TALENT MANAGEMENT AS A NEW PARADIGM IN MANAGEMENT SCIENCE

Anna Mazurkiewicz

University of Rzeszow, Rzeszów, Poland, e-mail: annam@univ.rzeszow.pl

Abstract

The environment of contemporary organisations is defined as turbulent, due to novelty, speed and unpredictability of performed changes as well as an increase of its complexity level. It is accompanied with uncertainty of conducting an activity. New determinants require fast adjustment which requires the changes in assumed priorities and as a consequence – new paradigms. One of the paradigms is talent management. The aim of this study is to present talent management as a new paradigm in a contemporary organisation. To fulfil this aim, the traits of the new paradigm were presented, the meaning of talent management for strategic success of an organisation interpreted in the context of satisfying the needs of particular groups of stakeholders was emphasised, and actions which must be undertaken so as talent management contributes to this success were mentioned. The consequence of the new paradigm – talent management, is emphasising the identification of key resources of talent i.e. these for which the difference in quality and availability of talent significantly influences the processes or resources in the greatest level influencing a strategic success – sustainability, which concerns a wider aspect than a financial result only.

Key words: talent, talent management, paradigm, strategic success, sustainability

Paper type: Conceptual paper

1. Introduction

In the environment of contemporary organisations, there are numerous changes having a demographic and technological character, there are also processes of globalisation. The pace of changes is becoming faster and faster, there is also unpredictability and, connected with that, uncertainty in the processes of management, which cause that there will be new challenges put out to organisations. The changes are made in expectations and requirements of employees, customers and other groups of stakeholders. The previously applied solutions turn out to be mostly inadequate for new determinants of functioning, by means of which, they are ineffective and inefficient.

Organisations have to permanently master their actions, which also involves the attitudes to human resources management. Regardless of the genotype function
(the organisation of the private, public sector or non-profit), the basic resource of contemporary organisation is human capital. It is indispensable to change in the manners of actions referring to gaining employees and their retention in order to obtain success in the global competitive market. It is a particularly great challenge to employees of obtaining the best results and having the greatest potential – talented employees who have a significant influence on current functioning and development of organisations. Management of talented employees – talents, is contemporary defined as a paradigm.

In this study, an attempt has been made to present talent management as a new paradigm in a contemporary organisation. In order to fulfil this aim, the notions were presented in which the emphasis constitutes the consequence of new determinants of functioning which shall be regarded in the new paradigm. The meaning of talent management was also emphasised for strategic success of an organisation interpreted in the context of satisfying the needs of particular groups of stakeholders. There were also actions mentioned, which must be undertaken so as talent management contributes to this success.

The considerations were made on the basis of national and foreign present literature in the scope of management sciences. There were also used articles and reports placed on websites of organisations whose area of interest relied on talent management. The research results constituted significant completion of performed considerations with a theoretical character.

2. Traits of the New Paradigm

The notion of the paradigm was introduced to the literature of the subject and disseminated by T.S. Kuhn. It means „commonly recognised scientific achievement which, in a certain time period, provides the society of scientists with model problems and solutions” (Kuhn, 1968). These achievements shall be original and attractive enough so as to constitute the basis for a new theory.

The paradigm in social sciences, such as i.a. management, has to change. These sciences regard the behaviours of people and organisations in which they act. The social area undergoes permanent changes. It means taking the previous assumptions can be outdated now (Drucker, 1998). So, it is necessary to perform these changes which are adequate to new conditions, in which organisations function.

The key aspect of the traditional paradigm of management relies on an improvement of productivity of an enterprise and management of available resources in the stable environment. In order to survive and make success in new conditions, an enterprise has to develop and apply new principles of its management. Moreover, greater and greater significance is having the view that “along with the development of an organisation, there is a process of substitution of material aims by the aims that are less quantified or even less identifiable and
reaching the ethical, aesthetic and intellectual infrastructure of an employee, organisation and its environment” (Jaremczuk, 2012).

The list of traditional and new management paradigms are presented in Table 1.

<table>
<thead>
<tr>
<th>Traditional paradigm</th>
<th>New management paradigm</th>
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<tr>
<td>Reduction of the direct costs of production as the primary focus of management</td>
<td>Reducing the indirect costs of the enterprise while improving competitiveness</td>
</tr>
<tr>
<td>The operations of a company characterized and analyzed as stable</td>
<td>Flexible and agile operations and continuous improvement</td>
</tr>
<tr>
<td>Single critical technology-based product lines with long product lifetimes</td>
<td>Multi-core technology product lines with shorter product lifetimes</td>
</tr>
<tr>
<td>Managers regarded as decision-makers and labour as passive followers of instruction</td>
<td>Manager regarded as coaches/facilitators and labour knowledge workers/intellectual capital</td>
</tr>
<tr>
<td>Word markets divided on a national basis, with national companies dominant in domestic market</td>
<td>Global world markets and greater attention to international economic and political structures</td>
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The previous considerations constitute the basis for claiming that the new paradigm requires management concentrated on the psychological aspect – on engagement of employees, trust, autonomy in action and, concurrently, teamwork and cooperation with the environment. In new paradigm power is shared by empowerment, integrity and individual, and collective identity are important. Here is learning from failure, exploring, questioning, and creating opportunities.

Qualitative as well as quantitative aspect, spiritual values transcend material gain are also significant. This paradigm is based on the rational and intuitive premises.

The answer to contemporary environment is talent management and the factor which allows gaining permanent competitive advantage in the global, complex and competitive market – talent (Paradigm Shift…., 2012).

3. Essence of talent and talent management
The notion of a talent has a long history. It derives from the Latin word talentum, meaning a silver weighing unit and the Greek word tálanton, which means scales. This notion was used in ancient times, the common applications were gained thanks to the stories included in the Bible. Nowadays, the talent means an unusual, unique creative skills, outstanding talent, inborn talent to something (Słownik wyrazów…, 2012). A talent is also a human gifted with such talents (Doroszewski, 1967; Słownik wyrazów..., 1995).

In the literature of management, there is no one commonly assumed definition of a talent. Regarding the diversity of definitions and interpretations of this
notion by various authors [1] it can be stated that a talent is a person aware of their possibilities, so the effective persons in their actions – knowing their own strengths, efficiently influencing their environment. The person acting to perfection, open to new experiences, aware of the amount and complexity of knowledge about people, things, surrounding reality and, at the same time, aware of their lack of knowledge, accepting themselves and other people (along with all imperfections of human nature), the person featured with cognitive curiosity. The talent is independent in actions and formulates opinions (within the boundaries of organisational, social and legal standards etc.) (Chelpa, 2005).

The talented employee has a high level of competence, particular abilities, strong motivation, gaining extraordinary results. Current results and potential to further development as well as, having managerial positions on higher levels, constitute the most basic criteria, on the basis of which, talents are identified. Such an interpretation is emphasised by two aspects- current and future ones. The talent is an employee who has a significant impact on current and future results of an organisation as well as their development (Berger and Berger, 2004).

The definition of a talent may differ among organisations or change with time for a given organisation (as a result of which there are mostly changes in the strategy). Each organisation, in its own scope, should establish, who and how must be defined as a talent. One, universal definition is not possible to be presented.

Due to the lack of unanimity of defining a talent, in the literature of the subject, there is no precise definition of talent management [2]. It is interpreted as an integrated set of processes, programmes and cultural norms within an organisation designed and implemented in order to gain, develop, distribute and obtain a talent, so as to obtain strategic aims and satisfy future business needs (Silzer and Dowell, 2010). So, it is indispensable to regard not only simple processes from the area of human resources management, but also particular actions which are necessary to gain, distribute, develop and retain talented employees within an organisation. Talent management shall be strictly connected with other processes within an organisation, when human resources management is treated as a separate process, the actions taken are performed independently on other processes. Talent management constitutes the element of a coherent entirety and as a result, it contributes to the success of an organisation.

Despite the fact that talent management has constituted the subject of interest of both the representatives of economic practice and people of science for a long time (since the notion of *The War for Talent*) (Michaels et al., 2001), this approach evolves and contemporarily underlines its strategic character (Collings and Mellahi, 2009; Silzer and Dowell, 2010; Cheese et al., 2008). Such a notion reflects the shift in the interest from the traditional human resources management into talent
management, being the answer to fast changing conditions of the environment and allowing gaining competitive advantage within new circumstances.

Talent management is not a new notion, which regards especially the notion of talent gap. This, what can be regarded as a novelty, is the fact that reducing/removing this gap requires undertaking deep and broad changes, which the majority of organisations have not dealt with (Paradigm Shift…, 2012) [3]. Talent management also indicates as the greatest challenge in the scope of human resources management (Strack et al., 2010).

The intensity of the fighting for talents – increase in competition for talented employees is confirmed by a three times greater number of employers than in 2009 – 62% towards 20% in 2009 [4]. Even three out of ten respondents experience difficulties in taking positions in 2012, however, the greatest difficulties (52% of response) emerged in taking managerial and specialist positions (Jacobs, 2013). Nowadays talent is the most pressing challenge to growth of companies (SHL Talent Analytics…, 2011). The problem with attracting the right employees and then retaining them is one of the biggest challenges in many organizations (Cappelli, 2008).

Towards new needs and challenges, there must be made changes in the manner of human resources management, including talented employees. However, the changes undergo the process of talent management themselves (Kinley and Ben-Hur, 2013; Heinen and O’Neill, 2004).

At the beginning, talent management regarded a certain group of employees-persons in managerial posts, managing an organisation but the criterion of the assessment constituted mostly their effectiveness as well as a specific potential for performed actions, exercised functions. At present, talents are sought at all levels of an organisation, however, their identification and assessment is connected with the criterion of effectiveness and potential, regarding mostly capability of further development as well as exercising managerial functions (which means a broader interpretation than it used to be).

Talent management, at the beginning of having an interest in this concept, was under a great influence of the theory of human capital. The notion of talent management and its influence on efficiency and productivity was also underlined. Nowadays, its strategic aspect and integration with the strategy of an organisation is also emphasised. The analysis includes the influence of a talent on financial results, however, the results in other areas of functioning of an organisation- its long term success. Not only quantitative but also qualitative aspect of the talent has been emphasised.

The new approach to talent management represents a balancing of interests of employees, organization and environment.
4. Impact of talent management on the success of an organisation

A talent is not contemporary perceived exclusively as a „soft” skill – talent management has a measurable impact on financial results of an enterprise, influences other areas of its functioning. To make talent management contribute to the success of an organisation, it is essential to have in mind, that it relies exclusively on gaining, retaining and developing the persons gaining the best results and having great potential. It must be adjusted to strategic aims and cultural organisation and may be integrated at the level of an entire organisation.

New determinants require not only concentrating the attention on the issue of a talent but also another defining the notion of success. Boudreau defines success as „meeting the needs of the present without compromising the ability of future generations to meet their own needs” (Boudreau, 2003). He identifies it with sustainability, which is a mission statement of many global organisations. It regards especially the entities functioning in the territory of Europe (due to the assumptions taken within the framework of EU policy) and is undoubtedly significant in the new paradigm that is why it has to be part of human resources management.

The notion of sustainable development is connected with financial success, moreover, it is emphasised and mostly not regarded resources and processes which create long-lasting advantage and are difficult to be copied by competitors.

Talent management contributes to gaining financial benefits, gaining long-lasting competitive advantage, goes beyond traditional scopes of organisation’s success – allows satisfying the needs of particular groups of stakeholders, both now and in the future.

Regarding the previous and new paradigm as well as the organisation’s success interpreted in traditional categories – financial results and organisation’s competitiveness as well as in the aspect of sustainable development, Boudreau proposes the model being the list of two perspectives – traditional and new one (see Figure 1).

<table>
<thead>
<tr>
<th>Traditional:</th>
<th>Emerging:</th>
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<tr>
<td>Financial/Competitive</td>
<td>Sustainability</td>
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<tr>
<td><strong>Emerging:</strong></td>
<td><strong>Approach C</strong></td>
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<tr>
<td>Talent Management</td>
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<tr>
<td><strong>Emerging:</strong></td>
<td><strong>Approach A</strong></td>
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<tr>
<td>Traditional:</td>
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<td>HR Policies and Practices</td>
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Traditional solutions in the scope of human resources management are concentrated on known and reliable practices, new paradigm concerns talent. The success of an organisation refers to the notion of sustainable development which includes the aspect which broader than the classical interpretation concerning financial benefits.
The most traditional is the attitude A. Within its framework, the actions regarding human resources management are perceived by the financial perspective. It is important to connect the actions regarding human resources with financial results.

The attitude B regards the organisations which assumed the perspective of sustainable development, however, they remained with a traditional paradigm of human resources management. These organisations are concentrated on the fact that providing the actions taken in the area of human resources management satisfy the criteria of social reliability. Their results are not only perceived in the context of efficiency but also in the manner in which employees and other stakeholders are treated. Such an attitude as well as previous ones, concentrates on traditional human resources management, moreover it relies on social and working relations.

Less frequently, the attitude C is used, which is practised in organisations implementing the new paradigm of human resources management. These organisations verify how a talent influences financial results and competitive advantage. However, this is an undoubtedly strategic attitude, which does not regard all essential notions for the purposes which rely on sustainability.

Talent management as a new paradigm and new interpretation of organisational benefits emphasises the attitude D. It is a new approach regarding both dimensions, however, basic ones, so as to understand the role of a talent in shaping a long-lasting success of an organisation. Similarly as in the attitude C, it identifies how talents of employees and partners in organisations are connected with key processes and resources, though, it concentrates on the processes, resources and talents which support sustainable development.

As resulting from the presented model, the key to achieve long-lasting success, is establishing the relations between talent management and sustainable development. Such an attitude brings effective tools for identifying and developing talents to the greatest extent, influencing the strategic success of an organisation.

Connecting organisational talent with permanent strategic success refers to three areas: influence, success and effectiveness (Boudreau and Ramstad, 2006).

In the area of an influence there are relations between the changes in the quality of a talent and long-lasting strategic success (the answer are sought to the following questions: Which talent and organisational structures are deciding for this success?, What is the difference resulting from disposing the best and average performers in a given role?). The effectiveness relies on identifying the systems which will be creating quality of talent and shall influence the strategic success as well as the manner in which they may be implemented. The area of effectiveness regards defining the resources indispensible to take actions in the scope of HR functions as well as the effects obtained as a result of investing
financial resources and time in this function (such as: training, consideration, positions, communication etc.).

Contemporary organisations act in a global scale more often. They are determined by their complexity and formal structures and procedures limiting the ability to manage such entities. That is why, managers define aims regarding the psychological sphere. This action is particularly essential in case of such an essential issue as the change of interpretation of an organisation’s success – from traditional understanding – achieving economic results, on the interpretation in the context of permanent development. This development requires the change of organisational culture which is shaped mainly by the level of connecting individual actions of employees with the targets of permanent development which make decisions regarding their talent.

5. **Determinants of successful talent management in order to obtain the success of an organisation**

The attitude emphasising combining the organisation’s success – permanent development with decision regarding the talent of employees is particularly essential when deep and long-lasting changes in the values and behaviours within an organisation. The following actions shall be taken so as talent management contributes to gaining permanent success (Horsfield et al., 2010):

a) Segment talent pools of an organization and invest differently in each segment. Segmentation should be based not only on performance, but it is necessary to consider other factors, such as scarcity of skills in the marketplace, potential of employees, and their expectations [5];

b) Measure outcomes in talent management, because that affect business success. The most important is to set the right goals for the organization and to make sure individual goals align with company goals. Employees need to see how their individual efforts directly affect business results;

c) Collect talent data and create talent profiles that can determine the right people for the organization. Talent Management should be process with a lot of data statistical analysis, and even simulation and optimization, not based on an intuitive approach;

d) Build adaptable leadership skills, not generic, which have a more direct effect on business results. This skills go beyond a person’s current position, and are: strategic thinking and planning, crisis management, judgment and decision making, tolerance of ambiguity, and agility to effect rapid change. This focus on adaptable skills requires rethinking the definition of success for organization;

e) Measure impact instead of goals. Effective talent management requires performance management. There is a connection between individual performance and better organization results. Performance management
enables also communicate employees objectives and clarify an employee’s role, while focusing employee development on competencies that determine the organization’s success. By linking rewards to individual performance, effective performance management allows employers to realize the practices „pay for performance”[6].

The most effective talent-management practices are firm-specific (Heinen and O’Neill, 2004). The practices that work for one organization may not create sustainability in another. To be successful, the talent strategy must be aligned with an organization’s business strategy. Consequences of aligning Talent Management practices with the business strategy are (Heinen and O’Neill, 2004):

- right workforce skills and behaviours in place to implement and sustain business strategy,
- individual and team performance expectations aligned with organizational values and priorities,
- business success and diverse workforce supported by functional career-path architecture,
- integrated pay, performance, career-development programs that improve on retention challenge and garner commitment,
- talent-management programs that work in unison to drive company results.

Adjusting talent management to the strategy provides that an organisation gains, retains and develops employees in the manner in which it contributes to its success (Horsfield et al., 2010). The companies effective manage their talent deliver better results for shareholders (Huselid, 1995). The benefits of talent management are also demonstrated at the individual level (Heinen and O’Neill, 2004; Axelrod et al., 2001).

However, despite the awareness of talent significance and knowledge of results of empirical research, which is confirmed in practice, organisations, in many cases do not identify talent or insufficiently invest in a talent which is indispensible so as they could develop. Moreover, in many cases, these actions are not taken systematically – they have a temporary character and are implemented in case of recognising a need. In many organisations, talent management is not implemented (this process does not have a permanent character) (Paradigm Shift…, 2012).

It may be assumed that this attitude results from the fact that the managers concentrate on the actions providing benefits in a short time, when talent management is connected with actions of a strategic character and regards many areas in an organisation.

There are also numerous obstacles reducing the efficiency of the talent management process. The basic barriers may include: lack of transparency of the programmes concerning talent management (Blass et al., 2006), lack of engagement
of both managers of higher level, as well as line managers (Guthridge et al., 2008), diversity of values, ambitions and expectations of employees (assuming as the basic, however not exclusive criteria of the division age and cultural environment) (Bremen and Sejen, 2012), incompliance between perceiving by employers, what is expected by talented employees and this what is really attractive to them (Bremen and Sejen, 2012), lack of understanding the needs of subordinates by managers (Branham, 2005), as well as greater attractiveness of the offers of other enterprises, long decision making processes, slight international character of an organisation, negative image of an organisation, unfavourable organisational climate and unfavourable economic situation of the enterprise (Thom et al., 2003).

In the context of the presented determinants, it shall be stated that the lack of talent management or its ineffective development and implementation in an organisation shall constitute a significant obstacle to achieve long-term success.

6. Conclusion
The conditions of functioning of contemporary organisations undergo constant, unpredictable and more surprising changes, which has a significant influence on the success of these organisations. It requires the change of priorities in management, which causes that there are new paradigms. In management sciences one of them is talent management. Talentship is both in managerial positions and executive positions, it is indispensible to gain strategic success.

The consequence of this new paradigm is emphasising the identification of key resources of talent i.e. these for which the difference in quality and availability of talent significantly influences the processes or resources in the greatest level influencing a strategic success – sustainability. An important element of this success are economic benefits, however, it exceeds beyond a traditional interpretation and concerns a wider aspect than a financial result only.

The traditional paradigm emphasises the principles, practices and actions regarding the functions of HR. It is precious and needed, it contributes to shaping positive social relations in a workplace. Despite that, there are significant connections between a talent and sustainable development which require a new attitude – other paradigm in order to combine talent with strategic success. The benefit of this attitude – regarding a new paradigm and permanent development – common area of interests for the groups of stakeholders, common perspectives.

Notes
[1] Vast list of definitions and interpretation of the notion of a talent includes Ingram, 2011.
[2] This notion is applied as a new definition for human resources management, which indicates that it considers all processes traditionally connected with human resources: planning, recruitment, selection, development, retention etc. In this approach, it is applied in organizations which assume that each employee is a talent. It is also referred to a certain group of employees, perceived as having outstanding skills and abilities. This approach is, however, too narrow – it does not regard all
processes concerning talent management, moreover, it excludes from these processes a vast amount of the employed talents are identified at all levels of an organisation.

[3] Of the 38,618 employers across 42 countries who participated in the 2013 ManpowerGroup Talent Shortage Survey (2013 Talent Shortage Survey…, (http)), 35% reported difficulty filling positions due to lack of available talent. The main factors contributing to the talent shortages are lack of specific technical competencies (or hard skills) required for a particular role and lack of applicants. Talent shortages negative impact an organization – reduce ability to adequately serve clients, and also reduce competitiveness and productivity in general. Talent shortages lead to increased staff turnover, reduced creativity and innovation, increased compensation costs and also have a detrimental effect on employee engagement/morale.


[5] There is no one way for how organizations should segment their talent. L. Uren identifies six groups of talent including their expectations towards organization: Brand enthusiasts, Career Ladderists, Connectors, The Nurtured, Opportunity Seekers, Planners (Uren, 2011). Hudson segments talent in three groups: High Potentials, High Performers, Irreplaceable Professionals (Tackling the Economic Crisis…, (http)).


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