over, Return on Investment and all those bookkeeper's pets became the dominant issues within an organization.[1] On the other hand, the salary of a boss often depends on three factors: the amount of people below him or her, the yearly turn over and the budget allocated. In this way any effort to gain efficiency will be punished! Another drawback of this (traditional) approach is that specialists are hardly recognized. This is because of the implicit, ill based, rule that the boss should always get a higher salary than the co-workers.

Based on these assumptions many rules are cast in concrete, either as company policy or in negotiations with the trade unions. For simple jobs, the hire and fire principle – well known by the HR department – might (still) work well. By the way, no use is made of the full term Human Relations, as often the so called HR-people are the toughest in the organization, having little respect for the other people within it. In some cases they are judged on how many people they hired (with low costs), so they should fire enough in order to keep the balance straight. This may be exaggerating a (little) bit, only painting in black and white, but in the end hopefully showing a more realistic picture.

Some organizations have discovered that hiring new people may not be that easy as one always thought, at least if one is looking for people that can perform well within the organization in a short time, this due to the learning curve and adapting to the company policy and culture. For the first part one is looking for people who did the same at a competitor, thus shortening the learning curve. A drawback might be that they easily could criticise current well established procedures, not open for discussion. "*We have done it this way for years, so why should we change?*" Think about the automotive industry in some countries.

As alternative, in the past other organizations only tried to hire young people. Some preferred well educated people who got the opportunity of nice career paths within the organization. Others looked for people with lesser education and gave these a rather lengthy internal

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[1] The terms "*organization*" and "*company*", although officially reflecting different notions are here considered as (quasi)synonyms.

training or schooling. Several advantages were believed to result; people were better geared to the specific tasks and they should stay longer with the organization as they had no broad education, giving them an opportunity to "*escape*" easily.

Both systems of shaping more or less a closed shop, only allowing young people into the organization, have some common advantages. People are used to the company policy and culture; they may understand each other with a half word. These organizations often have a lot of jargon and acronyms, hardly explained in detail to newcomers, as it is believed that everybody "*knows*" what they mean. A major disadvantage may be that any creativity will be lost. Only people fitting within the company "*filter*" [or template] will stay, others try to escape as soon as possible. The chances that new bright ideas will emerge are thus minimal. "*Rebels*" or too bright people will usually not survive in such an environment. Several multinational companies worked with such a strategy. Sometimes parachuting a "*talent*" from outside is considered as the solution. Only in strongly hierarchical organizations where the word of the boss is law, this might temporarily help.

Another phenomenon is that when selecting somebody for a job, usually only requirements directly related to the job are taken into account. This especially as the danger exists being blamed of discrimination. Naturally, discrimination on political conviction, religion or race is a bad thing. However, selecting one candidate for a specific job remains a matter of discrimination, based on job requirements. Else one could easily throw a dice.

All this fuss has also a negative side. One has to select on job requirements, while with real personnel planning one should ideally select on potential. Hiring an ambitious person for a specific job may result in problems within a few years or sometimes even months. A personnel planning system is not to be confused with career planning. The latter is a major responsibility of the individual where the specialized departments within the organization can only facilitate. Hopefully they will do that. rather than trying to keep people on a job, often by offering a salary raise, because the boss can't miss them. Even for dull jobs this approach is often attempted, rather than broadening the job.

A personnel planning scheme should aim at a structuring of the organization so that clusters of jobs are such that people with a certain education, experience, flexibility, potential and ambition could "*grow*" within this organization. The question to be asked should be: "*If A is here now, where could (s)he be in ten years?*" Grow should not only be considered as promotion after promotion. If you make a pile of sand the height can somewhat be increased by making the sand wet. A real increase in height can only be achieved by broadening the base.

Of course there are some tricks, such as putting walls around the base. This can help for a little while. In the past it even helped some people to promote very rapidly, the so called chimney careers. Especially in the Information Technology area certain handy people, lacking a broad background, could rise very rapidly. The trick was to leave a position before a project was finished. Everything that went well was claimed by them, everything that went wrong afterwards was due to the nitwits that had to finish the project. "*Always leave a job before a major project can be evaluated*", was their motto.

How to broaden the base? The first possibility is a rather broad education. The risk is a lot of theoretical background but no practical experience. Some people with a good university education are directly placed on "*managerial*" posts without any knowledge of the work floor.

They start to write down new procedures with multi-coloured flow charts, as they saw at university, but without any real knowledge about the processes, that are the real business of the company. So, put them in a hands-on job first. If they are that good, a quick promotion will be in simple reach. The risk could be that they believe it going that easily in the future as well, just spiralling through the company. A better solution may be to require holding a post on (about) the same level but (somewhat) different of the previous one before a vertical (promotion) shift. In addition, extra training, workshops, short internships in other branches should be offered and really used to broaden the horizon. People should not attend with the "*Why are you in this training? My boss told me I had to go*" attitude, but take advantage of every opportunity. This even if the result would be that hardly anything new was up. The latter still could improve the self-confidence, which is needed to take decisions and stand for these. This no matter, how arbitrary in the own view they might have been.

Just promoting the best person (in doing the daily job) within a group may have several disadvantages. The co-workers may have problems to see the "*old pall*" as the new "*boss*". They may envy the selection as boss. The main drawback would be that having been the "*expert*" the new boss wants to be involved in any routine issue, thus having no time left for establishing or adapting (new) policies, working on long term planning, maintaining important external contacts, stimulating the co-workers and all other things a real good boss should do.

By the way, being involved in all details, wanting to sign off everything, is believed by some "*bosses*" to demonstrate their importance. In reality it shows their lack of managerial qualities. Delegate as boss as much as possible but insist that the co-workers report themselves immediately any major issue that may disturb the process. Never start to punish for that but demonstrate that the value of a boss is to resolve these anomalies. Also have an open eye, ear and mind for suggestions that might improve the processes, possible extra help or training that co-workers may need. Last of all, don't steal their ideas, presenting these to the level above as own inventions. In the past this could work. However, in this era of e-mail with B.C.C. it can become a real trap.

Once somebody has been in several posts at about the same level, a promotion really offers the opportunity to use the broader experience without all the disadvantages mentioned before. One should keep in mind, however, that some people have no interest in the company at all, just using it as a vehicle to work on their own career plans, hopping from one company to the other. In politics, failure may even be rewarded by a better paid job somewhere else.

On the other hand, in organizations without a mature personnel planning system it are only the happy few who can dream about any career planning. For the others there is no real future, except performing many, many years the same dull work. It is sometimes suggested, without real scientific evidence, that some people don't want a career. This may be true if they are required to learn and get used to new procedures, new equipment, sometimes with less freedom, requiring more speed, for the same or nowadays even lesser salary.

A first-class personnel policy should even imply to help people to find good jobs outside the own organization when it can not offer opportunities itself. This means that people should get possibilities for additional courses, workshops and other training to the very end. Thus it should be more than the "*obliged*" exit sessions. Bookkeepers may consider this all as a waste of money. As long as the human capital and the corporate image are not considered of any

importance, they would be right. If people within the organization believe these factors of any value, then it is really amazing how little money and effort is invested in this area.

Now finally some words about "*talent management*".[2] Very likely this would be considered as an attempt to cut the costs for a genuine personnel planning. Indeed, if a true personnel planning system would be in place, naturally augmented with a good personnel review and appraisal system, also monitoring the interest of employees in career shifts, dynamic organizational structuring, and periodical review of procedures, the talent within the organization would have been spotted early. In cooperation between the employee and the responsible professionals the appropriate steps can be taken, also taken into account the interests of the other people[3] in the organization. Thanks to the better image of the company, demonstrating the positive attitude towards its personnel, allowing and promoting careers, even – if unavoidable – helping to leave in a positive manner, it is unavoidable that (potential) talents will be attracted by the company.

All together this does not mean that just sit and wait would do. Broadcasting the company image, being around at universities, but also (local) labour markets and schools, perhaps still using talent scouts, may greatly help. However, those who believe that talent management will be the ultimate solution may be very disappointed. One should realize that an organization only needs a few "*real*" talents but many workers with a good background and a positive attitude towards the company. Focussing on talents only could have an extremely adverse effect.

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[2] This may be seen (by Wikipedia) as: "*The process of developing and integrating new workers, developing and retaining current workers, and attracting highly skilled workers to work for your company.*"
[3] Deliberately the word "*people*" is chosen and not the word "*worker*". This as for some people becoming manager with a big desk, laying one's feet on top of it, just thinking and especially dreaming, letting the others work, would be the ultimate goal. A very nice, willing secretary could only complete this "*heaven*".