

# **Talent management as a motivational tool for leveraging organisational change**

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## **Introduction**

Talent management (TM) is becoming increasingly vital to success as organisations grapple with rapidly and constantly changing business contexts. In this paper, Norma D'Annunzio-Green and Allan Ramdhony reflect on their latest thinking about the deployment of a 'motivational approach' to TM. They argue that current approaches to TM are highly 'performative' – marked by traditional human resource management (HRM) practices that are primarily driven by economic interests and performance outcomes for the organisation, and less on the motivational and development needs of workers. The authors introduce the term 'Motivational Talent Management' (MTM) to identify a cluster of HRM-related activities that have potential to strike a better balance between these two imperatives. They cite compelling evidence for MTM to become a powerful lever for sustainable organisational change, and point to the vital role that line managers play in re-energising TM processes. Their arguments are brought to life in a case study example of changes taking place within a UK privately owned health care organisation.

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## **What is MTM?**

As construed by D'Annunzio-Green and Ramdhony (2019), MTM is informed by the key tenets and principles of Self-Determination Theory (SDT). In essence, MTM pays particular attention to the personhood, motivation and development needs of the organisation's talent pool and to the soft managerial behaviours driving the TM process. MTM places an emphasis on processes of behavioural self-regulation and a supportive social environment that are conducive to autonomy, social integration and optimal performance (See also Ryan and Deci, 2000) and comprises the following key elements:

- (i) intrinsic motivation,
- (ii) extrinsic motivation,
- (iii) processes of self-regulation and
- (iv) social environment.

### *Intrinsic motivation*

Intrinsic motivation entails an activity carried out by someone because of its inherent value and the satisfaction and enjoyment obtained from it – even in the absence of material rewards (Sansone and Harackiewicz, 2000). Intrinsic motivation is here assumed to be relatively autonomous, free from external influence and control and borne out of one's own needs and interests.

### *Extrinsic motivation*

By contrast, extrinsic motivation involves an activity that is carried out, not because of its inherent value or the spontaneous satisfaction that it provides but because of the possible consequences in the form of some rewards or sanctions that are usually dependent on the power of an external agent (Gagné and Deci, 2005). Extrinsic motivation is therefore subject to external control and geared towards some specific goals and outcomes which do not necessarily reflect one's own true needs and interests.

### *Self-regulation*

Self-regulation is a process individuals go through when they attempt to internalise extrinsic sources of motivation and align these with their own values, needs and interests. According to Ryan and Deci (2000), the ideal form of self-regulation is one of 'integrated regulation' – where external values, interests and objectives are internalised by the individual. A combination of intrinsic motivation and integrated regulation can allow for a greater degree of autonomous motivation, stronger organisational commitment and in turn optimal performance.

### *Social environment*

MTM is dependent on the extent to which social environments are conducive to it and have mechanisms in place to support autonomy, a sense of competence and feelings of relatedness – which have been identified in the SDT literature as the basic psychological needs vital to the internalisation of external values, interests and objectives (Fernet *et al.*, 2015; Gagné and Deci, 2005).

### ***MTM: Applying SDT to talent management***

In their latest paper, D'Annunzio-Green and Ramdhony (2019) blend theoretical and empirical insights to develop their new concept of MTM through a systematic application of SDT to TM. They present it as a powerful counterpoint to the predominantly performative approach that characterises current TM practices and delineate its key features in the context of an emerging body of related literature – which is summarised below:

- the recalibration of recruitment systems to draw in intrinsically-motivated staff,
- innovative learning and development strategies to enhance required competencies for autonomous working and social integration,
- a developmental approach to performance management focusing on intrinsic rewards and the identification of further learning needs and opportunities, and
- the collaborative determination of career pathways and possibilities for job enlargement.

(D'Annunzio-Green and Ramdhony, 2019)

The authors also emphasised the importance of the development of supportive managerial behaviours and leadership skills that can effectively shape and sustain a motivational

approach to talent management – thereby achieving a much-needed balance between the organisation’s strategic and economic needs and employees’ motivational and developmental needs (*ibid.*)

### **How can MTM be used as a lever for organisational change?**

Talent management (TM) and Organisational Change Management (OCM) have a common denominator: effective people management. However, the inability to effectively manage people is one of the most common pitfalls of OCM. This can lead to feelings of exclusion, a sense of loss in terms of employee autonomy and control in the discharge of their roles and responsibilities, demotivation and disengagement from work and colleagues, and doubt about one’s ability to make any significant contribution to the organisation. This can in turn trigger the dreaded employee resistance to change and the disavowal of change initiatives which are notoriously difficult to manage (Hayes, 2010; Myers, Hulks and Wiggins, 2012; Paton and McCalman, 2008).

However, the more important point we are trying to emphasise here is this: in both TM and OCM, people management tends to be marginalised or treated as of secondary importance because of a ‘primarily performative’ approach – where both functional activities are harnessed to the maximisation of performance and productivity with scant attention paid to the personhood, motivational and developmental needs, and career aspirations of employees. It is when TM and OCM are conceptually brought closer together that their overlapping people management issues become clearer: both are guilty of an unnatural split between performance and people where the former is achieved at the expense of the latter; and both tend to remain insensitive to the undisputable fact that performance is only achieved through people.

In recent years, analysts point to the growth of organisational development practices that are better designed to enable collaborative approaches to change management, individual growth and personal development – thus enabling a better balance between economic and humanist imperatives. By focusing on human motivation and emphasising the aforementioned humanist values at the core of OD (Jeffery, 2020), MTM can not only redeem the motivational dimension of talent management but also energise and drive OCM towards sustainable success. Although MTM and OCM are discrete fields of research and practice, the connection between the two is natural and logically sound – for it is unthinkable that

change leaders (senior leaders and line managers) can expect to deliver sustainable change success without the contribution of a motivated and committed talent pool which is a unique source of creativity, innovation and resilience, especially given the increasingly volatile and competitive global context within which organisations have to operate.

Of relevance here are some of the key findings from D'Annunzio-Green and Ramdhony's (2019) recent research into the possibility of MTM within the hospitality sector. This exploratory study presented rich narratives from employees which highlighted a keen interest from respondents in the possibility of a motivational approach to the HR-related activities that underpinned talent management and their applicability to OCM.

This research highlighted (i) a clear anticipation amongst respondents of a qualitative change to the HR-related activities that underpin the talent management process as a condition for a renewed focus on the motivational and developmental needs of employees; (ii) how MTM can be used as a powerful lever for OCM and can enable the development of the type of intrinsically-motivated, autonomous and committed employees who can creatively contribute to sustainable change success. The MTM processes highlighted as important levers to enable change were: recruitment, manager and employee development, performance management and succession planning; and importantly (iii) the type of supportive, collaborative and empowering managerial behaviours that are needed for this to happen – which are addressed in more detail in the following section.

### **What role can line managers play in the enactment of MTM as a lever for successful organisational change?**

By virtue of their proximity to frontline staff, line managers have a vital role to play in creating and sustaining the type of enabling social structures and trusting relational contexts that are conducive to MTM (Woolridge, Schmid and Floyd, 2008). In this capacity, managers need to cut across the TM process to find ways to remove the contextual barriers that stand in the way and open up opportunities for nurturing an environment in which autonomous, intrinsically driven employees are trusted to make a valued contribution.

Dependence on managers to 'deliver' TM effectively is shaped by a range of organisational factors such as line manager capacity, skills and motivation to engage in day-to-day TM practices, alongside the extent to which they are involved in TM policy development (Francis and Baum, 2017; Link and Mueller, 2015). These issues are intimately linked to current trends in the strategic repositioning of HR functions, and related debates about how

tasks should be divided between the HR function and line managers (retention v delegation); and how to achieve a better balance between the organisation's performative and economic imperatives and employees' motivational and developmental needs (Gerpott, 2015).

These tensions and precepts are brought to life in the case study that follows.

### **Case Study: Health and social care company**

This case study focuses on the potential of applying MTM to the changing context of a privately owned health and social care company at a time when the organisation was experiencing a decline in both financial and operational performance and an erosion of its talent pool.

#### **What happened?**

The case organisation is a privately owned, multi-site company which operates in the Health and Social Care sector across the UK. During 2018 and mid-way through 2019, the organisation experienced a significant level of continuous, adaptive change as the company struggled to achieve both its financial and operational objectives. In June of 2019 a new CEO was appointed, and it was decided that a full-scale strategic review was required across all key areas of the company as performance was continuing to decline. An external change consultant worked closely with the senior management team and HR Director and the review process, conducted over a 6-month period involved interviews with a range of internal stakeholders, including managers and employees.

The review pointed to a shift in the power structure of the organisation over the past two years. The previously decentralised structure and autonomous management style within each site of the organisation gave way to a centralised structure with most of the decision-making powers contained within Head Office. This new power structure also brought about a significant change to the Human Resources function which had evolved from being a largely 'personnel administration' department to a centralised Head Office that now managed all aspects of HR. All the activities pertaining to TM were also brought under the control of the central HR Team.

The new structural arrangement seemed to have provided the legitimacy for a move towards a primarily performative mode of governance which, as highlighted in the theoretical part of this paper, is typical of mainstream TM (Gerpott, 2015). This reflected an approach to TM characterised by an almost exclusive focus on performance outcomes, cost-cutting

measures and close adherence to HR policies and procedure, with negative effects on the motivational and developmental needs of employees.

Linked to this, evidence suggested that the site managers now seemed to have very little interest in taking ownership of the employees beyond ensuring that the day to day tasks were completed. They reported having barely any input in the TM process and thus felt detached and disempowered. Recruitment was reactive, training was purely compliance-based (such as Diversity, GDPR and the like) as oppose to being tailored to individuals development plans, and there was no evidence of a formal active development strategy in relation to succession or promotion. This highly functionalist approach to TM, appeared to culminate, in the eyes of the review team, in high absenteeism, labour turnover at both employee and management levels and an over reliance on agency staff that was crippling the cost base of each site – which ironically worked against the intended outcomes of the change programme designed to redress the financial situation of the organisation.

Furthermore, the review process illustrated that as line managers were confined to a mostly administrative role and their autonomy had been eroded at the sites, they increasingly felt demotivated, devalued and contrived in their attempt to support the individual needs and aspirations of their direct reports. There was hardly any evidence of a shared understanding around what needs to be done to achieve the change objectives or ensure the long-term success of the organisation. The prevalent feeling was one of ‘being in survival mode’ – which is a far cry from the type of manager described in this paper as one who is capable of playing a vital role in energising the TM process and using it as a lever for sustainable change success.

### **What needs to be done?**

Following the key findings of the strategic review, the senior management team decided that there would need to be a structural change to redistribute power and control back to the sites and regional management team. It was however seen as necessary, with the support of a specialist HR team, to rebuild the capability of line managers and regional team that would not only increase their autonomy and empower them but also enable them to engage more proactively with their direct reports and adopt a more motivational and developmental approach to TM. To this effect, a plan was developed which comprised two distinct stages of change.

The first stage was to introduce a bespoke leadership development programme based on the principles of ownership and empowerment, to reconnect and re-engage line managers, The aim was to introduce a coaching style of leadership based on individual development needs as a way to demonstrate a commitment to individuals rather than a concern focused on the sole pursuit of operational improvement and economic interests. By cascading this programme to regional and site managers, it was felt that this would enable them to feel more supported as they developed the skills and confidence required to take back ownership, control and direction for Talent Management in their own sites.

The second stage was focused on building the foundations of a proactive and sustainable approach to succession planning, building a talent pipeline for future internal appointments at all levels and reducing the reliance on external appointments. The development of individual career plans and more open and collaborative career conversations were seen as pivotal to building trust in the potential of the new talent strategy and the importance of current managers in the process. This stage was further supported by the appointment of a new and experienced HR Director whose task was to work in close partnership with managers to build training and development courses designed to upskill the regional and on-site teams in all aspects of Talent Management. In addition, a communication and engagement plan was introduced starting with a whole company conference where the plans and approach were shared and feedback sought prior to implementation.

## **Conclusion and key learning points**

This paper has developed an argument as to how MTM can redeem the motivational dimension of TM and serve as a powerful lever for organisational change. As an emerging concept, MTM provides a valuable counterpoint to mainstream TM and can contribute to a much-needed balance between the performative and economic interests of the organisation and the motivational and developmental needs of employees.

### *Key learning points*

1. The case alludes to tensions experienced by senior leaders when trying to manage in challenging contexts where the focus is on performative/economic imperatives, at the expense of employees motivational/developmental needs.

2. The case illustrates that MTM is not just speculative, but can gain traction across the field of practice with the increasing realisation of its importance in motivating and developing the talent pool. The review provided an opportunity for senior managers to reflect on contextual barriers (such as low levels of personal responsibility, poor communication and lack of a formal development strategy), and consider the implications of this on employees.
3. The case study illustrates a range of practical MTM approaches and how these can be used as possible levers for change, such as:-
  - a. Innovative and tailored learning and development strategies including leadership development programmes, talent pipeline and succession planning policies and a more inclusive, partnership approach to leadership, supported by increased emphasis on communicating with and engaging employees at all levels, and illustrates how these could be used to enable change.
  - b. a range of both formal and informal learning interventions, focused on self-development, coaching (both job-specific and focused on interpersonal skills and competencies), and the capacity to engage in various forms of individual and collaborative working as a unique source of creativity and innovation.
  - c. An inclusive and collaborative exploration of career pathways and talent pipelines and possibilities for job enlargement that strikes a balance between employees' motivational and developmental needs and the change imperatives of the organisation.
4. By virtue of their proximity to frontline staff, line managers can play a vital mediating role in enacting MTM and using it as a lever for sustainable organisational change. To this effect, their own motivational and developmental needs have to be effectively addressed through appropriate L&D interventions.

### **Reflective learning activity**

1. Reflecting on the case study, what are the downsides of a purely performative approach to change? How can this impact TM?
2. How can the principles of MTM be applied in developing line managers and releasing the talent pool of the organisation within a context of change?

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