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WAR FOR TALENT IN A WATER AND SEWERAGE COMPANY. A CASE STUDY

A b s t r a c t: The world is facing a talent shortage crisis which is caused by several factors. So far, the process could not be stopped, therefore, companies fight between ourselves for the best employees. Every company would like to win the war for talent, thus, it should be defined what talent is for an organization, what talent an organization needs and why. It can be a step to building an even stronger market position. These theses will be analyzed on the example of a family company.

K e y w o r d s: family company, talent, case study, war for talent, business management.

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INTRODUCTION

The assertion that today's companies function in a turbulent environment may be taken as a cliché; there is no doubt about it. The changing reality requires companies to constantly adapt to changes if they want to maintain their market position or overhaul their competitors. Human capital is a strength of every organization, and talented employees are a driver and distinguishing factor. That is why hiring the best employees is crucial [Chodorek, 2016, p. 9].

TALENT IN A COMPANY

It is crucial to define talent, because it determines the subject of management. Unfortunately, defining talent is somehow problematic, because the definition may depend on the type of organization [Borkowska, 2005, p. 12]. According

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to E. Michaels, generally, talent is a sum of skills of a given person, his or her gifts, capabilities, knowledge, experience, intelligence, judgement, attitudes, character, and energy [Michaels, Handfield-Jones, Axelrod, 2001, p. xii]. W. Daniecki understands talent as an employee with high potential and remarkable professional competencies that include: understanding of the market, ability to react fast to changes in the environment, to make good use of periodical competitive advantages, and to learn organizationally [Daniecki, 2015, p. 27]. T. Ingram collected and analyzed over forty definitions of talent from source literature, where researchers mostly emphasize the developmental potential of talented employees [Ingram, 2016, p. 23-27]. Furthermore, he highlighted the inability to specify talent, and the choice of definition depends on the context, and he himself characterized talent as a person with potential, skills, motivation, and knowledge that have a great influence on how a company functions, achieving higher than average results, realizing his or her objectives, and at the same time being concerned about his or her own development [Ingram, 2016, p. 29]. J. Tabor said that the issue of personal traits of talented employees, that may help develop or inhibit talent, is also important [Tabor, 2013, p. 15].

Table 1. Talent facilitators and inhibitors.

Talent facilitators	Talent inhibitors
Self-fulfillment	Bad self-esteem (too low/high)
Reflection, self-awareness, self-distance, good self-esteem, self-acceptance	Feeling of no causation (external locus of control)
Resistance to stress	No resistance to stress
Feeling of causation (internal locus of control)	Emotional dysregulation
Faith and hope	Unpredictability, chaos
	Sacralization of one's own self

Source: J. A. Tabor, Zarządzanie talentami w przedsiębiorstwie koncepcje, strategie, praktyka, Warszawa 2013, p. 15.

Being aware of talent inhibitors can be the first step to start working on one's own weaknesses, and thus, development, which indicates the power and importance of talent.

CONCEPT OF THE WAR FOR TALENT

The concept of the war for talent was created in 1997, in McKinsey & Company. War for talent was a name for the shortage of well-qualified employees which many American managers had faced. The 90s were the time of a huge scientific progress and economy boost, resulting in hundreds of vacancies that could not be covered by entrepreneurs [Michaels, Handfield-Jones, Axelrod, 2001, p. 1]. It caused the companies' war for employees. The authors of *The war for talent* indicate three causes of this state: moving from the "industrial

age” to “information age”, increasing demand for highly qualified managers, and increasing tendency to change the place of employment [[Michaels, Handfield-Jones, Axelrod, 2001, p. 3].

Table 2. The old vs. new business reality.

The Old Reality	The New Reality
People need companies	Companies need people
Machines, capital and geography are the competitive advantage	Talented people are the competitive advantage
Better talent make some difference	Better talent makes a huge difference
Jobs are scarce	Talented people are scarce
Employees are loyal and jobs are secure	People are mobile and their commitment is short term
People accept the standard package they are offered	People demand much more

Source: E. Michaels, H. Handfield-Jones, B. Axelrod, *The war for talent*, Boston 2001, p. xii. 6.

There are several factors of that state. First, it is globalization. Companies function on the international market; even if they only operate locally, they deal with products from all over the world [Chodorek, 2016, p. 102]. At the same time, capital, technologies, raw materials, ideas, and cultures move across borders [Chodorek, 2016, p. 102]. There are many related processes that occur simultaneously. Therefore, companies need to fight for survival and defend their market position, regardless of the size and location of the business [Chodorek, 2016, p. 104]. The next factor, that undoubtedly affects the war for talent, is demographic changes worldwide. The UNO estimates that the population will increase globally, especially in African and Asian countries, and the number of Europeans will decrease¹. On the other hand, the WHO forecasts that the number of people aged 60+ will grow, globally even up to 100%, in comparison to foregoing data². One of the benchmarks of population ageing is ageing index, determining intergenerational relations of population, namely, the number of grandfathers per 1000 grandchildren, calculated as a number of people aged 65+ per 1000 people aged 0-14³. It is estimated, that in Poland, in 2050, there will be about 2600 people aged 65+ per 1000 people aged 0-14 [Chodorek, 2016, p. 139]. The extending lifespan will be a challenge for every organization,

¹ https://esa.un.org/unpd/wpp/Publications/Files/WPP2017_Volume-II-Demographic-Profiles.pdf [accessed: 23.02.2018].

² http://www.ryneksejora.pl/polityka_senioralna/104/who_swiat_sie_starzeje_dotyczy_to_nie_tyko_krajow_bogatych.3135.html [accessed: 23.02.2018].

³ *Prognozy ludności na lata 2014 – 2050*, p 138 [Available at stat.gov.pl, accessed: 23.02.2018].

because not all employees will be willing to retire at the statutory age. According to R. Strack, the demographic situation will change so much that the crisis of the war for talent will escalate around 2030 and companies should prepare for that right now⁴. Strack observes that organizations need to have a good human capital planning strategy, and, moreover, they should be able to attract and retain the best candidates, including people aged 50+, but first of all, they need to appreciate every employee and create good atmosphere to increase staff loyalty. A short-term remedy in the war for talent, according to Strack, is the migration of employees. Of course, one can agree with that, but in a situation when the shortage of human resources in one country decreases because of migration, it will increase in another one⁵. The migration of population is the effect of globalization, because the opening of borders for labor markets created the ability to move freely to choose the most favorable working conditions [Tabor, 2013, p. 34]. Therefore, the war for talent is global. The flexibility of human resources is unquestionably affected by the Internet where one can find a job ad from another country or continent in a flash; there are business networking platforms (e.g., GoldenLine, LinkedIn), portals for employers and employees where one can upload his or her CV, contact a potential supervisor or subordinate. Other factors affecting the war for talent include politics, because every new government has a different vision of economy, different investment goals, also legal regulations, and tax exemptions, that may influence the functioning of the labor market. Another issue is the technological progress; organizations can use modern technologies while introducing a new product or service to the market, which is related to the adaptation to changes. Because of the progress, some professions may disappear, but new ones may appear as well⁶. As it has been mentioned, the war for talent involves the whole globe and it is an interesting phenomenon, because more and more employers have problems with finding well-qualified employees. ManpowerGroup, an organization researching the labor market, has been preparing a report „Talent shortage” (from 2006 worldwide and from 2008 in Poland). The research includes about 40000 hiring managers from about 40 countries, including approximately 700 respondents from Poland⁷. The up-to-date, eleventh edition of the report says that about 45% Polish employers have problems with finding well-qualified employees, and the professions

⁴ https://www.ted.com/talks/rainer_strack_the_surprising_workforce_crisis_of_2030_and_how_to_start_solving_it_now?language=pl#t-753118 [accessed: 23.02.2018].

⁵ Currently, such a situation concerns Polish health service. It is estimated that since 2004 (the entry of Poland to the EU - note of K. Kuczniak), about 10 000 doctors, 2 000 dentists, and 17 000 nurses have left Poland, however, no specific emigration statistics have been conducted by any medical organization [<https://gf24.pl/wydarzenia/kraj/item/843-polska-bez-lekarzy> accessed: 23.02.2018].

⁶ The digitization of fixed telephony at the end of the 90s in Poland led to the shutdown of manual telephone exchange centers; as a result, many jobs were lost.

⁷ <http://www.manpowergroup.pl/raporty-rynku-pracy/niedobor-talentow/> [accessed: 24.02.2018].

that for years have been facing the largest talent shortage are qualified blue-collar workers: mechanics, electricians, welders, fork lift truck drivers, masons, printers, carpenters, and turners. It is a global problem, and the lack of available candidates, technical skills or experience have been indicated by respondents as the most common reasons for that situation⁸.

Table 3. Professions facing the largest talent shortage 2016/2017 - research results.

Poland	EMEA	The world
1. Skilled Trade.	1. Skilled Trade.	1. Skilled Trade.
2. Drivers.	2. Drivers.	2. IT Staff.
3. Engineers.	3. Engineers.	3. Sales Representatives.
4. Productions/Machine Operations.	4. Sales Representatives.	4. Engineers.
5. Unskilled Trade.	5. Technicians.	5. Technicians.
6. Technicians.	6. Unskilled Trade.	6. Drivers.
7. Restaurant & Hotel employees.	7. IT Staff.	7. Accounting & Finance Staff.
8. IT Staff.	8. Management/Executives.	8. Management/Executives.
9. Physicians & Medical Staff.	9. Restaurant and hotel employees.	9. Productions/ Machine Operations.
10. Sales Representatives.	10. Accounting & Finance Staff.	10. Office Support Staff.

Source: own work on the basis of ManpowerGroup's infographic.

To stop the increase of well-qualified staff shortage, employers try to introduce new ways of human capital management, new strategies (including talent management programs), use the help of headhunters, seek new recruiting procedures (e.g., assessment center services, panel interviews), show their willingness to hire employees of other nationalities⁹. According to B. Tulgan, in order to win the war for talent, one needs to implement a set of rules that will enable organizing of hiring people in a new economic reality: talent is the show; staff the work, not the jobs; pay for performance, and nothing else; turn managers into coaches; train for the mission, not the long haul; create as many career paths as you have people [Tulgan, 2001, p. 12]. These actions may be effective on ad hoc basis, but the problem is deeper, because the economic dynamism is faster than changes in the environment, and there is the lack of match between social and economic processes [Woroniecki, 2001, p. 68]. M. Chodorek notes that Polish universities in excess educate humanists, who do not have particular skills and do not find themselves on the labor market [Chodorek, 2016, p. 120]. Therefore, the education system must face new challenges, including: lifelong learning throughout the whole professional life; „teaching how to learn”; easy

⁸ http://www.manpowergroup.pl/wp-content/uploads/2016/09/2016_Raport_Niedob%C3%B3r_talent%C3%B3w-info.-prasowa-ManpowerGroup.pdf [accessed: 24.02.2018].

⁹ For example, the medical staff from Ukraine is encouraged to find jobs in Poland, see: <http://www.politykazdrowotna.com/25558.lekarzy-z-ukrainy-przybywa-ale-bardzo-wolno-ilu-pracuje-w-polsce> [accessed: 24.02.2018].

and cheap trainings in the workplace; use of IT in education [Chojnicki, 2001, p. 89], and the emphasis on practical skills.

CASE STUDY

In the context of the global war for talent and the abovementioned considerations, companies need to have road maps of how to attract the best employees, as well as development and motivation programs for them. A. Springer and A. Hadryś-Nowak conducted a study on talent management in family and non-family companies, which showed that family companies are more effective in managing talented employees. They also indicate that these organizations show a better economic stability in turbulent times, at the same time ensuring a better stability of employment, although they often remain less attractive employers for talented staff¹⁰. K. is an example of such a company, which was established in 1990, but since 2013 has been functioning as a limited liability company. It is a family business from the water and sewerage sector¹¹. The main area of the company's business is the Kuyavian-Pomeranian voivodeship, particularly the region of the former Wloclawek voivodeship, although the company has been trying to expand its business to other voivodeships as well. The firm employs 16 people: 2 office workers, 13 trade workers, and 1 driver. Talent for the organization is a person who easily absorbs new information, is smart and creative, quickly reacts to problems, and also needs to have the industry knowledge. Although the company does not have any talent management strategy or program in a written form, the staff policies work in compliance with some set principles. The organization has a stable position on the market, which is an indicator for potential employees, moreover, the company offers competitive remuneration. Recruitment is a one-staged process and includes an interview of a candidate with the company's CEO, who first verifies, based on the candidate's CV, whether he or she meets K.'s requirements. The person should show willingness to work, be bold, independent, have a positive attitude towards the responsibilities and environment. Moreover, experience in the water and sewerage sector is also welcomed. Every employee is subject to interim evaluation, when performance and engagement in entrusted responsibilities are analyzed. Good and effective work is rewarded, because the company has a financial system of staff motivation. A big opportunity for K.'s business development is to adapt the water and sewerage sector to EU standards, and the crucial support includes the EU funds, which enabled the construction of wastewater treatment plants, sewage pumping stations, water treatment stations, hundreds of kilometers of sewage pipelines, which influences the company's

¹⁰ <http://www.e-mentor.edu.pl/artykul/index/numer/65/id/1249> [accessed: 24.02.2018].

¹¹ The analysis has been developed thanks to courtesy of Mrs. Marta Rakoca-Koss, the co-owner of K.

development. Despite the established position on the market, the firm notes that great competition is a significant threat, which is caused by the highly fragmented industry. Therefore, the war for the best employees is noticeable. The company notes that the lack of qualified staff is an important problem, mostly caused by emigration. The firm declares its willingness to employ foreigners if they have suitable qualifications and can effectively communicate in Polish.

SUMMARY

Talent means people with unique, higher than average skills; employees that are the asset of every organization. Therefore, every company's goal is to hire the best staff. The analysis of the case study not only has confirmed the problem of talent shortage, but also the statement that migration may be a remedy for the lack of qualified staff to some extent.

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https://www.ted.com/talks/rainer_strack_the_surprising_workforce_crisis_of_2030_and_how_to_start_solving_it_now?language=pl#t-753118 [accessed: 23.02.2018].

WOJNA O TALENTY NA PRZYKŁADZIE PRZEDSIĘBIORSTWA USŁUGOWEGO BRANŻY WODNO – KANALIZACYJNEJ. STUDIUM PRZYPADKU

Zarys treści: Świat stoi w obliczu kryzysu niedoboru talentów. Ma na to wpływ wiele czynników. Jak dotąd nie udało się powstrzymać tego procesu, stąd między organizacjami toczy się walka o najlepszych pracowników. Każde przedsiębiorstwo chciałoby wygrać wojnę o talenty, dlatego powinno sprecyzować co oznacza talent dla jego organizacji, jakich talentów potrzebuje i dlaczego. Może być to krokiem do zbudowania jeszcze silniejszej pozycji na rynku. Tezy te zostaną przeanalizowane na przykładzie spółki rodzinnej.

Słowa kluczowe: przedsiębiorstwo rodzinne, talent, studium przypadku, wojna o talenty, zarządzanie przedsiębiorstwem