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## **Talent Management in Knowledge-Based Organizations**

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### **1. Introduction**

The second half of the 20th century recorded a number of trends in world economy leading to the creation of new conditions referred to as a new economy or a knowledge-based economy. Its unique character is based on the fact that the pace of economic growth is determined by knowledge which can be viewed as a primary resource. This resource has a major impact on the use of other resources - both physical such as people and tangible resources and intangible resources including intellectual property rights, brands or human talent. Hence, a growing interest in knowledge and knowledge resources, leading to changes in management methods and the functioning of contemporary organizations. The organizations which have successfully adopted knowledge-based solutions are currently referred to as knowledge-based organizations.

### **2. The characteristics of knowledge-based organizations**

W.M. Grudzewski and I.K. Hejduk<sup>1</sup> define a knowledge-based organization as an entity whose structure is subjected to and focused on creating value added based on an effective use of knowledge. The characteristics of such an organization include the manufacture of products based on knowledge, the recruitment of knowledge workers and the reliance of the company's market value on the value of its intellectual capital.

According to an extended version of the above definition, a knowledge-based organization relies on its knowledge resources and broad relationships. Its knowledge

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<sup>1</sup> Grudzewski W.M., Hejduk I.K., *Wpływ zarządzania wiedzą na wzrost wartości przedsiębiorstwa*, [in] *Strategie wzrostu wartości przedsiębiorstwa. Teoria i praktyka gospodarcza*, Vol. 1, ed. E. Urbańczyk, Zeszyty Naukowe No. 378, Uniwersytet Szczeciński, Szczecin 2004, p. 135.

combined with the knowledge of its partners is a major source of creating value which does not merely refer to company owners and clients but also all other entities engaged in business interactions including employees, the general public, business partners and competitors. Possible benefits are derived from the coexistence of different entities and their development. A knowledge organization develops and sells products/services in which the value of knowledge exceeds the value of materials and labour. Clients find it difficult to do without such products and services because knowledge embedded in them is unique and protected or specialised, making its acquisition expensive and time-consuming. Knowledge organizations attribute great significance to learning and knowledge management processes – their key competences which facilitate effective functioning, enhance their responsiveness to changes in the environment, increase their innovativeness and the ability to develop creative networks (with partners and individuals), and build the company's intellectual capital. People, on the other hand, make a practical use of knowledge, making it function in a specific way. To be more precise, the organization's operations are determined by the scope and methods of applying individual knowledge combined with other resources.

Considering the significance of knowledge and human factors – a driving force of the organization's activities – a key role in knowledge organizations is played by professional or knowledge workers. The management and dominance of professionals, however, is not sufficient to meet the requirements of markets and world economy. The company's performance also relies heavily on staff members who cooperate with professionals and provide various services as well as people who perform simple tasks within the organization and its contacts with the external environment. A significant role is also played by business partners who participate in the process of creating value – the representatives of cooperating firms, business allies or outsourcing companies. Therefore, the ultimate success of company operations is dependent on the combined efforts of all entities – not only staff members. An effective use of the participants of this process is conditioned by a broadly understood human capital management. A key role in this context is played by the personalised knowledge of staff and its effective use. In recent years an increasing significance in the effective use of the human potential has been attributed to another component of the human capital – people's unique skills referred to as talents. It is currently used as a support tool in talent management – a management concept related to talented persons.

### **3. The origins of talent management**

The idea of talent management is not new. As early as in ancient times much attention was given to the acquisition of talented leaders and warriors as a significant success factor in conducting military operations. The significance of talent was also stressed by the classical researchers in the field of management. For example, K. Adamiecki stated in 1932 that "science itself is helpless and of little use if benefited from by people without talents", while "talent supported by science is a powerful development driver"<sup>2</sup>. The concept of talent management started its rapid development in the 1960s. However, at that time it focused on selected company executives and key staff members. Referring to the American experience in the area of selecting and developing managerial talents in the 1970s, P. Jaroszewicz (Poland's Prime Minister in 1970-1980) recommended implementing selected talent management programmes for the executive staff of the Polish economy. The concept failed, however, being regarded to be inconsistent with the leading role of the Polish United Workers' Party<sup>3</sup>.

In the 1990s a number of Western countries showed much interest in talented workers as a result of seeking new resources for stimulating growth and increasing competitiveness as well as difficulties in recruiting highly skilled staff. The current popularization of the term "talent management" can be attributed to McKinsey, which coined the term "war for talent" to describe a strategic challenge in business activities and a significant factor affecting organizations' performance. The idea of talent (just like in the 1960s) was then referred to staff members occupying key positions or those who had a potential for leadership. The major difference between HR strategic management at that time and talent management was that talent management adopted a more concentrated and segmentation-based approach to staff members who held strategic positions in organizations. Talent management became an integrated and permanent process for attracting, engaging and retaining key employees and potential leaders<sup>4</sup>. Contemporary organizations, on the other hand, engage all staff members in the talent management process<sup>5</sup>.

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<sup>2</sup> Cited by: M. Jabłoński, *Koncepcje i modele kompetencji pracowniczych w zarządzaniu*, CeDeWu.pl Wydawnictwo Fachowe, Warszawa 2011, p. 53.

<sup>3</sup> B. Gliński, *Metody wyłaniania i rozwijania talentów menedżerskich w czołowych korporacjach*, Zeszyty Naukowe WSPiM w Warszawie, No. 2, Warszawa 1997, pp. 27-33.

<sup>4</sup> R. Kock, M. Burke, *Managing Talent In the South African Public Service*, "Public Personnel Management" 2008, Winter, 37, 4, p. 461.

<sup>5</sup> J. S. Heinen, C. O'Neill, *Managing Talent to Maximize Performance*, "Employment Relations Today" 2004, Summer, 31, 2, p. 68.

#### **4. Talent as an object and subject of management**

The word *talent* is derived from the Greek word *talanton* which originally meant a weight that a human was able to carry<sup>6</sup>. In Latin the word *talentum* refers to a weight or money<sup>7</sup>. Nowadays, for the use of management sciences, talent has two basic meanings. Firstly, talent is associated with people's outstanding abilities – unique. Secondly, the word talent is referred to a person who possesses extraordinary skills and intellectual potential enabling that person to achieve more than average goals in a certain area of activity. In the former case talent becomes a component of the organization's intangible assets and can be treated as an intangible object in the management process. In the latter case, talent becomes one of HR components working for a given organization.

From the perspective of the organization's needs human talents can be different in character. A. J. Tannenbaum defines the following types of talent in terms of their significance in social life<sup>8</sup>:

- 1) critical – they occur rarely and are often indispensable for organizations (e.g. leadership and entrepreneurship);
- 2) outstanding – relatively frequent, above average abilities to perform specific tasks in the workplace;
- 3) excessive – they occur rarely and are not necessarily useful in terms of the organization's effective functioning. They are not relevant to the content of the performed tasks and they are not stimulated and used by organizations;
- 4) unnecessary – they occur frequently and they do not contribute to the organization's effective functioning. They include the cases of "strange" talents or unnecessary talents (also the cases of dunces – e.g. people who have a special inclination to make their life complicated or cause conflict).

The examples of talent components are presented in Table 1.

S. Borkowska regards the following individuals to be gifted people<sup>9</sup>:

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<sup>6</sup> H. Bieniok, *Rola zarządzania talentami w rozwoju organizacji*, [in] A. Stabryła (ed.), *Zarządzanie rozwojem organizacji w społeczeństwie informacyjnym*, Vol. 1, Studia i Prace Uniwersytetu Ekonomicznego w Krakowie, No. 1, Kraków 2008, p. 128.

<sup>7</sup> A. Miś, A. Pocztowski, *Istota talentu i zarządzania talentami*, [in] A. Pocztowski (ed.), *Zarządzanie talentami w organizacji*, Oficyna a Wolters Kluwer business, Kraków 2008, p. 38.

<sup>8</sup> S. Chełpa, *Samorealizacja talentów - możliwości i ograniczenia interpersonalne*, [in] S. Borkowska (ed.), *Zarządzanie talentami*, IPiSS, Warszawa 2005, p. 29.

- conceptual workers,
- persons with a high potential,
- persons with one- or many-sided talent which is useful in achieving the company's goals,
- most gifted persons in a given group of employees,
- employees who stand out as having the necessary skills to implement the company's strategy.

Table 1. The components of human talent

Author	Talent creating factors
A. J. Tannenbaum	<ul style="list-style-type: none"> <li>- general abilities, e.g. above average intellectual potential,</li> <li>- focused abilities, e.g. those related to specific areas of functioning,</li> <li>- factors not related to thinking – motivation for achievements, emotional maturity and resistance to stress.</li> </ul>
J. S. Renzulli	<p>Above average abilities:</p> <ul style="list-style-type: none"> <li>- general abilities, e.g. increased intellectual potential,</li> <li>- specific abilities, e.g. related to specific areas and tasks.</li> </ul> <p>Commitment to work – perseverance in reaching objectives, hard work, internal discipline, stamina, enthusiasm, fascination and involvement, dedication and self-confidence.</p> <p>Creativity – fluency, flexibility and originality of thought, coping with new and unconventional problems, openness to ambiguity and uncertainty, risk taking, sensitivity and emotionality.</p>
H. Bieniok	<ul style="list-style-type: none"> <li>- above average inborn abilities including unique inclinations and gifts in specific areas, being part of increased intellectual potential,</li> <li>- creativity reflected in the originality, innovativeness, fluency and flexibility of thought as well as openness to new problems, sensitivity, high degree of emotionality, courage and hunger for risk,</li> <li>- task commitment (internal discipline, hard work, perseverance in achieving objectives, fascination, readiness to make sacrifices and self-confidence),</li> <li>- self-development resulting from high motivation and aimed to acquire new skills and knowledge and develop individual skills and abilities.</li> </ul>

Source: S. Chełpa, *Samorealizacja talentów - możliwości i ograniczenia interpersonalne*, [in] S. Borkowska (ed.), *Zarządzanie talentami*, IPiSS, Warszawa 2005, p. 30; H. Bieniok, *Rola zarządzania talentami w rozwoju organizacji*, [in] A. Stabryła (ed.), *Zarządzanie rozwojem organizacji w społeczeństwie informacyjnym*, Vol. 1, Studia i Prace Uniwersytetu Ekonomicznego w Krakowie, No. 1, Kraków 2008, p. 128.

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<sup>9</sup> S. Borkowska, *Talenty dźwignią innowacyjności i konkurencyjności*, [in] S. Borkowska (ed.), *Inwestowanie w kapitał ludzki „Biblioteka Wiadomości Statystycznych”*, Vol. 55, GUS, PTE, Warszawa 2007, p. 174.

Consequently, a group of talented people may include the following individuals:

- a visionary who is able to outline a business model for a company, adjusted to the identified market niche, and who is able to communicate that vision to investors and acquire the necessary resources to start a rapidly developing business operation in the existing economic conditions,
- a group of technologists who create a global innovative solution,
- a member of office staff who performs simple tasks in support of specialised workers, and who has advanced foreign language skills, enabling him/her to tighten cooperation with overseas companies,
- a salesperson who is able to precisely identify customers' needs and adopt appropriate sales techniques, thus achieving the best sales results,
- an external consultant, a knowledge worker, who possesses specialised knowledge in organizational behaviour as well as increased emotional intelligence, enabling him/her to effectively diagnose and solve labour environment problems.

## 5. The objectives of talent management

Talent management is currently considered to be a key strategy for maintaining sustainable competitive advantage<sup>10</sup>. It is defined as a haulistic approach to HR planning aimed to enhance the organizational potential and to achieve priority objectives with the use of HR interventions<sup>11</sup>. It is also referred to as a set of methods for managing human resources, including recruitment, development and working time management. Special attention is given to the tasks related to acquiring, developing and retaining creative and gifted workers with a view to achieving the organization's goals<sup>12</sup>. These special tasks performed as part of talent management programmes also include the efforts in such areas as employees' commitment<sup>13</sup>,

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<sup>10</sup> A. Shaemi, S. M. Allameh, M. A. Bajgerani, *Impact of talent management strategies on employees' emotional intelligence in Isfahan Municipality (Iran)*, "Interdisciplinary Journal of Contemporary Research in Business" 2011, October, Vol. 3, No. 6, p. 230.

<sup>11</sup> N. D'Annunzio-Green, *Managing the talent management pipeline. Towards a greater understanding of senior managers' perspectives in the hospitality and tourism sector*, "International Journal of Contemporary Hospitality Management" 2008, Vol. 20, No. 7, p. 807.

<sup>12</sup> A. Shaemi, S. M. Allameh, M. A. Bajgerani, *op. cit.*, p. 230.

<sup>13</sup> D. Brent, B. J. Davies, *Talent management in academies*, "International Journal of Educational Management" 2010, Vol. 24 No. 5, p. 419.

performance management, succession planning, compensation management and learning process management<sup>14</sup>.

The definitions of talent management are broad or narrow, the latter ones focusing on the functional and instrumental approach to management itself. In a broad sense, talent management focuses on HR activities related to gifted staff members, their outstanding abilities and their working conditions. In a narrow sense, it is based on well thought out appropriate instruments (legal, financial, social, organizational and technical), facilitating the effective process of talent acquisition and utilization. The objective is to make use of properly selected instruments to identify gifted persons, acquire them as workers, select appropriate forms of employment contracts, adapt them to the workplace, retain them, apply their talent to the organization's operations, plan their careers (including succession), develop talent, transfer to other positions, assess their performance and make use of their talent when they leave an organization (termination of cooperation). The list of tasks to be performed as part of talent management may vary in terms of its length. The tasks and instruments used in an organization depend on a number of internal and external factors. In practice, on the other hand, activities related to a talented individual must correspond to specific skills and abilities, knowledge, talent life cycles as well as the gifted person's expectations with regard to work and the organization.

Therefore, talent management requires special efforts as part of HR activities aimed to achieve the following objectives:

- acquiring talented people and engaging them in full cooperation,
- effective use of their potential,
- retaining gifted individuals for as long as it necessary for the organization.

A number of business objectives can be identified which are achieved as a result of talent management:

- acceleration of innovation processes,
- increased effectiveness,
- increased productivity,
- improvements in quality,
- reduced costs,
- dynamic development,

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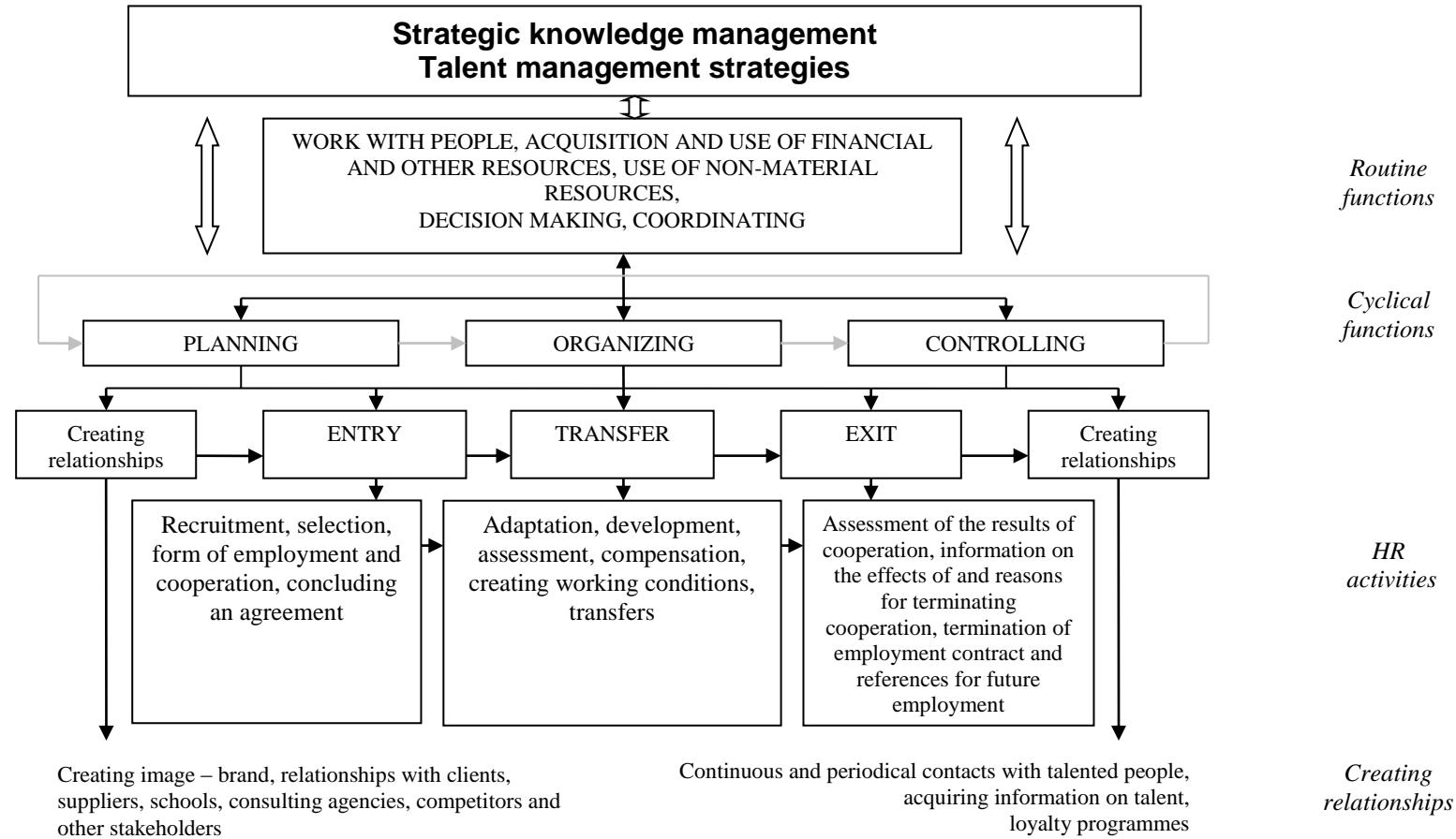
<sup>14</sup> B. Little, *Talent management and its technological partners*, "Industrial and Commercial Training" 2010, Vol. 42 No. 7, p. 392.

- increased customer satisfaction and loyalty.

## **6. Talent management functions and tasks**

The detailed operationalization of talent management functions and tasks is presented in Fig. 1. The presented model can be divided into three main areas of activity. The first area includes routine functions and is related to the organization's visionaries (its founders and creators of its success, especially at the early stages of business activities) as well as talent managers. To manage and perform other tasks and functions they must acquire the right

Figure 1: Operationalization of functions and tasks in a talent management system



Source: author's research

people and work with them (e.g. HR and compensation specialists), raise and use financial and other resources (necessary for HR activities – motivating and creating relationships), manage intangible resources (mainly knowledge and relationships including cooperation with knowledge workers engaged in talent management), make decisions and coordinate overall activities. The cyclical functions include planning, organizing and controlling. The process has a dual character. It refers to the routine functions as well as HR tasks performed as part of talent management activities. The main HR activities include recruitment, selection, the choice of the form of employment or cooperation, concluding employment contracts, adaptation, development (knowledge and talent), assessment, compensation, working conditions (work content, atmosphere and organizational culture, material working conditions, quality of professional life), transfers (succession planning, promotions and degradations), assessment of the results of work or cooperation, information on the effects of and reasons for terminating employment, termination of employment agreements, references for future employers. The presented model divides these activities into entry, transfer and exist stages. The overall activities are preceded and concluded by the talent relationship process which starts with creating the organization's image (employer branding), creating brand equity (company and its products), creating relationships with such stakeholders as suppliers, recipients, individual clients, schools, consulting firms, partner companies, etc. Following the talented person's exit, relationships are based on maintaining regular or occasional contacts, launching loyalty programmes, collecting information on potential talents and establishing contacts. The list of such activities can include many other items.

## **7. Talent management strategies and the determinants of their selection**

”The adaptation of talent management processes requires organizations to engage substantial material and non-material resources, and decisions made in this area are hardly reversible”<sup>15</sup>. Therefore, talent management processes which are not well thought out and coordinated may be very harmful. The phase of chaos in implementing this concept is unacceptable. Consequently, it is necessary to adopt a talent management strategy. If a talent management system is treated as a subsystem of human resource management (human capital management) or knowledge management, it can be assumed that strategic talent management should be subordinated to strategic HR management(human capita) or strategic knowledge management (the model presented in Fig. 1 adopts the latter option).

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<sup>15</sup> B. Buchelt, *Strategiczne aspekty zarządzania talentami*, [in] A. Pocztowski (ed.), *Zarządzanie talentami w organizacji*, Oficyna a Wolters Kluwer business, Warszawa 2008, p. 63.

On the basis of the presented model of talent management (Fig. 1) and the activity-based approach to strategic management proposed by A. Stabryła<sup>16</sup> it can be assumed that talent management is an information and decision-making process supported by cyclical and regular management functions, aimed to make decisions concerning the entry, transfer and exist of and creating relationships with gifted employees in specific external conditions and with the use of the organization's own internal potential.

One of the key activities in strategic management is developing a talent management strategy in an organization. It can be assumed that a talent management strategy is a set of objectives and activities which describe the ways in which an organization intends to acquire and make use of talented individuals.

Referring to HR management strategies proposed by A. Bird and S. Beechler (1995)<sup>17</sup>, the following talent management strategies may be adopted:

- a strategy for the full use of talent accompanied by cost minimization,
- a talent accumulation strategy – the use of talent accompanied by long-term efforts to develop talent,
- a strategy for stimulating talent – motivating talented persons to make the most effective use of their abilities and making gifted individuals responsible for developing their abilities,
- a strategy for retaining talent – talented people are not used but retained in organizations as reserve resources.

The first strategy focuses on current objectives and aims to make employees most effective while minimising current costs (compensation, reduced HR activities related to trainings, socialization, career planning, assessment and creation of favourable working conditions). The implementation of this strategy is conditioned by a high share of routine activities, standard products which do not require major changes, simple and standard technologies and high unemployment and poverty rates among potential employees. The implementation of this strategy is reflected in manipulating staff and the use of "junk" job contracts. The other strategies, to varying degrees, are prospective in character.

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<sup>16</sup> A. Stabryła, *Zarządzanie strategiczne w teorii i praktyce firmy*, Wydawnictwo Naukowe PWN, Warszawa 2000, p. 11.

<sup>17</sup> A. Bird, S. Beechler, *The link between business strategy and human resources management strategy in US-based Japanese subsidiaries. An empirical investigation*, "Journal of International Business Studies" 1995, Vol. 26, No. 1, cited by: R. Krupski, J. Niemczyk, E. Stańczyk-Hugiet, *Koncepcje strategii organizacji*, Polskie Wydawnictwo Ekonomiczne, Warszawa 2009, p. 126.

When talent management is treated as a subsystem of knowledge management, a talent management strategy should be compatible with the organization's knowledge strategy. It can be deducted that a knowledge strategy will be most compatible with a strategy for stimulating talent. It can also be effective when accompanied by a knowledge strategy as a business strategy as well as the transfer of knowledge. A strategy for creating knowledge and managing intellectual assets requires the implementation of a strategy for talent accumulation. The type of the adopted knowledge and talent management strategy determines the manner of performing HR tasks at the level of operational talent management.

## **8. Comments on and recommendations concerning selected HR activities as part of talent management**

HR functions performed as part of talent management are broadly discussed in literatures which offer a number of various solutions. The below presented comments and recommendations may support HR activities and enhance their practical applications.

Talent management systems adopt various approaches to defining the characteristics and number of gifted people in an organization. According to some recommendations, talent management programmes should include all employees. It is also suggested that a definition of talent should be precisely formulated, leading to the identification of 5%-10% of staff to be included in talent management programmes<sup>18</sup>. Another approach suggests identifying key positions at an early stage of launching a talent management programme, which has an impact on the company's performance<sup>19</sup>. In practice, however, it may lead to offering various privileges to selected executives and neglecting real talents. The presented talent management model assumes that gifted people include people may include company owners, management board members as well as secretaries, sales force members, sales representatives, production or assembly workers as well as knowledge workers – consultants commissioned by an organization to deal with problems in such areas as finance and marketing. Therefore, it is necessary to conduct talent segmentation and to diversify HR activities, adjusting them to the types of talent, their impact on the organization's effectiveness and functioning, also considering gifted people's expectations.

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<sup>18</sup> S. Borkowska, *Kilka refleksji tytułem wstępu*, [in] S. Borkowska (ed.), *Zarządzanie talentami*, IPiSS, Warszawa 2005, p. 12.

<sup>19</sup> E. Whelan, D. G. Collings, B. Donnellan, *Managing talent in knowledge-intensive settings*, "Journal of Knowledge Management" 2010, Vol. 14, No. 3, p. 491.

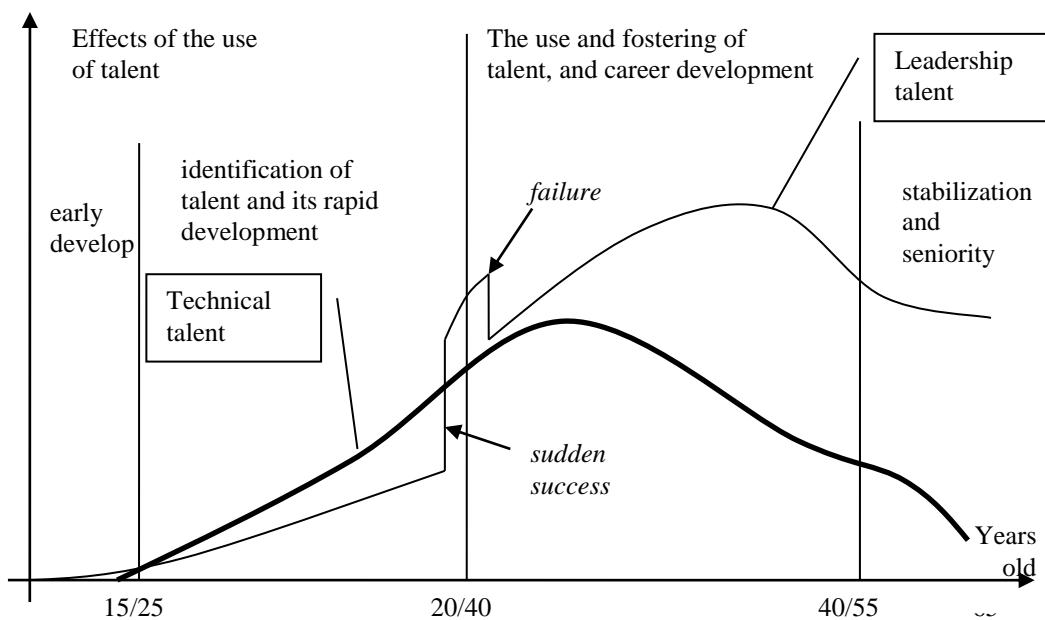
Talent management activities must be diversified and adjusted to individual employees for at least three reasons:

- type of talent (ability),
- expectations of talented employees,
- the phase of a talent life cycle.

A type of talent determines, to a large extent, the methods applied in performing particular HR tasks, especially in the process of identifying and developing gifted persons. Also, various types of talent are characterised by the frequency of their occurrence among staff members and prospective employees, which facilitates talent acquisition and retention.

Talented employees' expectations have a major impact on the selected form of employment, the positions they hold (the scope of task and authority), working conditions, the levels of compensation and professional development paths.

Figure 2: A theoretical talent life cycle model (the cases of technical and leadership talents), and its potential implications for an organization



Source: author's research

HR activities are also affected by a phase of talent life cycle (a theoretical talent life cycle model is presented in Fig. 2<sup>20</sup>). For example, a success or a failure can be significant

<sup>20</sup> Talent development phases presented by C. Szmidt, *Zarządzanie talentami we wczesnej fazie rozwoju*, [in] S. Borkowska (ed.), *Inwestowanie w kapitał ludzki*, „Biblioteka Wiadomości Statystycznych”, Vol. 55, GUS, PTE, Warszawa 2007, pp. 192-193: identification, early development, rapid development and intensive use, stabilisation and decline (a basis for developing a talent life cycle).

motivating factors, but attention should also be given to verifying the ways in which talent is rewarded. The talent intensification process applies different methods than the ones used in the course of fostering talent or in the case of seniority (the necessity arises to educate other people by performing coaching or mentoring tasks). Different working conditions are suitable in the case of talents in the course of rapid development than in the phase of the use and fostering of talents. Also, different conditions are created for the phase of seniority due to positions held in the company's hierarchy.

The theory of HR management and talent management combines the concepts of recruitment and selection and refers to them as talent selection or talent acquisition. In practice, both processes can be much diversified, and they should be adjusted to specific conditions. A significant role is played by talent identification – it can be general in character in the course of recruitment or/and very specific in the course of selection. Frequently, talent management theories focus on top performers – they are self-confident and reliable, they are concerned with other people and inspire them, show empathy and passion and learn from others<sup>21</sup>. Therefore, a quest for talents should be preceded by the identification of required competences. It should be noted that requirements cannot be very strict, as talent indicates possessing gifts in some specific areas. In practice, the recruitment process starts when initial contacts are established with prospective talented individuals, and it precedes the "entry" phase. This is a strategy for "casting our net", and it must be a continuous process. It combines recruitment and establishment of pro-active contacts with renowned universities, clubs, alumni organizations, research centres, professional associations, personnel agencies as well as the organization of internships, labour fairs and knowledge competitions<sup>22</sup>. During the "entry" phase, on the other hand, recruitment is directly focused on particular candidates. The rarity of talent requires the selection process to rely on a strategy for "catching" talented individuals. The identification of a gifted person (as a result of information on his/her accomplishments or behaviour in the workplace) may render the selection process unnecessary (which makes use of some specific methods for identifying skills), which means that the employer starts negotiating the terms of an employment or cooperation contract right away. The two strategies can be adopted alternatively or simultaneously.

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<sup>21</sup> B. Davies, B. J. Davies, *Talent management in academies*, "International Journal of Educational Management" 2010, Vol. 24, No. 5, p. 420.

<sup>22</sup> M. Morawski, B. Mikuła, *Zarządzanie talentami. Podstawowe procesy i wytyczne tworzenia systemu, „Zarządzanie Zasobami Ludzkimi”*, 2009, No. 3-4, p. 52.

Talented individuals who work for an organization can represent different groups of its collaborators. Therefore, concluding an employment agreement is not prerequisite to attaching a gifted person to an organization. Cooperation can be based on contracted work contacts. In extreme cases talented people can be clients who develop new concepts of products or write advertising slogans, and expect nothing in return except the company's recognition or a small gift.

A gifted individual's commitment to a company and retaining this individual for a specific period of time may require special terms of an employment contract which go beyond standard solutions related to working hours, compensation, additional incentives, professional development and career opportunities. The last area may include alternative career opportunities as compared with traditional promotions to higher levels of the organization's hierarchy (e.g. a trainer, expert, consultant, etc.)<sup>23</sup>.

The concluding of a contract with talented persons does not guarantee that they will work for an organization for the agreed on period of time. The entities in charge of talent management, especially immediate superiors, should be actively engaged in the properly organized and planned process of job inception. It is even proposed that preventive and socialising measures should be taken to avoid experiencing a possible shock. A shock may result from the confrontation of expectations related to work and the organization's realities. It is one of the major reasons for leaving the organization soon after being employed. Therefore, socialising meetings are recommended<sup>24</sup>.

Another HR activity is an employee appraisal which also includes gifted employees. It is aimed to identify personal development directions and the time framework for promotions. The other main objective is to review an employee's accomplishments<sup>25</sup> and ensure that recognising a staff member as a talented individual was the right decision. It should be remembered that employee appraisals are important tools for identifying talented staff.

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<sup>23</sup> M. Morawski, *Rozwój programów zarządzania pracownikami i wysokim potencjałem na przykładzie biura podróży*, [in] J. Stankiewicz (ed.), *Spoleczne wymagania zarządzania nowoczesnymi przedsiębiorstwami. Ludzie – kultura organizacyjna – społeczna odpowiedzialność*, Uniwersytet Zielonogórski, Zielona Góra 2010, pp. 32-33.

<sup>24</sup> T. Ingram, *Rekrutacja i selekcja talentów*, [in] T. Ingram (ed.), *Zarządzanie talentami. Teoria dla praktyki zarządzania zasobem ludzkim*, Polskie wydawnictwo Ekonomiczne, Warszawa 2011, p. 59.

<sup>25</sup> T. Ingram, *Problematyka oceniania pracowników utalentowanych*, [in] T. Ingram (ed.), *Zarządzanie talentami. Teoria dla praktyki zarządzania zasobem ludzkim*, Polskie wydawnictwo Ekonomiczne, Warszawa 2011, p. 119.

Personal development activities focus on an individual's specific abilities, but they should also consider other components of competences including knowledge, skills and talent-related attitudes which are desirable but which may be missing. Activities in this area contribute to talent retention and cost reductions<sup>26</sup>. The talent development process should not be confined to trainings. It is necessary to engage and actively participate in the entire organizational learning process which should be an element of every-day work.

Talent management activities should be aimed to create appropriate conditions for the most effective use of human resources<sup>27</sup>. Therefore, apart from identifying an individual's actual potential it is also necessary to create the proper organizational, technical and social conditions of the working environment. Activities in this area should focus on creating the appropriate work content adjusted to the employee's needs and competences as well as on using proper instruments to fully use individual talents and to create an effectiveness-oriented and healthy organizational climate. A proper atmosphere in the workplace supports talent retention in an organization<sup>28</sup>. It indicates trust and integrity in relationships between employees as well as leadership based on caring about staff's interests and responding to their expectations<sup>29</sup>. Also, attention should be given to creating proper organizational culture which, if necessary, should be focused on innovation and knowledge sharing (creating organizational culture can be a long-term process).

The HR function referred to as "transfers" is performed to achieve three important objectives: motivating, developing and implementing career paths. These elements are very closely correlated.

Talent retention is a great challenge faced by organizations. The recruitment and personal development process is expensive, and gifted individuals' resignation from work can lead to a number of negative consequences including deterioration in financial results, the loss of clients or entire market segments, lower morale and negative image effects as well as resignations of other staff members – the collaborators of talented individuals. Talent

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<sup>26</sup> A. Shaemi, S. M. Allameh, M. A. Bajgerani, *op. cit.*, p. 231.

<sup>27</sup> E. Whelan, D. G. Collings, B. Donnellan, *op. cit.*, p. 491.

<sup>28</sup> S. Chowdhury, *Towards the Future of Management*, [in] S. Chowdhury (ed.), *Management 21 C*, Financial Times, Practice Hall, London 2000, p. 12.

<sup>29</sup> J. Ch. Hughes, E. Rog, *Talent management. A strategy for improving employee recruitment, retention and engagement within hospitality organizations*, "International Journal of Contemporary Hospitality Management" 2008, Vol. 20, No. 7, p. 749.

retention is conditioned by proper management activities which harmonise the organization's values and objectives with employees' values and expectations, as well as by effective motivating. It is also necessary to give employees exciting assignments and to create proper atmosphere in the workplace<sup>30</sup>. When talented individuals leave an organization it is necessary to estimate the consequences and identify the reasons for this decision. It is aimed to minimise the negative impact and take necessary steps to retain talented staff.

## **9. What about anti-talents?**

Introducing a talent management system in an organization provides an opportunity to identify and eliminate so called anti-talents. They represent part of the organization's anti-resources which hinder the process of achieving objectives, causing various losses in such areas as corporate value, customer base and human capital. While monitoring employees' performance on a continuous basis, talent managers are able to identify the cases of anti-talents. Such cases, however, should not be treated as failures or errors. The cases of anti-talent behaviour are characterised by their repeated occurrence. Such behaviours can take the form of anti-leadership (discouraging staff to achieve their objectives and decreasing the pace of work), an inclination to create conflicts (an employee tends to be rude to colleagues and clients), disrupting the performance of tasks (a civil servant who requires applicants to submit unnecessary documentation), thefts or manipulating accounting records. The identification of anti-talents should result in taking appropriate action aimed to eliminate them. Some effective measures, depending on the significance of the detected cases, include verbal instructions, additional trainings, degradations, transfers to other positions, reduced compensation and dismissals as well as taking legal action in the case of crimes.

## **10. Concluding remarks**

The management practice indicates that talented workers are not always treated as the organization's main asset. It is true of small and medium size companies which take advantage of labour market conditions, offering the lowest possible compensation to their staff. This practice is also applied in a number of state-run institutions whose management tools are restricted by legal regulations. It leads to the transfer of gifted individuals to talent-oriented organizations (e.g. from state to private universities or from civil servant positions to profit-oriented entities). Such phenomena have a negative impact on both civil services and

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<sup>30</sup> S. Borkowska, *Talenty dźwignią innowacyjności i konkurencyjności*, op. cit., pp. 184-185.

companies which, instead of focusing on growth, give priority to cutting labour costs to the detriment of human capital development. Therefore, it is of key significance to promote the concept of talent management and increase the awareness of this issue among micro businesses as well as politicians who may change regulations in state institutions to adjust HR tools to existing conditions.

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