

Talent management policies

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Talent, understood as *professional competence*, takes a political leading role based on its horizontal and vertical orientation related to individual, organisational and territorial competitiveness. The current trend is to design policies with an international perspective to develop (training), attract (opportunity marketing), seize (recruit) and retain talent (professional development and recognition). However, attention should be paid to the variety of meanings and interests at stake regarding this subject. The value given to knowledge and also the negotiation of social priorities lie behind the practices of distributing resources.

The Spanish poet Antonio Machado once said: «In politics only those succeed who turn their sail to the wind, never those pretending that the wind blows on their sail». Talent management policies designed by public and private instances are also subject to this. Their goals –as explained in the end of this article– have to be consistent with the setting they act upon.

Before reaching this point, an answer should be given on whether we are faced with a hype; then a thought is made on the meaning of this term before undertaking a systematic review of current trends in talent management policies.

Talent management: Validity or hype?

Individuals, companies, public authorities and the whole society are being called to invest in education as a means to address current needs and future uncertainties. This monograph is such an example. This article was written at the same time as two great political landmarks were achieved in Catalonia to strengthen and illustrate this perception. The first is the approval by the Catalan government to review and strengthen the strategic agreement on internationalisation, quality of employment and economic competitiveness on 1 July;¹ the second is the National Pact for Research and Innovation² or NPRI.

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It is known that the renewed Strategic Agreement is the result of a dialogue between the Government of Catalonia, employers' associations and trade unions. In this respect, it is a symbol of the converging views by the different signatories on the priority to care for human

quality so as to plan strategic actions and react to the problems of Catalonia's economy. The new document provides for a specific action line³ as well as different indirect measures related to talent: vocational training, success at school, learning English and quality in continuing training. Almost half the 22 lines of the new Agreement⁴ relate to the qualification of students, researchers and professionals.

The signatories to both the Strategic Agreement and the NPRI illustrate the trend of politics to re-examine the value of talent and thus to ratify the social and political validity of this subject.

Along the same lines, but with a clearer idea of the relevance of talent management in sustainable policies regarding territorial competitiveness and social welfare, the NPRI asserts that talent is a key future priority⁵ of the research and innovation system envisaged to place Catalonia as a world reference. The signatories to both the Strategic Agreement and the NPRI illustrate the trend of politics to re-examine the value of talent and thus to ratify the social and political validity of this subject. Though this specific influence on our collective decision-making practices cannot be called a «fashion», we need to admit that this area, as many others, has been exposed to a decisive influence by some American thinkers.

Richard Florida, professor for regional economic development at Carnegie-Mellon University,⁶ is one of its chief authors. His publications⁷ defending the idea that the future of cities can be secured by taking care of the youth, creative and talented have had a remarkable influence on city planners and politicians not only from America but also from big European and Asian cities.

In the United States, the discussion on «circulation of talent» originated and gained momentum in times of economic recession, fostering cases of

regional competitiveness. It looks as if, in a sort of Darwinist struggle for survival, American cities were luring each other's youth to have entrepreneurs skilled in hot subjects. It is said that the outflow of skilled people from cities like Cleveland has brought their per capita income to stagnation, thus rendering impossible the creation of a critical mass of risk-takers that could have generated high-income jobs in the medium term. Related to these theses, other experts such as Harden, Michaels and Tulgan⁸ have been analysing for almost a decade the competence in «capacity to attract and preserve skilled workforce» of cities, «urban corridors»⁹ and regions in general.

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However, the relevance talent has progressively gained in the United States is not only related to the recession or the panic following 9/11 that led to a massive exodus of thousands of researchers with Asian background to their countries of origin. It is especially the result of a strive for global repositioning.

Given the considerable economic upheaval unleashed by China and India in certain industries such as biotechnology and nanotechnology, the country seems to have lost the global battle for premium talent. A study published three years ago by David Heenan, titled *Flight Capital*, allowed to find out why the most brilliant Americans emigrate,¹⁰ contributing decisively to spread the word on the social and financial cost brain drain inflicts on any country.

Anyway, it was not necessary to wait for Heenan's alarmist publication to have American politicians react. One year earlier, the National Innovation Initiative (NII)¹¹ explicitly called for the knowledge economy. Inspired by

the Lisbon Agenda¹² and convinced that the American society is not using its people's potential nor its resources to its full advantage, public authorities planned to increase investment in education, advanced sciences and measures to improve knowledge applicability.

Driving the ability to compete globally is the rationale of both the NII and the NPRI. This coincidence is not random, nor is it the outcome of a hype created by gurus and intellectual experts on phenomena like interurban migration of elites. The conceptual coincidence lies in the theoretical model of territorial development that serves as a base, the key principle of which is that talent, technology and capital are available at global level. The challenge is to seize, retain and eventually use them as a stimulus for innovation, which shall finally lead to create more value and quality for the community.

It is said that all productive systems with average technologies and relatively high salaries are at risk if they do not change. Economists tell us that despite being necessary factors, capital and technology are not enough as they do not differentiate between companies. In our current, basically technology-based context, what distinguishes an organisation from another is the talent of its professionals: the ability to create value for customers and users, to innovate quickly, to keep significant relations with the environment. As talent is the raw material of innovation, organisations and regions with plenty of good professionals are more competitive.

The need to drive intangible factors associated to knowledge explains the relevance given to talent, but this is not the only asset sustaining policies for territorial competitiveness (seizing foreign investment, industrial policies, innovation policies, internationalisation, etc.). The overall structure of the Agreement on Competitiveness mentioned in the beginning of this section is a proof for it. We believe that a recipe for regional development must include four elements as important as the availability of talent:

- ▶ Financial resources.
- ▶ Business opportunities and opportunities for productive, social and cultural innovation, often identified and developed in networks.
- ▶ A good organisation of the knowledge applicability chain, ranging from educational systems to the market, relating both to governance and infrastructures, including technological ones.
- ▶ Sociocultural values and rules stimulating confidence, security and entrepreneurial risk, which we consider basic to exchange and change.¹³

References to and definitions of talent

Dictionaries define talent as a natural ability. However, reading the above paragraphs, one may think that when talking about talent, we are referring to a social asset, attributable to different kinds of groups (people, organisations, associations, clusters, regions) with competitive value, intimately related to other factors and eventually linked to keeping and making progress in our life conditions.

Talent can be defined as a social asset, attributable to different kinds of groups (people, organisations, associations, clusters, regions) with competitive value, intimately related to other factors and eventually linked to keeping and making progress in our life conditions. It is synonymous with competence, ability, aptitude and qualification.

In fact, to grasp the meaning of this term, we first need to disentangle the massive terminological net knitted around it, which includes at

least the ten following concepts: competence, intelligence, knowledge, abilities, education, technology, science, entrepreneurship, creativity and innovation. All these references to talent are correct to a certain extent. They all have their background.

From our standpoint,¹⁴ talent is synonymous with competence, ability, aptitude and qualification. All four concepts are equivalent in that they involve knowledge, classifiable into three categories:

- ▶ **Theoretical knowledge**, commonly called *knowledge* or *science*, comparable to theoretical competencies.
- ▶ **Know-how** or practical knowledge that can be described as technical competence.
- ▶ **Discernment**,¹⁵ related to the adaptive ability of attitudes and relational skills in specific settings.

When describing a professional with talent, Pilar Jericó¹⁶ points out the importance of two factors: readiness to act and engagement. With this, she is telling us that a good professional is characterised not only for their knowledge but also for their know-how and discernment.

However, we need to be careful because most literature interprets such «talent» in an exclusive way by relating it to «successful professionals», «skilled labour» or even «superior persons» only. Far from considering it a word applicable to a few, and defending David McClelland's theses,¹⁷ we believe that talent applies to anyone to a bigger or lesser extent, according to the nature of the activity done, its organisational setting and the moment. Here lies precisely the ability to and the importance of managing this asset in the right way.

Talent develops during the working life of people and groups. It gains quality by enduring in trial-and-error learning, through awareness and the generous strive for exchange. James Baldwin put it clearly and elegantly: «Beyond talent

lie all the usual words: discipline, love, luck –but most of all, endurance».

Talent management policies. Trends

Talent management policies are arrangements¹⁸ on the orientation of resources towards activities the goal of which is the availability of professional competencies. There is a wide range, including policies to be deployed by business stakeholders, with a wider or narrower consensus with social partners, as well as public policies.

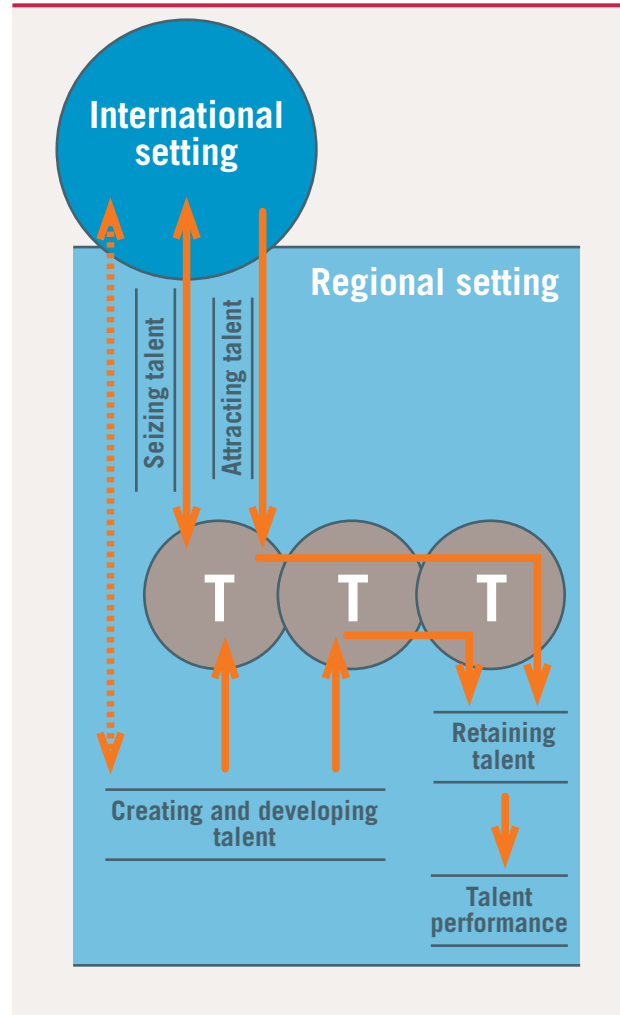
Employers know that there is something scarcer and finer than talent, namely «the talent to recognise talent».

- A Creating and developing talent** in the own organisational or regional setting, based on exchange with other settings, e.g. international. This category provides for educational measures, university education and continuing training.
- B Attracting talent.** It includes opportunity marketing to act on the interests of professionals from other settings.
- C Seizing talent** through contracts or other psychosocial and economic agreements between individuals, companies or territories; recruitment.
- D Retaining talent and talent performance.** Measures to preserve recognition-based key competencies and incentive-based productivity.

Our model¹⁹ for talent management policies (graph 1) considers four groups of measures:

In entrepreneurial settings, this scheme has been valid for decades. Management literature²⁰ has recently insisted more than ever before on the importance of having good professionals,

Graph 1. Model of talent management policies



Source: «Mesures de gestió del talent a Catalunya» (Salvat & Marcet, 2006).

adopting the concept of *talent*, but classic human resource policies have always paid attention to selection (B), recruitment (C), continuing training (A) and payment as well as other social measures to foster their staff's loyalty and productivity (D). Employers know that there is something scarcer and finer than talent, namely «the talent to recognise talent». Workers' representatives also have been making efforts for years to improve continuing training policies.

Public authorities, universities and social companies in general have applied this scheme only partially. Roughly speaking, it can be said that

these organisations have concentrated their efforts on planning recruitment through public competitions (B, C). However, training (A) and especially recognition of productivity (D) are a clear focus on improvement. This idea is pointed out in the end of the article.

The model submitted is perhaps more suggestive to inspire public policies at local, regional, national or federal level. In this respect, resources have been traditionally geared to educational (A) and occupational policies (A, C).

During the last decade, a big emphasis has been placed on optimising research as a talent pool (A), but the philosophy of accountability has made necessary to deploy broader, goal-minded policies having a clear effect on companies and the productive economy (C, D). Equally, policies to generate economic opportunities are being innovated, which is paramount to seize and benefit from talent (C, D) as well as to make such opportunities known (B). There is one certainty: «Talent attracts talent».

All in all, current trends confirm the existence of multiple threads of working opportunities in any field of public talent management policies. Here are some that may inspire measures:

Social and cultural policies

- ▶ Literacy and languages (migrants) (A)
- ▶ Social security programmes (A)
- ▶ School mediation (C)
- ▶ English in public media (A)
- ▶ Educational contents attractive for public media (A)
- ▶ Fostering educational contents in the leisure industry (A)
- ▶ Fostering vocations (B)

Primary and secondary education

- ▶ Teacher training (A)
- ▶ Exchange of schoolchildren and teachers with foreign schools (A)
- ▶ Trilingual learning (A)
- ▶ Awards for effort and talent (D)

- ▶ Curricular update (A, D)
- ▶ Identification and enhancement of overgifted (A, B)

Vocational and occupational training

- ▶ Adaptation of offer (A, C)
- ▶ Exchange of pupils and teachers with foreign schools (A)
- ▶ Practices in productive settings (A)
- ▶ Certification of experiences, accreditation of competencies (C, D)
- ▶ Occupational training (A, C)
- ▶ Job exchange (C)

University and research

- ▶ Communication campaigns for international students (B)
- ▶ Communication campaigns for international institutions (B)
- ▶ Mixed chairs and curricula with foreign universities (A)
- ▶ Awards for effort and talent (D)
- ▶ Teaching in English (A)
- ▶ Contracts for excellent foreign teachers and researchers (C)
- ▶ Improving working conditions of researchers (C, D)
- ▶ Grants for specialisation and research (C)
- ▶ Return of expatriate scholars (C)
- ▶ Funding excellent and borderline research groups (A, C, D)
- ▶ Collaborative research with foreign universities (A)
- ▶ Structures to valorise research (patents, spin-offs) (A, D)
- ▶ Information and communication systems between knowledge bases (D)
- ▶ Repatriation of researchers (C)

Economic promotion, innovation and employment

- ▶ Marketing of cities and regions (B)
- ▶ Marketing to search international talent (head hunting) (B)
- ▶ Business tourism (A)
- ▶ Business schools (A, B, C)

- ▶ Tax, patent and patronage laws, etc. (C, D)
- ▶ Landing foreign companies (C, D)
- ▶ Creation of knowledge-based companies (C)
- ▶ Attracting foreign investors (B, C)
- ▶ Organisation of international gatherings (A, B)
- ▶ Support to knowledge transfer organisations and structures (B, D)
- ▶ Incubation and follow-up of value-added companies (C, D)
- ▶ Support to and recognition of internationalisation, quality, business innovation (A, D)

Enterprise

- ▶ Recruitment of researchers and doctors (A, C)
- ▶ Recruitment at source (C)
- ▶ Recruitment of students on placement (A, C)
- ▶ Recruitment of foreigners (A, C)
- ▶ Expatriations, rotations, horizontal and vertical mobility (A, D)
- ▶ Continuing training (A, D)

Controversies and certainties

So far we have said that the cultural change we are experiencing requires to set new rights and duties to accede to, use and recognise knowledge: new talent management policies. But the design, deployment and assessment of these new methods is not free from difficulties.

First of all, because despite everybody agrees that talent is a strategic need for professionals, their customers, shareholders, the working population and the society as a whole, «professional value» is difficult to quantify. Specific literature has been analysing for four decades the macrodynamic relation between human capital and economic growth.²¹ Econometric trials undertaken consider formal education but often exclude the assessment of competencies acquired through non-formal education (family, TV, internet, magazines, books, etc.), which we know are becoming progressively relevant in our present-day culture, as well as those acquired through experience (learning by doing).

However, we disagree with the say that goes: «Politics are like mathematics: everything that is not completely right is wrong».²² In politics, resources are limited. Despite being imperfect, the economic rationale based on the market value of knowledge stocks and flows is after all useful for decision-taking.

On the other hand, setting political priorities is the result of negotiations of not only technical but also ideological and strategic nature. It always has been like this,²³ and it is still true, legitimate and recommendable to consider ideology and strategy at the base of talent management policies, and that these policies are based on specific goals, conditions and social promotion methods, having their effect on specific groups: unemployed, schoolchildren, students, employed workers, etc.

In the current economic crisis, with rising unemployment, scarce stable jobs, increasing self-employment and individualisation, the problem of the quality of available professional skills is prominent for all. Therefore ideological transparency, strategic clarity and tactical ability are needed to define talent management policies as professional and personal development opportunities are increasingly dependent on our «positioning in knowledge».

The fact that transformations are occurring within one same generation contributes to increase the risk of imposing solely economic liberal views specifically geared to those groups with the best position in the labour and education market. The overgifted, successful businesspeople, highly educated foreigners, internationally reputed scientists, marketing experts, doctors and knowledge-based entrepreneurs secure returns for the country and become key groups for policies to attract, seize and retain talent.

It has been recently stated that 19% of the Catalan population lives on a yearly income under 8,276€,²⁴ and it has further been published that half the adult population has completed compulsory school only.²⁵ Michael Porter once

said: «Improving competitiveness is a marathon, not a sprint». To a certain extent, it is definitely relevant to deploy public policies to create and develop talent with a ten-year horizon, geared to a large proportion of the student and working population, as well as ambitious entrepreneurial strategies on top of tactical policies.

The degree of entanglement of talent management policies can also be due to their flat distribution.²⁶ In this respect, the ambition to have talent among public employees with enough quality to manage public policies seems to be essential within this subject and could lead to a

third debate. Going for talent is going for efficiency, risk and competitiveness, but the payment and professional career schemes at public authorities, as mentioned recently, seem to be set out in disregard of the talent factor.

To have this debate less controversial, it is useful to remind of the importance of talent management policies executed from mixed or purely private areas. As Subirà put it,²⁷ «we do need to compete with all our powers against self-complacency, self-indulgence and narrow-mindedness that make us believe that welfare is a right of its own provided by public authorities».

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Notes

1. In the following, the Strategic Agreement. It is divided into seven major blocks: innovation and knowledge, human capital, infrastructures, business competitiveness, economic activity and environment, quality of employment as well as social cohesion.
2. Formally approved on 21 September 2008.
3. Line 3 (talent attraction and retention).
4. Lines 2 (R&D), 4 (vocational training), 5 (success at school), 6 (learning English), 7 (university), 14 (fostering entrepreneurship), 19 (migration and labour market), 20 (active employment policies) and 21 (labour relations).
5. The other two keys for the future set out in the Base Document to the NPRI are «generation and valorisation of knowledge» and «innovation at the base of productive activity and public action». The three are related to two additional transversal key factors: *internationalisation* and *socialisation* of R&D&I.
6. Pittsburgh.
7. FLORIDA, Richard (2002). *The Rise of the Creative Class*; (2007), *The Flight of the Creative Class*; (2008), *Who's Your City?: How the Creative Economy Is Making Where to Live the Most Important Decision of Your Life*.
8. Relevant reference titles: TULGAN (2001). *Winning the Talent Wars*; MICHAELS *et al.* (2001). *The war for Talent*.
9. Continua of multiple, sometimes cross-border cities and suburbs that constitute true units of economic organisation, concentrating trade, transport, innovation and talent. Richard Florida identifies ten of them throughout the world, half of which in the US.
10. The author explores relevant exogenous factors such as «economic opportunity», «cultural values» and «technological globalisation» that converge to explain the situation.
11. Cf. COUNCIL ON COMPETITIVENESS (2004). *Innovative America. Thriving in a World of Challenge and Change*. The NII has four goals regarding talent management: developing «world class» innovators, helping workforce turn to change, developing science and engineering abilities and seizing the «best talent» from all over the world.
12. The Lisbon Agenda set out in March 2000 aimed at turning the EU into the world's most competitive knowledge-based region, having knowledge as a driver to create wealth and investing 3% of the EU GDP in R&D&I (2/3 of which from private sources).
13. The so-called «social capital» enhances the benefits of investing in physical and human capital and has been considered a key element of economic development. Cf. PUTNAM (1993).
14. Made up of disciplines related to socioeconomic competitiveness, including economics, sociology and pedagogy.
15. Also called *savoir-faire*.
16. JERICÓ (2000). *Gestión del talento. Del profesional con talento al talento organizativo*.
17. David McClelland was the first to use the term *competence*, around 1975.
18. Although there are always social groups interpreting them as a threat or compulsion, it is assumed that such arrangements are the result of agreements.
19. Included in the report «Measures for talent management in Catalonia» (2006) by the authors of this article, ordered by the Secretariat of Economy at the Department of Economy and Finances of the Government of Catalonia.
20. One of the most referred works in this respect is RUEFF, Rusty; STRINGER, Hank (2007). *Talent Force*.
21. The «theory of human capital» usually lies behind such accounting attempts that force to decide whom the capacity-building expenses shall be accounted to according to certain benefit distribution models induced by talent availability. This term was invented by Theodore Schultz and popularised by Gary Stanley Becker in the book *Human Capital*, published in 1964. It considers education an investment and explains that in order to increase their productive efficiency and their income, individuals take the decision to build up their capacities after an accurate cost-benefit analysis.
22. As John Fitzgerald Kennedy said.
23. Genealogical studies from institutions are especially illustrative as they reveal that social and educational relations are explained by the influence of certain «systems of ideas» – valid only temporarily – on human practices to acquire and use knowledge. The discipline called «history of education» also tells us that, from time immemorial, the military, clergy, artisans, bourgeois and aristocrats have skillfully used their economic and political power to set up systems to develop and recognise talent according to their own interests, pursuing specific goals, conditions and social promotion methods.
24. The «Report on social inclusion in Spain 2008» by the Caixa Catalunya savings bank ranks Spain last in the EU-15.
25. The OECD «Education at a Glance» report (2008) ranks Spain last among the OECD countries.
26. The incidence on social, educational, university, economic promotion, industrial, innovation, occupational and continuing training policies has been reviewed in the previous section.
27. A. SUBIRÀ I GURGUÍ (2007). *Políticas para la competitividad*.