The influence of underlying philosophies on talent management: Theory, implications for practice, and research agenda

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A B S T R A C T

In order to explain how and why talent management can contribute to a firm’s sustained competitive advantage, we need to gain insights into the philosophies that underpin talent management. This article introduces four talent philosophies that vary in their perception of talent as (a) rare (exclusive) or universal (inclusive); and (b) stable or developable: the exclusive/stable; exclusive/developable; inclusive/stable; and inclusive/developable talent philosophy. We discuss basic assumptions, talent-management practices, opportunities, and challenges for each of the four philosophies. Based on this discussion, testable propositions for future research are developed.

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1. Introduction

Academics and practitioners agree that talent management continues to be one of the key challenges for organizations worldwide because it can represent a source of sustained competitive advantage in the highly dynamic and volatile market environment of the 21st century (Collings & Mellahi, 2009; Farndale, Scullion, & Sparrow, 2010; PricewaterhouseCoopers, 2012; Schuler, Jackson, & Tarique, 2011). Building on other existing definitions (e.g., Blass, 2007; Tarique & Schuler, 2010), we refer to talent management as the systematic utilization of human resource management (HRM) activities to attract, identify, develop, and retain individuals who are considered to be ‘talented’ (in practice, this often means the high-potential employees, the strategically important employees, or employees in key positions). Notwithstanding its importance, many organizations struggle to develop and implement effective talent-management programs or practices (Vaiman, Scullion, & Collings, 2012). On that account, scholars have started to look into the factors that impede the effective management of (global) talent. Factors that have been identified as challenges so far include a general shortage of talent—in particular, of international management talent—the fierce global competition for talent; and an insufficient talent supply for businesses in emerging markets such as India and China (Farndale et al., 2010; Kim & McLean, 2012; Mellahi & Collings, 2010; Tarique & Schuler, 2010). We argue, however, that the outcomes of talent management hinge on yet another factor that has been overlooked so far: the underlying talent philosophy defined as the fundamental assumptions and beliefs about the nature, value, and instrumentality of talent that are held by a firm’s key decision-makers.

Literature on strategic human resource management (SHRM) has long ago identified underlying philosophies about the nature of human resources as key determinants of the specific shape of HR practices (Becker & Gerhart, 1996). The way in which human resource (HR) practices are shaped, in turn, is a more influential determinant of HR effectiveness than the presence of such practices alone (e.g., Boxall, 2012; Boxall & Macky, 2009). Consequently, given the close connection between talent management and HRM (Collings & Mellahi, 2009), we argue that talent philosophies are an essential, yet so far overlooked factor that impacts the effectiveness of talent management in practice.

Moreover, examining different talent philosophies is necessary because the research field is marked by tensions regarding the nature of talent (Dries, 2013a). The most salient tension concerns the exclusiveness or inclusiveness of talent management. Whereas some scholars believe that only few employees are talented (Becker, Huselid, & Beatty, 2009), others propose that every employee has specific talents that can be productively applied in organizations (e.g., Buckingham & Vosburgh, 2001). A second distinct discussion point refers to the question of whether talent is a stable and enduring trait (Peterson & Seligman, 2004), or a mere potential that can (or even: has to) be developed (Cohn, Khurana, & Reeves, 2005; for a review see Meyers, van Woerkom, & Dries, 2013). Combining these two tensions results in four distinct talent philosophies: exclusive and stable; exclusive and developable; inclusive and stable; inclusive and developable.
In the following, this article will thoroughly elucidate the four philosophies that have just been instanced and will derive testable propositions for future research. It thereby represents a valuable contribution to theory on talent management because it is among the first to systematically compare different philosophies about talented employees and their respective effects. Moreover, this article can provide important ideas and insights to practitioners who are planning to implement or shift the focus of a talent-management system.

2. HR philosophies

HR philosophies have been defined as general statements “of how the organization regards its human resources, what role the resources play in the overall success of the business, and how they are to be treated and managed” (Schuler, 1992, p. 21). As such, HR philosophies are closely related to organizational values (Schuler, 1992) and HR principles (Arthur & Boyles, 2007). Lately, HR philosophies have been discussed within the context of SHRM, particularly within literature on high performance work systems, bundles of HR practices, or high-involvement work systems (e.g., Arthur, 1994; Guest, Conway, & Dewe, 2004; Huselid, 1995; MacDuffie, 1995). Although it has been hypothesized that such systems of HR practices have beneficial effects on performance, empirical studies have reported inconsistent findings regarding this link (Boselie, Dietz, & Boon, 2005; Combs, Liu, Hall, & Ketchen, 2006). The inconsistent findings have been explained by a lack of common methodology and theory (Pauuw, 2009; Wright & Gardner, 2003). There is neither agreement on the 'best' HR practices that lead to high performance, nor on the practices that should be combined into a system or bundle of practices (Becker & Gerhart, 1996; Boxall & Macky, 2009; Pauuw & Boselie, 2005; Wright & Gardner, 2003). Furthermore, there is neither consensus on the way in which an HR practice should be designed and implemented, nor on the mechanisms or processes through which HR practices influence performance (Boxall, 2012; Boxall & Macky, 2009).

Several scholars have discussed reasons for these ambiguities regarding HR practices or systems of HR practices. It has, for instance, been argued that the same HR practice can be implemented in many different ways, and that its effects will vary depending on the way in which it is designed by managers and perceived by employees (Boxall, 2012; Boxall & Macky, 2009; Nishii, Lepak, & Schneider, 2008). The specific design of an HR practice or a system of practices is heavily influenced by what Pauuw (2004) called the ‘dominant coalition’. The dominant coalition comprises key organizational decision makers (supervisory board; top, middle, and lower management; HR management; etc.) who shape HR practices based on their beliefs, attitudes, values, and norms (Pauuw, 2004), or, in other words, based on their inherent philosophies (Boxall, 2012; Boxall & Macky, 2009). For example, managers who hold the philosophy that employees seek responsibility and can autonomously direct their actions toward reaching a goal (cf. Theory Y; McGregor, 1960) will design a different reward- and control system than managers who believe that employees will only work toward reaching a goal if they are closely supervised and controlled (cf. Theory X; McGregor, 1960; see also O’Reilly & Pfeffer, 2000). Managers’ inherent philosophies even influence the effects of HR practices to such an extent that different practices or combinations of practices that are based on the same underlying philosophy can achieve the same effects (Arthur & Boyles, 2007; Becker & Gerhart, 1996). This equivocality phenomenon might partly be explained by the assumption that managerial philosophies influence the way in which employees perceive, interpret, and react to HR practices. These employee perceptions and reactions, in turn, appear to be crucial determinants of the overall effects of HRM (Boxall, 2012; Nishii et al., 2008; Purcell & Hutchinson, 2007; Wright & Nishii, 2012).

Based on the discussion presented it has been reasoned that the focus of research on SHRM should be moved away from examining single practices (Boxall, 2012). Instead, research should concentrate on higher-order constructs such as HR philosophies that shape the design of HR practices or systems of practices (Arthur & Boyles, 2007; Becker & Gerhart, 1996; Boxall, 2012; Lepak, Taylor, Tekleab, Marrone, & Cohen, 2007). Even though the importance of underlying HR principles or philosophies for SHRM has been acknowledged by several scholars, empirical and theoretical work on this topic is still scarce (Lepak et al., 2007; Monks et al., 2013).

Moreover, to the best of our knowledge, philosophies have not yet received any scholarly attention within the context of research on talent management. We argue, however, that current discussions about the influence of HR philosophies on the effectiveness of HRM (Boxall, 2012) also apply to talent management because there is some conceptual overlap between the concepts talent management and HRM. The exact extent of this overlap is currently being discussed. While some scholars argue that talent management is essentially the same as HRM (Iles, Preece, & Chua, 2013), others argue that talent management differs from HRM in that it adheres to the requirements of a ‘decisions science’ where investments are made in the areas that generate the biggest profits (Boudreau & Ramstad, 2007; Collings & Mellahi, 2009). In other words, whereas HRM is about managing the whole workforce, talent management focuses only on the employees who are considered to be talented. As organizations tend to differ in how many employees they consider being talented, and as these differences can mainly be explained by their assumptions about the nature of talent (i.e., their talent philosophies), we reason that talent philosophies will also influence the discussion about the similarities or differences between HRM and talent management.

3. Talent management and talent philosophies

Recently, the knowledge base on talent management has grown due to some valuable theoretical contributions, such as several reviews on (strategic) talent management (Collings & Mellahi, 2009; Iles et al., 2010; Lewis & Heckman, 2006), a special issue on global talent management in Journal of World Business (Scullion, Collings, & Caligiuri, 2010), and a special issue on talent-management theory in Human Resource Management Review (Dries, 2013b). Nonetheless, ambiguities regarding definitions, theoretical frameworks, and empirically based recommendations for the use of talent management in practice persist (Collings & Mellahi, 2009; Lewis & Heckman, 2006). These ambiguities can often be traced back to dissimilar interpretations of the term talent: what is talent or who do we consider to be talented? These interpretations, in turn, are interrelated with fundamental assumptions and beliefs about the nature, value, and instrumentality of talent or, in short, talent philosophies. Recently, Dries (2013a) has identified five tensions about the nature of talent that mark talent-management theory and practice. She addresses, amongst others, the questions of whether talent is an inclusive or exclusive concept and whether talent is innate or open to development. While we acknowledge that these two questions are not the only existing tensions about the nature of talent that possibly influence talent philosophies, we chose to focus on them due to their saliency and far-reaching consequences for talent-management practice.

With regard to the first tension, several scholars proposed that talent management can either have an exclusive or inclusive focus (Iles et al., 2010; Lewis & Heckman, 2006; Stahl et al., 2012). Is talent considered being rare, or does everyone possess talent?
While many scholars advocate exclusive talent-management approaches that are directed at a small, elitist percentage of the workforce only—the A players, high potentials, high performers, or strategically important employees (Boudreau & Ramstad, 2005; Collings & Mellahi, 2009), others favor inclusive talent-management approaches that are directed at the whole workforce (Buckingham & Vosburgh, 2001; Yost & Chang, 2009). In practice, the majority of organizations adopt exclusive approaches to talent management (Swailes, 2013), but recent research by the Chartered Institute of Personnel and Development (CIPD, 2012) shows that inclusive approaches are also fairly common. Whereas three fifths of organization reported having exclusive talent-management approaches, two fifths had inclusive approaches (CIPD, 2012). In addition, hybrid approaches that combine inclusive and exclusive philosophies are possible (Stahl et al., 2012).

The second tension relates to the argument that talent-management practice is influenced by the extent to which talent is understood as an innate or acquired construct (Meyers et al., 2013). Is talent a stable entity, or is it capable of being developed? Talent understood as a stable entity would lead to talent-management practices with a strong emphasis on talent identification and selection, whereas the assumption of acquired talent would necessitate practices that aim at development and gaining experience (Meyers et al., 2013). The ongoing discussion about the extent to which talent is stable (e.g., Howe, Davidson, & Sloboda, 1998; Meyers et al., 2013) relates to several factors. On the one hand, people who define talent as a set of knowledge, skills, and abilities are more likely to think that it can be acquired than people who define talent in terms of personality characteristics, cognitive abilities, or motivation (Silzer & Church, 2009). On the other hand, the question relates to the implicit person theory an individual holds (Dries, 2013a), meaning either the belief that persons can be formed and molded by experiences (i.e., incremental theory), or the belief that people only rarely change (i.e., entity theory; Dweck, 2012). Moreover, a discussion of this point is relevant with regard to talent management in different cultural contexts. In many western cultures, talent is commonly understood as an innate ability that leads to above-average performance in a specific domain (Tansley, 2011). In Japan, by contrast, talent denotes outstanding accomplishments that result from many years of training (Tansley, 2011).

Combining the two tensions discussed above leads to four distinct talent philosophies: exclusive/stable; exclusive/developable; inclusive/stable; and inclusive/developable (see Fig. 1). We will discuss these four philosophies in the following paragraphs, and derive falsifiable propositions that can be tested in future research.

4. The exclusive/stable talent philosophy

Dictionaries define talent as “a natural ability to be good at something, especially without being taught” (Talent, 2013). Similar to this definition, lay people commonly understand talent as a scarce and genetically determined construct. Moreover, the assumption of innate talent is prevailing in the business context (Burkus & Osula, 2011). This assumption forms the basis of the exclusive/stable talent philosophy. This philosophy implies that the working population can invariably be divided into two groups: a small group of people ‘with talent’ (the A players, top performers, or star employees) and a much bigger group of people ‘without talent’ (the B and C players, or average and bottom performers; e.g., Axelrod, Handfield-Jones, & Michaels, 2002). Opinions of the prevalence of talent in the working population differ, but, typically, no more than 20 percent of the workforce is identified as A player (Welch & Welch, 2005). A players are often thought of as people with a particular combination of intelligence, personality, and motivation (DeLong & Vijayaraghavan, 2003). Consequently, as both intelligence and personality are understood as stable characteristics, the differentiation between A, B, and C players is seen as mainly irrevocable, meaning that employees either ‘have’ talent or ‘do not have it’. Especially the prevalence of stable individual differences in intelligence (Herrnstein & Murray, 1994), and the strong predictive value of intelligence for future job performance (Schmidt & Hunter, 1998) are seen as key arguments by proponents of an exclusive/stable talent philosophy.

4.1. Effect of an exclusive/stable talent philosophy on talent-management practices

Proponents of the exclusive/stable philosophy argue that organizations that win the ‘war for talent’—meaning organizations that dispose of more people ‘with talent’ than their competitors—will gain a sustainable competitive advantage (Michaels, Handfield-Jones, & Axelrod, 2001; Snell, Youndt, & Wright, 1996). This argument is deeply rooted in literature on the resource-based view of the firm (RBV; Barney, 1991), according to which valuable, rare, inimitable, and non-substitutable resources like employee talents can help to outperform competitors. Building forth on this idea, several scholars in the field of SHRM proposed that organizations should use different HR or talent-management practices for different groups of employees (Becker & Huselid, 2006; Boudreau & Ramstad, 2005; Lepak & Snell, 1999). This idea of workforce differentiation implies a preferential treatment of talented employees; in other words, employees who (a) perform well (e.g., the A players; Michaels, Handfield-Jones, & Axelrod, 2001), (b) are both unique and valuable (Lepak & Snell, 1999), and/or (c) occupy positions that create substantial contributions to a firm’s strategic success (Becker & Huselid, 2006; Boudreau & Ramstad, 2005). For example, Seleim, Ashour, and Bontis (2007) made the case for star and superstar software developers as a key resource for software companies. These software developers perform two to four times better than other developers, are on short supply on the labor market, and are central to the organizations’ strategic business process. The authors therefore advise software companies to carefully select
the best and the brightest candidates, and to emphasize the attraction and retention of these talented employees as central tasks for talent management (Seleim et al., 2007). This advice is in line with more general suggestions by advocates of workforce differentiation, according to which disproportional amounts of resources should be invested in order to attract, select, and retain talented employees who (will) occupy key organizational positions (Becker & Huselid, 2006; Becker et al., 2009).

Several scholars have given more specific advice as to the nature of these investments. First, Vaiman et al. (2012) highlighted the decisive role of employer branding, which comprises all efforts to promote an organization’s reputation as a good and desirable employer (Backhaus & Tikoo, 2004), for the attraction and retention of employees. Especially employees from Generation Y—who entered the labor market since the turn of the century and who are often targeted by talent-management initiatives, make increasing demands on their (future) employer: they prefer, for instance, to work for employers that have the reputation to act in a socially responsible way (Vaiman et al., 2012). Second, talent identification or selection has been identified as crucial for ensuring that the ‘right’ people will be placed in strategically important positions (McDonnell, 2011). Commonly, organizations rely on a variety of indicators such as general mental ability, structured or unstructured interviews, education or academic records, work experience, extracurricular activities or interests, and work samples to find talent amongst external job applicants (Schmidt & Hunter, 1998). In the context of internal talent identification, organizations often rely on performance appraisals as main criterion (Dries & Pepermans, 2008). One particular example are forced ranking approaches, in which the best performing 20 percent of employees are characterized as A players, the following 70 percent as B players, and the lowest performing 10 percent as C players (Grote, 2005; Welch & Welch, 2005). Third, Lepak and Snell (1999) propose that organizations should use HR practices that aim at fostering commitment of talented (highly unique and valuable) employees and at creating stable, organization-focused employment relationships. This implies long-term involvement of and investment in talented employees by means of, for instance, offering participation in decision making, career development, and mentoring programs (Lepak & Snell, 1999). Based on the discussion presented above, the following propositions have been derived.

Proposition 1a. An exclusive/stable talent philosophy is positively related to a differentiated management of talented and other employees (workforce differentiation based on innate talent).

Proposition 1b. An exclusive/stable talent philosophy is positively related to talent-management practices with regard to the attraction, selection, and retention of a small subgroup of talented employees.

4.1.1. Opportunities and challenges

Scholars and practitioners who support an exclusive/stable talent philosophy expect that talent management creates several benefits for an organization. On the one hand, they assume that organizations can establish and sustain a leading market position by staffing the firm with the best, most intelligent, and/or most motivated employees (Michaels et al., 2001). On the other hand, the principle of workforce differentiation and a differentiated allocation of resources creates several opportunities for organizations (cf. Gelens, Dries, Hofmans, & Pepermans, 2013). For instance, after identifying key performers or key strategic positions, organizations can maximize profits through a more strategic allocation of resources. In other words, they can invest disproportionally in employees or positions that promise to yield disproportionate returns (Becker et al., 2009). Investing in talented employees enhances their motivation and commitment to the organization, and these, in turn, are key mediators in the relationship between talent management and organizational outcomes (Collings & Mellahi, 2009). Moreover, investing in valuable and difficult to replace employees will reduce the likelihood that these employees leave the firm, thereby minimizing replacement costs (Lepak & Snell, 1999).

The exclusive/stable talent philosophy and particularly the differentiated treatment of employee groups also poses some challenges. First, the practice of classifying individuals as talented and untalented based on the assessment of, for instance, performance or intelligence has been criticized. The use of performance appraisals is considered as disputable because performance often reflects experience with the task at hand, but not talent (e.g., Silzer & Church, 2009; Vost & Chang, 2009). More importantly, the utility of intelligence assessments has been challenged because, amongst others, a given test score may not capture all aspects of mental ability. In addition, test scores may be biased due to cultural influences such as the familiarity with test materials and different conceptualizations of intelligence, adaptability, or appropriateness (Neisser et al., 1996). Moreover, it has been argued that the prevailing assumption that inherited factors—like intelligence—cannot be altered is wrong (Neisser et al., 1996). They are still subject to environmental influences and may depend on learning (Neisser et al., 1996).

Another challenge faced by proponents of an inclusive/stable philosophy comprises the increasing scarcity of talented employees in the global labor market, leading to a fierce global competition for talent (Farndale et al., 2010; Kim & McLean, 2012; Mellahi & Collings, 2010; Tarique & Schuler, 2010). Accordingly, the attraction of talented employees—in particular, the attraction of management talent for subsidiaries in emerging markets such as India and China (Farndale et al., 2010)—gets more and more difficult and costly for organizations.

Finally, critiques argue that literature on workforce differentiation is biased in that it only focuses on its favorable effects on talented employees while neglecting possible negative effects on employees that are considered neither talented nor valuable (Becker & Huselid, 2006; Marescaux, De Winne, & Sels, 2013; Walker & LaRocco, 2002). Clearly communicating that some employees do not belong to the organization’s talented group might impair their motivation (McDonnell, 2011). The negative effects on these employees might attenuate or even outweigh the positive effects of workforce differentiation on talented employees (Becker & Huselid, 2006; Marescaux et al., 2013). In particular, losing solidly performing B players who form the backbone of a business can diminish an organization’s efficiency and effectiveness (DeLong & Vijayaraghavan, 2003).

Proposition 1c. An exclusive/stable talent philosophy provides the following opportunities to organizations: gaining competitive advantage through people, high returns on investment in employees though an optimal allocation of resources, and the retention of a small subgroup of talented employees.

Proposition 1d. An exclusive/stable talent philosophy brings about the following challenges with regard to talent management: selecting talent, dealing with the scarcity of talent, and managing the employees who are not talented.

5. The exclusive/developable talent philosophy

The exclusive/developable talent philosophy can be summarized by a quote by Csikszentmihalyi (1998) stating that “talent is not an all-or-nothing gift but a potential that needs to be cultivated.
to bear fruit” (p. 411). Building on this quote, certain ideas of the exclusive/developable philosophy can be elucidated. First, talent is conceptualized as a potential implying that talent represents “the possibility that individuals can become something more than what they currently are” (Silzer & Church, 2009, p. 379). Accordingly, talent is latent: something that is not yet there, but makes certain promises for the future (Altman, 1997; Silzer & Church, 2009). Second, the quote implies that a distinction is made between, on the one hand, talent as a latent potential and, on the other hand, realized potential that becomes manifest in superior performance (cf. Gagné, 2004). In other words, potential will only bear fruits if it is developed. A third main idea of the exclusive/developable philosophy, which is not directly addressed in the quote by Csikszentmihalyi (1998), concerns the presumably rare occurrence of talent or potential: the philosophy assumes that few individuals show great promise for becoming highly performing employees in the future whereas the majority of employees do not. Commonly, around 10–15 percent of an organization’s employees are identified as high-potentials (Ulrich & Smallwood, 2012).

In summary, the exclusive/developable talent philosophy is similar to the exclusive/stable philosophy in that both approaches consider talent to be rare and at least partly innate. However, in contrast to the latter, the exclusive/developable philosophy assumes that talents are often latent and can only be unveiled through development.

5.1. Effect of an exclusive/developable talent philosophy on talent-management practices

Scholars who see talent as a scarce but partly acquired resource highlight two main tasks for talent management: the accurate identification of employees with potential (Church & Waclawski, 2009) and the development of these high potential employees (Silzer & Church, 2010). In a study amongst several big US corporations, Derr, Jones, and Toomey (1988) found that many organizations use a three stage process of high potential management. In the first stage, employees with high potential are identified (separation stage), typically early in their careers. The high potential employees subsequently undergo a lengthy period in which they are given special assignments and extensive formal and on-the-job training (transition stage) before they are able to take on their destined senior organizational roles (incorporation stage). Following an exclusive/developable talent philosophy therefore means that the workforce will be segmented according to the potential an individual shows. Only employees who show potential will get access to specialized training and development opportunities.

Silzer and Church (2009) developed a three-dimensional model of potential that specifies how potential can be assessed. The first dimension of potential comprises stable cognitive and personality factors, such as general cognitive abilities, conceptual or strategic thinking, dealing with complexity, sociability, dominance, emotional stability, and resilience (foundational dimension). These factors are hypothesized to be indispensable for a broad range of future organizational roles and positions (Silzer & Church, 2009). The second dimension includes factors that determine the future growth and development of employees, for instance, adaptability, learning orientation, and career ambition (growth dimension; Silzer & Church, 2009). Factors in this dimension are also rather stable, but can vary in strength depending on the situation. The third dimension includes early indicators of skills (e.g., leadership skills, research skills) that can be further developed into end-state skills needed for specific career paths (career dimension; Silzer & Church, 2009). Silzer and Church (2009) propose to generically assess the factors of the foundational and growth dimension for identifying potential, because they are required for almost any higher organizational role.

After identifying employees with sufficient potential in these dimensions, training and development can be used to enhance an individual’s career-specific skills (Silzer & Church, 2009). The necessity to tailor training and development trajectories to early indicators of career-specific potential has been highlighted by theories on person–environment interactions. These theories propose that an optimal fit between initial conditions (individual potential) and stimulating environmental factors (training) results in a chain of synergistic or multiplicative person–environment interactions that lead to disproportionate gains in a given skill or ability (Papierno, Ceci, Makel, & Williams, 2005; Schmitt, Eid, & Maes, 2003). This means that individuals can show remarkable improvements of abilities after participating in a training that is matched to their potential (Papierno et al., 2005).

Proposition 2a. An exclusive/developable talent philosophy is positively related to a differentiated management of talented and other employees (workforce differentiation based on potential).

Proposition 2b. An exclusive/developable talent philosophy is positively related to talent-management practices with regard to the selection and, most importantly, the development of the small subgroup of employees with potential.

5.1.1. Opportunities and challenges

When organizations design talent-management systems in line with the exclusive/developable philosophy, they expect to generate greater returns on training investments by offering development opportunities to employees with potential only. The idea is that if training is tailored to the initial abilities (potential) of promising employees, they will display a much steeper growth rate in their abilities than employees who do not display this initial potential (Papierno et al., 2005). This assumption has been challenged by scholars who argue that the mere designation as ‘high potential’ causes individuals to perform better regardless of whether they are true high-potentials or not (cf. literature on the Pygmalion effect; Burkus & Osula, 2011; Rosenthal, 2010).

As potential is latent by definition, finding the ‘true’ high potential presents another challenge to organizations. Silzer and Church (2009) indicate that their three-dimensional model of potential can serve as a sound basis for potential identification, but does not provide answers to all questions. It is, for instance, still unclear whether there is an optimal combination of potential in the foundational, growth, and career dimension, and how this optimal combination varies by function, industry sector, gender, or ethnicity (Silzer & Church, 2009). Moreover, they argue that potential identification is impeded by the fact that today’s organizations operate in very dynamic markets so that they do not know which form of potential or talent will be needed in the future (Silzer & Church, 2009). Based on this argument, several authors have stressed that factors predicting future learning—or factors of the growth dimension—such as adaptability, flexibility, learning orientation, learning agility, feedback seeking, and drive are crucial components of potential (Eichinger & Lombardo, 2004; Silzer & Church, 2009; Spreitzer, McCall, & Mahoney, 1997). The growth dimension is, however, the most difficult dimension to assess (Silzer & Church, 2009). On a related note, the difficulty to identify employee potential also implies that it often remains undiscovered. Consequently, its development will not be facilitated leading to unrealized or wasted potential (Gladow, 2008; Papierno et al., 2005).

In the light of the idea that potential often remains unrealized and therefore latent, one might argue that more people than commonly presumed possess talent (Gladow, 2008). This reasoning is crucial when it comes to dealing with the general shortage of talented employees (cf., Farndale et al., 2010). It implies
that employees with scarce talents cannot only be bought in from the market (as an exclusive/stable philosophy might suggest), but also be grown inside the organization as long as the organization succeeds in detecting relevant potential. Furthermore, training and development practices can be used to transfer potential from one career domain to another. The idea of talent transfer originated from research in the area of top sport: researchers found that athletes in a given sport A can be trained to become successful in another sport B on condition that the two sports require similar basic characteristics or abilities (Bullock et al., 2009). Examples of successful talent transfer include athletes who switched from speed skating to cycling, from gymnastics to diving, or from sprinting to bobsled (Gulbin, 2008). The stable/developable talent philosophy endorses the underlying assumptions of talent transfer in the area of sport in that it assumes that potential can be developed toward different ends. In other words, employee potential might be applied in several career domains as long as certain prerequisites are met (e.g., sufficient potential in the foundational and growth dimensions; Silzer & Church, 2009). This means that employees in one occupational position can be trained for another occupational position in a limited amount of time and with limited required effort if these employees meet the basic prerequisites for the destined position. For example, Rappaport, Bancroft, and Olum (2003) reasoned that an elderly aircraft technician can easily be re-trained for a position as radiation technician in a hospital because he already possesses many relevant skills and abilities. Taking the possibility of talent transfer into account allows organizations to recruit from a very wide pool of job applicants, as they do not have to limit their search to applicants who occupied similar positions in the past (Rappaport et al., 2003). Moreover, they might be able to tab more uncommon labor pools including older workers, women, and ethnic minorities (Rappaport et al., 2003), which is a valuable strategy to deal with the lasting shortage of talented employees and the aging working population (Rappaport et al., 2003).

**Proposition 2c.** An exclusive/developable talent philosophy provides the following opportunities to organizations: optimizing the return on training investments, transferring talent from one domain to another, using broad recruitment strategies, and tapping of uncommon labor pools.

**Proposition 2d.** An exclusive/developable talent philosophy brings about the following challenge with regard to talent management: validly identifying potential.

### 6. The inclusive/stable talent philosophy

The inclusive/stable talent philosophy assumes that employee and organizational flourishing can best be achieved by focusing on the positive qualities or the talents residing in every individual (Peterson & Park, 2006). In contrast to the two exclusive philosophies, talent is thus seen as universal, meaning that everyone possesses certain positive traits (Peterson & Seligman, 2004; Seligman & Csikszentmihalyi, 2000). In addition, talent in itself is defined in very broad terms. Whereas exclusive philosophies often confine the talent definition to leadership talent or other specific forms, inclusive philosophies consider various forms of talent even if they might seem atypical for the working context; for instance, the ability to make people laugh or the ability to be grateful for good things (cf., Peterson & Seligman, 2004).

The inclusive/stable philosophy is rooted in positive psychology defined as "the science of positive subjective experience, positive individual traits, and positive institutions" (Seligman & Csikszentmihalyi, 2000, p. 5). Scholars in this field have been building up a body of literature on positive individual traits, in particular, individual (character) strengths, throughout the last 15 years (e.g., Peterson & Park, 2006, 2011; Peterson & Seligman, 2004). Based on literature on positive psychology and individual strengths, talents in the context of an exclusive/stable philosophy can be understood as employee attitudes and behaviors that come naturally to them; that drive, motivate and energize them; that they value and like; and that make them feel authentic and true to themselves (Buckingham, 2005; Linley & Harrington, 2006; Peterson & Seligman, 2004). These individual talents are supposed to be mainly enduring and stable—they belong to a person like a blood type, and can only be slightly refined through, for instance, acquiring new knowledge and skills (Buckingham, 2005; Peterson & Seligman, 2004).

#### 6.1. Effect of an inclusive/stable talent philosophy on talent-management practices

Advocates of the inclusive/stable philosophy advises HR and talent managers to deliberately design talent-management systems that acknowledge the unique qualities of all employees and aim to capitalize on them (Buckingham, 2005; Buckingham & Vosburgh, 2001). In this regard, three key tasks for talent management emerge: identifying individual talents, stimulating the use and refinement of talents, and matching employee talents with positions or tasks. An additional task is to manage around weaknesses.

The importance of the first two tasks of talent management, stimulating the identification and use of talents, has been highlighted by literature on strengths in the context of positive psychology. It has been claimed that many people do not know what their strengths are (Linley, 2008) so that talent management has to take charge of strength or talent identification. Most commonly, talents are identified through the use of questionnaires such as the Strengthsfinder (Rath, 2007), the values in action inventory of strengths (VIA-IS; Peterson & Seligman, 2004), or StandOut (Buckingham, 2011). Furthermore, it has been argued that using strengths is related to a number of positive individual outcomes such as feeling excited, invigorated, happy, and driven (Peterson & Seligman, 2004). Research evidence supports these claims by showing that interventions that help individuals to identify their strengths and stimulate them to use these strengths more or in new ways enhance individual well-being and happiness (e.g., Mitchell, Stanimirovic, Klein, & Vella-Brodrick, 2009; Seligman, Steen, Park, & Peterson, 2005). In addition, there is empirical evidence that employees who perceive that their employer facilitates strengths identification and use show higher levels of in-role and extra-role performance (Van Woerkom & Meyers, in press). In order to ensure that employees have the opportunity to utilize their strengths, another key aspect of talent management based on the inclusive/stable philosophy is increasing the fit between the natural talents of an employee and his or her job (Buckingham, 2005; Buckingham & Vosburgh, 2001). This key task is meaningful in the light of a current meta-analysis (Van Iddekinge, Roth, Putka, & Lanivich, 2011) showing that job-relevant vocational interests defined as “traits that reflect preferences for certain types of work activities and environments” (p. 1167) are strong predictors of job performance. Since the conceptualization of inclusive/stable talents partly overlaps with this definition of vocational interests, one might expect that placing employees in positions that allow them to play to their strengths enhances individual performance.

Critiques claimed that a one-sided focus on strengths can turn them into weaknesses (Kaiser & Overfield, 2011). Strengths researchers, however, argued that focusing on strengths does not mean that individual shortcomings are neglected completely (Buckingham, 2005; Linley & Harrington, 2006). Talent management
following the inclusive/stable philosophy also comprises training employees who perform poorly on critical tasks (Buckingham, 2005; Linley & Harrington, 2006). Besides, talent management tries to manage around weaknesses by partnering employees with complementary strength profiles, which allows one partner to take over those tasks that belong to the weaknesses of the other partner, putting together work teams with a diverse strengths profile, or making additional changes to task design (Buckingham, 2005; Linley & Harrington, 2006).

Proposition 3a. An inclusive/stable talent philosophy is positively related to talent management-practices with regard to the identification of individual strengths (throughout the whole workforce), using strengths, increasing the person-job fit, and managing around weaknesses.

6.1.1. Opportunities and challenges

Employees who experience a talent-management system that is based on the inclusive/stable philosophy are likely to feel supported and valued by their organization, because they work in a surrounding that is generally appreciative of their talents. Consequently, employees make positive attributions regarding the usage of talent management (Nishii et al., 2008). This might mean, for instance, that employees presume that talent management is meant to enhance their well-being (Nishii et al., 2008). When employees perceive talent or HR management as an indicator of their organization’s concern for their well-being, enhanced commitment will result (Nishii et al., 2008). The inclusive/stable talent philosophy can therefore be seen as especially conducive to employee retention. In addition, organizations might also have fewer difficulties to attract employees because employees want to work for organizations where they can utilize their talents (O’Reilly & Pfeffer, 2000).

Another opportunity that the inclusive/stable philosophy entails is based on the idea that using talents is a source of happiness, energy, and motivation (Buckingham, 2005; Peterson & Seligman, 2004). As a result, employees will be motivated to do their work well; will be less prone to exhaustion and, eventually, to burnout; and will also show enhanced performance according to the happy-productive worker thesis (Croppanzo & Wright, 2001; Staw, 1986). In addition, capitalizing on unique strengths might have positive consequences for teamwork and especially team cohesiveness. When the tasks in a team are allocated in such a way that all team members perform the tasks that play to their strengths, greater inter-dependency is created (Buckingham, 2005). As a consequence, team members learn to appreciate their direct colleagues for their unique capabilities and their contributions to the team output (Buckingham, 2005).

Critiques also highlighted some challenges for talent management based on the inclusive/stable philosophy. They argue that talent management that emphasizes stable employee strengths runs the risk of fostering a strong fixed mindset among the workforce (Biswas-Diener, Kashdan, & Minhas, 2011). In a fixed mindset individuals believe that core talents are predetermined by nature and cannot be altered (Dweck, 2006, 2012). When employees fail, they will thus tend to attribute their failure to a lack of innate characteristics, which eventually leads to employees who are easily discouraged and avoid facing challenges (Dweck, 2012). In addition, a fixed mindset is related to low levels of resilience in the face of obstacles (Dweck, 2012; Yost & Chang, 2009).

Moreover, notwithstanding the assumed favorable overall attraction and retention rates of employees under an inclusive/stable philosophy (O’Reilly & Pfeffer, 2000), the question of whether the ‘right’ employees are attracted and retained still needs to be answered. Even though the inclusive/stable philosophy does not differentiate between more and less valuable employees per se, there are always some employees who are indispensable to an organization due to, for instance, the tacit organizational knowledge they have accumulated. Furthermore, many organizations have to deal with a scarcity of workers with particularly rare skills and technical knowledge. There are, for instance, global shortages of health care workers (Kirby & Siplon, 2012), skilled trade workers, and engineers (ManpowerGroup, 2012). Consequently, organizations will compete fiercely to attract these scarce workers, and the workers might be tempted to choose for an organization with an exclusive talent philosophy where they are treated as someone special.

Proposition 3b. An inclusive/stable talent philosophy provides the following opportunities to organizations: creating positive employee attributes with regard to the goals of talent management and increasing employee well-being, motivation, commitment, and eventually performance.

Proposition 3c. An inclusive/stable talent philosophy brings about the following challenges with regard to talent management: preventing the development of fixed mindsets and ensuring that the right employees (e.g., employees with rare knowledge and skills) are attracted and retained.

7. The inclusive/developable talent philosophy

At the very heart of the inclusive/developable talent philosophy lays the ambition to develop ordinary employees into extraordinary performers. This ambition is on the one hand related to a pronounced growth mindset (Dweck, 2006, 2012). In a growth mindset individuals believe that all people have a “great capacity to adapt, change, and grow” (Dweck, 2012, p. 614). On the other, it builds on the fundamental assumption that individuals not only have the capacity but also the inner need to grow and fulfill themselves (i.e., need for self-actualization; Maslow, 1954). Within the inclusive/developable philosophy two approaches can be discerned. The first approach understands talents as individual “potentials for excellence that can be cultivated through enhanced awareness, accessibility, and effort” (Biswas-Diener et al., 2011, p. 106). This means that everyone has the potential to become excellent in a specific domain depending on his or her specific potential or strengths constellation (Biswas-Diener et al., 2011; Yost & Chang, 2009). It does, however, not mean that everyone possesses the potential to become, for instance, an excellent leader (Yost & Chang, 2009). In contrast to this, the second approach within this philosophy assumes that everyone can become excellent in almost any domain (Colvin, 2010; Ericsson, Nandagopal, & Roring, 2009). This implies that “experts are always made, not born” (Ericsson, Prietula, & Cokely, 2007, p. 116). In particular, it has been argued that not a single innate factor—except for height and body size in sports—limits the maximum performance that an individual can achieve (Ericsson et al., 2007). Instead, the maximum performance of an individual heavily depends on the accumulative learning opportunities he or she had (Gladwell, 2008).

7.1. Effect of an inclusive/developable talent philosophy on talent-management practices

Talent management that is based on the inclusive/developable philosophy “aspires to yield enhanced performance among all levels in the workforce, thus allowing everyone to reach his/her potential, no matter what that might be” (Ashton & Morton, 2005, p. 30). This form of talent management naturally puts a strong focus on the development of all employees, and encourages employees to self-manage their personal growth. Proponents of the inclusive/developable philosophy therefore advise organizations to clearly
communicate this philosophy to line managers and employees in order to create a growth mindset among the workforce and an organizational culture for development (Biswas-Diener et al., 2011; Yost & Chang, 2009). It has been argued that a culture for development is crucial for actual employee development because it provides guidelines and norms regarding desired behaviors (Ruvolo, Peterson, & LeBoeuf, 2004), and can therefore be a critical factor that stimulates employees to develop themselves.

Employee development under an inclusive/developable talent philosophy can have several forms. The first form is relevant when assuming that the achievement of excellent performance is partly dependent on an individual’s inherent potentials or strengths constellations (Biswas-Diener et al., 2011; Yost & Chang, 2009). Yost and Chang (2009) argue that, firstly, individuals have to be placed in adequate positions that allow them to deploy and expand their potential. Once individuals occupy a suitable position, HR and talent managers can stimulate employees to develop themselves by making use of stretch assignments, mentoring, networking, individual development plans, feedback, and reflection (Yost & Chang, 2009). Moreover, other researchers have argued that talent development initiatives need to teach employees how to use their given strengths wisely (Biswas-Diener et al., 2011). This implies that (a) understand the strengths they own and how they interact with one another; (b) are aware of contextual factors that render the use of a certain strength appropriate or inappropriate, and (c) are able to regulate the use of their strengths (in terms of frequency and intensity) to make them fit the situation (Biswas-Diener et al., 2011). This form of strengths development is necessary because it is not always beneficial to use strengths to a greater extent, as is commonly presumed; instead, critiques have claimed that overusing certain strengths can be harmful (Kaiser & Overfield, 2011; Schwartz & Sharpe, 2006). For instance, leaders scoring high on assertiveness commonly receive favorable ratings by their employees. If used excessively, however, leader assertiveness has been found to lead to the demoralization of employees and performance drops (Ames & Flynn, 2007; Kaiser & Overfield, 2011).

The second form of talent development builds on the idea that everyone can become a top performer in any domain through adequate training (Colvin, 2010; Ericsson et al., 2007, 2009). Anders Ericsson and his colleagues have repeatedly argued that performance on a task increases as a function of the amount of time invested in deliberate practice (e.g., Ericsson, Krampe, & Tesch-Römer, 1993). Deliberate practice is an effortful learning activity that allows for trial-and-error learning and repeated execution of the exact same task; provides individuals with immediate, high-quality feedback about their performance on the task; and aims at improving the performance at tasks that are just beyond the reach of an individual’s current state of knowledge, skills, and abilities (Day, 2010; de Bruin, Smits, Rikers, & Schmidt, 2008; Ericsson et al., 2009). A number of studies delivered supportive evidence for this assumption by showing that the sheer amount of practice accounts for the achievements of, for instance, musicians (Ericsson et al., 1993; Sloboda, Davidson, Howe, & Moore, 1996), soccer and field hockey players (Helsen, Starkes, & Hodges, 1998), chess players (de Bruin et al., 2008), and everyday typists (Keith & Ericsson, 2007). It has even been proposed that deliberate practice can build attributes such as leadership ability and charisma that are commonly believed to be innate (Day, 2010; Ericsson et al., 2007).

Frequently, the main aim of talent-management practice is to develop future leaders and warrant the succession for management positions (Cohn et al., 2005). While deliberate practice can be used as a leadership development tool (Day, 2010), learning from experience has been proposed as another central aspect of leadership development (McCall, 1998, 2010; Yost & Mannion-Plunkett, 2010). Learning from experience strongly relies on on-the-job learning, which is particularly useful when it adheres to the following features: it takes place from the beginning of an individual’s career onwards, poses a challenge but does not overstrain the individual, and confronts the individual with new problems or adverse conditions (McCall, 2010; Yost & Mannion-Plunkett, 2010). In addition, future leaders seem to learn a lot from either very good or very bad supervisors, action learning projects, extensive job rotation consisting of a number of strategic short-term assignments, and long-term leadership assignments (McCall, 2010; Yost & Mannion-Plunkett, 2010).

Proposition 4a. An inclusive/developable talent philosophy is positively related to talent-management practices that facilitate the development of all employees.

7.1.1. Opportunities and challenges

Proponents of the inclusive/developable talent philosophy suggest that this philosophy is beneficial in several regards. First, benefits can be expected due to highlighting the inherent focus on individual potential and development opportunities, and thereby creating a growth mindset among the workforce (Dweck, 2012). This mindset is related to enduring learning efforts (Yost & Chang, 2009); increases in intellectual achievement, willpower, resilience, and better conflict resolution (Dweck, 2012); decreased attention to stereotypes; and subsequent better performance on tests (Good, Aronson, & Inzlicht, 2003; Good, Rattan, & Dweck, 2012). An often cited example of the latter is a decreased attention to the belief that women’s math ability is generally poor, resulting in a better performance on math tests. In addition, managers with a growth mindset provide more helpful coaching to their subordinates, and evaluate their performance more accurately because they recognize positive changes in their subordinates’ behavior (Heslin & Vandervealle, 2008).

Second, instilling the belief that every employee can become an excellent performer might lead to Pygmalion effects, a special form of self-fulfilling prophecies (Rosenthal, 2010). The Pygmalion effect implies that an individual’s expectations about another individual often fulfill themselves (Rosenthal, 2010). Since organizations with an inclusive/developable philosophy raise positive expectations regarding their employees’ learning progress, their actual progress might eventually be substantial. Meta-analytic evidence supports the existence of the Pygmalion effect by showing that positive leader expectations are related to high subordinate performance (Kierin & Gold, 2000).

Third, it has been argued that developing a broad variety of talents can be an essential advantage for organizations operating in dynamic markets or business environments (Yost & Chang, 2009). As the specific talents or abilities that are required to run a business change along with changes in the environment, organizations cannot adequately forecast their future talent needs (Cappelli, 2008). Stimulating personal growth and developing various forms of talent might help to compensate for these imprecise forecasts. Finally, organizations with an inclusive/developable talent philosophy might overcome the general scarcity of talent by growing the exact forms of talent that are required for the execution of their business processes.

Critics of this philosophy, however, argue that developing the whole workforce takes up substantial investments of time and money. Typically, training budgets are restricted, and if an organization decides to divide this budget equally between all members of the workforce, this might mean that each employee will only get a little training (Walker & LaRocco, 2002). In order to become excellent, however, employees have to spend a significant amount of time on training (it has often been argued that it takes up to 10,000 hours of deliberate practice to become an outstanding performer; Ericsson, 2009; Gladwell, 2008). It is unlikely that an
organization's training budget can cover the costs of such intensive, individual training. Nonetheless, training that makes use of deliberate practice might be combined with learning based on on-the-job experiences. According to McCall (2010), this form of learning is highly efficient and comes at an affordable cost. Experience-based development does not require the implementation of additional talent-management programs; it only requires higher-level managers who are committed to and promote the necessity of learning, know which experiences or assignments are beneficial, and understand which lessons they can teach to whom (McCall, 2010). Next to managerial support, other structures that facilitate learning from experience are coworker support and a feedback-rich environment (Yost & Mannion-Plunkett, 2010).

A final challenge that is related to deliberate practice is the fact that it is an activity that is not inherently enjoyable (Ericsson et al., 1993). This is particularly relevant when assuming that anyone can become proficient in any domain, even if they are not at all interested in or drawn to this domain. Therefore, HR and talent managers need to consider possible motivating factors that stimulate engagement in deliberate practice. One effective motivator that has been indicated by empirical research is harmonious passion (Vallerand et al., 2007). Passion has been defined as “a strong inclination toward an activity that people like, that they find important, and in which they invest time and energy” (Vallerand et al., 2003, p. 756). Harmonious passion means that an individual willingly chooses to pursue the well-liked and personally meaningful activity, and that this activity can be combined with other important aspects in life (Vallerand et al., 2003). Organizations can foster harmonious passion by providing employees with tasks that they value, and by building up a work-context in which the basic human needs for competence, autonomy, and relatedness are fulfilled (Vallerand & Houlfort, 2003). In other words, employees should be able to interact with one another, to function effectively, and to shape specific aspects of their jobs on their own authority.

Proposition 4c. An inclusive developable philosophy provides the following opportunities to organizations: creating growth mindsets among the workforce, increased learning and performance due to creating positive expectations (Pygmalion effect), growing relevant talent from within.

Proposition 4d. An inclusive developable philosophy brings about the following challenges with regard to talent management: dealing with tight budgets for training and development, and motivating employees to continuously improve themselves.

8. Directions for future research

Table 1 presents an overview of the basic assumptions, implications for talent-management practice, opportunities, and challenges of the four talent philosophies that were introduced in the present article. Based on this work, and in line with recent publications in the field of HRM (Boxall, 2012; Boxall & Macky,

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Talent philosophy</th>
<th>Exclusive/developable</th>
<th>Inclusive/stable</th>
<th>Inclusive/developable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic assumptions about talent</td>
<td>- Very rare</td>
<td>- Very rare</td>
<td>- Universal</td>
<td>- Universal</td>
</tr>
<tr>
<td></td>
<td>- Stable characteristic of a person</td>
<td>- Individual potential that needs to be developed</td>
<td>- Stable characteristic of a person (often referred to as character strength)</td>
<td>- Individual potential that needs to be developed</td>
</tr>
<tr>
<td>Talent-management practice</td>
<td>- Workforce differentiation (based on innate talent)</td>
<td>- Workforce differentiation (based on potential)</td>
<td>- Strengths identification</td>
<td>- Exclusively formed through practice</td>
</tr>
<tr>
<td></td>
<td>- Talent attraction (employer branding)</td>
<td>- Potential identification</td>
<td>- Increasing person-job fit</td>
<td>- Potential development</td>
</tr>
<tr>
<td>Opportunities</td>
<td>- Talent selection</td>
<td>- Potential development</td>
<td>- Deploying strengths</td>
<td>- Development of any form of talent through deliberate practice</td>
</tr>
<tr>
<td></td>
<td>- Talent retention</td>
<td>- Optimizing return on training investments through investing in employees with potential</td>
<td>- Managing weaknesses</td>
<td>- Experience-based (leadership) development</td>
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<td></td>
<td>- Gain sustained competitive advantage through winning the war for talent</td>
<td>- Talent transfer</td>
<td>- Positive employee perceptions of the goals of talent management</td>
<td>- Fostering growth mindsets</td>
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<td></td>
<td>- Optimal allocation of resources through workforce differentiation</td>
<td>- Broad recruitment strategies based on the possibility of talent transfer</td>
<td>- Positive effects on employee well-being, motivation, and eventually performance</td>
<td>- Learning success and enhanced performance due to Pygmalion effects</td>
</tr>
<tr>
<td>Challenges</td>
<td>- Scarcity of talent and resulting fierce (global) competition for it</td>
<td>- Optimizing potential identification (in particular the measurement of factors that predict future growth)</td>
<td>- Attracting and retention of relevant employees (with valuable knowledge or rare skills) who might be headhunted by competitors with exclusive philosophies</td>
<td>- Grow all forms of talent from within</td>
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<td></td>
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<td>- Prevention of fixed mindsets</td>
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<td></td>
<td>- Managing employees who are not considered talented (dealing with possible negative effects and adhering to ethical standards)</td>
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</table>

* Related to the first approach within the inclusive/developable philosophy assuming that everyone has certain potentials to become excellent in a specific domain.

* Related to the second approach within the inclusive/developable philosophy assuming that everyone can become excellent in any domain.
2009; Lepak et al., 2007), we highlight the need for more research investigating talent philosophies as an influential predictor of talent management practices, which, in turn, influence individual and organizational outcomes. In particular, research that examines how talent philosophies influence the choice for talent management practices could provide interesting insights. To this end, a first step would be to conduct discourse analyses that investigate current organizational talent philosophies through examining official organizational policies or statements of talent managers. These analyses can be used to investigate what extent the four talent philosophies introduced in the present article exist in practice. In addition, comparative case analyses can be conducted to compare the talent philosophies and talent-management systems of different organizations. These analyses can serve to test the propositions about the link between the talent philosophies and particular talent-management practices. As talent management is increasingly important for organizations operating on a global scale, cross-cultural comparisons might be of interest in this regard (Farndale et al., 2010; Kim & McLean, 2012; Tarique & Schuler, 2010). Finally, the propositions about the link between talent philosophies and opportunities and challenges for talent management can be investigated in several ways. Qualitative methods can be used to gain initial insights into the talent philosophies of organizational leaders and the opportunities and challenges they experience with regard to talent management. Furthermore, multi-level analyses can be conducted to investigate the relationship between the talent philosophies of organizations or managers, employee perceptions of talent management practices, and outcomes on the individual (e.g., employee satisfaction, well-being, engagement, commitment, and turnover intention) or organizational level (e.g., return on investment, retention rates, organizational performance).

8.1. Managerial relevance

Organizations that aim to achieve sustained competitive advantage have to make optimal use of their resources, in particular human resources (Joyce & Slocum, 2012; Wright & Gardner, 2003). In this regard, the management of people who are considered to be talented has often been proposed as the decisive factor for gaining competitive advantage through people (Collings & Mellahi, 2009; Heinen & O’Neill, 2004). Traditionally, talent management has been based on exclusive philosophies, meaning that it was directed at a small percentage of the workforce who performed better than the rest, or displayed more (leadership) potential (Lewis & Heckman, 2006; Swales, 2013). Exclusive talent-management approaches face two central challenges that are unlikely to dissolve in the near future. The first is the global scarcity of talent—meaning talent as defined according to exclusive philosophies—(Farndale et al., 2010; Schuler, Jackson, & Tarique, 2011), and the second relates to the highly dynamic environment organizations operate in, which hampers the prediction of future talent needs (Yost & Chang, 2009). Investing in particular employees with very particular talents might turn out to be ineffective, because the types of talents that are needed are likely to change as fast as the environment. More inclusive talent philosophies can help overcome these challenges through a broader definition of the construct talent (Buckingham, 2005; Peterson & Seligman, 2004) and through the resulting broader investment in various forms of talent. We reason, that talent management will therefore experience a shift toward more inclusive philosophies in the future. This does not mean, however, that organizations will repudiate exclusive philosophies, but rather that they might start implementing hybrid talent-management systems, in which one talent-management approach is used for one group of employees and the other talent-management approach for another group of employees (cf. Stahl et al., 2012).

HR managers should note, however, that the outcomes of talent management not only depend on the overall philosophy held by an organization, but also on the individual philosophies of those people who are responsible for the implementation of HR or talent-management practices, mainly line managers (Boudreau, 2010; Purcell & Hutchison, 2007). In order to make sure that talent management is implemented as designed, senior managers have to clearly communicate and explain their organizations’ talent philosophy to line managers. If necessary, they might also have to put considerable effort into persuading the line managers of the value of pursuing a certain philosophy, especially if the line manager holds a different view. Managers and line-managers need to embrace the same talent philosophy to send unambiguous signals to the employees whose perceptions, in turn, are crucial determinants of talent-management outcomes.

9. Conclusion

This paper has highlighted that underlying philosophies are a critical issue that needs to be discussed with regard to HR practices in general, and with regard to talent management in particular. These philosophies determine the nature of HRM and talent management in practice, and consequently influence valuable outcomes such as employee well-being and performance (Boxall, 2012). This paper is among the first to derive testable propositions about different talent philosophies, their implications for talent-management practice, the outcomes they might yield, and the challenges they pose. As such, it can provide a valuable contribution to talent-management theory and might stimulate future research. In addition, the detailed discussion of the different talent philosophies can provide useful guidelines for HR or talent managers who implement or amend talent-management systems.

References


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