

Talent Management: Theory and Practice of Management.

The Polish Experience

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Abstract

Talent management is a modern and effective way of implementing the personnel policy enabling the organization to achieve strategic goals through the proper usage of the potential inherent in human resources. This chapter contains an attempt to answer the questions: What is the talent in the context of the career and the realization of professional roles? What criteria determine the recognition of the employee as a talent? What incentive effects, but also what disincentive threats may arise as a consequence of talent management? Whether talent management should be addressed to a narrow, elite group of employees, or perhaps a more egalitarian approach should be justified according to which every employee ought to be perceived and treated as a talent?

The aim of this article is to present the talent management practices in Poland in relation to the rich, interdisciplinary theory of that issue and to formulate utilitarian conclusions, whose implementation will help to improve managerial practices in the area of TM.

INTRODUCTION

Talent Management (TM) is treated in terms of modern and efficient way of implementing personnel policies that enables organizations to achieve their strategic goals through the proper use of the potential inherent in people. Although this process involves many costs, enterprises and other organizations decide to use it on account of the future potential benefits associated with the creation and development of intellectual capital, important from the perspective of functioning of an organization and creating its value. This problem has, therefore, a deeply utilitarian character, which does not exclude the analyses of an epistemological and theorygenic nature. On the contrary, in the author's opinion, good design and effective implementation of the talent management system requires answers to the most fundamental questions: What is talent in the context of implementation of professional tasks? What criteria determine the recognition of an employee as talent? What incentive effects, but also discouraging threats may arise as a result of talent management? Should talent management be addressed to the narrow, elite group of employees or the egalitarian concept is justified according to which every employee ought to be seen and treated as talent? These are important issues from the perspective of the human resource management practices, yet very complex and interdisciplinary. They concern not only the formal systems, procedures, tools, but primarily, underlying at their formation, the way of human understanding, one's nature and psychophysical possibilities important in fulfilling the professional roles.

The aim of this article is to present the talent management practices in relation to the rich, interdisciplinary theory of that issue and to formulate utilitarian conclusions, whose implementation will help to improve managerial practices in the area of TM.

PREMISES, THE ESSENCE, AND AIMS OF TALENT MANAGEMENT

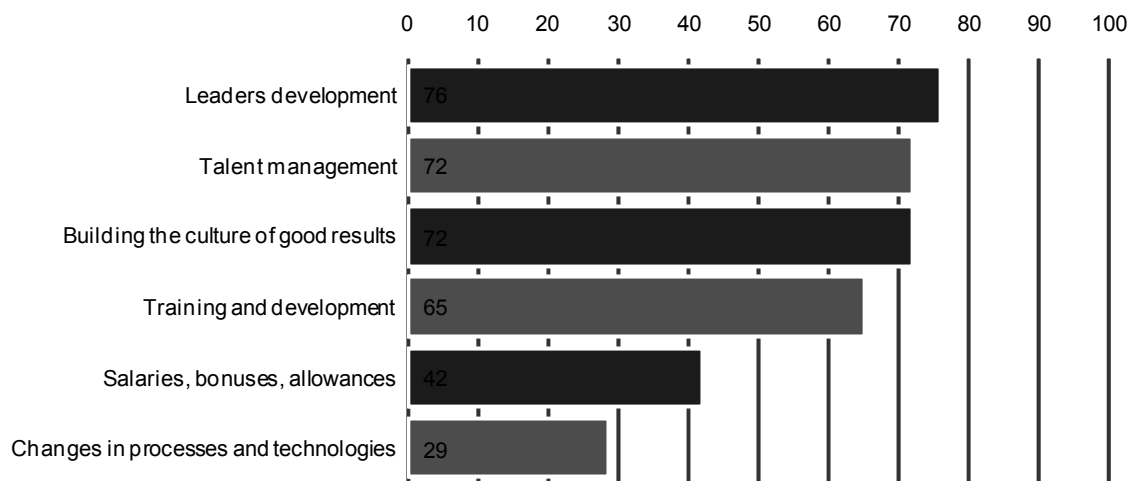
Employees by the side of owners, customers, business partners, local and national communities form an important group of company's stakeholders constituting one of its basic capitals. It causes a clearly visible change in perceiving particular groups of stakeholders of the organization. In *the era of mass production* personnel issues remained on the margin of interests of the enterprise where the main objects of these interests were the owners. With time, it became clear that this attitude does not bring the expected benefits and the centre of gravity in organization's activities moved towards the interests and expectations of customers and business partners, which is referred to as *the era of mass marketing*. Finally, in *the post-industrial era* the social issues grew to the status of key issues, including respecting the rights and needs of employees. Presently, the issues and undertakings focused on the development of human capital are brought to the forefront. The idea "Be responsible for what you sell and in what environment you operate" is complemented by the demand "Be responsibility for who you hire." (Król, Winnicka-Wejs, 2009)

Since the end of the 90s of the last century, when in the U.S.A. the concept of "the war for talent" was popularized, distinct increase in interest in high-potential employees is noticeable. Initially, the attention

was primarily focused on finding and hiring people with extraordinary abilities; over time, talent management has embraced additional components and gained in importance. The interest in the issue of talent management is observed on a worldwide scale. The study conducted by Ashridge Management Index of the Business Trends, on a sample of over 800 managers shows that as much as 66% of respondents indicate a need of talent management as a major challenge resulting from the process of globalization. In the same study 53% of managers indicated a need for a greater involvement of contemporary organizations in selecting and preparing the next generation of managers (Cheese, Thomas, Craig, 2009, p. 5).

It has been forecasted, that in the face of environmental turbulence, globalization, demographic changes, the increasing role of technology, intellectualization of work the importance of talent management issues will continue to grow. In this context, to the rank of a specific symbol grows the title and content of the article written by V. Buckingham and R. Vosburgh "The 21st Century Human Resources Function: It's the Talent, Stupid." (2001) In the research, conducted by The Conference Board in partnership with the House of Skills, as many as 94% of personnel managers from the surveyed enterprises stated that the issue of talent management in the coming years will gain in importance. It is already treated in terms of a very important success factor of the organization (see Chart 1).

Chart 1. Key internal success factors of an organization in the evaluation of managerial staff



Source: self-elaboration based on: *Aligned At The Top*, Global Survey by Deloitte Touche Tohmatsu and the Economist Intelligence Unit, 2007.

Analyses of research reports on talent management in Polish enterprises deliver very diversified results concerning the number of companies declaring the use of TM. The research results of The Conference Board (3RD European HR Barometer, 2008) indicate a very high, as much as 73 percent rate of the existence of processes (systems, software) of talent management in Polish enterprises. Justified are doubts whether this result reflects the actual situation in Polish enterprises. In order to explain such a high result, authors of the report formulate the thesis that for the invitation to participate in a research project, in majority, responded these enterprises, for which talent management constitute the important topic, and which use such a program or intend to introduce one.

Much more reliable seem to be the research results of "Talent Management in Poland" conducted in April 2009 by Polish Human Resources Management Association and Warsaw School of Economics on a sample of 180 large enterprises. They illustrate that 35% of enterprises use talent management programs, and 65% of them intend to implement them in the near future (Condition of Human Capital..., 2009). The data clearly confirm the great interest of Polish business practitioners in solutions relevant for talent management.

Talent management is defined as a set of actions applied to highly talented individuals, undertaken with the intention of their efficiency development and in order to achieve goals of the organization.

These activities are formulated in the form of the following sequence:

- recruiting talents,
- phase of "transition" (transformation),
- departure.

Recruiting talents is primarily expressed by recruitment procedures which identify the most desirable features of candidates for employees with the use of the interactive methods of diagnosis, especially the assessment centre, psychological tests, deepened interviews. The evaluation of the candidate that takes into account the psychological criteria reflecting his or her intellectual and personal potential is of a key importance. The factors facilitating the attraction of “candidates – talents” are company’s image, its prestige. While analyzing the talent management T. Listwan (2005) does not exclude the acquisition of talented employees in the course of internal recruitment, however, he puts a stronger emphasis on external sources, including as fast as possible pre-selection, for instance, in the course of student internships or job fairs.

Phase of "transition" (transformation) is the stage of talent management, which primarily includes career management, that is, the harmonious and purposeful development of an employee. It constitutes the following: improvement and self-improvement for development of talent, employee evaluation, implementation of promotion policy, and motivating.

The last of the distinguished stages in the division of talent management is *departure*. Departures of employees are natural processes, and therefore inevitable ones. In a particular way it concerns “employees – talents” who find, usually without a problem, a very attractive job offer on the external labour market. When a company loses such employees, together with them it loses the significant resources of competencies; hence, a very important element of talent management constitutes the counteraction against their departures from an organization.

Talent management includes also recognition (in dialogue with employees) of specific skills and abilities of employees and assigning them tasks that allow for the maximum usage of these skills. The effect of such an approach results in a sense of fulfilment of employees, increases their commitment, motivation, and greater loyalty to the employer. This in turn should translate into hard results: increased efficiency, increased innovation, and decrease in absenteeism and employee turnover. (Cannon, McGee, 2007).

Among the most important goals of the talent management is also the participation in implementing the strategy of building image of an employer as an attractive one for potential talented employees. A broader approach to talent management includes the following:

- elaboration of the people management strategy;
- identification of key employee segments;
- analysis of labour market from the point of view of key employee segments;
- elaboration and implementation of individual development plans, career paths, succession plans (Parry, Urwin, 2009).

TALENT MANAGEMENT OR TALENT DEVELOPMENT ?

The term “talent management” is already well established in the language of management as a science and as a practical form of action. Nevertheless, it must be clearly emphasised that there is no shortage of its critics. They underline that in the context of talent, in which the creativity should constitute its essence; management is actually its antithesis, especially in terms of its traditional presentation. It happens due to the fact that this concept means more governing, that is, to say who is doing what, where and when to do it, whom listen to, in what participate. The concept of talent is extremely impoverished in many enterprises. Talent is not seen as something above-average, but something that fits well certain expectations. Various types of projects, created and implemented in diverse organizations programs raise objections. They indicate the risk of “inconstancy” in talent management. Hence, the suggestion that the term “talent management” should be replaced with “talent development,” which means to create appropriate environment for talents identification, development, and exploitation. An organization that develops talents is the one that cares for the development of organizational culture and simultaneously has results of it, as probably the talented employees have opportunities there for self-realization. The processes are the success factors that should arise so the people indeed want to give everything of themselves what is possible to give, and even more. It also constitutes the management style which rejects the haphazardness (we have a project and we carry it out), and replaces it with a constant improvement of working conditions and management. Among these working conditions are: the world of values and physical safety of environment, quality of interpersonal relationships, and leadership attitudes of superiors. Yet, as practices of many organizations show talent management is an action in which money are often invested – to a lesser extent ideas. Unfortunately, too many people still believe that the talent management program consists in the fact that first employees must be selected, who are later sent on some trainings, and are promised promotion, which will or will not come in future.

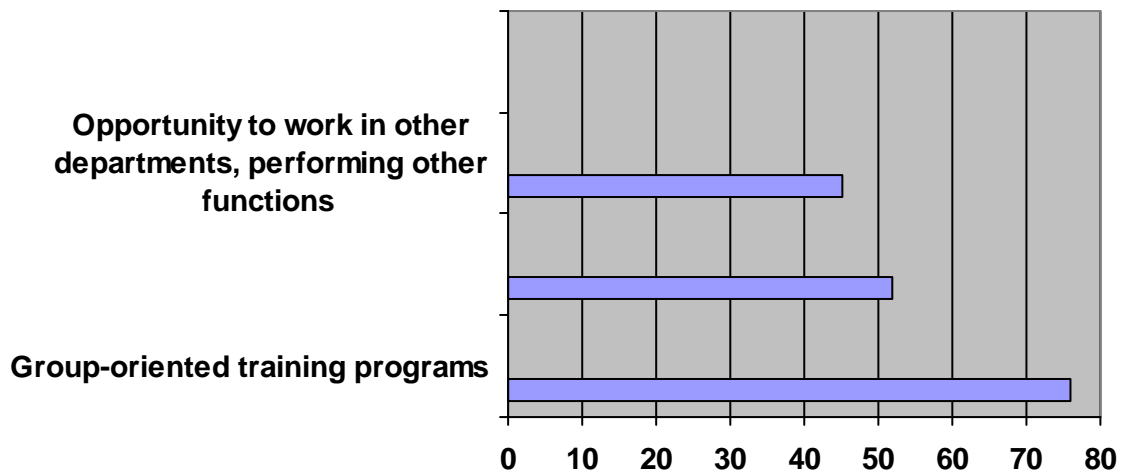
Managers are also aware of the imperfection of TM systems. On the one hand, they appreciate the importance of talent management (as it is shown by the results of the third edition of the research: “European HR Barometer. Trends and Perspectives On the Human Resource Function in Europe, 2008,” talent management is regarded as the task of human resources department since this department has

the strongest influence on the functioning of the organization), on the other hand, 67% of managers regard it as requiring significant improvement.

The weaknesses of the practice in the area of talent management are tired to be eliminated on the basis of *the Strategic Development of Talent* - SDT (Rothwell, Kazanas, 2003). It is defined as a process of change in an organization, its external stakeholders, internal groups and employees by planned and unplanned learning, in such a way that they possess the competencies necessary to support the organization in achieving and sustaining the competitive advantage. The authors of the SDT concept do not confine themselves to a small group of employees by creating for them special paths for their careers development, but suggest the need for introduction the comprehensive process of the organization changing, taking into account both internal and external groups, which are supposed to be involved in strengthening its competitive advantage. W.J. Rothwell and H.C. Kazanas talk about planned and unplanned learning, having in mind not only trainings or postgraduate studies for prominent individuals. Unplanned learning and informal education are associated with the transfer of knowledge between particular groups of employees during collective work, while solving problems of the organization, and also when carrying out strategic projects.

The practice of management whose picture emerges from the study (see Chart 2) shows that the conclusions of the theory of strategic development of talent remain rather in the area of postulates than in the area of realization.

Chart 2 Initiatives offered to talented employees (the most frequent choices)



Source: self-elaboration based on: *Talent Management - Challenges, Trends, Examples of Solutions*, research report, The Conference Board Europe, www.conference-board.org (condition on 10/11/2011).

The data presented in Chart 2 show that in the practice of talent management dominates an approach directed towards such configuring and developing abilities of a particular employee that his or her activity would realize to the maximum extent expectations of superiors, but rather not exceed them. The mentioned developmental activities allow for expanding the knowledge base and professional experience, but it is not tantamount to the creation of conditions for developing innovation, creativity, and entrepreneurial courage of an employee.

TALENT – THE ELITIST OR EGALITARIAN GOOD?

The concept of talent management is to a large extent determined by the definition of talent itself: who in a company will be regarded as talent. It concerns especially the workers engaged in various development programs, or even those who are only considered as their potential participants. Until recently, in Polish companies seemed to dominate the idea of an elitism of talent what reflects the mentioned already report of The Conference Board. Regardless of the enterprise's size, it was expected that the participation of employees in one edition of the program would vary from 2% to 5%. Only 15% of participated in the studies companies declared that all employees have chances to take part in the program; in majority it was reserved only for managers and treated as a motivational stimulus and a measure of the success of a qualified employee. Still popular elitist approach, however, seems to gradually yield to the opinion that all employees are regarded as talent, who possess a high level of key competencies for the company and are able to contribute significantly to its development.

Analyses conducted in 2009 by the Leader's Institute confirm that the range and availability of talent development programs within organizations slowly increases. They include from 0.5% to 30% of workers,

what gives the average of 6.3%. The growth of employment in a company, however, goes hand in hand with the decrease in availability of this program. Requests for more egalitarian treatment of talent emerge from the report made by Polish Human Resources Management Association and Warsaw School of Economics. Participants of the studies declare to increase the availability of talent development programs.

The research of A. Poczowski team (2008) conducted in 36 Polish enterprises shows that business practitioners differ, often substantially, in understanding the concept of “a talented employee.” For majority of them (over 60%), talent is someone who achieves the outstanding results, who is highly effective. Considerable part of the respondents (45%) states that a talented employee is the one who possess above-average abilities in any field of knowledge. Approximately 15% of the respondents identify talent with extensive knowledge, the same number of respondents with specific personality traits. Individual opinions define talent as a high level of qualifications or specific practical experience associated with work. Such different understandings of talent explain the divergent attitudes to the issue of talent management, especially to the matter of what part of employees and which of them regard as talents.

TALENT MANAGEMENT OR COMPETENCY MANAGEMENT?

In the author’s opinion, many dilemmas associated with talent result from “mixing-up the terms,” from definitional chaos visible in publications devoted to this subject. The lack of precision in describing and scientific reasoning may have a substantial negative impact on HR practitioners who attempt to name the practices, projects, and operational procedures adopted in their organizations. For instance, in the work edited by A. Poczowski (2008, p. 19-27), in the chapter “Deficiency of talented employees” we read about a shortage of workers with specific, desired in the labour market professional qualifications, and about the mismatch of the Polish education system to the needs of modern organizations. It is difficult to agree with this way of thinking which identifies an employee with a specific profile of the education with a person gifted in that discipline. Above-average abilities do not constitute an indispensable factor to obtain qualifications in the given profession. As F.P. Drucker (2000) aptly notes, “mathematicians are born, but everyone can learn trigonometry. The same applies to learning foreign languages, or to any other important field of knowledge.”. Mastering the particular knowledge, building on its basis particular practical skills is, with the proper motivation, sufficient for effective, independent work on a given position. It cannot be, however, identified with talent, which is indeed very conducive to the learning process, but it is not regarded as the necessary factor. It seems more appropriate to assume that talent is synonymous with outstanding or above-average abilities, heightened abilities, and even a “gift” that allows for the extremely efficient activity. The best known typology of talents includes (Sękowski, 2005):

- Above-average intellectual abilities, and within them:
 - ⇒ heightened level of general abilities,
 - ⇒ specific abilities concerning the particular discipline at the general average rate of intelligence.
- Creativity expressed in originality, fluency, flexibility of thinking, undertaking new unconventional problems, risk-taking, high acceptance of the atmosphere of uncertainty and ambiguity, rich emotionality.
- Involvement in work which is associated with such features as: internal discipline, perseverance in the pursuit of a goal, diligence, tendency to sacrifice, belief in one’s own abilities.

One of the most important matters concerning talent is the question about possibility to modify talents and create them. In other words: are these predispositions genetically conditioned and rather permanent, or perhaps it is possible to generate talents through appropriate improvement, training, and stimulation. It is a fundamental problem for the process of human potential management. Adoption of the genetic conditioning of ability requires focusing the personnel policy on recruiting into the organization workers who possess the expected high abilities. The process of motivating such people would be solely aimed at “mining” the intellectual potential, which these workers have brought to the organization, improving it, saturating the innate intelligence with the knowledge and skills important from the perspective of a particular company.

Recognizing the crucial importance of intelligence as the foundation of talent, it must be assumed that genetic factors to the greatest extent determine its level. The role of environmental factors, especially those affecting one in his or her childhood, or even before the birth (in the prenatal period), is not completely crossed out, but the prominent role among the determinants of intellectual abilities is assigned to the genes. The studies on this topic conducted by psychologists confirm, rather unequivocally, the truth of the thesis of the innate conditions of intellectual potential. (Bouchard, 1990) If talent, therefore, will be primarily considered through the prism of intelligence, especially understood in a narrow sense, that is, through the prism of a model of information processing, talent management should

be focused on what in American literature is called “the war for talent,” namely, on recruiting, hiring and retaining employees outstandingly talented. (O’Reilly, Pfeffer, 2000, p.14).

If we consider the concept of talent more widely and accept that it is not only intelligence, but also the personal predispositions, or continue to identify talent with intelligence, but widely understood, as multifactorial, including also the social and emotional intelligence, there would appear much greater space management. Although personality is determined by hereditary factors to a considerably degree as well, it is more susceptible to environmental impacts. Therefore, talent management primarily requires defining the talent itself; determining whether it will be understood narrowly and mainly through the prism of “the innate gift” of creativity and/or intellect, or understood widely. The broader understanding of talent, taking into account the factor of *involved in work*, including in the definition of talent the psychological predispositions such as internal discipline, perseverance in the pursuit of a goal, diligence, tendency to sacrifice, belief in one’s own abilities brings the concept of talent much closer to the concept of competency. It also gives the organization much greater abilities to manage this potential.

In the author’s opinion it is necessary to make a consistent distinction between the concepts of talent and competency. From perspectives of most organizations and their personnel policies it seems more reasonable to focus on competency management than on talents. This conclusion emerges from a simple fact that prominent, talented people constitute only about 10% of the population. It is a great challenge to recruit them into the organization. The supply of talent is too small to satisfy the demand arising from the challenges of the modern economy. Saying colloquially, there are not enough geniuses for all organizations interested in them. And although, it is difficult to argue with the statement that it is better to start with the great people than to make them great, most companies must choose the other way – to build an organization that helps the ordinary people achieve results of those who belong to the upper 10% of the population. Such possibilities are offered by professional competency management systems. Competencies do not require the outstanding abilities and ensure the implementation of work at the appropriate, though not necessarily at the highest level. A competent employee, that is, the one who possesses the required knowledge, skills, experience, and predispositions to his or her profession, is very valuable for the organization, what does not mean that must be a genius, or an outstanding individual. Distinctive, spectacular results are precisely achieved by “employees – talents,” and therefore, only they should be treated as the subject of talent management.

CONCLUSION

In most extreme opinions the thesis “the interest in talent management finally reached the appropriate level – hysteria” (Hewlett, 2011) is formulated. Rejecting such strong expressions, the author is inclined to notice rather positive effects of this research trend and, at the same time, the practical activity in the area of HR. Talent management can provide answers to many significant questions for the functioning of any organization and protect it against many potential sources of crisis associated with the wrong personnel policy.

The evolution of management sciences has led to a situation where human resources are seen as human capital, as the most important part of intellectual capital, which interacting with structural capital (process capital) is, in today’s knowledge-based economy, the primary source of competitive advantage and the value of an organization. The conclusions emerging from presented here epistemological analyses and cited results of studies allow to point at the fundamental differences in defining the concept of talent and resulting from it consequences for the process of talent management. One thing seems to be indisputable: observable is the real growth of interest of practitioners and theorists in issues of managing the most capable workers and the desire to avoid, or at least minimize, wasting that capital.

In some organizations, the philosophy that all employees are talents has been promoted, thus each of them is covered by talent management. Such personnel policy usually has significant motivating power since every employee can feel appreciated, unique, and has a chance for development. This policy, however, turns out to be very expensive and often only declarative. It is an attractive slogan in the internal range of public relations rather than reflection of the factual situation. The democratic “correctness” requires to avoid dividing employees into more or less talented, nevertheless, the reality leads to the reflection that equality of talents is rather a fiction, hence the talent management by definition should be the activity addressed to key employees (presently and in the future).

This “defence of elitism” of talent management cannot be, however, understood as promoting the division into “equal” and “more equal,” into those who have the conditions to develop their potential, and those who are denied such rights. It is justified to reserve the concept of *talent management* for actions taken towards outstanding employees; whereas *competency management* as more adequate for the personnel situation of vast majority in the organization, which in a higher degree corresponds to realistic features of human resources of an organization, that is composed of people with diverse possibilities and frequently devoid of outstanding abilities. Undoubtedly, justified is the popular in the scientific literature belief that the search of Stars, that is, the winners, who under specified resources and certain conditions will be

able to implement the company's strategic objectives effectively; it is one of the basic elements of building the competitive advantage. The problem is, whom do we regard as a Star, and whether there will be enough Stars to satisfy the personnel needs of all organizations interested in them. It seems very doubtful. Every employee possesses a smaller or larger development potential. As the breakthrough for the management can be considered the assumption that the task of an enterprise is to create appropriate conditions for the development of employees' potential and strengthening the learning culture of an organization. Calling all training and developing activities addressed to employees as talent management should be assessed as an overuse, as a specific sign of the pursuit of fashion in management. It does not change the fact that the popularization of the idea and practice of talent management reinforces the importance of human resources in organizations raising them to the level of capital, and also promotes the development and professionalization of the practice of human resources management practices.

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