What do we actually mean by talent in business?

Does it really matter?

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Abstract
The conceptualization of talent has become increasingly relevant for scholars and practitioners as they seek to advance the study of talent management (TM). Indeed, confusion about the meaning of talent within the business field hinders consensus on the concept and practice of TM. In this theoretical study we review the talent concept in business to summarize what we have learned and to discuss the pros and cons of different approaches. We conclude by formulating an overall definition of this term, since an acknowledged interpretation of talent management—not to mention the successful management of talent—will depend on having a clear understanding of what is meant by talent in an organizational context. Moreover, with our definition of talent, we delimit the talent concept while avoiding problems uncovered in previous definitions (e.g. generality and tautology) and highlighting important variables that affect it and can make it more manageable.

Resumen
La conceptuación de talento ha ido cobrando cada vez más importancia tanto para académicos como profesionales, con el fin de avanzar en el estudio de la gestión del talento. De hecho, la confusión sobre el significado de talento en la realidad empresarial impide llegar a un consenso sobre el concepto y la práctica de la gestión del talento. En este estudio teórico revisamos el concepto de talento en el mundo de la empresa con el fin de resumir lo que hemos aprendido y discutir las ventajas y limitaciones de las diferentes acepciones. Concluimos con la formulación de una definición de este concepto, ya que una correcta interpretación de la gestión del talento—por no hablar de una exitosa gestión del talento—depende de tener una comprensión clara de lo que se entiende por talento en un contexto organizativo. Además, con la definición de talento propuesta delimitamos el concepto de talento evitando algunos problemas detectados en las definiciones anteriores (por ejemplo, generalidades y tautologías), y poniendo de relieve las variables importantes que le afectan y lo hacen más manejable.

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1. Why is it that talent definition matters?

Not long ago, Lewis and Heckman stated that “[a] casual review of the trade and popular literature on the topic of ‘Talent Management’ (TM) would certainly lead one to conclude it is a popular and growing field” (2006, 139). Since then, the interest in this topic has grown exponentially to such an extent that at present, deep in an economic downturn, TM is seen as a top priority for organizations around the world (e.g. Bhatnagar, 2008; Watson Wyatt’s 2009 HR Technology Trends Survey). Indeed, Professor Andrew W. Pettigrew, in the foreword to Andrés Hatum’s book, refers to TM as “one of the key management topics of the day” (2010, xiii). This increase in the importance of TM is probably due to the fact that it “is said to be critical to organizational success, being able to give a competitive edge through the identification, development and redeployment of talented employees” (Iles et al. 2010, 179), and it is currently related to a firm’s sustainability (Hatum 2010).

However, despite its growing popularity, the concept of TM remains unclear (Blass and April 2008; Collings and Mellahi 2009; González-Cruz et al. 2009; Hatum 2010; Lewis and Heckman 2006). Recently, Larry Israelite, Vice President of Human Resource Development at Liberty Mutual Group stated that “[t]he one thing that most people can agree on about talent management in the workplace is that little can be agreed upon” (2010, 2). Lewis and Heckman posit that “[i]t is difficult to identify the precise meaning of ‘talent management’ because of the confusion regarding definitions and terms and the many assumptions made by authors who write about TM” (2006, 139). Accordingly, Tansley et al. focus on “the lack of a universal definition of talent or an established set of concepts and common language to refer to when talking about talent management” (2007, 67) as the reasons for TM being a complex research area.
Hence, the conceptualization of talent has become increasingly relevant for scholars and practitioners as they seek to advance the study of TM. In fact, as early as 2006, The Economist affirmed that “companies do not even know how to define ‘talent’, let alone how to manage it”. One year later, the difference in existing views about talent led the Chartered Institute of Personnel and Development (CIPD)—Europe's largest HR and development professional body—to posit that “the starting point for any research into talent management must inevitably be an exploration of what is meant by ‘talent’” (2007, 3). This idea is supported by Maxwell and MacLean, who stated that “whatever the meaning/s of TM, it is a concept that centres on ‘talent’ which, in turn, needs to be defined” (2008, 822). Indeed, this is not a minor issue since Eddie Blass (2009) highlights the importance of how an organization chooses to define talent to how successful its TM system will be.

In reviewing the existing literature on TM—mainly practitioner-oriented in nature—a cornucopia of talent definitions and opinions emerges. As Hatum states, “It seems that everyone has their own idea of what the word talent describes or captures” (2010, 10). This mainly occurs due to the fact that “organizations find greater value in formulating their own meaning of what talent is than accepting universal or prescribed definitions” (Tansley et al. 2007, 7). So, a great deal of organizationally specific definitions have been created that are highly influenced by industry type and the nature of the work dynamic. In accordance with Scott and Revis (2008, 783), this happens because of the ability to fit and tailor the talent concept around organizational goals, leading organizations to prefer ‘local value’. Another possible explanation could be that companies think about talent in terms of the competencies...
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needed and, since the competency catalogue is different and specific for each and every organization, the definition of talent is local.

Nevertheless, there is little evidence of concern about truly understanding the talent concept, despite the enormous number of articles and books on talent management. In fact, in many articles and books addressing talent from a managerial point of view, and even in some reference works, this concept is not delimited but it is simply taken as understood\(^2\). Moreover, as Mäkelä et al. (2010, 135) note, “[T]he existing literature appears to focus more on talent management practices (the ‘how’) and a general prescription to search for talent globally rather than the question of ‘who’ and ‘why’ someone in practice becomes or does not become to be considered as talent”.

The truth of the matter is that there is a great deal of confusion around the meaning of talent in business which, in turn, hinders consensus on the concept and practice of talent management. Hence, this theoretical study—which is part of an ongoing research into talent management (TM), in the context of the author’s doctoral thesis—discusses the talent concept in the business realm, and seeks to formulate an overall definition of this concept, since an acknowledged interpretation of talent management—not to mention the successful management of talent—will depend on having a clear understanding of what is meant by talent in an organizational context. Our approach has been as follows. Firstly, we open the debate about talent by briefly explaining the etymology of the word. Secondly, we go on to show and comment on the talent definitions we have found in doing a thorough review of the literature, in order to provide a solid analysis of the attempts made at definition in our field.

This will help us not only to identify the key components of talent, but also the existing problems in current definitions. A content analysis criterion is followed, rather than a chronological one, as we are interested in ‘what’ the authors have focused their attention on when defining the concept. Subsequently, we state and explain our own definition of talent, which focuses on the individual’s talent rather than on the talented people in an organization taken as a group of high performers. In this way, we will take into account contingencies such as the firm’s strategy, its core capabilities and their translation into personal competencies, and the type of organization and industry, when thinking about practices that could help us in managing that talent. Finally, we summarize the findings and results of this research.

2. A Brief History of the Word ‘Talent’

Dr. Peter Honey, in his article for The Training Journal, posited that “asking for a definition of talent is the equivalent of opening a can of worms” (2004). As with many managerial terms, talent is ‘a seductive word, one which people seem to implicitly understand’ (Michaels, Handfield-Jones, and Axelrod 2001, xiii) but, actually, it is very problematic to obtain a single definition. Likewise, its history is usually unknown.

The term talent (in Old English, in the form talente, talentan; from Latin talentum), comes ultimately from the Greek talanton [τάλαντον], which literally means: balance, weight, sum of money³. Originally, a talent denoted a unit of weight used by the Babylonians, Assyrians, Greeks and Romans⁴. It corresponded generally to the mass of water required to fill an

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amphora, although its value differed depending on the region. Then it became a unit of currency, referring to the value equivalent to this mass of a precious metal (mainly, silver). This may be the origin of the conceptualization of talent as a valuable thing, and it allows some authors to state that “talent ... is and has always been to ‘put value’ in something”.

However, in the thirteen century, talent meant “inclination, disposition”, although nowadays this meaning is considered obsolete. Two centuries afterwards, in the 1400s, the sense “mental endowment or aptitude” developed from the use of the word in the New Testament’s Parable of the Talents in the Gospel of Matthew. In fact, and without going any more deeply into explanations and religious interpretations of the parable, which lie outside the scope of this research, this Biblical text is seen as the origin of the current sense of talent as a natural aptitude or skill. Furthermore, according to Michaels, Handfield-Jones, and Axelrod, the

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5 A Greek talent was 25.86 kg; an Attic talent, also known as an Athenian talent or Greek talent, was 26.178 kg; a Roman talent was 32.3 kg; an Egyptian talent was 27 kg, and a Babylonian talent was 30.3 kg. Extracted from: http://en.wikipedia.org/wiki/Attic_talent. For accounts of the weights and measures used at that time, see Howatson and Chilvers (1996, s.vv. “weights and measures,” http://www.oxfordreference.com/views/ENTRY.html?subview=Main&entry=t9.e2996 [accessed August 6, 2010]).

6 In Greece, units of weight had the same name as units of money since the latter denoted weights of metal. By the end of the sixth century BC, many Greek states had adopted coinage, mostly based on silver. Thus, the term talent also referred to a unit of money equal to 25.86 kilograms of pure silver. See Howatson and Chilvers (1996, s.vv. “money and coins,” http://www.oxfordreference.com/views/ENTRY.html?subview=Main&entry=t9.e1886 [accessed August 6, 2010]).

7 Cubeiro (2008, 352; translation mine)

8 Hoad, op.cit.


10 This parable is about a wealthy man who, before going on a journey, gives one, two and five talents of silver to each of his three servants according to their ability. The servants who received five and two talents used their coins well and doubled their value by trading. On the other hand, the servant who had been given one talent buried his coin and failed to benefit from it. After a long time, their master returned and commended those who had doubled their talents as good and faithful, whereas the servant who had buried his coin was called wicked and slothful, and was ordered to hand over his one talent to the servant who had ten. Adapted from Matthew (25: 14-30 [NT]). It is interesting to note that in this parable, the talents were given according to each person’s ability: the more ability a servant had, the more talents he received. Perhaps, an extrapolation of this fact promoted the understanding of talent as a natural ability.

11 For example, Christian interpretations of this parable consider talents as gifts of the Holy Spirit; that is, they are given in knowledge of one’s natural aptitudes for the Lord’s service. For detailed information, for example, see: http://www.be-ready.org/talents.html; http://www.truthablaze.com/talent.html.

12 “From this parable, talent in late Middle English came to mean a person’s mental ability or particular faculty regarded as something divinely entrusted to them for their use and improvement; this developed (in the 17th century) to the current sense...
term takes on broader meaning in this parable because a “talent is a gift that must be cultivated, not left to languish” (2001, xiii).

As time has passed, the term has definitely grown in abstraction. Nowadays, the Oxford Dictionary of English (2nd ed. revised) defines the noun talent as “a natural aptitude or skill” and, also, “people possessing natural aptitude or skill”. Moreover, the Collins Thesaurus (2nd ed.) associates talent with words like ability, gift, aptitude, power, skill, facility, capacity, bent, genius, expertise, faculty endowment, flair, and knack. Thus far, talent refers to nonphysical human traits, however “people often use it just to mean excellent performance or to describe those who are terrific performers” (Colvin 2010, 20).

Having reviewed the historical evolution of the word talent, we will move on throughout the next section to discuss current interpretations of the term in business.

3. A review of talent definitions: Pros, cons, and TM implications

Indeed, the confusion about the nature of talent can be seen in the number of different definitions that one faces when reviewing the literature on talent management13. However, there are not as many as one might guess from the number of articles, books, and reference works that deal with this topic, since in many of them—as mentioned before—the term is not delimited but it is simply taken as understood. In this section, we are going to show and comment on the definitions of talent we have found during this review. The aim is to provide

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13 In order to achieve the aims of this work we have done a thorough review and analysis of the existing literature on TM. As Iles, Chuai, and Preece point out, most writing on this topic comes “from consultants and practitioners rather than from academic research” (2010, 179). For that reason, we have considered not only academic literature but also textbooks and practitioner-oriented literature, although we made sure this literature was relevant and came from a reputable source.
a solid analysis of attempts made at definition in our field. This will help us not only to identify the key components of talent, but also to understand the different approaches to TM, because any approach to managing talent is entirely dependent on how talent is understood. A content analysis criterion is followed, rather than a chronological one, as we are interested in ‘what’ the authors have focused their attention on when defining the concept. In order to facilitate this exploration of the definitions of talent, we have grouped the existing interpretations of the concept into three different categories: those that understand talent as the entire workforce of an organization; those that consider talent as a group of high performers in an organization; and, finally, those definitions that refer to talent as an individual’s attributes such as abilities, knowledge, and/or competencies.

3.1 Talent understood as ‘the people of an organization’

Lewis and Heckman, in their recent critical review of TM, point out that “talent is essentially a euphemism for people” (2006, 141). Actually, Edward E. Lawler III, in his book Talent: Making People Your Competitive Advantage, employs the terms talent and people as interchangeable. However, he uses either the expressions the right people or the right talent to refer to the human capital needed to create an organization capable of innovating and changing, and he goes on to add high performance, that is, an effective HC-centric organization14. Unfortunately, a description of the right talent cannot be found, although one could argue that he was referring to highly qualified, knowledgeable, and motivated people who also demonstrate high-performance.

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14 According to this author, a human-capital-centric organization is a theoretical approach to organizing needed to succeed in the current competitive business environment, where everything revolves around talent. He describes it as “one that aligns its features (reporting systems, compensation, division and department structure, information systems, and so on) toward the creation of working relationships that attract talented individuals and enable them to work together in an effective manner” (2008, 9).
Recently, Cheese et al. state, that although the term talent, in business, has come to encapsulate various attributes (e.g. knowledge, experience, skills, and behaviours) that an individual has and brings to work, it is used as “an all-encompassing term to describe the human resources that organizations want to acquire, retain, and develop in order to meet their business goals” (2008, 46). Likewise, Charles A. O’Reilly and Jeffrey Pfeffer, in their article “Cisco Systems: Acquiring and Retaining Talent in Hypercompetitive Markets”, uses the term talent as a synonym for the people—mainly engineers—that Cisco gets through acquisitions, and who will end up constituting the final company. It is not rhetoric but a reality that for Cisco Systems’ senior executives, people are their most important asset because they know that talent is the source of the technology that the company produces: “The recognition is never lost that the acquisition is not of technology but of people—and that all efforts must be made to retain this pool of talent if the acquisition is to be successful” (2000, 43). Moreover, O’Reilly and Pfeffer claim that the remarkable success of Cisco Systems comes from “capturing the value of the entire workforce, not just a few superstars” (2000, 52). Hence, talent clearly alludes to everybody in the company.

Nevertheless, this point of view has its detractors. For example, Adrian Wooldridge, as The Economist.com Washington Bureau Chief, described this conceptualization of talent as being “so broad as to be completely meaningless” (The Economist.com n.d., 0:45). Despite being vague, this broad understanding of talent could be justified in those corporations in which the whole business is defined by and around the people they employ, mainly service industries, such as luxury hotels, or innovation consulting firms. In these companies everyone counts when providing the service—i.e. frontline and behind-the-scenes workers are equally important. That is why it could be reasonable to refer to the entire workforce as talent. Mark

15 Adrian Wooldridge was interviewed by Barney Southin, Managing Editor of The Economist.com, when he was The Economist.com Washington Bureau Chief. They produced a special report on talent which is now posted on the magazine website. The interview is 8.27 minutes in length, and it is only available to subscribers.
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DeCocinis, the General Manager of the Portman Ritz-Carlton Hotel, summarizes this idea extremely well when he states that “service comes only from people” (Yeung 2006, 268). However, this expert hotel manager also emphasizes the importance of selecting the right people to succeed. It is about having the right people. So, it seems obvious that within this interpretation of talent, which is an inclusive one, employee recruitment and selection become key managerial processes.

Moreover, some authors (e.g. Tulgan 2002, Martin and Moldoveanu 2003) would also justify this broad interpretation of talent simply by appealing to the fact that in our knowledge-based economy employees have assumed the responsibility to “add value” on a daily basis to their companies. Simply put, nowadays only talent (people)—not technology or capital—generate profits. However, having the talent is not enough to provide certainty that you have the potential for sustainable competitive advantage. From the perspective of resource-based theory, the human resources of an organization—to have this potential—must not only be valuable, rare, and imperfectly imitable as pointed out earlier; they also “must be able to be exploited by a firm’s organizational processes” (Barney and Clark 2007, 57). So, the ultimate quest entails developing an appropriate organizational culture, business processes, and coherent systems of HR practices that can allow a firm to exploit the full competitive potential of its workforce; that is, its talent. (This will be discussed in greater depth later in the paper.)

However, if talent refers to anybody in the company, TM does not differ from human resource management (HRM). According to Iles et al. (2010), when such a thing happens, TM “involves a collection of typical HR activities such as recruitment, selection, training and appraisal” (181). So, TM “serves the purpose of re-branding HR practices to keep them
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seemingly new and fresh, but it does not advance our understanding of the strategic and effective management of talent” (Lewis and Heckman 2006, 141).

3.2 Talent understood as a group of ‘high performers in an organization’

In an INSEAD working paper on global talent management, Stahl et al. argue that although talent management seems to be synonymous with human capital management, it “also incorporates how companies drive performance and therefore refers to a select group of employees—those that rank at the top in terms of capability and performance—rather than the entire workforce” (2007, 4). So, talent can be seen as those employees that rank at the top in terms of capability and performance. Normally, these employees are called A players or high performers, and they are usually seen as the future of the organization.

Linking talent with organizational performance more explicitly, Tansley et al. propose the following working definition of talent: “[T]hose individuals who can make a difference to organizational performance, either through their immediate contribution or in the longer term by demonstrating the highest levels of potential” (2007, 8). Therefore, only those who are seen to be fundamentally different from the others in terms of capability and performance, as well as in their potential, can be included in the group of employees who make up the talent in an organization. In fact, Silzer and Dowell (2010, 14) posit that talent can be seen as “a pool of employees who are exceptional in their skills and abilities either in a specific technical area (such as software graphics skills) or a competency (such as consumer marketing talent), or a more general area (such as general managers or high-potential talent)”. Sometimes, this group
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of employees is called a high-potential group (e.g. Woodruffe 1999), talent pool\(^{16}\) or acceleration pool (e.g. Byham, Smith, and Paese 1999).

This is an elitist interpretation of talent based on the segmentation and differentiation of the workforce. It is basically based on attracting, recruiting, developing, and retaining those people with high potential and/or extraordinary performance. So, “TM may use the same tools as HRM, but the focus is on a relatively small segment of the workforce, defined as ‘talented’ by virtue of their current performance or future potential” (Iles et al. 2010, 181).

Nevertheless, this exclusive conceptualization and management of talent could be justified in those corporations in which, unlike in the earlier examples, not everyone is of equal strategic significance and strategic significance is not tied to a firm’s hierarchy, i.e. in businesses where some employees have a greater impact on the organization’s performance and results, for example, sales representatives in a retail company that provides personalized service and advice. Huselid et al. (2005) go a step further and state that since companies, due to the financial and managerial resources needed to attract, select, develop, and retain high performers, cannot afford to have A players in all positions, they need to have these A players in their A positions—those that are of high strategic impact for the company. For them, it is a question of allocating the talent in those strategic positions that can make a real difference to organizational performance\(^ {17}\). A recent survey, conducted by Towers Watson, corroborates

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\(^{16}\) This is the most common expression. See, for example: Cook and Macaulay 2009; Mäkelä, Björkman, and Ehrnrooth 2010. However, Boudreau and Ramstad (2004, 31) argue that talent pools are “clusters of work done by employees to achieve an end, e.g. ‘customer contact at the point of service’, ‘integrating product lines to support service offerings’, ‘obtaining sufficient subjects for clinical drug trials’, and ‘ensuring sufficient product availability’. Talent pools often span several jobs and reflect a subset of aligned actions within those jobs. Rather than asking, ‘Who is our ‘A’ talent?’ we should ask, “In which talent pools does ‘A’ talent matter most?”’. One year later, these authors called them: “pivotal talent pools—where human capital makes the biggest difference to strategic success” (2005, 129). Lewis and Heckman come to the conclusion that for Boudreau and Ramstad, pivotal talent pools are: “[T]hose jobs or groups of jobs for which small increments in improvement in quality or quantity yield large returns on measures of strategic interest” (2006, 146). However, this interpretation of talent pools has not been supported, nor has their talentship decision science.

\(^ {17}\) In fact, Huselid, Beatty, and Becker argue that companies need to adopt “a portfolio approach to workforce management, placing the very best employees in strategic positions, good performers in support positions, and eliminating nonperforming
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this approach by saying that “organizations are putting more emphasis on defining the roles and skills required by their strategy, and identifying individuals for those roles with more precision than in the past” (2009, 5). In short, it is a question of having the right talent in the right place, and it can also be added at the right time. Undoubtedly, this point of view is feeding the strategic side of talent management.

However, this exclusive interpretation of talent with an invariable emphasis on high performers also has some detractors. According to Pfeffer (2001), the overemphasis on individual performance diminishes teamwork and creates destructive internal competition that retards learning and the spread of best practices across the company. He also states that labelling only a few as stars will lead to the result that “those labelled as less able become less able because they are asked to do less, given fewer resources, training, and mentoring, and become discouraged” (2001, 249). As this author says, it is the self-fulfilling prophecy working in reverse. Moreover, Pfeffer and Sutton (2006) point out that talent is not so easy to identify perfectly, since performance varies over time and most dimensions of work performance are not objective, with the result that “biases cloud how talent is judged even when objective performance indicators are present” (92). Finally, another underlying problem in this interpretation of talent is that it is defined in terms of its outcomes—extraordinary performance—and therefore becomes a tautological statement (one that is true by logic). As Priem and Butler (2001) noted when discussing the tautological problem of the RBV, “the characteristics and outcomes must be conceptualized independently to produce a synthetic statement”.

employees and jobs that don't add value” (2005, 112). They also state that a first crucial step is to explain to the workforce, clearly and explicitly, the reason that different jobs and people need to be treated differently. Moreover, for them, just as A positions (the talent) require a disproportionate level of investment, so will B and C positions need good strategies to be managed.
3.3 Talent understood as ‘an individual’s attributes such as abilities, knowledge and/or competencies’

If we go through the previous definitions, we can logically argue that the term talent is merely understood as people having some exceptional skills and abilities and/or are outperformers. In other words, talent is defining talented people. Hence, talent, in its narrowest conceptualization, refers to those exceptional abilities that an individual has and applies. For instance, Michaels et al. consider talent to be “the sum of a person’s abilities—his or her intrinsic gifts, skills, knowledge, experience, intelligence, judgment, attitude, character, and drive. It also includes his or her ability to learn and grow” (2001, xii). However, while their work is one of the main references when talking about TM, this definition remains a very general one. Firstly, it can be viewed as a mere accumulation of troublesome terms, intangible and very similar in nature, for which some additional explanation is needed. Moreover, it is quite vague since the authors refer to people’s ability, attitude, character, and drive, without stipulating how to interpret them. By contrast, Buckingham and Vosburgh (2001) distinguish between skill, knowledge, and talent. For them, skills should refer to specific techniques or methods, while knowledge relates to facts as well as lessons learned through experience. As a result, both concepts are relatively easy to teach or to be learned, contrary to what happens with talent. For them,

“Talent” should refer to a person’s recurring patterns of thought, feeling, or behavior that can be productively applied. By this definition, impatience is a talent, as are charm, strategic thinking, competitiveness, empathy, focus, and tact. According to the most common sense and the most arcane neuroscience, talents such as these are enduring and unique. They are almost impossible to teach. (2001, 21)

While these authors do not refer to the person’s ability which, as we have seen, is largely taken for granted, they introduce two interesting ideas that deserve consideration:

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18 Additional critiques of this work, especially methodological ones, can be found at Pfeffer and Sutton (2006).
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productively applied and almost impossible to teach. The former suggests the need for facts when speaking about talent. How can we say that someone has leadership talent without having seen him/her leading or without some evidence to support the statement? Usually, talent is recognized because people who possess this exceptional ability stand out from the others because they are better at doing something specific. De Haro states that “if evidence of an exceptional achievement does not exist we are only talking about endowments...There is no talent without performance or implementation” (2010, 73; translation mine). This idea, as we are going to see, can be argued to lie at the heart of many definitions of talent.

The second idea that deserves consideration from Buckingham and Vosburgh’s definition introduces the possibility of talent being innate: if talent is almost impossible to teach, then it is almost impossible to learn. This raises the question nature versus nurture and as always, not without controversy. Is talent innate or can it be learned? John R. Hinrichs, in his book High-Talent Personnel: Managing a Critical Resource (1966), which is the oldest reference we have found on the topic, defines a high-talent man or woman as the kind of person who possesses a considerable amount of native ability. This native ability is a unique mix of innate intelligence or brain power, plus a certain degree of creativity or the capacity to go beyond established stereotypes and provide innovative solutions to problems in his everyday world, plus personal skills which make him effective in his relationships with his peers, his superiors, and his subordinates. In short, he is well endowed intellectually and in important personality characteristics. The high-talent man also possesses certain skills built on knowledge and insights gained through formal education and previous experiences—he is knowledgeable and capable in certain specific functional areas important to business success. (1966, 11-12)

For Hinrichs, talent is basically innate, although he also points out the existence of skills built on knowledge and insights gained through formal education and previous experiences in

19 According to Geoff Colvin (2010), this phrase was coined by Francis Galton, a nineteenth-century English aristocrat and explorer who, influenced by Charles Darwin’s work Origin of Species, started studying the variation of human abilities. He was convinced that eminence was due to some qualities passed down to offspring through heredity. In his book Hereditary Genius (1869), he came to argue that human mental abilities and personality traits were essentially inherited. For detailed information, see the Human Intelligence website of Indiana University at http://www.indiana.edu/~intell/galton.shtml; see also the Francis Galton website at http://www.galton.org/, where almost all of his publications can be consulted.
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those high-talent men or women. On the contrary, Pfeffer and Sutton (2006) note that, despite all the myth, talent is not fixed but depends on a person’s motivation and experience:

There is no doubt that inherited abilities limit how well people can do in some pursuits. There aren’t any horse racing jockeys who are 7’3” tall, nor any professional basketball players who are 4’10”. But natural talent is overrated. Exceptional performance doesn’t happen without exceptional effort, and even allegedly inherited abilities—like IQ and other “smartness” measures—improve markedly and continuously when people work hard, have good coaching, and believe they will keep getting better. (Pfeffer and Sutton 2006, 93)

So, for these authors, exceptional performance depends heavily on experience and effort, which in turns depends on people’s motivation to try hard, and keep learning every day. Interestingly, Silzer and Dowell (2010) specify that although a distinction between innate abilities—those which gifted people have—and learned skills and knowledge can be made, it is not common in organizations. Owing to this, they include in their definition people with both innate and learned skills, and by doing so, they sidestep the dilemma. Hence, Silzer and Dowell, who are the sole authors to specify different meanings of talent in current organizations, claim that talent can also refer to “an individual’s skills and abilities (talents) and what the person is capable of doing or contributing to the organization” (2010, 14). Simply put, talent equals skills and abilities plus outputs of people’s actions to the organization. These authors not only do not give the issue of skills’ innateness much importance, but also, without much clarification, they emphasize what the person is capable of doing or contributing to the organization. That is, they implicitly incorporate the notion of performance that we have already mentioned.

Last but not least, Professors González-Cruz, Martínez-Fuentes, and Pardo-del-Val (2009) define talent as “a set of competencies that, being developed and applied, allow the person to perform a certain role in an excellent way” (2009, 22; translation mine). In contrast with the previous definitions of talent that include the word competence, this one is based on a
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complete definition of the term published in a European Union document, where it is described as “as an expression of the ability of individuals to combine—in a self-directed way, tacitly or explicitly and in a particular context—the different elements of knowledge and skills they possess” (Commission of the European Communities SEC (2005) 957, 11). From this interpretation of competence, some statements that underpin Spanish academicians’ notion of talent can be made. First, talent includes knowledge, skills, and the ability to combine them in order to get outstanding results. So, high performance can be seen as an outcome, as well as an ex-post indicator of talent. Secondly, since a competence is understood as the ability to combine tacitly or explicitly different elements of knowledge and skills, these authors avoid entering into the debate about the innateness of talent. Finally, they are indirectly considering the application of talent in a particular context, which will be determinant when arguing about the management of this talent. According to Spencer and Spencer, who are considered the foremost exponents of research on competencies at work, competencies “always include an intent, which is the motive or trait force that causes action [behavior] toward an outcome [job performance]” (1993, 12). Based on that assumption, we think that, in contrast to González-Cruz et al. (2009), it is not necessary in defining talent to specify that those competencies that make up the talent have to be “applied”. Moreover, in our opinion, it is also not appropriate to say that those competencies have to be “developed”, as we consider that the development of a competency is an outcome of experience or of effective human resources practices, but it is not what defines a competency.

3.3.1 Talent understood as ‘competent and committed individuals’

Some authors have enriched the concept of talent by including a behavioural dimension driven by the relationship between the individual and the organization. Then, when talking about talent, not only an individual’s competencies but also his commitment becomes
increasingly important. For instance, Professor Dave Ulrich argues that talent “equals competence times commitment times contribution” (2007, under “introduction”). Consequently, as the three terms in this talent equation are multiplicative, if any of them is missing, the other two will not replace it. For Ulrich competence “means that individuals have the knowledge, skills, and values required for today’s and tomorrow’s jobs” (Ulrich 2007, under “introduction”). By means of this inexplicit definition of competence, he argues that talent is not only about having exceptional skills and abilities but also knowledge and values that lead people to great decision-making and deliver results in the right way. One could also argue that this author is indirectly referring to people’s performance. However, this talent definition stands out because it draws attention to two additional concepts: commitment and contribution. Although it may be arguable whether these two concepts are really defining elements of talent or merely key variables affecting it, their importance when speaking about talent is beyond doubt. Ulrich defines commitment as the employees’ will to give their discretionary energy to the firm’s success. He interprets this discretionary energy as “an employee value proposition that makes a very simple statement: employees who give value to their organization should get value back from the organization. The ability to give value comes when employees are seen as able to deliver results in the right way” (2007, under “Commitment”). In this way, he is attaching great importance to the organization’s role when referring to commitment. According to Ulrich, contribution appears when employees “feel that their personal needs are being met through their participation in their organization” (2007, under “introduction”), which is important not only to achieve their personal fulfilment and meaning, but also to maintain their interest in what they are doing and their will to harness their skills and knowledge to their organization. He is also referring indirectly to the need for alignment between personal and organizational goals as a necessary condition for
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someone to invest his talent in an organization, which has more to do with how to manage talent than with the talent concept itself.

It is interesting to note that, as early as 1966, Hinrichs also included in his definition of a high-talent man, mentioned above, the concept of alignment:

In addition, he [a high-talent man] is motivated to apply his abilities and his skills to achieve results, to succeed personally, to accomplish his own goals and objectives. And he sees a parallel between the attainment of his personal goals and the achievement of the organization’s objectives; that is, he is motivated to attain personal success within the framework of the company’s operation. (Hinrichs 1966, 11-12)

In addition, this author alluded to the fact that a high-talent employee is motivated to use his skills and abilities, which can be seen as the employee’s will to apply them. In fact, Juan Carlos Cubeiro, who is Director of Eurotalent and a well-known Spanish consultant specializing in talent, leadership, and coaching, considers employees’ will as a key concept when defining talent because “only through mastery[devoting effort during a certain period of time, i.e. will to persist] can talents be achieved” (Cubeiro 2008, 354; translation mine).

Therefore, from this point of view, an individual can develop some talent if he/she has some knowledge and abilities, but above all, if it is his/her will20. Like Ulrich, Cubeiro defines talent by means of an equation, although in his case “talent is capability multiplied by commitment in a certain context” (2008, 353; translation). Cubeiro considers capability to be: aptitude plus

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20 Cubeiro bases his reasoning on the arguable 10,000 hours rule, which consists of the idea that it takes approximately 10,000 hours of focused and deliberate practice to master a skill. This rule, also called the 10-year rule, is attributed to research done at Florida State University by Dr. K. Anders Ericsson and his colleagues on the performance of experts and superstars in a wide range of domains (e.g. chess, medicine, auditing, programming, dance, and music). Their work, compiled in the Cambridge Handbook of Expertise and Expert Performance (2006), concludes that expert performers are nearly always made, not born. So, if you want exceptional performance in something you should spend a lot of time perfecting it—“approximately 10 years of nearly daily, deliberate practice, for about four hours a day, by people who somehow … have access to the best techniques” (Pfeffer and Sutton 2006, 93). But, as Ericsson (2006) states, this insight should be relevant to any motivated individual aspiring to excel in any challenging domain. So, motivation is, again, a key factor. It is interesting to note that Ericsson and his colleagues recognize that not all people have equal potential—i.e. attainable performance is constrained by one’s basic endowments. However, for them “sustained training and effort is a prerequisite for reaching expert levels of performance” (Ericsson 2006, 701). Thus, in this research we have another argument against the innateness of talent, as previously discussed. For additional information, see the article “A Star is Made” by Stephen J. Dubner and Steven D. Levitt, published in The New York Times on May 7, 2006, and which can be downloaded at: http://www.nytimes.com/2006/05/07/magazine/07wwln_freak.html?pagewanted=1&ei=5090&en=2cf57fe91bddd490f&ex=1304654400&partner=rssuserland&emc=rss.
attitude. He refers to aptitude as the employee’s knowledge and abilities, whereas he alludes to attitude as a frame of mind revealed through behaviours. In a more superficial way, he touches on the remaining components in his definition of talent. He sees commitment as energy, stating that “we need to make good use of our own physical, emotional, spiritual (moral values) and mental energy” (2008, 353; translation mine) for this energy to be released into the organization. Somewhat clearer is his understanding of the term context, by which he means the intersection of culture and discipline: “(cities, states, organizations) that attract diverse talents, and where they are allowed to interact and generate synergies” (2008, 353; translation mine). In this way, he draws attention to the importance of considering the organization’s role when considering the attraction and retention of talented people.

Nevertheless, Pilar Jericó, who is managing partner of InnoPersonas, lecturer at some Spanish business schools, and a Spanish pioneer of TM, envisages—before Ulrich and Cubeiro—an employee’s capacities and commitment as components of that individual’s talent. She defines talent as “the implemented capacity of a committed professional or group of professionals that achieve superior results in a particular environment and organization” (2001b, 428; translation mine). According to Jericó (2001a; 2001b; 2008), talent requires three basic ingredients: capacities, commitment, and action. She considers that capacities are “knowledge, abilities, and competencies or attitudes” (2008, 73; translation mine), that is, they rely on “our explicit knowledge (e.g. to know the ingredients for preparing a dish), our tacit knowledge (to know how to cook), and competencies (leadership or teamwork capacity)” (2001b, 429). In spite of this vague definition, it is interesting to note that by including explicit and tacit knowledge she avoids entering into the debate about the innateness of talent. Moreover, Jericó (2001a; 2008), building on Goleman’s work, identifies emotional competencies (e.g. self-confidence, self-control, integrity, initiative, optimism, innovation,
etc.) as those that allow professionals to achieve superior results through interaction with third parties. However, it should be said that she does not define the term competency. In relation to the second element needed in talent, Jericó states that commitment is “the engine that drives the professional to maximum effort and ensures the professional does not go to any other company” (2001a, 66; translation mine), but she does not define it either. Nevertheless, she argues that one’s level of commitment depends on two factors (2001a): one’s personal motivation and one’s organization or project. For her, commitment is very close to the individual’s motivation or intellectual passion. In addition, the organization can play a key role as a facilitator for talented individuals. Finally and clearly influenced by the new technologies sector, Jericó considers that action, understood as speed, is the third element of talent. A talented professional does not delay in taking decisions. Talent should be put into practice at the right time, in order to achieve the goals within the period that the market demands.

To sum up, one can observe two different stances within this conceptualization of talent: on one hand, the position of those authors who advocate for talent as circumscribed by an individual’s exceptional abilities (both innate, so difficult to manage, and acquired or possible to be acquired through developmental programs); and on the other hand, the position of those authors who suggest that talent is based not only on knowledge and abilities, which may be exceptional in nature, but also on attitudes (mainly commitment) and competencies (a term that appears to comprise knowledge and abilities). Both definitions make talent more tangible and manageable through practices and tools available through the Competency Management (CM) and High Commitment / Performance Work Practices (HPWP and HCWP) frameworks. Hence, TM becomes more organizationally focused on competency development through managing the flow of talented employees, whatever the roles or jobs they may have. TM
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centres on talent continuity. However the strategic link that could be inferred from these conceptualizations of talent is implicit and vague. In fact it could be argued that TM adds nothing new, but is only a mix of pre-existing approaches and practices.

4. So, what is talent?

After having analyzed in depth the previous definitions of talent and highlighted their problems, time has arrived to propose what we think is a general but manageable conceptualization of talent that would help to define and implement TM. It is based on the work both of González-Cruz et al. (2009) and of Spencer and Spencer (1993), since their work can be seen as complementary. In our opinion, talent is a set of strategically valuable differentiating competencies that allow a committed individual (an individual passionate about his/her work) to achieve superior performance or an exceptional achievement in a specific role and in a specific organization. Hence, strategy, competencies, commitment, and the person-role-organization fit turn out to be very important issues when talking about talent in an organization. Moreover, extraordinary performance is not talent per se; instead it should be seen as the consequence of talent.

The term competence in our definition, as in the work of González-Cruz et al. (2009), alludes to

i) cognitive competence involving the use of theory and concepts, as well as informal tacit knowledge gained experientially; ii) functional competence (skills or know-how), those things that a person should be able to do when they are functioning in a given area of work, learning or social activity; iii) personal competence involving knowing how to conduct oneself in a specific situation; and iv) ethical competence involving the possession of certain personal and professional values.” (Commission of the European Communities SEC (2005) 957, 11)

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By using this definition of competence, we are considering employees’ explicit and tacit—
gained through experience—knowledge; skills and know-how; behaviours, and values. Furthermore, we assume that when referring to functional competence, both innate and learned skills are considered, although not distinguished. As Silzer and Dowell (2010) mention, this distinction is not common in organizations; probably, because in business what counts is that people know those things that they should be able to do in their job, instead of why these people know those things. So, in our definition of talent we include people with both innate and learned skills, thereby avoiding the dilemma of whether talent is innate.

Following Spencer and Spencer’s competency categories, we consider that talent is made up of differentiating competencies, those that “distinguish superior from average performers” (1993, 15). Unlike threshold competencies, differentiating competencies are more than the essential characteristics—generic knowledge and basic skills—needed in a job to be minimally effective. So, talented people are above-average in the implementation of the competencies needed in their job, and that is why they are outstanding. What above-average means, depends on the specific conditions of a person’s work situation.

According to McClelland, competencies are “context sensitive” (1993, 8)—and talent is as well. That is the reason for introducing the individual’s role and the organizational context into the definition of talent. Depending on the role an individual is performing and his/her organizational context, different sets of differentiating competencies are going to be needed in order to respond effectively to the requirements of circumstances. Consequently, we can identify dissimilar talent in an organization (e.g. managerial talent, marketing talent, or software graphic design talent). Each role and organization need a different kind of talent—i.e. distinct differentiating competencies. Likewise, talking about the needs of talent in a
luxury hotel is not the same as talking about the needs of talent in a youth hostel, since the competencies required for the job profiles are different. In fact, Tansley et al. (2007, 8) concluded that “the mix of what is regarded as important [when defining talent] varies according to, first, the sector in which the organisation operates; second, the type of work; third, the customer orientation; and finally, the changing external and internal circumstances faced by the organisation”. In our opinion, the context—not only the role, but also the job, the organizational environment, and the organization itself—will be a key variable when managing that talent.

As mentioned before, building on Spencer and Spencer’s work, we consider that talent, as a set of competencies, has its own intent, which provides the “push” for these competencies to be used in order to achieve an outcome—i.e. job performance. In order to achieve exceptional results—high performance—it is not enough to simply apply one’s differentiated competencies. It is also necessary that one’s will may be to put one’s energy and effort into doing one’s job. Therefore, a talented employee is a committed employee with his or her job, someone who loves doing what he or she is doing. This energy and passion helps talented employees to maintain the intent, which drives their action, for a reasonable period of time. In fact, in business, workers with exceptional competencies are necessary but not enough. What is really needed is that employees want to invest and apply their competencies, searching for outstanding results, in their actual job, which is going to indirectly allow the firm to get outstanding performance. Thus, commitment of employees to their job and to their organization becomes an important variable when discussing how to manage their talent as it seems to be one of the likely motives for them to invest and apply their exceptional abilities in their actual job and organization. Simply put, if you want to manage your employees’ talent you should take care of their level and focus of commitment.
However, what is really different from previous definitions is the clear and explicit reference to the link between talent and strategy. Within this conceptualization of talent, the set of HR practices used to manage talent attempt to make a neat and clear ‘strategy–people–performance’ connection. Talent refers to those bundles of resources (individual competencies) that are essential ingredients of the distinctive capabilities that provide sustainable competitive advantage to the firm. Thus, talent is defined by the strategy–capabilities–resource endowment fit.

Finally, high performance is not talent. In our opinion, it is the output obtained from applying one’s own talent to a specific task. Thus, high performance helps us to identify talent since, as mentioned before, without evidence of an exceptional achievement there is no talent. However, outstanding performance does not define talent, and by taking that into consideration we are solving the tautological problem of some definitions.

5. Concluding discussion

In reviewing the existing literature on TM—mainly practitioner-oriented in nature—a cornucopia of talent definitions and opinions emerges, even though there are not as many as one might guess from the number of articles, books, and reference works that deal with this topic, since in many of them the term is not delimited but is simply taken as understood. Therefore, one can find a great deal of differing talent definitions or no definition at all when discussing TM. Moreover, among the existing disparity of talent definitions, there are general ones that imply no difference between TM and HRM (e.g. talent understood as the entire workforce of an organization) and organizationally specific ones (e.g. those created by the local organization) that avoid extrapolating TM. The truth of the matter is that there is much
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confusion on the subject, and this, in turn, hinders consensus on the concept and practice of TM—a topic that has attracted increasing attention from academics and practitioners in recent years (Iles et al. 2010). So, defining talent properly becomes an issue of paramount importance.

The literature leads us to three main meanings of the term: a broad meaning that refers to the entire workforce of an organization; a second that alludes to several people in an organization who stand out for having exceptional abilities and being high performers, so that they can make a significant difference to the current and future performance of the organization; and a third, which is more restricted and alludes to the individual’s exceptional abilities, attributes, and competencies. The first conceptualization of talent has been criticized for being so broad that it becomes completely meaningless (The Economist.com n.d., 0:45), but above all, because it makes TM no different from HRM. The second interpretation of talent, an exclusive one, is based on the segmentation of the workforce and an extensive range of literature adopts it (Iles et al. 2010). This elitist interpretation of talent puts an invariable emphasis on high performance, and it pushes towards applying typical HRM practices on a relatively small segment of the workforce. Moreover, the overemphasis on individual performance makes the majority of these definitions tautological, because they define talent through its outputs. As we have mentioned before, high performance is not talent, although it helps us to identify talented people. However, the use of talent in this sense ultimately refers to talented people, i.e. people who have and apply their talent—their competencies and/or exceptional abilities—when doing their job, at which their talent makes them excel. Hence, in our opinion we should focus our attention on the last and most narrow meaning of the term: the one which refers to an individual’s attributes (knowledge, abilities, and competencies).
In fact, we provide the following definition of talent: a set of differentiating competencies that allow a committed individual (an individual passionate about his/her work) to achieve superior performance or an exceptional achievement in a specific role. Focusing on the individual’s talent—not on the talented people of the organization as a group of high performers—will allow companies to avoid using universalistic human resource practices by taking account of contingencies (e.g. each individual’s role and competencies, the type of organization and industry) that make those practices more efficient. As Blass posits, “[F]inding the right working environment for an individual could be the making of them” (2009, 24).

In this work we provide not only a critical review of the talent concept in the business realm but also a concrete and rigorous definition of this term, which is undoubtedly a necessary and strategic first step to the success of any talent management process. Once we have determined what is meant by talent in an organization, we can start thinking about effectively managing that talent. Furthermore, once we have a clear definition of talent we can move on to define what TM should be. As mentioned above, TM is not yet a clear concept.
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