

## Transparency in Talent Management

Author: Ben Butina . November 2021

### Exclusive vs. Inclusive Talent Management

Most companies focus their talent management budgets and efforts on a small group of high potential employees. This approach, which researchers call *exclusive talent management*, allows the organization to make a differential investment, allocating their resources to the employees who are predicted to have the largest impact on the organization's performance. The underlying assumption of exclusive talent management is that the company will realize more benefit by investing most of its development resources in developing its high potentials than it would by spreading resources more evenly among all employees, an approach researchers call *inclusive talent management*.

Most research on exclusive talent management is focused on outcomes for the high potential employees included in these programs, but what about the employees who are *excluded*? Specifically, what happens to employees who feel they *should* be included among the high potential group but who *aren't* selected?

### The Experiences of Non-Selected Employees

Two researchers from Maynooth University — Edward P. O'Connor and Marian Crowley-Henry — reviewed the published research on excluded employees and created a framework for understanding their experiences. To get a better handle on their model, let's look at a hypothetical example.

*Tyrell, an Accounting Manager for Rushcorp Records, considered himself a high potential. For the past two years, he's earned excellent performance ratings and has consistently received praise from his manager. He was surprised and disappointed, therefore, when he wasn't invited to take part in Rushcorp's Accelerated Leadership Program (ALP). Although Ruschcorp has never published a list of high potential employees, it's common knowledge that those selected for ALP are being fast-tracked for senior leadership positions.*

*Tyrell has no idea why he wasn't selected for ALP because Rushcorp keeps their talent management processes "close to the vest." Left in the dark, Tyrell assumed senior leaders just picked their personal favorites. In fact, Tyrell knew of at least one ALP candidate whose work performance was slipping for months, but who has a reputation as a brown-noser.*

*Assuming he's not been treated fairly by his company, Tyrell began to lose motivation and withdrew from one of the special projects he volunteered for. When his manager asked him why he backed out, Tyrell responded, "It's not worth it. I give and I give, but this company doesn't give back. What's the point? Maybe I just need to find a company where my work matters."*

O'Connor and Marian Crowley-Henry found that excluded employees tend to view themselves as victims of unfair treatment. Employees like Tyrell feel they're being treated unjustly by the organization and that the company isn't holding up its end of the bargain. As a result, their engagement drops. Since their exceptional efforts haven't been rewarded with access to the opportunities they feel they deserve, they "balance the scales" by reducing their efforts.

The perception of unfairness and unjust treatment thrives in an environment of secrecy. When the criteria and process for selection into the high potential group are hidden from employees, they may assume the selection process is unfair. Because they never get to "see behind the curtain," there is no way for them to change their minds.

## **What's the Takeaway?**

Exclusive talent management programs allow companies to invest in the employees who they believe will have the biggest impact on the organization's future. If those talent management processes aren't transparent, however, excluded employees may assume they aren't being given a fair shot. As a result, they may make less of an effort and even seek employment elsewhere.

Whether they realize it or not, these companies are making a trade-off: in exchange for *increased* performance and loyalty among a small group of high potentials, they experience *decreased* performance and loyalty among a much larger group of employees.

The obvious solution for companies that practice exclusive talent management is to increase the transparency of their talent management practices. Highly-motivated employees who aren't selected as high potentials may still be disappointed, but if they know *why* they weren't selected and how to address the gap so that they *will* be considered in the future, they'll probably increase their efforts instead of holding back or looking for a job at another company.

In organizations with a long history of keeping talent management processes confidential, this isn't an easy transition. The problem is made worse when the selection process genuinely *is* subjective and driven by bias and the personal preferences of senior leaders. In that case, an effort to make processes transparent may motivate stakeholders to reform the program to make them “show ready.”

## Source

O'Connor, E. P., & Crowley-Henry, M. (2019). [Exploring the Relationship Between Exclusive Talent Management, Perceived Organizational Justice and Employee Engagement: Bridging the Literature.](#) *Journal of Business Ethics*.

*The post "Transparency in Talent Management" was first published by Ben Butina [here](https://www.linkedin.com/pulse/transparency-talent-management-ben-butina-ph-d-sphr/)*

## About Ben Butina, Ph.D., SPHR

I help organizations acquire, grow, and manage talent. I also host Department 12: An IO Psych Podcast, which lets me talk to smart people and steal their ideas. Sometimes I write articles for industry websites and here on LinkedIn. I also share research here because I believe that when we have better evidence, we can make better decisions.

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