

Insights and Outcomes

Case study: ABB

An up-to-date summary of issues related to talent management.

The ABB case study does not have an ending as such—the company still exists and continues to reflect the philosophy and practices of Barnevik and Lindahl, particularly in relation to the development of its managers and the importance they place on talent.

A concern for talented people is not in itself a new phenomenon and it is important to realize that it is not a new concept but a new way of emphasizing particular skills and competences. It also reflects a recognition at the top of many organizations that employees often represent the key to gaining and retaining competitive advantage. The concept of talent and talent management importantly reflects the recognition that not all employees and managers are equally important to the organization: some, because of their particular talents and innate abilities are more important to an organization's success than others.

Research commissioned by the CIPD (2007) defined talent as:

Talent 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.

Over the past ten years or so, much of the HR agenda, particularly that associated with the HR department, has emphasized the importance of equality and equal opportunity, with many discriminatory practices looked at as unacceptable. Of course, in relation to gender, age, race, etc. it is very important not to discriminate, but does this mean that all employees must be treated exactly the same? Clearly not, because to do so would fail to reflect the natural or acquired differences in people's value and contributions.

This recognition that some people are more valuable as resources than others is associated with the development of what can be described as 'segmentation' policies. Essentially when GE discontinued the employment of the lowest-performing managers they are distinguishing this category from the top 10 per cent and the majority of those that lie somewhere in the middle. The ability to operate HR practices that reflect differences in the value and performance of employees depends on the ability to identify key differences within the workforce. In other words, to know what talent means and to identify those who are seen as talented.

Talent management is also seen as critical to the effectiveness of succession planning and leadership development programmes. In these cases, entry onto 'fast-track' development programmes and the experience of challenging responsibilities and assignments is dependent on knowing who those with potential are.

Talent management strategies can be seen to focus on four main questions:

1. How do we acquire talented people?
2. How can we develop talent in all our employees as well as developing our highly talented staff?
3. How can we best use talent?
4. How can we retain talented employees?

Caution has to be exercised in relation to talent and how it is managed. Everyone has a degree of talent, if we see this as expressing a range of innate abilities, drives, and capabilities—we need to avoid seeing talented people and non-talented people.

It is also worth noting the position taken by O'Reilly and Pfeffer (2000) who argue that more valuable outcomes are gained by increasing the talent/value of all employees.



REFERENCES

CIPD (2007) *Talent Management*, CIPD Research Insight.

O'Reilly, C. A. and Pfeffer, J. (2000) *Hidden Value*, Harvard Business School Press.