Employee reactions to talent pool membership

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Abstract

Purpose: Despite a large literature on talent management there is very little research on the comparative attitudes of employees in talent pools with those not in talent pools. This is an important omission as employee reactions should influence how effective talent programmes are and how they can be designed and evaluated. Consequently, this paper explores the work-related attitudes of employees who are members and non-members of talent pools.

Design: Matched samples of employees working in a single public sector, scientific organization were surveyed using a standard survey and open questioning to elicit and compare the voices of included and excluded employees.

Findings: Employees in talent pools were more positive about their future prospects than employees outside talent pools who reported feelings of lower support from the organization, stronger feelings of unfairness and had lower expectations of the organization's interest in them.

Research implications: More matched-sample studies are necessary to further understand how employee reactions to talent pool membership are mediated by context.

Practical implications: Organizations should consider how employees will react to the design and implementation of talent pools and try to alleviate any adverse reactions. Two threats in particular are the depression of affect among excluded employees and failure to sustain positive affect among the included employees.

Originality: This is one of very few studies to explore employee reactions to talent programmes in a single organization. The single-site design controls for a large number of variables that confound inter-organizational studies of talent pool membership.

Article classification: Research paper.

Keywords – Talent management, employee reactions, career development

Introduction

As a relatively recent innovation in managing people, talent management continues to attract substantial research interest and a sizeable practitioner following (for reviews see Al Ariss, Cascio and Paauwe, 2014; Collings and Mellahi, 2009; Tarique and Schuler, 2010). Contemporary interest in the field is grounded in the idea that talent is scarce and that organizations are competing in a war for talent (Michaels, Handfield-Jones and Axelrod, 2001). Surprisingly, one under-researched aspect of talent management concerns the experiences, identity and attitudes of employees named as talent in relation to employees outside the talent pools who form the bulk of the workforce. Furthermore, most research on talent management is carried out in profit-seeking and multinational contexts and there is little on talent management in public sector, unionized contexts.

The lack of research that hears the voices of employees from inside and outside talent pools is surprising as employee voice is crucial in obtaining a deeper understanding of the full effects of talent programmes on employee attitudes and behaviour. Concerns were raised by Pfeffer (2001) who argued that the introduction of talent programmes and the focus on a minority can lead to a backlash by disaffecting the majority of excluded employees and may be covering up some fundamental performance management problems in the organization. There is little empirical support for this position, however.

Among the few studies of employee reactions, Bjorkman, Erhnrooth, Makela, Smale and Sumelius (2013) found that employees in talent pools were more likely to accept increasing performance demands, are more committed to skill development, are more likely to support the firm's strategic priorities, and are more likely to identify with their business unit. A Chartered Institute of Personnel and Development survey (CIPD, 2010) found that employees in talent pools had higher perceptions of opportunities for career development and that employees not named as talent felt they were less likely to have a future with the organization. The survey, however, focused only on senior managers and, relative to insiders, included few employees outside talent pools. Bethke-Langenegger (2012) found, contrary to expectations, no differences between people on and outside talent programmes in relation to job satisfaction, intention to quit or job engagement. These findings could have

methodological explanations, however, as the CIPD study did not compare employees within the same organization and Bethke-Langenegger's study excluded potentially important attitudes to organizational support and career development.

In an attempt to reach a finer-grained understanding of employee reactions to talent pools, this paper draws upon matched samples of employees inside the same organization who were surveyed on a range of factors. The field setting was a large, State-owned specialist technology company referred to here as ChemCo. ChemCo has experienced significant structural and management changes over its lifetime as a result of evolving Government policy. This study is set in the context of the organisation's response to policy changes that saw its operations move from direct State control to a joint-venture private management partnership. The contribution of the paper is to extend the scant empirical literature on the effects of talent pool membership and specifically to draw attention to the comparative feelings of talent outsiders. Implications for talent management practitioners are given.

Talent Pools: theoretical perspectives

Workforce differentiation

There can be little doubt now that some human resource management (HRM) systems are more effective than others in terms of their impact on organizational performance. High performance work systems (Becker and Huselid, 2006; Combs, Ketchen, Hall and Liu, 2006) help to explain an HRM-performance link and require the key HRM practices of selection, appraisal, development and reward to be aligned closely with organizational strategy. Talent management can be seen as one aspect of a high performance approach because investments are made in a small proportion of individuals whose activities should have a big impact on the success of organizational strategy. Huselid and Becker (2011), for instance, argue that workforce differentiation is inescapable if this is to happen. They argue that some roles are more valuable (have a bigger impact on strategy) than others and, as such, disproportionate investments are needed in the people occupying these roles. For less value-adding roles, even though they may be essential to support higher value-adding roles, the level of talent needed to fill them is also less and organizations

need to adjust accordingly. It follows that organizations need to look to their own ranks and to labour markets to identify talent and distribute it across roles proportionate to their impact on strategic success. Empirical support for the disproportionate impacts made by small numbers of employees is emerging (Aguinis and O'Boyle, 2014).

Organizations are, of course, free to decide how far they want to travel on this road. The philosophy of workforce differentiation sits more comfortably in highly competitive, profit-seeking environments compared to public management, not-for-profit contexts that have long traditions of collectivism and sensitivity to differentiation to the point that explicit differentiation in a workforce may be rejected (Perry and Rainey, 1988; Rainey and Chun, 2013). Furthermore, only recently are the effects of differentiation being studied. Although Bjorkman et al. (2013) found that employees in talent pools were more likely to have more positive attitudes on a range of factors, Marescaux, De Winne and Sels (2012) found that the gains from employees who have positive views of HR practices may be more than offset by the reactions of employees with less favourable views.

Further theoretical justification for talent management comes from the resource-based view of the firm (Barney, 1991) which explains sustainable competitive advantage in terms of an organization's internal resources. Barney (1991) drew attention to the importance of resources that are rare, valuable, inimitable and well-organized; human resource management systems can create these characteristics by developing competences and social relationships among employees, and between employees and stakeholders, that are unique to the organization and which competitors cannot copy. The loss of these distinctive, intra-firm networks explains the contraction in performance that occurs when 'stars' move between organizations (Groysberg, 2010). However, while the logic of talent management is seductive, concerns have been expressed about the morality of focussing on 'elites' (Swailes, 2013) and about potential adverse reactions from the excluded majority (Bjorkman et al. 2013; Pfeffer, 2001).

Talent pool membership

Indeed, we suggest that empirical research on the impact of talent programmes lags organizational practice by a distance. Specifically, there is little research that draws

on the experiences of employees as participants in talent programmes as few studies have examined the experiences and identity of talent pool insiders relative to others. The CIPD (2010) pointed out that most research is from the employer's perspective and emphasised a need to hear more about talent management from the insiders' perspective. Understanding insiders' views alone, however, offers a restricted perspective and insiders' views become far more meaningful if and when they are related to views from the outside. This is essential in light of suggestions (Pfeffer, 2001) that the operation of talent programmes can unleash hazardous social forces which could compromise teamwork through the championing of individual talent and glorifying the attributes of others that the organization wants to recruit.

From this perspective, talent programmes can be seen as processes that favour a minority of individuals who as a result of complex psychological and social processes happen to function well, or at least are perceived to function well, in a particular organizational setting rather than as interventions that improve situations for all. Pfeffer concludes (2001, p.258) that, 'Fighting the war for talent can readily create self-fulfilling prophecies that leave a large proportion of the workforce demotivated or ready to quit, and produce an arrogant attitude that makes it hard to learn or listen'.

Two theoretical perspectives support the empirical research in this paper. First, the self-fulfilling prophecy or Pygmalion effect (Eden, 1984, 1992; Keirein and Gold, 2000; Tierney and Farmer, 2004) in which organizations witness a 'feel good' or bounce factor arising from an employee's identification as a future 'star' would predict that employees in talent pools will feel better and perform better. The creation of talent pools and specifically the selection of people to fill them illustrate raised management expectations about an employee's future potential and performance. It is reasonable to consider, therefore, that elevation to a talent pool will, other things being equal, raise a participant's feelings over and above those who are not selected. The mechanism for enhanced feelings and performance relies on supervisors being better leaders to the talent insiders than to outsiders. Because of the better leadership, which might manifest in very small differences in encouragement or action that have large effects on individuals, talent insiders develop higher self-expectations which act as a motivating force (Eden, 1984). As and when higher performance is achieved, it reinforces and validates both the

individual's self-expectations and the supervisor's expectations and so the cycle continues. While originally observed among individuals, the effect can occur with groups as studied here (Eden,1990). At the same time as talent pool members' feelings are inflated, an opposing Golem effect may also operate such that if subordinates perceive low supervisor expectations then their feelings and their performance will fall.

Equity and social exchange theories provide a second perspective. Perceived inequity is a strong source of employee dissatisfaction and turnover (Telly, French and Scott, 1971) and employees who feel that their omission from a talent programme is inequitable are likely to react in adverse ways. Two reactions in particular are relevant here. First, a sense of stigma could result if employees feel that they are being labelled as 'unchosen'. Second, not being identified as 'talent' and not accessing exposure to a range of personal development opportunities are likely to be interpreted by individuals as an expression of a lack of support from the organization. Perceived organizational support is a powerful antecedent of a range of positive attitudes and behaviour (Gavino, Wayne and Erdogan, 2012; Rhodes and Eisenberger, 2002) and employees perceiving high support are more likely to show higher commitment to things that the organization values and prioritizes. Being part of a talent programme, perhaps involving line manager nominations, assessment centre evaluations and development programmes, should help to strengthen the employee's bond with the organization. Exclusion from talent programmes runs a risk of hampering the employee-organization relationship and the reactions from employees who feel they should be included will be more acute.

As such, this paper engages specifically with Pfeffer's argument and seeks to put it to empirical test. Our specific research question focuses on how the attitudes of employees in talent pools vary towards a range of factors such as organizational support, access to development opportunities, personal motivation and future prospects compared to the attitudes of matched samples of employees in the same positions and grades but who are not in talent pools. Our underlying hypothesis is that employees in talent pools will be more positive on these factors than employees not in talent pools.

Research Methods

The participant organization was a large company operating in the chemical processing industry in Northern Europe (ChemCo). To protect anonymity, job titles and the titles of the talent programmes that were operating have been changed. It is essentially a public organization and as such provided a suitable setting to explore employee attitudes and expectations given that theory (see above) suggests that differences could be accentuated in public organizations because of greater sensitivity to differentiation, equality and inclusion.

The phenomenon of interest lends itself to a single site case study comparison as it not well understood. While other methods are available, this research aims to compare two groups within the same organization as doing so controls for an infinite array of possible confounding variables that would arise if data were collected from employees across a range of organizations. The study seeks to test a long-standing proposition in the organizational behaviour literature but is not set-up to generalise. This is because it seems likely that there are sets of working conditions that amplify or nullify differences between in groups and out groups that further case study research could reveal. The main research question was explored using both quantitative and qualitative insights to get a broader assessment of differences between groups.

At the outset, the aims, the design and rationale of the company's talent programmes and the factors against which they would be evaluated were discussed with ChemCo's Director of Talent Development (DTD). Document analysis comprised a review of information on ChemCo and its joint venture partners and provided background information on employee development initiatives, human resource processes and ChemCo's approach to talent management which is summarised below. Data relating to employee turnover and workforce demographics were provided to assist with sampling. Additionally, five line managers engaged in supporting staff on the talent programmes were interviewed to explore their views on employee development, line manager accountabilities and suggestions for adaptations and modifications to the talent programmes.

In the second phase, interview protocols were drafted and tested before they were shared with the DTD who suggested further modifications reflecting local cultural

norms and organisational terminology. The general nature and purpose of the questions were not changed. The organization provided lists of line managers, members of the each of the three talent pools ('Emerging Talent', 'Scientists' and 'The Leadership Group'), and of other employees who were on the same grades as the programme participants. Random samples were taken from these lists and interviews were conducted with about a quarter of the three talent pools comprising 17 interviews in total. To provide a matched sample, an additional 17 interviews were conducted with a random sample of employees on comparative grades but who were not in the talent pools. All staff invited to participate in the study agreed to participate.

Interviews ranged from about 30 minutes to over an hour with the average time being 50 minutes. In the introduction to each interview, participants were advised that it would relate to their impressions of career development at ChemCo. Employees were not aware of who else was participating in the survey and the questions put to the two groups were identical. Some general demographic and work history questions were asked first before exploring each person's experiences of career development support, their work motivation, their aspirations and their knowledge of new organisational behaviours introduced as part of the transition programme taking the organization from government run to private management. Interview protocols consisted of several open questions and a range of statements to which employees responded on five-point Likert scales. After responding to the scaled survey items, interviewees were asked for comments to elaborate on the reasons for their response choice. The main topics covered in the interviews concerned career and personal development, talent programme design, the organization's stance and support, self-management and motivation.

ChemCo and the talent programmes

ChemCo has operated for over 50 years and it employs several thousand people. Employee turnover is typically around 1-2% and the employee-employer relationship remained largely unchanged until relatively recently when a series of changes to the control and organization of the business was introduced. Although ChemCo is a public organization, the management operation and control are now provided by the

private sector. The national government remains the primary stakeholder for whom the management company operates ChemCo on its behalf. The primary government interest is in continued cost-effective and safe operations. The management changes signalled a change of philosophy towards greater infusion of private sector thinking and the recent history is characterised by attempts to change the culture from a Civil Service mindset to one of commercialisation with a largely static workforce. The historic focus on world-class scientific excellence remains strong but has been tempered by an overlay of cost-efficient service delivery. As a high technology company, ChemCo employs graduates from a wide range of scientific and engineering disciplines. A high proportion of employees are members of a trades union. The newly installed operating company renewed interest in management development at ChemCo and talent pools were a visible expression of that commitment.

Prior to implementing talent programmes, there was no tradition of talent searching in the company and it took top management a year to accept the idea. Corporate documentation revealed a familiar rhetoric and spoke of the need to attract and retain high calibre employees who will deliver the high levels of performance needed and the creation of a steady flow of high potential employees for the different business areas. The Director of Talent Development also emphasised that the talent programmes existed to help staff meet the future needs of the business, both technically and managerially. Its legacy of public sector traditions underpinned by long strategic planning horizons had led to a realistic assumption amongst employees of a ‘job for life’ culture. Since staff retention is not a problem, the success of the talent programme would be judged mainly in terms of return on investment.

Each talent programme recruited between 20-30 members each year and ran for two years. This research was conducted when the first cohort was nearing the end of the programme. The ethos of the talent programme is articulated in a document for line managers which emphasises that ChemCo operates in a competitive labour market in which skills are becoming ‘increasingly scarce’; the need for ‘exceptional’ and ‘world class’ people is emphasised. The programmes aimed to expand leadership and scientific capability by identifying, developing, deploying and retaining high

potential employees and as such create and sustain a flow of high potentials throughout the organization. The three talent pools were:

- Emerging talent. This group included mostly early career employees who are seen to have demonstrated their management or technical potential but given the emerging nature of their capabilities a precise analysis of their ultimate potential would be premature. Individuals have, however, expressed a desire to fast-track to a more senior position.

- Scientists. This group included employees seen as technical leaders in their scientific discipline and/or who have the ability to manage teams undertaking complex technical work. They have the potential to be acknowledged as global experts by their peers.

- The Leadership Group. This group includes employees who have the potential to undertake 'business critical' leadership roles in the future.

Selection for talent pools was highly structured. A detailed framework described the expected behavioural, leadership and business competences at different grades. Each talent pool had separate criteria setting out the target population, nomination processes, entry and exit criteria amongst other considerations. Entry criteria were linked to a version of the 9-box grid used to categorise employees across the business based on three levels of performance and three levels of promotability. Employees were positioned on the grid and were essentially categorised from fully trained but underperforming to superior performers with high potential.

The initial stage in the process was completion of an individual Performance Management Agreement (PMA) geared around a set of six values, for example, respect and learning, that underpin a set of behavioural competences including leadership, managing change and setting high expectations. Information from PMAs was reviewed by line managers who were issued with a guide to talent identification and staff meeting talent pool criteria were nominated for further consideration by one of several Employee Development Groups that covered different business areas. Admission to the Emerging Talent pool was dependent on a competence-based interview with a management panel. Entry to the Scientists pool (largely scientists, engineers and technologists) was initially influenced by a person's location on the 9-

box grid, nomination for the pool, and a panel competence-based interview. Some refocusing took place to reduce the emphasis on the 9-box grid for this pool because of perceived inconsistent ratings across teams and concerns about its relevance to a pool based on scientific talent. People were selected for the Leadership pool based on their location on the 9-box grid, nomination for the pool, and completion of a three day development centre programme. Candidates for the Leadership pool initially had a 30% success rate at the development centre which led to changes so that potential was assessed more robustly in the initial screening process. Development plans were created for people joining each talent pool.

Talent programmes were also highly structured. Experiences included: master classes led by members of the Executive to enable networking with other talent pool members around 'critical conversations' and business issues; conferences designed for each pool; career mentoring by senior managers and senior professionals; access to 360 degree appraisal, Myers-Briggs assessment and leadership diagnostics with the support of a talent adviser; and exposure to organization-wide projects. The process was 'owned' by a Talent Management Team. Internal documents relating to performance management and career development were kept up-to-date by talent pool members as participants were expected to 'drive' their own personal development.

Results

Twenty nine per cent of talent pool members were women compared to 18% of the control group. The age groups of pool members were 29% 21-29, 59% 30-39 and 12% 40-49. The control groups featured fewer employees in their twenties and more employees aged in their fifties and this is put down to the random sampling process involved. A consequence is that employees outside the talent pools tended to have longer tenure. While a better age match was anticipated, it is not surprising that the non-pool group was, on average, older given the appeal of the talent programmes to different career stages. Employees in the Emerging Talent pool were much younger, and while employees in the Scientists and the Leadership Groups could be any age, older workers were less likely to be nominated for the talent pools. Almost 90% of talent pool members had a first degree with some also holding a postgraduate

qualification and the same proportion held full membership of a professional body. In comparison, 41% of the non-pool sample had a first degree or higher and 42% were full members of a professional body. The main characteristics of the participants are shown in Table I.

[insert Table I about here]

Quantitative survey comparisons

The attitudes of insiders and outsiders were compared on a range of survey items (see Appendix 1). There were no statistically significant differences in attitudes towards a range of variables including; support from the HR team, fair access to personal development support, their ability to identify and pursue personal development needs, their manager's openness to their development, ChemCo's understanding of their strengths, that ChemCo was getting the best out of them in their current role, knowing what they want in their next role (and how to achieve it) , and the skills and behaviours they need to display to ensure their progression in the company. However, the scores of talent pool members were higher on most factors and, given the small sample sizes, only large mean differences would appear to be statistically different.

Where statistically significant attitudinal differences were found, employees in the talent pools invariably agreed more strongly with the survey items than employees outside the talent pools. Positive and significant differences were found towards the quality of support from the line manager, access to talent pools being well-balanced and free of bias, happiness with overall access to development opportunities, access to work-based opportunities to develop skills, knowledge and skill development over the past year, and ChemCo's commitment to their future career progress. Talent pool members were also more highly motivated towards career development at ChemCo.

Effect sizes ranged from 0.34 for unbiased access to talent pools to 0.69 for feelings towards skill and knowledge growth. The average effect size was 0.53 which is a

'medium' effect with 0.8 and above as large (Cohen, 1988). The overall effect size of .53 corresponds to an *r* of .26 indicating a low correlation between in-group membership and attitudinal differences such that 6.8% of the variation in attitudes is accounted for by talent pool membership. Another way of interpreting effect sizes is to compare percentile distributions across two groups; in this case a mean effect of 0.53 indicates that the attitude scores of employees in talent pools were at the 70th percentile of the control group. When an effect size is zero, the two distributions overlap completely and there is no non-overlap; an average effect size of 0.53 indicates 34% non-overlap between the two distributions (Cohen, 1988). Thus the differences in attitudes observed between the groups were not trivial.

Line managers' views

Line managers agreed that the identification of high potential employees is important and felt that ChemCo knows who its high-potential employees are. However, there was some feeling that the organization was raising expectations around career development that it could not deliver. One manager commented that they were unclear of the talent selection process after an employee had been nominated but that, once selected, talent poolers are given the right '*breaks*' and benefit from their '*face fitting at a higher level'*. Another line manager had concerns about how people got on the programme and was also concerned about what happened when an employee's time in the pool was over.

> *"What is the outcome? [We] need to manage the expectations of young people who see this programme as providing significant outcomes. Is it a one-off boost or part of a process?" [LM4]*

The idea of talent management as a process is important and underdeveloped in the literature. It is too big a digression to pursue here, but does draw attention to the processes of 'becoming' talented and of being talented, ie, being recognised as 'one to watch'. The process of becoming talented is inevitably influenced by events that happened in the past and which have shaped a person's image and reputation. Talent management, which is the part of the process usually under focus, is a relatively short-lived cycle of development interventions that is followed by an

indeterminate series of future events that will extend or diminish the individual's position in the organization's talent conscience. This manager went on to observe:

> *"[I]..see lots of good people get frustrated and leaving and others who are identified and exposed to good support. Good people with high expectations get left high and dry and a lot of good work at a lower level is wasted*." [LM4]

This comment highlights the importance of organizational responsiveness to individual employee aspirations. Employees not selected for talent programmes may become frustrated and employees selected for programmes may develop expectations that the organization struggles to satisfy. The comment about turnover highlights that within an overall low level of employee turnover there may be isolated areas where turnover is higher and problematic. Mention of 'good work at a lower level' points to a possible effect where a line manager's support for an employee, possibly given over a long period, can be compromised if the employee then falls outside the talent cut.

Talent pools and control groups

Qualitative data were analysed across the talent pools and the control groups and between the pools and the controls. Broad differences between the pools and the controls came across clearly and are summarised in Table II. In the discussion below, links to each talent pool are shown using the following codes, Emerging Talent [ET], Scientists [S] and Leadership Group [LG]. The additional use of [CG] denotes a participant from a control group.

[insert Table II about here]

<u>Supportive others</u>

All three talent pools revealed generally strong and positive views towards support from line managers, career mentors and from the HR Department. The Leadership

Group, however, was the most demanding in this regard and indicated that they were looking for additional support beyond that already given.

"The professional mentor part of the programme is OK, their role means they're not really relevant at the moment to my development, they're just not proactive when it comes to helping me to find new opportunities. They are not proactive, they are available if I ask the questions. My career mentor is very good, much more proactive." LG1

"My line manager is good, they have a genuine openness to individual development. I like the fact that if they see a person doing a good job then [name] wants to develop them for the betterment of the business not just the team. With the talent team, they're good for independence and good with challenges to what I'm doing, but I think they lack the detailed knowledge on what is possible". LG4

This higher level of sensitivity to support is a logical reaction to the initial hype that is consistent with the status of the Leadership Group which comes from talking-up the high potential, future leader as someone soon to be ready for promotion. Having set high expectations of participants, it follows that they will look for actions by the organization that match their own perceptions of those abilities.

<u>Lack of fairness</u>

Both the Emerging Talent and Scientists pools revealed feelings that access to development was not entirely fair.

"*No, I don't think personal development training is fairly shared by the organization. As a member of the talent pools programme I'm fairly happy though as the programme is OK and gives me access to training opportunities."* ET1

"*I know I'm lucky because I don't think that access to development is equal throughout the company*." S1

This attitude was not detected among the Leadership Group and may reflect a higher level of entitlement felt by that group such that sympathy for others is less likely. Members of the Emerging Talent pool were usually younger and, in a large organization, should be aware that they are not the only young employees capable of accelerated development. Similar humility was also detected in the Scientists pool.

Future leaders, however, may have a stronger sense that, of the current crop, they are in the top echelon and that if anyone else was as good then they would be in the pool alongside them. Little sympathy was extended to others outside the Leadership Group.

Expectations of others

Another theme in the conversations with the Leadership Group was a sense that other people should be looking to create opportunities for them.

"*The help from the HR and the talent team is of fairly limited help. They're good at helping with the development of a personal development plan but then they leave me to drive it. I've just got a career mentor. We've only me a couple of times so we're still building the relationship. We've not moved out of [mentor's name] war stories into help for me yet. I hope it works out as I need this help with identifying my development areas and pursuing my career."* LG2

This, again, fits with a strong sense of entitlement that may have been compounded by the actual label given to the Leadership group which suggested that they are the sorts of employees who should be getting substantial promotions in the near future if they stay with the company. A practical issue is suggested here which is not to overplay how important a group is as the level of rhetoric used shapes group members' expectations which the organization may then find hard to meet. Failure to meet expectations creates the conditions for future disappointment.

All control groups shared a strong sense of getting little or no support from line managers or others in ChemCo and this was particularly evident among the Scientists. The other groups were more nuanced in their attitudes.

"*I have had no career development from my line managers or HR and no specialist mentoring support. This isn't great for me as I'm not sure I'm that good at identifying my development needs and I tend to think that the organization doesn't have a good picture of what I can do*. ETCG2.

"I don't have career development discussions with anyone in the business. There just isn't the help or support or opportunities to help me grow. I'm sure this means that [ChemCo] is losing out as I could do more". LGCG5

Contained in these extracts is a feeling that the organization suffers from its relative lack of interest in employees because it proceeds in ignorance of what the majority of employees think they have to offer. Both the Leadership and the Emerging Talent control groups also held suspicions that access to development opportunities in the company was not always fair or equal. An additional feature evident in discussions with the Emerging Talent control group was a strong sense of unease in their ability to figure out how to develop their careers which may, as a product of their relative youthfulness, stem from a lack of organizational understanding and experience.

"Getting onto talent pools programme is tricky and favours some people which is a shame as I don't have the skills to work out what I need to do development wise". ETCG3.

"*Yes, there is development out there if you want it but I don't have a clear insight into how to move forward. I'm not very good at identifying what I need to improve on and where I should be aiming, career wise, in the future*". ETCG1

We suggest that there are links between the unease in the interviewees' descriptions of their own ability to access development and views that access to development is not always equal. There is a plausible connection here because when employees are conscious of their own limitations they come to feel that colleagues who by nature are better at influencing others and obtaining access to development opportunities have an advantage. Not having that advantage means the individual is less likely to access development – but where they feel they have more to offer the organization, when they feel the organization is by-passing much of the potential that they have to offer, then the conditions for fermenting feelings of inequality are created. The basis for the perceived inequality is a sense of having as much to offer as others, but of being overlooked on the basis of a narrow personality trait and behavioural idiosyncrasies that manifest as not promoting oneself as much as or as efficiently as others promote themselves.

Discussion

Our hypothesis was supported by some of the quantitative survey results which showed differences on some attitudes but not others. Employees who were not in

talent pools felt they had less support from their line manager, had more concern that access to pools was unfair, had less positive feelings about accessing development and lower access to opportunities for development, lower impressions of their recent personal development, lower motivation towards career development and reduced perceptions of the organization's commitment to their development. Given that participants did not know who else took part in the survey, and thus there is no possibility that they were consciously comparing themselves with employees in the talent pools, these differences are important.

The qualitative data provided a richer picture of the intensity of feelings. Talent pool members were more buoyant about the support they received and also recognised that they were in a stronger position than others. The Leadership pool in particular was looking for more opportunities to be created for them. The control groups were permeated by feelings of no support and self-doubt about their ability to influence their future and the opportunities for self-development.

One notable difference between the two samples is in the higher average age of the control groups. However, the general finding from studies of age and work is that work centrality, general job attitudes and performance have a low positive correlation with age (Bal and Kooij, 2011; Ng and Feldman, 2010). Thus, if age does not link to lower general job attitudes, and often associates with higher positive affect, then the higher age of the control groups is unlikely to explain the diminished levels of affect found in the control groups.

This finding offers two possibilities. First, since higher age does not usually associate with diminished job attitudes, talent pool membership may have enhanced the levels of affect shown by talent pool members such that the levels shown by the control groups represent the normal background levels in the organization. Alternatively, if the talent pool members are not showing enhanced affect, then something has intervened to depress the levels of affect shown by the control groups. While it may be tempting to consider that the talent programmes are the cause of lowered affect (Pfeffer, 2001), we suggest that the first option is more likely in this instance.

While this is in some respects an unsurprising suggestion, it does highlight a practical and unexplored issue of managing the expectations of employees on talent programmes particularly when their involvement in talent pools comes to an end. If

general job attitudes are boosted by programme involvement then there is a serious danger of creating a mechanism for future disenchantment. We suggest that this is a more pressing danger in talent management than the risk of unsettling a majority by excluding them. While any disenchantment arising out of elite talent programmes would usually affect only a small proportion of employees, disenchantment would hit a supposedly high performing, high potential segment of the workforce and could therefore have disproportionate outcomes for the organization. We are drawn therefore to revisit our starting point and consider that the threat in elite talent programmes may be less that of a disaffected majority and more that of a disenchanted critical minority if talent programmes do not live-up to expectations.

The differences observed in this study show that employee participation in a talent pool can correlate with enhanced attitudes towards development consistent with a Pygmalion effect. Although employee performance was not measured, it is reasonable to expect that Pygmalion effects acted to inflate some important work-related attitudes. This finding raises questions about how far supervisors should show high expectations towards employees since, given that employees do not perform equally, conveying similar expectations to all employees seems flawed. Inclusive talent strategies, in contrast, rest on the principle that each employee will be given opportunities to fully realise their potential in the workplace even though some employees will have lower potential than others. This more individualised treatment of employees raises fewer ethical concerns compared to situations in which supervisors are disingenuous about an employee's potential, and so raise expectations unhelpfully, or where elitist approaches to talent development occur. An inclusive approach would attempt to fit a positive Pygmalion effect to all employees and thus avoid any negative Golem effects. While this seems attractive, questions remain over whether the effect of raised expectations leading to higher performance would in fact be replicated if all employees are embraced by a high potential philosophy. If it is by virtue of being selected for an elitist talent programme that participant attitudes and performance are raised then enhanced attitudes and performance across the board may not be observed in more inclusive strategies.

Our study can be situated in the literature concerning HRM as a 'meaning-creating device' that is used by employees to create and reproduce meaning and identity relating to themselves and their employer (Alvesson and Karreman, 2007). Talent

pools are significant creators of meaning because they signal what the organization values to employees and what it means to be in favour. They set down and reproduce the organization's understanding and visions around the meaning of performance and promotion in particular. The talent pools accessed for this study provided a forum for participants to engage in particular forms of identity-shaping work that helped to bolster a strong sense of self.

While all employees engage in identity projects as ways of obtaining a degree of control over tasks and situations (Alvesson and Willmott, 2002), the data generated in this study show clearly how identity was buoyed by talent pool membership. Membership appears to have shaped that part of identity that touches upon how people see their ongoing development and possible futures in a different way to the ways in which the basic HRM practices accessed by all employees had shaped their identity around careers and futures (the control groups). In this regard, our findings match the only previous study on in/out groups (Bjorkman et al., 2013) which concluded that inclusion in a talent pool is taken as a signal that the organization values each participant's contribution and that participants feel that the organization has fulfilled a part of the psychological contract by investing in their future careers.

Furthermore, the legacy of public sector traditions in ChemCo is integral to the findings since the public management context differs in three important ways to private sector contexts (Pollitt, 2003; Orr and Vince, 2009) where the idea of workforce differentiation rests more comfortably. First, there is relative ambiguity about what constitutes good performance and a person's contribution to that performance. Appraisal systems that lead to explicit categorisation of employees are less common. Second, the public sector has a culture of protectionism that typically avoids hard language about performance although this may be under pressure from austerity measures. Third, public sector workplaces are often heavily unionised and there is more tradition of national-level agreements behind working practices which runs counter to local management decisions about appraisal and individualised reward and development philosophies. This context could sensitise employees against traditional talent management approaches and elevate reactions of the type encountered here.

Practical considerations

In a twist to Pfeffer's hypothesis, the danger lurking in talent management may be more about not fulfilling the expectations of a powerful minority rather than of disaffecting the unselected majority. Given that line managers' interactions with their staff will influence how staff feel they are valued, their potential and the opportunities open to them, these same interactions will shape how people not named as talent will feel. While identifying and separately investing in named talent is attractive, organizations should not neglect the majority of staff and a case for inclusive in contrast to elitist talent strategies is supported. Nevertheless, with talent emerging as a distinctive stakeholder group in organizations (Aguinis and O'Boyle, 2014), the attraction of differentiating high potentials and providing a unique HRM 'architecture' (Collings and Mellahi, 2009) to assist with their development seems likely to persist. The potential 'dark side' of talent management, however, should not be ignored and the practical grounds for more inclusive talent strategies are strong. This is not to say that all employees should be offered a talent programme of some sort, but organizations could be guided by a set of principles in relation to workforce development (Swailes, 2013).

Limitations and further research

The quantitative analysis is based on a small sample but, given that talent programmes do not usually contain large numbers of employees, the sample is realistic and we suggest that the unique design of the study goes some way to offset the sample size. Furthermore, in small samples only large differences appear as significantly different hence non-trivial differences were detected between the two groups. Our results, derived from directly comparing matched groups in the same organization, add to suggestions (Bethke-Langenegger, 2012; CIPD, 2010; Pfeffer, 2001) that there can be a downside to talent programme operations in which those on the outside develop feelings of exclusion. Our research design, however, could not ascertain the cause and effect relationships between talent pool creation and attitudinal change. All we can say is that, when the survey was undertaken, employees outside the talent pools had less positive attitudes on some factors. It is not possible to show that the creation of talent pools had been a causal factor in depressing their attitudes nor was it possible to confirm that being selected for a talent pool amplified certain attitudes, although this is theoretically attractive. Rather than acting to depress attitudes, an alternative interpretation is that the attitude levels

observed in the outsider group reflect the general background level in the organization and the attitude levels in the insider group reflect an enhanced state of mind brought about by organizational recognition.

The high level of organizational interest in talent management suggests that many organizations think it has something to offer yet our understanding of the effects of talent management in its various forms on participants and on organizations is light. This paper has contributed to the knowledge about in groups and out groups but more research is needed to understand better how different conditions and management approaches can moderate or eliminate negative reactions from out group members and moderate potential 'let-down' effects on talent pool members. Longitudinal cases in particular will provide a deeper understanding of how talent management influence career expectations and the career capabilities of people.

Further research comparing talent insiders and outsiders across a range of work settings is needed to shed more light on the 'dark side' hypothesis. A larger scale survey of employees comparing assessments of their performance and potential to their views of organizational support, fairness and career intentions and which is carried out in relation to talent pool operations should be revealing. Variables that might moderate the effects of talent pool membership include organizational setting, age, career stage, supervisor-subordinate gender differences, and self-assessment of talent potential.

Conclusions

This study adds to the small body of research on Pygmalion-type effects in work organizations as the findings support the notion that talent management lead to differential attitudes in workplaces. Of particular interest, however, is the likelihood that eventual exit from talent pools brings about the end of Pygmalion effects and this phase of the talent process requires careful thought in programme design. To minimise adverse outcomes, it is important, that organizations consider aspects of workforce democracy when evaluating the impact and effectiveness of current and planned talent programmes. This could manifest as democracy around the design and acceptance of the organizational image of what being talented means, for example, in terms of the skills and behaviours displayed by the talented. Processes of nomination and selection for talent pools also need to be democratic with all

employees getting a fair chance. In addition, the findings emphasise the importance of understanding how people who fall outside the talent pools feel about their exclusion, about organizational support and about the talent identification process. Programme evaluation should also consider how employees outside the programme are benefitting, for example, through better business performance in relation to the resources that are being diverted into talent pools. A clear understanding of how outsiders are reacting is an important component of talent programme evaluation and should help organizations minimise potentially damaging adverse reactions.

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Appendix 1. Survey responses from employees inside and outside talent pools.

Survey item	**Mean difference**	**Significance level**	**Effect size**
Quality of career development support from line manager	1.6	.004	.56
I feel that access to the talent pool programmes is well-designed and prevents bias	1.6	.000	.63
I feel happy with my overall access to personal development opportunities	1.0	.04	.34
I feel I have access to a wide range of relevant work-based opportunities that will help with my skills.	1.1	.01	.42
I feel that my skills and knowledge have been enhanced over the last year as a consequence of personal development opportunities offered to me	2.3	.000	.69
How motivated are you about your career development within ChemCo?	1.2	.002	.51
ChemCo is highly committed to my future career development	1.8	.000	.58

Significance levels derive from independent samples t-tests, N=34. Positive mean differences show that employees in talent pools had stronger levels of agreement.

Table I. Sample characteristics

Characteristic	Talent pool members	Control group members
Male	12	14
Female	5	3
Age 20-29 years	29%	6%
Age 30-39 years	59%	23%
Age 40-49 years	11%	18%
Age 50+		53%
Degree level qualification	15	9
Membership of professional bodies	15	8

Table II. Summary differences between talent pool members and non-members

Talent pool	**Main themes expressed by pool members**	**Main themes expressed by control group members**
Leadership	Generally positive views of line manager support but some dissenting views present. A strong sense that career mentoring is useful, more so than professional mentoring. Some sense that others should be looking to create opportunities for them.	Overwhelming perceptions of no line manager support.
Emerging talent	A strong sense of support from line managers and HR. A strong sense that opportunities are 'out there'. Some sense that access to talent pools is not equal.	Little sense of support from line managers. Inability to self-develop or to influence those who could help with self-development. Access to talent pools is not equal.
Scientists	A strong sense of support from line managers and HR. Some sense that access to talent pools is not equal.	Little sense of support from line managers or others.