Contemporary Leadership Challenges:
Talented Organisation for Talented People

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Abstract

The globalisation of economy, increase of employees’ mobility, the forthcoming shortage of people next 10 years and, hence, war for talented people are some of the most important problems of corporations today. This thesis has a purpose to show systematic picture of the organisation, which will be named as Talented Organisation, with appropriate conditions for having talented people within and developing their talents.

Some assumption of the research discussed in this paper are about the talented people themselves as special, difficult to work with, but interesting for any organisation. They can create some problems for leadership and co-workers and at the same time represent the most important source of ideas and to be essential resource.

It will be described the strategy for gaining the Talented Organisation which will facilitate the process of hiring talented people as well as will promote the utilisation of inner organisational potential: identifying, breeding, nurturing and retaining of talented people.

Keywords: Talented people, Talent Management, Knowledge-Driven Organisation, Learning Organisation, Talented Leadership, Talented Organisation.
This thesis dissertation is dedicated to my dear parents, grandparents, sisters Olga and Natalia and my little godson Ivan.

Alexandra Sivenko

Kalmar, Sweden, May 2008
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# Table of content

ABSTRACT .................................................................................................................. III  

ACKNOWLEDGMENTS .............................................................................................. VII  

TABLE OF CONTENT .............................................................................................. IX  

TABLE OF FIGURES ................................................................................................. XI  

1 INTRODUCTION ..................................................................................................... 1  
   1.1 THE RESEARCH AREA ....................................................................................... 2  
   1.2 THE RESEARCH PROBLEMS ........................................................................... 3  
   1.3 THE RESEARCH QUESTION ............................................................................. 5  
   1.4 THE IMPORTANCE AND A PURPOSE OF THE STUDY .......................................... 6  

2 METHODOLOGY ..................................................................................................... 9  
   2.1 THE PROCESS OF THE RESEARCH ...................................................................... 9  
   2.2 THE APPROACH FOR DATA COLLECTION .......................................................... 11  
   2.3 THE GROUNDED THEORY (STRAUSS, A. AND JULIET CORBIN, 1990: 9) ............... 11  

3 THEORETICAL FRAMEWORK ............................................................................ 15  
   3.1 BAY-IN STRATEGY FOR TALENTED PEOPLE ..................................................... 15  
      3.1.1 Hiring strategy ............................................................................................. 15  
      3.1.2 The corporate culture and reward system for attracting talented people ............ 16  
      3.1.3 Key points .................................................................................................. 19  
   3.2 IDENTIFYING, BREEDING, NURTURING AND RETAINING TALENTED PEOPLE WITHIN THE ORGANISATION ......................................................................................... 20  
      3.2.1 Identifying talented people ............................................................................ 20  
      3.2.2 Breeding, nurturing and retaining of talented people ...................................... 21  
         3.2.2.1 The suitable talent management approach ................................................. 22  
         3.2.2.2 A plan for gaining new talent management approach ................................. 23  
         3.2.2.3 Knowledge-driven culture for talented people ......................................... 25  
         3.2.2.4 Learning organisation for developing talent .............................................. 26  
         3.2.2.5 Five disciplines of Peter Senge for achieving learning organisation ............ 27  
      3.2.3 TALENTED LEADERSHIP FOR TALENTED PEOPLE ................................... 31  
         3.2.3.1 Three leadership roles in the learning organisation for talented people .......... 31  
         3.2.3.2 Leading innovative learning in the organisation ....................................... 32
<table>
<thead>
<tr>
<th>3.2.4</th>
<th>Key points</th>
<th>37</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>ORGANISING FOR TALENTS AND TALENTEO ORGANISATION</td>
<td>39</td>
</tr>
<tr>
<td>4.1</td>
<td>TALENTED PEOPLE</td>
<td>39</td>
</tr>
<tr>
<td>4.1.1</td>
<td>Main characteristics of talented people</td>
<td>39</td>
</tr>
<tr>
<td>4.1.2</td>
<td>Talented people’s needs and expectations</td>
<td>41</td>
</tr>
<tr>
<td>4.1.3</td>
<td>Key points</td>
<td>42</td>
</tr>
<tr>
<td>4.2</td>
<td>CONTEMPORARY ORGANISATION IN RELATION TO TALENTEO PEOPLE</td>
<td>43</td>
</tr>
<tr>
<td>4.2.1</td>
<td>Organisation’s expectations from talented people</td>
<td>43</td>
</tr>
<tr>
<td>4.2.2</td>
<td>What is interesting in knowledge-driven and learning organisations?</td>
<td>43</td>
</tr>
<tr>
<td>4.2.3</td>
<td>Key points</td>
<td>46</td>
</tr>
<tr>
<td>4.3</td>
<td>THE MOST APPROPRIATE ORGANISATION FOR TALENTEO PEOPLE</td>
<td>47</td>
</tr>
<tr>
<td>4.3.1</td>
<td>The strategy for gaining Talented Organisation</td>
<td>47</td>
</tr>
<tr>
<td>4.3.2</td>
<td>Talented leadership for transformation to Talented Organisation</td>
<td>52</td>
</tr>
<tr>
<td>4.3.3</td>
<td>Key points</td>
<td>54</td>
</tr>
<tr>
<td>5</td>
<td>CONCLUSIONS</td>
<td>55</td>
</tr>
<tr>
<td>6</td>
<td>BIBLIOGRAPHY</td>
<td>57</td>
</tr>
</tbody>
</table>
# Table of figures

<table>
<thead>
<tr>
<th>Figure</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>The process of research</td>
<td>10</td>
</tr>
<tr>
<td>4.1</td>
<td>KM cycle model (King, W. R., Chung, T. R., &amp; Haney, 2008: 3)</td>
<td>44</td>
</tr>
<tr>
<td>4.2</td>
<td>Hiring strategy (according to Lisa M. Aldisert, 2002)</td>
<td>47</td>
</tr>
<tr>
<td>4.3</td>
<td>Tools for talent emergence (according to Thompson, V., 2008)</td>
<td>48</td>
</tr>
<tr>
<td>4.4</td>
<td>A plan for gaining new talent management approach (according to Lubitsh, G. And Marcus Powell, 2007)</td>
<td>50</td>
</tr>
<tr>
<td>4.5</td>
<td>The model of choiceful view to talent management (according to Lubitsh, G. And Marcus Powell, 2007)</td>
<td>51</td>
</tr>
<tr>
<td>4.6</td>
<td>Corporate culture of Talented Organisation (according to Kermally, S., 2004)</td>
<td>52</td>
</tr>
<tr>
<td>4.7</td>
<td>Roles of talented leaders (according to Peter Senge)</td>
<td>53</td>
</tr>
</tbody>
</table>
1 Introduction

In daily life people do daily things. Sometimes it seems like people could do everything better and more, but nobody knows people’s abilities. Scientists who are researching on brain assume that we use only 15% of our potential – no more. And if people do not show any extraordinary abilities, it does not mean that they do not have any talent, because everyone has the potential to increase the ability for having new opportunity, to evaluate the talent from deep and invisible from the beginning resources of the brain. Where are the people? They are living around, they are working in the organisations, and they are trying to extend their opportunities, or they are living without any ideas about what they can do. The organisation is like a human body where departments are the parts of this body and the head of the organisation is the brain and i.e. top managers. They should always be improved: knowledge, abilities, skills, communications, management practices, leadership style and so forth. On the other hand, there are many people within the organisations with their own brains, and each of them can be suitable for something more, then that job he or she does.

The potential of the organisation seems to be huge when you think about people’s potential within the organisation. And it seems like every organisation could become very successful if the whole potential will be utilised.

When managers of the organisations want to increase the profit, they are looking for possibilities to use existing resources within the organisation more effective. They are trying to make useful even the waste. We therefore can assume that most people in the organisation apply only a small part of their talent, and this could be one of the reasons organisations loses money.

We can also assume that many people within the organisations have a lot of great ideas about how to raise the profit of the organisation, how to change something for making organisation more efficient. But they are framed by their working duties and cannot have a voice and suggest anything. Their voice cannot be heard by their managers because the style of management does not allow perceiving this suggestions and ideas seriously.

Within the chosen topic of the research it will be examined the broad theme of talent from organisational and leadership perspectives. Particularly the author would like to focus on the processes of recruiting, identifying, breeding, nurturing, and leading talented people in an organisation. The author will look at these processes that leaders think about and go through when they acting as talented leaders who are leading talented people.
1.1 The research area

It is not easy to find the right talent for satisfaction company’s needs, therefore there is a science direction about talent management already exist.

“Talent management is simply a process of recruitment of talents, developing the skills of existing workforce, promoting and retaining the employees, attracting highly talented and rated employees from other companies etc. Talent management is practiced by human resources department of each and every company” (Jaegel, W., 2008: 10). Thus, implementing talent management approach any corporation should create its strategy for developing talent.

Strategy of developing talent has two connotations. The first meaning is to identify employees who have an especial abilities, skills, talent and therefore they can be the key in the organisation but they are not feeling the freedom to act. On the other hand strategy of developing talent means applying to these whose skills can be developed and new ones be achieved with help of the organisation system in order to increase the organisational capabilities.

Talent categorised functionally (marketing talent, financial talent, design talent) as well as generally (creativity, decision-making, leadership skills and so on).

Since in the New Economy human talent is the most important source of competitive advantage it is necessary to have strategy for developing talent. It has two perspective: individual and organisation.

From individual perspective the determination of development talent is (Kermally, S., 2004, p. 15: 8):

- Talent is “a special aptitude or faculty of high mental ability” according to Pocket Oxford Dictionary of Current English.
- Development means “to unfold...; make or become fuller, more elaborate or systematic” according to Oxford Dictionary (1988).

Developing talent means “enhancing an individual’s special ability to perform certain tasks and take certain actions” (Kermally, S., 2004, p. 15: 8). This involves learning as one of the main action by which skills and knowledge are acquired.

Talking about the term “developing talent” people understand this very broad. In general the ability to develop talent depends on individual’s capacity to think and act. But this direction in organisation’s strategy should align individual capacity to corporate strategy.

Coming to organisations talented individuals expect some conditions, such as care for them, to motivate them and providing good leadership, where they are willing to grow with the organisation, hence, they expect to have possibility to develop their talent.
Organisations in turn expect that individuals will improve in their work as much as possible in order to achieve their business goals. Combination and alignment of objectives of employees and business goals are a crucial part of developing a talent strategy.

Sometime organisations sent their staff to trainings thinking that they will develop talent. But not everyone wants to develop talent. Some workers have done their jobs only for salary or some people have hobbies as a crucial part of their life for self-realisation. Furthermore, the fact of attending the training course never guarantees the developing of talent.

From organisational perspective the developing talent means creation of talent strategy. In order to compete effectively “strategic fit” should be achieved within the competitive environment where changes are taking place in climate of sociology, technology, economy and politics and within the industrial forces. In 90s the idea about the strategic fit was applied to organisation’s resources and capabilities. “It is believed that organisational capabilities are deemed to be organisational talent, and this talent needs to be developed to match the changes taking place in its competitive climate” (Kermally, S., 2004, p. 17: 8).

Organisational talent is constituted by organisational capabilities. In order to enhance capabilities there is the necessity to leverage resources. From the human resource point of view organisational talent or organisational capacity contain developing, sourcing, integrating and retaining talent within the organisation. It becomes competitive advantage by uniqueness of the way, how an organisation is developing talent within the context of business goals. Competitors can copy or acquire resources and even the skills that one have, but they cannot enhance their knowledge as one’s organisation can do it.

Organisations need to have difficult for imitation, flexible and durable special capabilities. Hence it’s not enough just to have the system of recruitment and retaining talent, but should develop the talent strategy on the organisational level.

Talents from individual and organisational perspectives are inter-related. Organisations now are trying to become “learning organisations” by moving away from training individual employees in order to enhance and up-grade individual skills.

1.2 The research problems

For any organisation it is important to have talented people on different levels in order to enhance the efficiency of the performance. In the era of globalisation talented people are in demand even more as a key factor for increasing corporation’s competitive advantages.
According to Kermally (2004) the course to globalization requires different educated and experienced people within the organisation. To make business across different countries and cultures is possible with having highly multiple skilled employees. The problem today is that labour force is becoming more and more mobile.

At the 10th European Human Resources Directors’ Conference held in Madrid in 2002 Odile Quintin (the Director General of the Commission’s employment department) said “that in tightening labour markets, there is a risk of companies starting to compete for the most qualified workers” (Kermally, S., 2004, p. 2: 8). She added in her speech:

“If we are to meet the ambitions of the Lisbon Council - to make Europe the most competitive and dynamic knowledge-based economy and society in the world, capable of sustaining growth with more and better jobs, and social cohesion - then we must find ways in which all citizens can participate. We must make use of the potential of all workers. And to meet this challenge investment in human resources, lifelong learning, is the way forward. The success of the companies will depend on their ability to develop the skills of their workforce”.

The tendency of workforce to move from company to company is a problem because of developed employees, when a lot of resources are invested in their developing, are gone, it is difficult to save them, to retain talent within organisation.

In addition to the above problem, there is also another problem which has to do with the mentality and the culture of the new generation. There is substantial research finding that young people have no wish of spending 10-15 years of their life in the same job. Inversely, that is precisely what firms want. They want people to stay long enough with them in order to justified investment in the development of their skills and in the nurturing of their talents.

One aspect of this problem is that new generations are not moved by “loyalty” to the employer. They are ready to move for the next one for better travel possibility. All these things are putting breaks and obstacles in firms’ efforts to keep talents.

Other problem can be described as following: it is not a secret that the company wins only if it goes one step ahead. This depends on the ability to take new knowledge first, to increase, create and transfer them in the organisation. Knowledge-driven organisations are missing for talented people and their abilities to extend organisational capabilities for gaining and sustaining competitive advantages.

Finally, doing business in the New Economy requires the recruitment and developing of talent within the organisation. Changes in the world are fast and the future is becoming more
unpredictable ever. New Economy characterised by new business cycle such as sustained business cycle, not “bust and boom”. There is a world spread use of Internet, what lead to acceleration of business processes. When organisations try to compete effectively they focus on intangible resources more today such as human resources and intellectual property. The major drivers for business operations have been became complexity and uncertainty. So, in order to keep competition ahead organisations must to have a talent strategy because skills become absolute quickly.

According to book “People and the Competitive Advantage of Place: Building a Workforce for the 21st Century” (Garmise, S., 2005: 7) the restructuring the economy from the resource based to the knowledge based lead to the need to develop the potential of people. The rapid growth of productivity, globalization in all sectors of economy, expansion of exploring the information technologies and so forth require crucial shifts in understanding of what is more important for business and as a result the development of people skills, increasing of knowledge and encouraging of innovations are demanded. The human mind by developing is becoming the most important source of competitive advantages.

A problem related to the aging population in the western world and in Japan. If one look at the statistic of World Economic Forum, one will find that by the year 2010 very large portion in western Europe, USA and in Japan will be retire, a very small portion of the population will be underage (small children), thereby very few left to fill the gaps in firms and in organisation. In other words, experts are predicting a shortage of workforce generally and even larger shortage of talented workforce particularly. This particular problem is at the same time the problem of human resource planning and investment, it is also a problem of the firms having to identify their talented employee (people), and it is the problem of education for the societal perspective, (Universities etc) and from firms’ perspective.

1.3 The research question

By emphasising on people talent development the organisation move to more effective use of their material resources, because by new ideas and new approaches the organisation can increase, make more effective the business process without adding physical resources.

After identifying problems the research question has arisen: it is interesting to find out
These research question will be look at against the background of the fact that talented older personnel is or will be leaving corporations and going to retirement. Another issue is that younger people have their culture do not stay for a long time in the same company. That is why there is a risk of talent shortage. In the next sections the suggestion of probable answers on this research question will be opened up and described.

1.4 The importance and a purpose of the study

The research is important as it touch the contemporary problems which were mentioned above. The issue of talent management is becoming more and more actual nowadays. It is a matter today to pay attention to effective utilisation of existing Human Resources of an organisation.

This study can be interesting for organisation as a guideline for further improvements and developments if they want to survive in the conditions of talent shortage. Executives will be able to find out information about organising aspects of the company which lead to its attractiveness for the talented people. It will be also possible to read about the creation the appropriate internal environment of the organisation and about the view on the external environment in order to improve the organisational capabilities. As one of the main parts of the research will be the description of the role of leadership in talent management and management the organisation, wishing to have, develop and retain people within the company.

As a theoretical study this research has the purpose to open up the research question about the conditions, which organisations have to provide in order to create the most appropriate environment for developing talents of people, and to find answer(s) on it. Thus, it could be the contribution to the science as a bringing idea and conclusions. May be the present thesis work will inspire further research or will be tested in the practice for more deep and detailed, or broad theory.

It seems that all people are talented in different ways. Some of them can implement their talents others can find it difficult to look at themselves and see that they have the talent. In any case there is a belief that talents could be identified and potential of people can be utilised in more effective way. The author of this thesis has plans for further life to work with people and has ambitious wishes to be useful for an organisation in this field. The purpose is to find out an information in the field of talent recruiting, breeding, nurturing and retaining and maybe to create a coherent approach or methodology for gaining of these objectives. It is important for author to achieve systematic
understanding in the field of present research question and to reflect this understanding and the way of thinking in the thesis work.
2 Methodology

“Sartre writes in the introduction to his great work “Critique de le raison dialectique” that method is a philosophical question whereby research expresses itself” (Daudi, P., 1986: 6), that is why choosing a method is very important as it determine “whether one will be able to grasp meaningful dimensions of reality or whether one will merely reproduce one's own and existing cultural prejudices” (Daudi, P., 1986: 6).

The question the author is asking during this research refers to contemporary leadership challenges. It connected with talent management field and HR management. As there are so many information and literature about in these fields, the research required the examining theory and analysis of it. Thus this thesis became completely theoretical and did not need empirical research.

2.1 The process of the research

The following illustration of the process of research seems very suitable for understanding the structure of the thesis and the way of author’s thinking. The research area which is described in introduction is shown as the earth covered with snow. It is broad, but understandable, that somewhere it is ended. When the author paid attention to this area as the sun shine and warm the snow, there is the thawed patch appears, like the author have found some interesting problems. Within the problem it was defined the research question, as a seed on the earth. After that from the research area, limited by research problems, the process of selecting appropriate information started. Each thawed patch has a lot of minerals and nutrients which are necessary for growing of the plant. The flower was growing until some ideas appeared. A lot of information still was not suitable and was left on the stalk; some ideas have dried up and fallen off because had another direction and represented a risk to lose the focus. Main concepts have grown from a theoretical overview and become a flower of main concepts. From these concepts by the process of analysis was made many conclusions which are reflected in analytical part of the thesis.
Methodology

Figure 2.1 The process of research

- Thawed patch
- Snow
- Snow
- Seed
- Buds as ideas
- Stalk as a stream of information
- Main concepts grow from theoretical overview
- Bad ideas have died
- From theoretical framework, as the fruit formed of a flower, appears the analytical part.
2.2 The approach for data collection

The research is about problems of talented people’s personality which lead to issues for organisations wishing to cope with talents. Since problems are individualistic and unique, as talented people are mostly unique, there is a need to consider organisation from or very general point of view, or each particular case separately. The author is not going to describe the strict talent strategy for any organisation. The author is going to consider the question in general, what means that the research will be completely theoretical, without empirical studies.

For collecting data in this research the documentary method was mostly used. It is the suitable approach to analyse the content and understand categories for creating study.

The approach for conducting this research can be also described as examining theoretical level of the issues finding some inter-relations, coming to some conclusions which give a birth to further research in theory. All conclusions are based on the combination of different theories, comparisons of opinions and conformity with research question, problems and area. Thus, the data collection principle was: coherent searching the explanation of some issues, with following searching the information for understanding of what is not clear enough in previously founded information.

2.3 The Grounded Theory (Strauss, A. And Juliet Corbin, 1990: 9)

As a main concept, methodological guideline for the research was the Grounded theory. The Strauss and Corbin in their book describe the coherent approach for building theory from the research question to the conclusion.

It is explained there step by step how to achieve good quality of the research. They argued that it is important to allow the research to arise from data. The ability of the researcher to take the crucial information from the mess of data and to prove your own statements out of it is one of the main abilities of the researcher. The researcher can examine technical and nontechnical kinds of literature, but remember that this literature should be related to the topic or it should be possible to interpret it in the course of the research. In the case of this research the main literature was examined are books and articles in area of talent management.

Authors also gave a guideline about how to plan, prepare and carry out the project. Some recommendations about different types of coding are helpful when are taken step by step.

Open coding. It is a process of finding out the concepts (phenomena) by analysing data. Concepts should be described in the context of the research and after that should be grouped to a category. The category means at the same time the properties and dimensions. After that the investigation of
the dimensional range are following, such as higher/lower, more/less, longer/shorter. The open coding is important for structuring the mess of data for the future work.

**Techniques for enhancing theoretical sensitivity.** Strauss and Corbin suggest here two main techniques: to ask as many questions as possible about your topic and research question in order to check your categories either they are related to the research or not. If it is difficult to define how to go on the second suggestion is to use comparisons such as flip-flop comparison and close-in and far-out comparison. Flip-flop comparison contains the scenarios of different dimensions and properties which lead to different research. Close-in and far-out comparison lead to understanding the topic more in detail, deeper, or to more broad understanding.

**Axial coding.** When the collected data is categorised already it is the time for axial coding which helps to create a new conclusions by putting the data back together in a new way. It means the creation the coherent cause-effects substantiation. It is viewed as some conditions lead to the phenomenon. Together it is the context which leads to the consequence.

**Selective coding.** This coding requires more complicated view on the categories for putting subcategories around for more clear substantiation. In the book it named as Story Line, like the description the story about the phenomenon of the study.

**Process.** The process in this case is the taking action/interaction in the context of the research. When during the research the conditions will change there is a need to change the action/interaction. It is a continual process of searching the way. In the situation when one does not know how to continue the research there a need to change of inductive and deductive thinking. It is the process of building the hypotheses a proving them by your data, which is changing while you find the most coherent proof way.

**The conditional matrix.** It is a tool for showing relations between the conditions and consequences about the phenomena. In the book it is described as circles with different sizes by which you can range the importance of the conditions and consequences in the case of present phenomena or how much they are close or far from these phenomena.

**Theoretical sampling.** In different stages of the study there is a need for different sampling methods. For open coding stage the sampling is not very structured, it is the presence of small mess exists. After that the Relational and Variational sampling is following which is in order to help to structure the study but not entirely. During the selective coding part is the time for Discriminate Sampling, when it should be well structured sampling method, picking up only the most reasonable and important information.
Authors also describe in their book the implementation of memos and diagrams for different coding procedures. There is also the description of how to present the thesis and how the grounded theory study is evaluated.

Not all methods are used in this research, as there is no necessity for, or the nature of the theoretical research does not assume the using of some methods. The Grounded Theory helps very much for understanding of the way of researcher's thinking and the way of how to come to the realistic and proved enough conclusion.
3 Theoretical framework

In order to cope with shortage of skilled people in the organisation it is important to have a talent strategy. As McKinsey recommended corporations should always have in mind the question and try to find the answer on it: why talented people could want to work on this organisation? At 2000 McKinsey found that 89 percent of 6,000 surveyed executives think that it’s harder to hire talented people and 90 percent think that it’s more difficult to retain talent (Aldisert, L. M., 2002: 4). So, on the one hand the firm has to create a hiring strategy and recruiting system, on the other hand it is also important to think and work on the retaining programmes.

3.1 Bay-in strategy for talented people

From the beginning when the company just has arisen or when the part of talented people have left the company there is the situation when an organisation have to hire new people from outside. There is a widespread meaning that wishes of each organisation are to employ the best people. When a lot of corporations face this problem simultaneously the war for talent has a place and the one wins who is better prepared for this war. What should the company do in order to be more attractive for talented employees on the work market than competitors? According to Lisa M. Aldisert (2002), they should have an effective Hiring Strategy.

3.1.1 Hiring strategy

In the book “Valuing People: How Human Capital Can Be Your Strongest Asset” Lisa M. Aldisert described main components of creating of Hiring Strategy. The first is the developing and clarifying the Hiring Mission and Philosophy. It is important to start with it because the corporation should be able to convey to potential employees the identity of the company. It should be clear for people which kind of employees the company is interested in and what are the requirements for them. The mission has to show the corporate values which the company wants to see in their new employees. It should be reflected in a short message which is clear for every employee.

Next step is to outline the Hiring Objectives when it is clear which kind of employees the organisation need. Therefore, it is substantially for the company to identify how many workers are needed in the organisation for the further effective recruiting planning. The conditions of the work such as full-time or part-time, salaried in the office or contract and so on are also important. The
fact is that almost all processes in the company can be measured, and the wished financial result could be a starting point in the planning of hiring talented people. After the Hiring Objectives the component of the Hiring Policies is following. The impotence of this component is the standardisation of the hiring processes, which is divided into following stages: from the probation periods to the goals and objectives.

When the targeting people are identified and the process of recruiting is organised the company should pay attention to the fact that two kind of potential employees are existing. First type includes the people who are seeking the job and second one is who are working in the other company. Most of the companies are using advertisements for attracting the potential employees who are interested to find a suitable for them workplace. While people are working on the other workplace their attention should be shifted to the one’s organisation by description of benefits in the situation if they will work for the one’s company. It should be noted that the best people are not very trustful to the companies who is looking for employees to fit recent shortage in weekly newspapers or something like this. It is really important to create the attractive image of organisation. It includes the interesting for potential employees reward programmes, the possibility of career growth which could be included in the reward programme, a rich corporate culture and so forth.

Attracting people mostly depends on what corporate culture the organisation has, how people are motivated to work effectively, what are the relationships between people.

3.1.2 The corporate culture and reward system for attracting talented people

The corporate culture in many respects depends on the conditions of work. When people are satisfied and happy to work for the company the atmosphere reflects this and the culture seems appropriate for people to work there. The employees have possibility for the self development and career growth. Then it is possible to achieve the corporate goals and ambitious results. Therefore, to make corporate culture attractive for the talented people company has to have retaining system which will show the benefits for working on this company.

In article “What’s Hot and What’s Not: Key Trends in Total Compensation” written by Thomas B. Wilson, President and Founder, the Wilson Group, Inc., are described the key trends how successful companies are retaining their people and some practices in hiring and retention bonuses programmes. These trends are in “base salaries, variable compensation, equity participation and other “cool stuff” in benefits and workplace conditions” (Wilson, T. B., 2000: 15). All these programmes and practices are important for companies which already face the problem of shortage of talented people or chose the proactive strategy for preventing future problem.
If corporations have some special programmes, such as will be described further, people will be probably highly interested in working for these corporations. Choosing between two organisations with equal salaries they will decide in favour of that one which has better retaining programmes.

It is told in this article about Base Salaries that for instance in US until the year 2000 it was a tendency of 4-4,5% of growth for salaries and around 3% for inflation. Forecasts are the same for another year that means that base salaries cannot be the source for competitive advantage for talent. Companies can only move talented people to higher paying positions if these companies have opportunity to growth and extend. Consequently, this trend is not really effective for the talent competing. Corporations have to find other innovative ways for attracting people.

Thomas B. Wilson wrote about Variety Pay Programme which was popular in US that it implemented for several reasons such as “to focus efforts on new performance priorities, to reinforce a value of teamwork, continuous improvement, or shared rewards, to remain competitive with compensation without adding the dollars to fix costs (a.k.a. salaries)” (Wilson, T. B., 2000: 15). The payout is larger if the salary is larger. This system depends on the size of the company, the industry, and the efforts of employee’s job for company’s performance. Many firms tern to such rewards in case of having the Goal Sharing programmes, project based incentives and Management by Objectives programmes in the companies. While this Variety Pay Programme (VPP) is working it require expansion to all levels and parts of organisation, thus the measuring of efforts of employees becomes more complex and it lead to losing the goal orientation. Moreover, this programme works effectively while the company is small; it is not suitable for the big organisation. The solution could be to transform this programme only to Management by Objectives programmes like employee receive money for particular result: 10% of sales, for instance. Therefore, the variety pay programme can be implemented when the company state the goal for department or for the whole company if it is small and measure results which will be rewarded.

There is the description of Equity Participation approach in the article. It says that it growth in significant usage in the US. Companies tend to use this approach for rewarding of retired people or as another award. The current stock market has a high level of uncertainty that leads to many risks as primary tool for rewarding performance. Therefore this system cannot be used as a main for retaining people and should be mixed with cash programmes and other benefits.

The top six Benefits and Workplace Conditions were identified by Boston MagaZine (Wilson, T. B., 2000: 15):

- healthcare insurance,
- tuition reimbursement,
Theoretical framework

- paid maternity leave,
- year-end bonuses,
- casual dress and
- fitness clubs.

They can be added by “child care/elder care support, food available at the workplace and in meetings, transit reimbursements, flex time, special summer hours or extended vacations/holidays, discounts on sports, movie and other tickets, discounts on other forms of insurance, and electronics and outfitting one’s home office” (Wilson, T. B., 2000: 15).

All of them are related to the employee’s constant needs and they are for making people satisfied and happy. This list is not limited and each company create it based on the corporate culture and the specific of the organisation.

These four programmes – salaries, incentives, equity and benefits – influence differently on the company’s performance. Some of them help to direct efforts of employees to the main goals. Others reflect membership benefits of staying and working in the organisation, give unique characteristics.

In order to gain good results there is a need to combine several programmes depends on goals the corporation stated. As the author of the article suggested the main questions for creating a special mix of programmes are (Wilson, T. B., 2000: 15):

- What do we do now, where do we place our emphasis?
- What is meaningful to our employees and important to our organisation?
- How can one establish the best competitive advantage?

By emphasising on employees’ needs and the tendencies of motivation of people in other companies in competitive environment of talent hiring the organisation can create a new programme or modify, transfer existing ones. Thus, corporation can count on high competitive position and attractive for talented people performance.
3.1.3 Key points

✓ The company should have an effective Hiring Strategy in order to be more attractive for talented employees on the work market than competitors. It includes the Hiring Mission and Philosophy, the Hiring Objectives and the Hiring Policies.

✓ Attracting people mostly depends on what corporate culture the organisation has, how people are motivated to work effectively, what are the relationships between people.

✓ The corporate culture in many respects depends on the conditions of work. When people are satisfied and happy to work for the company the atmosphere reflects this and the culture seems appropriate for people to work there.

✓ Trends for retaining programme are in “base salaries, variable compensation, equity participation and other ”cool stuff“ in benefits and workplace conditions” (Wilson, T. B., 2000: 15).

- Base Salaries: companies can only move talented people to higher paying positions if these companies have opportunity to growth and extend;
- the Variety Pay Programme can be implemented when the company state the goal for department or for the whole company if it is small and measure results which will be rewarded;
- the system of Equity Participation cannot be used as a main for retaining people and should be mixed with cash programmes and other benefits due to risks in high level of uncertainty of the current stock market;
- Benefits and Workplace Conditions are related to the employee’s constant needs and they are for making people satisfied and happy. This list is not limited and each company create it based on the corporate culture and the specific of the organisation.
3.2 Identifying, breeding, nurturing and retaining talented people within the organisation

Corporations face contemporary problems such as the shortage of talented people, because of several reasons, for example, retirement or the culture of young people to move from company to company. It happens, that well educated and skilled people dictate their options and the cost of hiring increase. In these conditions organisations should first turn to potential within and try to fill the gap of talented people by identifying, breeding and nurturing talented people within the corporation. In this part of the research author will describe some reasonable strategies and opportunities for breeding, nurturing and retaining talented people in the organisation. First of all it will be explained some conditions which lead to revealing talented people, help them to express their abilities and wishes and to act according to them. Next, it will be the description of concepts about appropriate for developing talents environment. Finally, the discussion about the leadership for talents is following.

3.2.1 Identifying talented people

When the company wants to improve its performance by human recourse, first of all management should have a look on people within and evaluate their work and their skills. There is a need to answer a few questions, as it is suggested in the article "Talent shortage? How to win with what you’ve got":

- Either people do what company expects from them or not? Sometimes the answer can be Not and it means that the employees are working on the wrong place and they should be moved to another one in order to have opportunity to implement their skills fully. On the other hand it could be the problem of bed delegation of requirements. This means that the manager needs to know each individual in their team and ask whether he/she is doing what they expected from them. The manager should try to clarify their expectation and communicate with them in a proper way (Thompson, V., 2008: 14).
- Are people committed or compliant? (Thompson, V., 2008: 14) Committed people do what they were told and in addition make something more in order to meet company’s needs. They impact in their job over the standard performance. Compliant people just carry out instructions. In this case it should be found out which type of commitment person have in order to change the behaviour from complaint to commitment: to the team, to the manager,
to the personal success or to the company. If it is important for employee to be recognised by manager one need to show to this person how her/his job is important for the manager.

- Do you have a good plan to help people to move forward in their job to the level of performance desired? As suggested in the article, this plan should include following:
  - **Communication** as a pathway to trust. Nowadays it is common to communicate with boss by e-mail and meet each other only in the hall. But personnel communications are very important. "People don't care how much you know until they know how much you care... Communication equals caring" (Thompson, V., 2008: 14).
  - **Expectations.** Here is a need to clarify expectations for employees and, first, to evaluate, either these expectations realistic or not? Do employees have enough skills, time and motivation to meet your expectations? What should you do in order to help people to meet your expectations? How to delegate the power to them for success?
  - **Motivations.** All successful projects or tasks should be rewarded in the end. For one person the reward may be the satisfaction of a well done job. For others it can be soothing tangible (some of them are described in the part of Bay-in Strategy for Talented People within the benefit programmes), or to impact in gaining company’s goals, which are important for the employee. One always has to think why people should be interested to meet one’s expectations?
  - **Assistance.** Sometimes people need to be guided or trained. If the performance of employees is not on that level as one can wish, it means that one have to find the way how to help employees to be successful. For example, it can be possible by mentoring or coaching.

Thus, if at the first sight there are no talented people, it could be the reason that the internal environment of an organisation does not promote the expression of talent. If to make a push in order to help people a little the possibility of resent people’s self-expression and developing will arise.

### 3.2.2 Breeding, nurturing and retaining of talented people

Talented people are creative, innovative and entrepreneurs, they are excellent performers in their arias; they have excellent education and/or skills, experience and so forth. Extraordinary talented people know their worth. As Gratton and Ghoshal (Professors at the London Business School) have persuasively argued, “companies make a serious mistake if they try to treat highly educated, professional employees as malleable resources. Instead, they should view these people as “mobile investors” in their own intellectual, social and
Theoretical framework

emotional capital’ (Lubitsh, G. and Marcus Powell, 2007: 11). These people require a special attention to them: investments in their talents in order to enhance their value and maintain it on marketplace. So, it is a real challenge for managers of talent because talented people require a special approach of talent management. Extraordinary talent don’t except traditional hierarchy and control, they are thinking differently and sometimes decide unpredictably.

The issue for corporations who wants to develop talent within the organisation is to find the balance in managing talent between gaining company’s goals and satisfaction of individual expectations. It is important to be sure that management approach is suitable.

The situation is that traditional management tries to structure all processes in the organisation in order to reduce uncertainty through control. As it seems extraordinary talent cannot be totally controlled definitely because this type of workers is innovative and not in frames of standard system. But talented people with their extraordinary way of thinking should be directed and oriented to work in the stream of company. The problem is that structured approach cannot meet very different needs of talented people. They wish positions where the rapid development is required, where they can face challenges and have rewards for their achievements. So they should work in arias in which their entrepreneurial abilities are in demand and they can take a risk, which is necessary for growth.

3.2.2.1 The suitable talent management approach

The Ashridge Consulting (the part of Ashridge Business School) suggest an alternative way to categorise approaches of talent management. In their research they found out that the main five approaches are often presented in the organisation thereby createing contradictions and dissonance to individuals who are ready to take a choice, want it and in the same time aware of it.

1. From the process perspective “talented management should include all processes needed to optimise people within an organisation” (Lubitsh, G. and Marcus Powell, 2007: 11). Companies should create systems that enable talented employees to rich career growth in chosen organisation. If people meet competency and performance requirements of the talented management process they will progress and develop themselves.

2. From the cultural perspective “talent management is more of a mindset then a set of activities” (Lubitsh, G. and Marcus Powell, 2007: 11). This is about people who can be successful if they are talented enough and this success will lead to the business success. This approach gives creative individuals, entrepreneurs a lot of freedom to create their own opportunities.
This approach is also risky because people have all the rope they need to hang them or to prove their worth.

3. From competitive perspective “talent management is about identifying talented people, finding out what they want and giving it to them – if not, the competition will” (Lubitsh, G. and Marcus Powell, 2007: 11). This aspect is an actual in industries where the most valuable assets in the corporation are people-based. Consultancy, public relations, advertising and law firms depend on their people because with losing them this companies will lose not only knowledge, experience and talent, but also customers. One of the main motivations for people to stay in this company is financial rewards, but facing serious talent shortage this approach for retaining and motivation people could be limited.

4. From development perspective “talent management is about accelerated development paths for the highest potential employees” (Lubitsh, G. and Marcus Powell, 2007: 11). Companies try to “luck in” talent by hiring people and after that invest in them for developing and providing them the best opportunities for their career. This approach works if employees look after the individual’s career.

5. From the HR planning perspective “talent management is about having the right people matched to the right jobs at the right time and doing the right things” (Lubitsh, G. and Marcus Powell, 2007: 11). For this approach a very sophisticated IT system is needed because people are moved around the company in order to fill the gaps for more efficient utilisation of people’s potential in particular situation.

Choosing the approach for the company one should always remember that it should support the aspirations of the organisation. Dissonance and contradictions in the application of these perspectives can confuse people in the organisation and particularly the most talented people.

Thus, to find balance between traditional talent management approaches and requirements of some cleverest, as it can be said, talented people is essential for corporations issue if they want to develop and retain talents in conditions of war for talent.

3.2.2.2A plan for gaining new talent management approach

Consultants of Ashridge Consulting suggested five-point plan for managing talent in organisation.

1. Develop a culture that encourages feedback. It was noticed the leadership dilemma/conflict in relation to extraordinary people, that managers find it difficult to give them feedback. They are feared to show talented individuals their mistakes because they can react unpredictably emotionally, feel lost and be de-motivated. On the other hand feedbacks
are essential for people’s growth. Giving feedback to those talented people “requires courage and good intent” (Lubitsh, G. and Marcus Powell, 2007: 11) and if it will be done well it can contribute to talent development and good feeling. In this case it is important to pay attention to the person who is giving feedback because for extraordinary people it is important to connect with group or managers whom they regard as having authority for giving feedback.

2. **Coach your cleverest people to appreciate the impact they have on those around them.** Talented people have the capacity to bring new ideas to organisations and to create new opportunities for it. At the same time it is difficult to work with this kind of people because sometimes they are destructive for those who are around them. Wishing to achieve the best talented people organisations/managers do not pay a lot of attention to the way in which they go about it. Developing talent, which is linked to giving feedback, means to increase their reflexivity and self-awareness. The most effective way for both individual and organisation in this case seems to invest in coaching for talented people.

3. **Maximise the flexibility of talent management systems and processes.** When one have in an organisation talented people as well as other workers, one have a structured management system as well as people who do not like to be managed (talented people). It requires a special capacity to respond quickly to the needs of talented people providing at the same time good management to others.

4. **Develop your capacity to spot emerging talent.** The cleverest and most prodigious talent cannot often be identifying and emerged from the formal talent management processes, but all organisations need talent for growth and success. Within the formal system one also can create conditions where talented people will feel supported and nurtured. For leaders it is difficult to see talent because leaders’ minds depend on their experience and they cannot often to see the opportunities to suggest to the extraordinary people.

5. **Take a choiceful approach to developing your perspective to talent.** The talent management approach if already existed or on the stage of emerging is a subject to choice. This approach should follow from what is going on in the organisation. To be aware of current situation, different needs of individuals is essential option for creation appropriate talent management system.

To have suitable management approach for developing talent is important aspect for creation environment within the organisation which will encourage growth of people’s skills.
3.2.2.3 Knowledge-driven culture for talented people

It is not a secret that the company wins only if it goes one step ahead. This depends on the ability to take new knowledge first, to increase, create and transfer them in the organisation. This, in turn, depends on interest of people to gain new knowledge. Knowledge-driven organisations are missing for talented people and their abilities to extend organisational capabilities for gaining and sustaining competitive advantages.

“Managing knowledge enables organisations to anticipate and meet customers’ needs, enhance employees’ competences, generate innovations, minimise business risks, reduce costs by re-inventing wheels and in general bring about business transformation” (Kermally, S., 2004, p. 4: 8).

Knowledge in the organisation can be defined in two ways. First, as tacit knowledge, i.e. located in people heads and secondly as codified in written forms, for example manuals, flow charts, or embedded in processes. Hence we can see that there are employees who control and contain knowledge, because the significant share of knowledge is in a tacit form.

For making organisation knowledge-driven talented employees should not just use their skills but they should be encouraged by these organisations to create and transfer, and may be codify their knowledge. Individual tacit knowledge can be transferred to tacit knowledge of others: teams, groups. It could be done by conversations, dialogues and coaching, mentoring and face-to-face meetings. If organisations just employ talented people it doesn’t mean that they create and transfer knowledge. The crucial thing is to encourage these talented and clever employees to acquire the new talent of transferring knowledge.

Developing talent at individual and organisation level is “the creation the thriving environment within the organisation that facilitates knowledge use, creation and transfer” (Kermally, S., 2004, p. 5: 8).

Some organisations do not try to develop talent because they believe that talented people will only work for a few years and leave the company; hence the organisation will waste their money in development. Simultaneously with these staff they lose a massive of tacit knowledge and a human capital of the organisation. But if corporations face the problem of shortage of talented people they should attempt to create the culture where extraordinary employees will be interest to stay for a long time. This culture can be characterised by knowledge-driven internal environment.

Talented people are always interested in self-development. By emphasising on people talent development the organisation move to more effective use of their material resources, because by
new ideas and new approaches the organisation can increase, make more effective the business process without adding physical resources.

“Knowledge development centres on two interrelated strategies: investing in new knowledge production (stimulating research, technology transfer, and restructuring business and workplace organisations) and investing in human capital development (skills, education, and workforce systems)” (Garmise, S., 2005: 7).

As was said above, when employees have good feedbacks and they receive information from the leader they are feeling the involvement in management of the organisation, they feel the responsibility for what they are doing; at the same time people feel them respected and important.

Any company should pay attention on culture which has to be trustful, easy to share information, to collaborate, to communicate, to learn and develop the talent. To help to employees to have a work-life balance (Kermally, S., 2004: 8) is a crucial thing. It involves the freedom to express the ideas, innovation encouraging, the policy of care of employees and friendship relationships. In conditions such these people work in reduced stress and increased enthusiastic situation what leads to high performance and productivity.

3.2.2.4 Learning organisation for developing talent

Knowledge-driven organisations are about the creation, transferring and codifying knowledge in the organisation. If one will have a look at knowledge-driven organisation and compare it with learning organisation then one can see these are inter-related things.

What is important for the organisation which wants to attract and develop talent is to become a learning organisation.

There are a few popular definition of the term “learning organisation” existing (Smith M. K., 2007: 12):

1. “Learning organisations [are] organisations where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole together” by Senge, P.

2. “The Learning Company is a vision of what might be possible. It is not brought about simply by training individuals; it can only happen as a result of learning at the whole organisation level. A Learning Company
is an organisation that facilitates the learning of all its members and continuously transforms itself” by Pedler, M.

3. “Learning organisations are characterised by total employee involvement in a process of collaboratively conducted, collectively accountable change directed towards shared values or principles” by Watkins, K. and Marsick, V.

These definitions have something similar and different at the same time. It can be seen in the Pedler’s interpretation that learning organisation is initiated by senior management as a top-down approach, when in definition of Watkins and Marsick it seems as more “bottom-up” or democratic. From all these writers’ point of view follows that all types of organisations can be learning organisation – this is the main similarity. The concept of learning organisation, thus, is building on the process of learning. According to Sandra Kerka “learning is valuable, continuous, and most effective when shared and that every experience is an opportunity to learn” (Smith M. K., 2007: 13). The most influenced characteristics of learning organisation seem as following ones (Smith M. K., 2007: 13):

- Provide continuous learning opportunities.
- Use learning to reach their goals.
- Link individual performance with organisational performance.
- Foster inquiry and dialogue, making it safe for people to share openly and take risks.
- Embrace creative tension as a source of energy and renewal.
- Are continuously aware of and interact with their environment.

As we can compare with statements of appropriate for developing talent environment, learning organisations are the most interesting for the talented people because learning organisations can provide opportunities for increasing knowledge, self-improvement and growth. Thus, talented people can be attracted by the learning culture of the corporation for their interests.

**3.2.2.5 Five disciplines of Peter Senge for achieving learning organisation**

Peter Senge identified five disciplines which are the key factors to achieve the learning organisation. Let us to consider them. First of all it is important to understand that for surviving in the contemporary environment all organisations are learning but survival learning is more lagging behind approach which cannot provide for corporations a competitive advantage. While Senge describes features of learning organisation what will win in the new era of constant transformation and race for new ideas, when the need for talented people is.
So, these five disciplines are:

- Systems thinking
- Personal mastery
- Mental models
- Building shared vision
- Team learning. (Smith M. K., 2007: 12)

As Peter Senge stated, organisations should recognise, that people are able to act upon structures and systems of which they are a part. This is what is exactly required for talented people to feel comfortable working in the organisation.

**Systems thinking** is the key discipline of five. It is “the conceptual cornerstone of his [Peter Senge] approach” (Smith M. K., 2007: 12). This discipline helps integrate the others in order to fuse them into a coherent way with theory and practice. One of the issues that Peter Senge stated that there is a tendency to simplify complex systems by seeing only parts of them but not the whole, thus to fail in understanding the organisation as a dynamic process. Therefore the appreciation systems better will help to take more appropriate actions. As Peter Senge stated about organisations, “We learn best from our experience, but we never directly experience the consequences of many of our most important decisions” (Smith M. K., 2007: 12). People decide according to what they see and hope that it is right decision, but very often they see only a small part and don’t notice circumstances and possible consequences of situation, processes or system. People’s view often directed only to short time span. But when the problem related to long time people take a decision which could have destructive results in the future. Peter Senge suggests using a “system-maps” such as diagrams for showing the whole system and how elements are connected in it.

As was mentioned before, talented people are difficult for managing them. They need to be directed in their activity for meeting organisation’s expectations, but they don’t want to execute instructions. Very often talented people can make a right decision that is why system thinking can help to cope with talented people more effective. By showing the whole organisational system to extraordinary people one can provide to them the clear picture of the situations, goals, orientations, circumstances and so on. Thus, talented people can act in interests of the organisation by taking their actions and making their decisions.

Other four disciplines are very important principles and practices, technologies which should be studied and integrated in organisation’s processes. All five disciplines can be implemented at three levels:

Contemporary Leadership Challenges

- Principles: guiding ideas and insights.
- Essences: the state of being those with high levels of mastery in the discipline (Smith M. K., 2007: 12)

All of them are inter-related and necessary for organisations to become learning.

**Personal mastery** is about the lifestyle of constant learning. Organisation cannot learn by itself, it learns through individuals within. People who even confident in their skills and competence should always try to find out something new, to generate new knowledge. Personal mastery is the discipline for developing the vision and adopting it to the reality. By acknowledging new ideas and facts, people make their vision more relative to the transformational situation around and make their understanding more objective.

High level of personal mastery provides continual learning mode for people. It is a habit to expend knowledge borders. As more people know as more they understand they know a little. And this forces them to learn.

Talented people usually have high level of personal mastery and they need to have appreciation in the organisation. When corporations create an atmosphere where talented people feel that it is what company wants from them they will do their best and develop self as they feel the importance of what is also interesting for them – continuing learning.

**Mental models** generally mean how we see the world. In professional life it is like the system of concepts in which individual is operating. The discipline of mental models is intended for developing internal pictures in order to bring them to the surface. It is important here to find the efficient way how to open the view on these models for others as meaningful and influential.

In order to work with mental models it is necessary for people to learn new skills and find out new capacities and for organisations it is the issue to create opportunities for those changes. It requires improving internal policies and changing the traditional game playing approach in the organisations for fostering openness. It also can mean more wide distribution of responsibility within the organisation instead of retaining control and coordination.

Talented people are who wants to take responsibility and actions and to bring their ideas and the way of thinking. To motivate their activity by presenting the corporate culture with respect to different mental models can help in learning of effective self-expression for talented people. Thus people will wish to stay in this corporation for a long time.

**Building shared vision** is essential thing because sometimes when the vision is provided as an instruction for employees, the organisation will know exactly that they have to work as it was told. But when the vision is shared, people feel that they should be good workers because they are a part
of something important, they want to follow this vision. The problem is that many leaders have their visions but they cannot make it shared. There are few practices for providing the vision to mass exist. In practice the shared vision requires “skills of unearthing shared “picture of the future” that foster genuine commitment and enrolment rather than compliance” (Smith M. K., 2007: 12). This is what has been working for thousands of years – the shared vision of the future that can encourage people to do what is needed because they want it. To act for a long-term goal as to hold a mission is what talented people desire.

Vision as a transformational concept should be continually developed in order to meet current circumstances and objectives.

**Team learning** is a process of developing the capacities of a team for gaining results which members of a team desire. Personal mastery and shared vision are the key disciplines in this process but there is a need to wish and be able to act together. By working in team people can achieve organisational goals and also growth rapidly. As a crucial condition for effective team working is a dialog, because it helps people “to think together” and add, contribute in knowledge and ideas of each others. Dialog is important also for creation the language of organisation, when joined with systems thinking.

As a conclusion the main task of any corporation which wish to develop and retain talented people in the organisation is to provide the environment for satisfaction of their needs. Extraordinary talented people have different needs and they do not except the traditional management approach what lead to some problems with managing of them. Thus, organisations have to find new approach which can provide conformity of company’s goals and needs of individuals. As it was mentioned above talented people have some the most important needs: self-developing and growth of their skills, opportunity to bring their ideas and create new opportunities. When attempts of talented people to achieve their objectives and wishes directed in the whole corporation’s stream, it can be highly useful and lead to corporation’s success. So, needs of talented people are coincided with characteristics of learning organisation. Therefore, the author suggests that for any organisation to be more confident in fidelity of their talent is better to have course to becoming learning, the description of which are written above.

It is not enough just to know what to do in order to breed, nurture and retain people within the organisation, because it is leaders how are taking action and making things happen for changing organisational environment. There is a need for good, clever, talented leadership in the organisation for transformation it to more successful. Next part of this research will explain the role of leadership for becoming learning organisation and main characteristics of talented leadership.
3.2.3 Talented leadership for talented people

As it was mentioned above there is a need for new management approach and, hence, for new view of leadership in the organisation. The traditional understanding of leadership shows leaders as people who have an ability to set a direction, make the right decision and hold processes in the organisation in order to force employees to work for gaining organisational objectives. This approach is built upon the assumption that people lack the initiative, vision, ideas. They are executors and are not able to take a lot of responsibilities. But if one want another kind of people working for corporation – talented people – this kind of leadership is not suitable anymore.

3.2.3.1 Three leadership roles in the learning organisation for talented people

When one of the purposes of organisation is to become learning, in this case leaders have to act as a designers, stewards and teachers according to Peter Senge. “They are responsible for building organisations were people continually expand their capabilities to understand complexity, clarify vision, and improve shared mental models – that is they are responsible for learning…” (Smith M. K., 2007: 12). So, the first and main task for leaders is to stand the idea of learning organisation to people's minds, to provide the vision of learning organisation.

Leader as designer has an influence on the process of formation of the main disciplines, policies and strategies in the organisation. The design function entails the integration of all five disciplines as a fundamental goal: providing the uniform vision, purpose and the core values by which people should act. As a first task should be a building the shared vision for formation of long-term orientation and returning to learning organisation. Other disciplines should be taken in account by leader depended on the situation. Leader as designer set up the learning processes for people to develop themselves and their personal mastery for higher productivity and improvements.

Leader as steward. Peter Senge interviewed managers in order to understand how they are providing the shared vision within the organisation. He realised that “the managers were doing more than telling stories, they were relating the story” (Smith M. K., 2007: 12). They are always trying to explain why they have to act as they do, why organisation should evolve and leaders are trying to show the evolution as a part of something larger. These purpose stories which leaders are telling are creating the understanding of all aspects of leader’s work and are explaining the importance and a sense of shared vision. In this case the stewardship of vision means the responsibility for the vision and the commitment for its providing but doesn’t mean that leader is the owner of it. The task of person how manage vision is to adopt it for others and generate the uniform understanding for all minds. So, there is an essential capacity of listening others in order to evolve vision and make it more
Theoretical framework

available for employees’ understanding. Thus, vision is becoming individual and shared and at the same time is reflected the purpose of the organisation and the way of its achieving.

**Leader as teacher** defined by Peter Senge with respect to Max de Pree’s (1990) as the person who define the reality. Taking the role of steward leaders are helping employees to achieve clearer, more insightful, more active view of reality. By building the explanation of vision leaders “can influence people’s view of reality at four levels: events, patterns of behaviour, systemic structures and the ‘purpose story’” (Smith M. K., 2007: 12). Managers and leader are often focusing on first two levels, while the learning organisation requires activity in all four levels, focusing mainly on purpose and systemic structure. Leaders teach people throughout the organisation to act at the same way. Thus teaching people contains in this case the creation of the whole picture which has the structure and system that define the conditions of behaviour. Leaders can cultivate the vision of what the organisation are seeking to become. The task for leadership is to learn how to provide public knowledge to all level of organisation in the same way in order to empower people to face new challenges and to improve the working process in the stream of the whole organisation.

Leaders as teachers have a purpose not to teach others their vision, but to teach people to share it what means to develop it together, to contribute in them and improve ideas.

**3.2.3.2 Leading innovative learning in the organisation**

From the theory of Peter Senge it is defined general directions of leader’s behaviour and actions which should be taken for managing learning organisations leaders’ roles in this process.

Bennis and Nanus in their book “Leaders: strategies for taking charge” described the results of the survey in which they asked ninety leaders about the personal qualities they need for success in managing the organisation. Leaders are mostly highlight “persistence and self-knowledge; willingness to take risks and accept losses; commitment, consistency and challenge. But above all they talked about knowledge” (Bennis, W. and Burt Nanus, 2007, p. 176: 5). Authors stated that “leaders are perpetual learners” (Bennis, W. and Burt Nanus, 2007, p. 176: 5): some of them are reading a lot, spending time in libraries; others are learning by conversations, communications with people around, in order to find out new information; some of leaders are learning from experience. All of them are sharing the same idea that the learning is the condition for being well informed about changes in contemporary business world, being ready to react on new waives in peoples thinking and to meet new challenges. It is essential today for any leader to learn, but to do that in more effective way it is necessary to learn it in the organisational context by using it as a learning environment. The most important skills which leaders need for
successful learning and acting in the environment of learning organisation are following (Bennis, W. and Burt Nanus, 2007, p. 177: 5):

1. Acknowledging and sharing uncertainty
2. Embracing errors
3. Responding to the future
4. Becoming interpersonally competent (e.g., listening, nurturing, coping with value conflicts, etc.)
5. Gaining self-knowledge

These are skills which should be developed for leaders in order to learn through organisation, but what is the role of leader in organisational learning? Bennis and Nanus are describing this in their book which will be discussed by the author in the following paragraphs.

Organisations as everything else in the world today are changing constantly. Companies are shifting from old programmes, old products and services providing because they are learning from the external tendencies and implementing new ideas. As a result they have to learn again how to work with innovations and within improved organisational environment.

As Bennis and Nanus defined, “organisational learning is the process by which an organisation obtains and uses new knowledge, tools, behaviours, and values” (Bennis, W. and Burt Nanus, 2007, p. 178: 5). Also, they stated that it happens on all levels of organisation such as individual, groups and systemwide. Generally, individuals learn by experience from the situations they face, groups are learning working together how to communicate; members of the group are sharing information and knowledge; system are learning from both internal and external environments and translate new knowledge to actions and changes for adopting organisation for new goals and needs. Thus, for corporations the becoming learning is essential in order to increase their survival potential by developing their capacity to deal with new changes and opportunities.

As it mentioned in the book there are two types of learning in the organisations exist: maintenance and innovative. Maintenance learning is the part of adopting strategy, when organisation learn from failures and mistakes and changes are coming after it is noticed that old system does not work anymore. While the innovative learning “deals with emerging issues – issues that may be unique, so that there is no opportunity to learn by trial and error, issues for which solutions are not known; and issues whose very formulation may be a matter of controversy and doubt” (Bennis, W. and Burt Nanus, 2007, p. 181: 5). For maintenance learning it is enough to have some instructions and rules and there are managers who can provide this learning, but it is the leader who is responsible for the innovative learning.
Bennis and Nanus wrote that organisations are learning as people do – in different ways. They described the six especial modes of organisational learning which should be taken in account by leaders. They are:

1. Reinterpretation of history
2. Experimentation
3. Analogous organisations
4. Analytical processes
5. Training and education, and
6. Unlearning

**Reinterpretation of history** is needed because when organisation “*has its experience and traditions, sometimes embodied in anecdotes or legends of past successes or failures*” (Bennis, W. and Burt Nanus, 2007, p. 182: 5) people are shared the past understanding and vision of the company. When changes are coming, the new view on the past is the important issue. By reinterpretation of history leader can set the ideas in new direction.

**Experimentation** is the way of testing hypotheses about changes they assume could be. In this case they are making researches and have small projects in order to check what effects will be by any actions would be taken. Organisation can fail in this experimentation and lose a little investment, but if not they can use the experience from this experiment and achieve significant results.

**Analogous organisations** can be the field of studying for any learning organisation. Corporate leaders are taking the participations in association meeting for discussion of current industry problems. Some organisations, especially Japanese, send their workers to western companies for learning their experience and adopting it to Japanese culture. American companies are also interesting in Japanese management methods (Bennis, W. and Burt Nanus, 2007: 5). In this case the marketing is very important for research for the organisation.

**Analytical processes** means continues process of “*analysing trends in the external environment, identifying emerging issues, and designing new ways to cope with those issues*” (Bennis, W. and Burt Nanus, 2007, p. 185: 5). Before the decision-making there is a need to have good basis such as facts and information about circumstances around the situation. This process contains creation the models and assumptions according to analytical information in order to avoid as mach pitfalls as possible when changes will be implemented.

**Training and education** is one of the main parts of expenses of many organisations. Trainings are the helpful tool for developing people’s skills, group learning capacities and team building. It can be very interesting for talented individuals and useful for any corporations when those individuals are sharing and grow their knowledge together. Some organisations spend money for educating young
extraordinary people in the universities in order to hire them and after develop within the organisational environment.

**Unlearning** is a need for discarding of old knowledge. When the external environment is changing the organisation should move to new ideas and concepts. Sometimes it is enough to transform a little, sometimes it is necessary to refuse the old traditions in order to become more survival in coming future conditions. This mode is more risky then previous ones but actions as unlearning process introduction are taking only accurate analytical processes or/and experimentations.

These six modes of innovative learning show how organisations can be changed to learning organisations, what should be introduced or improved in them in order to be transformed. Some companies are learning more effective and rapidly, others are not so successful. As was mentioned above, to become learning organisation is very important for creation conditions, in which talented people can develop themselves. In many respects it depends on the leadership which is responsible for any shifting within the organisations as it was mentioned above.

Bennis and Nanus said in their book that leaders are mostly stated the impotence of their own leaning abilities and needs. “*They were enthusiastic learners, open to new experience, seeking new challenges treating mistakes as opportunities for self-improving*” (Bennis, W. and Burt Nanus, 2007, p. 190: 5). Often leaders are individuals who start ones to behave as they want, taking risks or trying to implement something new, to change the direction of their interest to the new opportunities and after that their companies – people within them – begin to act as leaders do. This is one of the models for leaders how they can inspire others to become learner and, hence, to help organisation to become learning organisation – by leader’s example.

One of the most effective tools for energising learning behaviour is the **rewarding from leaders**. “*The leader must reinforce long-range thinking, innovation and creativity. Speculation and anticipation of future developments should be legitimised and respected as an organisational activity*” (Bennis, W. and Burt Nanus, 2007, p. 192: 5). It is crucial not only to have a system of rewards but also not fire people when they have done mistakes trying to do something new and bring new opportunities. All mistakes can be interpreted as an experience for learning through them.

Leaders can implement whatever models they think could be useful for the organisation, but it is not often that companies are becoming innovative learning organisations – they still are more maintenance learning, what means reactive character of any changes. Leaders as talented managers can redesign organisation to become more receptive to learning. Bennis and Nanus suggest designing open organisations which are both participative and anticipative.

*“An open organisation is one that is designed to have constant, intense interactions with its external environments and to respond quickly and flexibly to new information”* (Bennis, W. and Burt Nanus, 2007, p. 35)
Theoretical framework

195: 5) in this kind of organisation there are conditions where people are constantly have alertness to change, feel the necessity to search for new challenges and options, are trying to find out new innovations and take a risk. Thus, they share a set of norms, values, and priorities that contribute to learning. Talented people are interested in staying in organisations like these for their constant self-expression and development.

**Participation** is the element of learning organisation which can help people to share their understanding and stimulate each others. Individuals are learning from each other the way of thinking and the information about the outside world, the probable mistakes and failures and opportunities and results can be achieved. In the responsibility of the leader is the organising the environment where the participation take place. For example, creative meetings or spending free time in informal atmosphere could be good for their workers.

**Anticipation** usually occurs “by establishing an effective planning process and rewarding people who use it as a mechanism for managing change” (Bennis, W. and Burt Nanus, 2007, p. 197: 5). Planning can be considered as a process of forecasting the future, choosing the most appropriate course and acting according to this future in order to gain it. It can be institutionalised in a formal mechanism and maintained on all levels of the organisation.

As a conclusion the author can say that the role of leadership in corporations which want to develop talent and have talented people is to create conditions and organise processes which can facilitate and inspire individuals to develop self. As was mentioned above conditions which talented people need for staying and effective working in the organisation are the characteristics of learning organisation. Hence there is a necessity for any corporation to try to become learning. From the Bennis and Nanus points of view all organisations are learning as maintenance learning – shifting is coming as a result of reaction to changes in the environment. If the company need a talented people within it have to develop innovative learning such as proactive learning. For gaining efficiency here is the need for talented leadership.
3.2.4 Key points

✓ When the company wants to improve its performance by human recourse, first of all management should have a look on people within and evaluate their work and their skills.

✓ It is important to be sure that people do what company expects from them, to try to make people committed and to develop the plan for helping people to move forward in their job to the level desired. It contains communication, explanations, motivation and assistance.

✓ Talented people require a special attention to them: investments in their talents in order to enhance their value and maintain it on marketplace.

✓ Choosing the approach for the company one should always remember that it should support the aspirations of the organisation. Dissonance and contradictions in the application of these perspectives can confuse people in the organisation and particularly the most talented people.

✓ To have suitable management approach for developing talent is important aspect for creation environment within the organisation which will encourage growth of people’s skills.

✓ Knowledge-driven organisations are missing for talented people and their abilities to extend organisational capabilities for gaining and sustaining competitive advantages. Talented people are always interested in self-development.

✓ Knowledge-driven organisations are about the creation, transferring and codifying knowledge in the organisation. The concept of learning organisation, thus, is building on the process of learning.

✓ Thus, talented people can be attracted by the learning culture of the corporation for their interests.
✓ For surviving in the contemporary environment all organisations are learning but survival learning is more lagging behind approach which cannot provide for corporations a competitive advantage. While Senge describes features of learning organisation what will win in the new era of constant transformation and race for new ideas, when the need for talented people is.

✓ So, these five disciplines are: Systems thinking, Personal mastery, Mental models, Building shared vision, Team learning. (Smith M. K., 2007: 12).

✓ Extraordinary talented people have different needs and they do not except the traditional management approach what lead to some problems with managing of them. They have special needs: self-developing and growth of their skills, opportunity to bring their ideas and create new opportunities. When attempts of talented people to achieve their objectives and wishes directed in the whole corporation’s stream, it can be highly useful and lead to corporation’s success. So, needs of talented people are coincided with characteristics of learning organisation.

✓ Old leadership approach is built upon the assumption that people lack the initiative, vision, ideas. But if one want another kind of people working for corporation – talented people – this kind of leadership is not suitable anymore.
4 Organising for talents and Talented Organisation

Through the previous part it was described processes of identifying, breeding, nurturing, retaining and leading talented people. It was also discussed what organisations should change, come to in order to become more appropriate for talented people, if they want to prevent the problem of shortage of talented people or already faced it.

In further part the author is going to talk about the main characteristics of talented people from organisational, management point of view. It will be discussed also the appropriate organisation for talented people according to main expectations and needs of them and of organisations’ goals. The author will name it as Talented Organisation for Talented People. As any transformations on the organisations should be carried out by leader, author is going to look at aspect of leadership for organisations for becoming Talented Organisation.

4.1 Talented people

Looking at organisations, at processes, structure, results and culture, one can acknowledge that there are people who “are the organisation”. As corporations are looking for talented people in order to succeed it is necessary to clarify what distinct talented people from others from organisational perspective. What is special in talented people, what might be the main problem working with them, what are the main benefits; what are their needs and expectations from organisation they are working for.

4.1.1 Main characteristics of talented people

Previously in this research it was mentioned that talented people are the main strategic resource of any organisation. At the same time they have some characteristics which make them difficult for managing. As Martin Sorrell thinks: “If you want them to turn right, tell them to turn left” (Goffee, R. A., 2007, p. 79: 1)

Rob Goffee and Gareth Jones in their article “Leading clever people” say that “if clever people have one defining characteristic, it is that they do not want to be led” (Goffee, R. A., 2007, p. 74: 1). These people are in demand and they know their value. Even understanding that without the organisations talented people rarely can achieve a lot (they need resources, systems, discipline and so on), they are aware of the possibility to dictate their conditions. Extraordinary people find it difficult to face high level of
bureaucracy and “they rather solve interesting problems than please their bosses” (How to manage the most talented, 2007, p. 70: 2).

Thus, there are a few main characteristics which talented people generally have (Goffee, R. A., 2007, p. 75: 1):

1. **They know their value.** Talented people have especial skills and knowledge which are difficult to codify or to transfer. That is why their tacit capabilities cause their worth.
2. **They organisationally savvy.** Talented people will find the most interesting for them area, niche in the organisation. If the finding dries up they can either to find something another as an alternative or to try to promote what is interesting for them.
3. **They do not care about corporate hierarchy.** Talented people rarely wish to have high position, titles or promotions, but they want to be recognised with their professional merits as to be called as “doctor” or “professor”.
4. **They expect instant access.** If talented people need to have access to CEO they should have it otherwise they may decide that they are not taken seriously in the organisation.
5. **They are often a part of knowledge network.** Talented people are connected with others, who have very important knowledge. It may provide good result for organisation but at the same time it contains some risks.
6. **They have a low boredom threshold.** If talented people have lost the interest in their job they will walk away from the organisation.
7. **They prefer do not to be led.** Talented people do not recognise the leadership even if leadership in the organisation is good. They need another “leadership”, clever as well, and more as a guide then manager.

Extraordinary, clever, talented people seem as problematic category of employee. However, most corporations see the necessity to have them working in the organisation.

Corporations gain by having talented people competitive advantages through their special abilities and skills, such as:

1. **Talented people are the source of new ideas.** They are not in framework of standards and rules. They fly away in their fantasy and bring unpredictable suggestions. If their thinking is directed in the stream of organisation they may make a revolution which will come to big success.
2. **Talented people are the source of tacit knowledge.** All important information, knowledge and skills in the organisation are often allocated in talent’s brains. It is difficult to transfer them because knowledge and skills are demanded on the capacities of individuals.
Talented people, in the result, are the source of success for organisations. If one decides to deal with talented people they should be aware of their wishes, needs and expectations from organisation.

### 4.1.2 Talented people’s needs and expectations

As it was mentioned before, talented people have unusual needs and their expectations from organisation are not common.

These clever people need the recognition of their ideas and serious relation to them. They should have the environment which may facilitate them to take a risk: environment where talented people can use existing resources and do not be afraid to fail in their attempts. They need conditions for self-development in which they can growth and increase their knowledge and capabilities.

As individuals who do not want to be managed, led, talented people have special relation to leaders. Clever people see the leader as the person who can provide clever conversation, who should be intellectually on very high plane in order to be respected and be considered as some sort of authority. Talented people expect leader to be rather as guardian who care about them, who protect talents from the bureaucracy and other organisational problems. They expect the leader to have the high level of competency in leading the organisation with the most appropriate environment for talents.
4.1.3 Key points

✓ Talented people are the main strategic resource of any organisation.
✓ Extraordinary people find it difficult to face high level of bureaucracy.
✓ Extraordinary, clever, talented people seem as problematic category of employee. However, most corporations see the necessity to have them working in the organisation.
✓ Corporations gain by having talented people competitive advantages through their special abilities and skills.
✓ Clever people need the recognition of their ideas and serious relation to them. They need conditions for self-development in which they can growth and increase their knowledge and capabilities.
✓ Clever people see the leader as the person who can provide clever conversation, who should be intellectually on very high plane in order to be respected and be considered as some sort of authority. Talented people expect leader to be rather as guardian how care about them, who protect talents from the bureaucracy and other organisational problems.
Contemporary organisation in relation to talented people

Globalisation, changes in economic world, shifting from tangible resources based business to intangible resources based business and so on – these all are some conditions of modern business world. Organisations now are characterised by rapid transformations, according to these and various others conditions, in their activity, directions, way of structuring and carrying out their businesses. Wishing to have more valuable staff they are trying to attract the most talented people. Hiring extraordinary people they face some problems of coping with them and understand that it is not enough for success just to double the number of overachievers. However, there is a need to turn to the organisation and look at it as at the environment for rising up the most profitable nowadays active – human capital.

4.2.1 Organisation’s expectations from talented people

There is mostly no problem for organisations to have a business, to have some people who are working for them, to educate and train them when it is necessary (for learning a new technology or machine, or programme and so forth). Management can provide some directives and instructions, or to motivate people to participate in trainings. Adoptive approach is working but is not leading to outstanding success. The purpose of organisations which are wishing to be a leader is to go ahead of their rivals, to advance a time and create conditions for other organisations which will force them to choose adoptive approach and catch up the leader.

Organisations expect from talented people new outstanding ideas. Sure, that to suggest something predictably excellent is difficult and people often make mistakes, fail in attempts to be not standard. In this case organisations may interpret unsuccessful result as an experience for the future. Thus, another expectation from talented people is activity, risky-taken character of working style.

As talented people are creative and innovative, they have special knowledge and sometimes intuitive understanding of things, organisations are expecting from them developments: self-development, development of teams, organisational capabilities and performance.

4.2.2 What is interesting in knowledge-driven and learning organisations?

The organisation may be described as a knowledge-driven organisation if it has capacities for creation, transferring, codifying knowledge and so on. This is an organisation where one of the goals or objectives is the creation of new knowledge. It is possible when the process of knowledge management is developed and implemented very well. As it is described at article (King, W. R.,
The first phase is the creation (internal process) or acquisition (external process) of knowledge. After that the phase of refinement is following. It contains the extraction of the most suitable and necessary knowledge for further utilisation of it. During the storage phase knowledge are becoming the part of organisational memory, history. The next phase is the distribution: transferring (directly to special receiver) or sharing (between or within the collective). When people who need to know this new information have learned it the phase of utilisation is coming. It believed that all of these phases lead to growing the organisational performance. During the all phases of Knowledge Management cycle there is freedom for talented people self-expression. The first phase refer to innovativeness, creativeness, love to challenges of talented people. Next stage of refinement is about the risky-taken as well as the ability to see and choose the best ideas among others. Storage phase allow talents to be formed and become tangible, it also help to extraordinary people to act as creative persons. For clever people it is also important to have an opportunity to talk with other clever people, to share their vision and knowledge and feel that they may influence on other’s opinion and be a part of change-machine in the organisation. The part of implementation is very important as a time when talented people can check their ideas and to finalise the work in something what will show the result, what will lead to organisational performance, when they will see the product of all their creative activity.
Knowledge-driven organisations are about the product: it means that one of the products, which organisation has in the result, is knowledge. As it is widespread in the world almost in all industries to create knowledge is important for sustainability of competitive advantage. When corporations are first in their businesses, they have some temporary guarantee for success. But when other organisation steps forward quicker and creates knowledge which may provide them better marketplace, this means that organisation have better knowledge management system.

While the knowledge-driven organisations are about the content, the learning organisation is about the process of taking this knowledge. Thus through the KM cycle the goal is to create knowledge for implementation them and, finally, for the improvement of organisational performance. It is may be done by organising of processes – as phases of KM cycle. If knowledge-oriented processes placed in the organisation as a part of working culture, work-life organisation can be characterised as learning.
4.2.3 Key points

- Hiring extraordinary people they face some problems of coping with them and understand that it is not enough for success just to double the number of overachievers. However, there is a need to turn to the organisation and look at it as at the environment for rising up the most profitable nowadays active – human capital.
- Organisations expect from talented people new outstanding ideas, activity, risky-taken character of working style, developments: self-development, development of teams, organisational capabilities and performance.
- Knowledge-driven organisations are about the product: it means that one of the products, which organisation has in the result, is knowledge. While the knowledge-driven organisations are about the content, the learning organisation is about the process of taking this knowledge. If knowledge-oriented processes placed in the organisation as a part of working culture, work-life organisation can be characterised as learning.
4.3 The most appropriate organisation for talented people

Previously it was written about conditions in the organisations which may facilitate the staying of talented people in the company, which help them to act as talented people, e. i. to express their special abilities and skills. In this part of the research author will describe the organisation, conditions and processes of an organisation, which seems as the most appropriate for talented people.

4.3.1 The strategy for gaining Talented Organisation

The organisation is talented when it has talented people within who are working with maximum return, who utilise all inner potential and gain excellent result. These people are best and they know about their value. They have freedom to choose the company and to dictate their conditions. In order to have the best people organisations should be the most attractive on the job market, because in case of talented people it is corporations, who struggle for people, not people.

From the process of hiring to the process of retaining talented employees, there is a need to have in mind the question “Why should extraordinary people wish to work for this company?”

The suitable for talents corporate culture, talent management approach, organisational system and structure, appropriate leadership – these all are aspects which about should corporations care in order to gain Talented Organisation.

As was mentioned above the corporate culture is one of the most important aspect which effects on relation to organisation. During the hiring process the culture is reflected in vision and philosophy. This in turn effects on following objectives and hiring policies.

Figure 4.2 Hiring strategy (according to Lisa M. Aldisert, 2002)
As the reader can find in part “4.2 The corporate culture and reward system for attracting talented people”, the existing of good reward system and benefits for employees, which show that company care about works, gives better impression to potential talented workers.

What should be organised, which conditions should be created in the corporation for identifying talents are shown in the next figure. If one has clever people who do not give outstanding ideas or results, there is a need to think about questions written in the figure. (More in detail read in part “4.1 Identifying talented people”). All actions which are described in the figure show how corporation cares about the people’s needs and tries to facilitate the self-development process, to give more opportunities for self-realisation and self-expression.

Figure 4.3 Tools for talent emergence (according to Thompson, V., 2008)

Many times before it was figured out that talented people have some problems for working with them, for leading them. Differentiations between talented people and other workers create some issues to solve. More information about pitfalls which one can face wishing to cope with talents is described in the part “4.1.1 Main characteristics of talented people”. In the next figure it is shown circumstances refer to talented people and how to cope with these circumstances including concrete
actions which should be done. If first two points suggest clear actions, next points require some specifications. Thus, in order to know how to “develop your capacity to spot emerging talent” (line 4) have a look at Figure 4.3 where tools for talent emergence are described. For implementation the advances “Maximise the flexibility of talent management systems and processes” (line 3) and “Take a choiceful approach to developing your perspective to talent” (line 5) one should pay attention to individuals and to management approach. Just to take some actions is not enough in this case. The kind of creativity is required in these situations, as it is impossible to have ready instructions for any event. Several Talent Management Approaches are shown at Figure 4.5.
Organising for talents and Talented Organisation

<table>
<thead>
<tr>
<th>Circumstances</th>
<th>How to cope</th>
<th>Concrete actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Giving feedbacks &quot;requires courage and good intent&quot;</td>
<td>Develop a culture that encourages feedback</td>
<td>Feedbacks should be given by groups or managers whom talented people regard as having authority for giving feedback</td>
</tr>
<tr>
<td>&quot;-&quot; Sometimes talented people are destructive for those who are around them</td>
<td>Coach cleverest people to appreciate the impact they have on those around them</td>
<td>To invest in coaching for talented people</td>
</tr>
<tr>
<td>&quot;+&quot; Talented people have the capacity to bring new ideas to organisations and to create new opportunities</td>
<td>Maximise the flexibility of talent management systems and processes</td>
<td>To respond quickly to the needs of talented people providing at the same time good management for others</td>
</tr>
<tr>
<td>Presence in the organisation talented people as well as other workers leads to co-existing of people who do not want to be managed as well as structured management system</td>
<td>Develop your capacity to spot emerging talent</td>
<td>To create conditions where talented people will feel supported and nurtured</td>
</tr>
<tr>
<td>Leader’s minds depend on their experience and they cannot often see opportunities which are interesting for extraordinary people. Talented people cannot be emerged by formal talent management processes</td>
<td>Take a choiceful approach to developing your perspective to talent</td>
<td>To be aware of current situation about different needs of individuals in the organisation</td>
</tr>
<tr>
<td>Talent management approach is a subject to choice</td>
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</tr>
</tbody>
</table>

Figure 4.4 A plan for gaining new talent management approach (according to Lubitsh, G. And Marcus Powell, 2007)
Here in Figure 4 the variety of approaches is described. Depending on the situation, the kind of organisation, the goal and existing resources, the size of company or the current project, one can emphasise on, for example, cultural perspective and does not choose HP planning perspective. It is important to remember that chosen approaches should not contradict to each other.

Figure 4.5 The model of choiceful view to talent management (according to Lubitsh, G. And Marcus Powell, 2007)

Everything what was mentioned above when implemented promotes to create the atmosphere in the organisation where every process, every action, the whole orientation is for supporting development of talents. It is very important to have corporate culture which can facilitate the staying of talented people in the organisation and their efficient performance. The part “4.2.2 What is interesting in knowledge-driven and learning organisations?” has been devoted to description and discussion about the assumption, that organisation, which is talent-oriented, have to be knowledge-driven and learning. In the next figure the main conditions of corporate culture of Talented Organisation are reflected.
<table>
<thead>
<tr>
<th>Trustful, easy to:</th>
<th>Work-life balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>• share information</td>
<td>• freedom to express ideas</td>
</tr>
<tr>
<td>• collaborate</td>
<td>• innovation encouraging</td>
</tr>
<tr>
<td>• communicate</td>
<td>• policy of care of employees</td>
</tr>
<tr>
<td>• learn</td>
<td>• friendship relationships</td>
</tr>
<tr>
<td>• develop the talent</td>
<td></td>
</tr>
</tbody>
</table>

As a result, people work in reduced stress and increased enthusiastic situation that leads to high performance and productivity.

**Figure 4.6 Corporate culture of Talented Organisation (according to Kermally, S., 2004)**

Finally, in this part it should be discussed that all what is shifting and what is improving in the organisation should have one direction. This is a vision what the whole organisation is about. In case of talent management issues, as was mentioned in this research several times before, the organisation have to be talented- people-oriented, that means to try to meet their expectations, try to cope with problems of talented individuals’ personalities, try to create conditions of workplace, work-life as much suitable as it is possible. Talented people are highly interesting in self-realisation and self-development in their professional life. Clever people try to know more, to be experts, to achieve new higher results, to be important in the process of gaining organisational goals. Nowadays in organisational success one of the main roles the increase of knowledge plays: who know more, than others, who have newer technologies, who can open new business direction and so forth wins. That is why the culture of the organisation should be built upon the idea of gaining new knowledge.

### 4.3.2 Talented leadership for transformation to Talented Organisation

Thinking about organisations it is possible to assume that nothing can happens in it if no one will manage activity, changes, transformations, if no one will inspire for actions, if no one will take a role of leader. Thus, talented leadership no less important for Talented Organisation than talented employees are. As has been quoted before about leaders “they are responsible for building organisations were people continually expand their capabilities to understand complexity, clarify vision, and improve shared mental models – that is they are responsible for learning….” (Smith M. K., 2007: 12).
Contemporary Leadership Challenges

Talented leader has to be multilaterally talented, to contain in him/herself as much different abilities as it is possible. Working with talented employees never know what will be required next time in some special situation.

For leading talented organisation which contains features of learning organisation, as was discussed previously, leader should take roles of designer, stewart and teacher.

As designer has an influence on the process of formation of the main disciplines, policies and strategies.

As steward is responsible for the vision and committed for its providing.

As teacher defines the reality, teaches people throughout the organisation to act at the same way.

Figure 4.7 Roles of talented leaders (according to Peter Senge)
4.3.3 Key points

✓ The organisation is talented when it has talented people within who are working with maximum return, who utilise all inner potential and gain excellent result.

✓ From the process of hiring to the process of retaining talented employees, there is a need to have in mind the question “Why should extraordinary people wish to work for this company?”

✓ The suitable for talents corporate culture, talent management approach, organisational system and structure, appropriate leadership – these all are aspects which about should corporations care in order to gain Talented Organisation.

✓ The existing of good reward system and benefits for employees, which show that company care about works, gives better impression to potential talented workers.

✓ Talented people have some problems for working with them, for leading them. Differentiations between talented people and other workers create some issues to solve.

✓ Just to take some actions is not enough in this case. The kind of creativity is required in these situations, as it is impossible to have ready instructions for any event.

✓ In case of talent management issues the organisation have to be talented-people-oriented, that means to try to meet their expectations, try to cope with problems of talented individuals’ personalities, try to create conditions of workplace, work-life as much suitable as it is possible. Talented people are highly interesting in self-realisation and self-development in their professional life.

✓ Talented leader has to be multilaterally talented, to contain in him/herself as much different abilities as it is possible. Working with talented employees never know what will be required next time in some special situation.

✓ For leading talented organisation which contains features of learning organisation, as was discussed previously, leader should take roles of designer, stewart and teacher.
5 Conclusions

It was taken in attention in the research that talented people are special. They are out of standards as persons, they may be seen as strange and difficult to communicate with, sometimes, contrary, they can be extremely interesting for conversations as people, who have in their heads so much information and/or crazy ideas, that one can talk with them for weeks without breaks.

It could be said. According to contemporary problems (globalisation, mobility of workforce, the forthcoming shortage of labour, culture of yang people to move from one organisation to another and so on), corporations have already faced and will face even more extremely the problem of workforce shortage and the shortage of talented people particularly.

After the reading of major literature, when the main redline of the study was already understood, the author have seen the law, the thought between lines through the most information was examined. That is, talented people requires completely different organisation in order to cope with them. This type of organisation is about the facilitating of talented people’s life, because of some reasons:

- Talented people are the problematic.
- They are often not accepted.
- They are not understood easily, because they often have different way of thinking.

The special conditions, which should be provided in the organisation for talented people, refer to:

- Cultural aspect.
- Management approach.
- Organisational and leadership issues, such as:
  - Vision providing.
  - Awareness of individuals’ needs and expectations.
  - Providing the environment for creativity and space for actions, innovative space.

It is quite difficult to be “a good leader” coping with talents. In this case the special leadership talent is required: to forget about the normal sense of a term leadership and do not manage. It is important to give some space for actions to talents, allow them to decide and make mistakes, to be self-manager.

When talented individual faces the deadlock and cannot to get out from difficult situation, he or she improbable will ask for help. Rather, this kind of people will acknowledge their weakness but prefer do not to show it. So, the challenge for the leader is to find the way for helping, as it is not a help,
but talented person came to this right decision along. This is only one sample of situation, which is not common and might be the pitfall for the leader, if not to be prepared.

The theme of talented leadership can be a topic for another thesis paper, as, probably, the cultural aspect and management approach can be as well.

Research has been carried out mentions a few of contemporary leadership challenges, but the problematic area in modern world is very broad. Sense this thesis is completely theoretical, empirical research might be done based upon knowledge, discussed here. It can be interesting to check, which kind of corporations are more depended on talented people within.

If to continue theoretical research, the developing of tern Talented Organisation may be done: to prove, that this is the type of organisation of a new generation, if it is so, to think out the definition and describe main features and options of existing of Talented Organisation.

It is also possible to have a look on problems, discussed in this paper, more from leadership perspective. As the reader can understand, this thesis represents the point of view more from organisational perspective, but it mentions leadership issues as well.
6 Bibliography

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Web articles:


PowerPoint Presentation:

The University of Kalmar

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