THE TALENT AGE

Bachelor's Degree of Business Administration 2014/2015

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ABSTRACT

Purpose: The purpose of this document is to explore the dimensions, dynamics and implications of talent management in organizations. In order to do so, the document first seeks to clarify the nature of talent, identifying its key attributes, challenges and applications. The document then examines and develops approaches to talent management in organizations, and how to acquire, retain and leverage talent effectively.

Design / methodology / approach: This document represents a theoretical review of talent, starting from the need to understand what it is, how to manage it, how and where to develop it in the organization. The document pays reference to existing literature related to talent, talent management and talent development, obtained from the database of the University Jaume I.

Findings: The world of work has undergone dramatic and profound changes. As a consequence, in order to successfully overcome new challenges emerging across virtually all sectors and continue to yield growth, organizations must strive to attract, retain and develop talent in their ranks. The literature highlights the importance of organizational learning and new organizational models as enablers of commercial success.

Originality / value: The document aims to unify and rationalize approaches to talent, talent management, organizational learning and new organizational models.

Key-words: Talent, Talent Management, Organizational Structure, Organizational Learning.

Paper type: Literature Review
1. INTRODUCTION

The world of work has undergone dramatic and profound changes, resulting in radically new ways of working (Brown et al., 2003; Sennett, 2006). The changes, which have predominated in the developed world, derive from the radical shift from more traditional industrial and manufacturing economies to knowledge-based economies. This change, which is on-going, has implied the need for new structures, systems and management methodologies in the world of work (Barnett, 2000; Brown et al., 2003; Sennett, 2006).

Today, a key challenge for companies is to stay at the forefront of knowledge – through thought leadership – in order to develop a greater capacity to adapt to the evolving competitive environment. In the so-called information age, "employment for life" has given way to "learning for life" – an implicit need to amass and harness intellectual horsepower, as opposed to machinery. The notion of a paternalistic management career in the 50s and 60s years has all but disappeared. Today, the labor market is highly dynamic and inherently unpredictable. This paradigm shift led to a greater emphasis on efficiency, individual ambition, proactivity, learning and personal development in new work environments in which flexibility has become critical (Brown and Hesketh, 2004; Defillippi and Arthur, 1994).

The global economic crisis, which started in 2008 and still resonates today, has made it clear to many of the world's largest companies that their most important asset is people, and of course, talent. Companies (and indeed governments) that were able to draw on intellectual resources and re-engineer themselves to minimize the impact of collapsing consumer spending, a stalled debt market and spiraling finance and compliance costs, were more likely to weather the storm. Many companies have realized that in the future they will have to enhance their focus on people, and their awareness of shifting market dynamics, competitive challenges and economic trends. Consequently, the human resources (HR) department will have to become a far more vocal, integrated and strategically focused part of overall management (Alvesson and Ka¨rreman, 2007; Barney and Wright, 1998; Ulrich, 1998).

People’s educational levels are increasing, but this trend is not considered sufficient to relieve the current and likely future shortage of talent. As competition for graduates
increases, the demand for talent increases proportionally (Heidrick and Struggles, 2007). The relationship between the content learned in formal education and the demands of the working world is complex. Therefore, formal education is not always able to prepare students directly for the labour market (Jørgensen, 2004; Nilsson, 2010a). Consequently it is interesting to study how organizations are structured in order to better provide workers with the opportunity to develop and improve their performance.

Human resource management (HRM) practices, such as recruitment, training and employee development are likely to be considered increasingly important to the success of organizations (Collings and Mellahi, 2009; Horwitz et al, 2003; Spence and Petrick, 2000). Moreover, Talent Management (TM) has recently attracted growing interest as a discrete discipline within the context of HRM, and has appeared more frequently in the academic literature. However, often talent as a concept and talent management as a discipline have been poorly defined, and the fundamental components and variables of talent have not been studied in depth (Collings and Mellahi, 2009; Lewis and Heckman, 2006).

Finally, it has become clear that employability is critical to performance, individually and to a lesser extent, organizationally. Employability at an individual level relates to metacompetition and competition linked to the context in which the individual operates, through knowledge and competence in the field. Employability as a concept is much broader than talent, but talent is generally what determines the employability of individual (Ellström and Nilsson, 2011).
2. TALENT

For centuries the term "talent" has been applied as a symbol of distinction, exclusivity and high potential. The word talent in Latin, *talenta*, derives from the Greek word *talanton*, which meant "balance, weight, amount of money" (Hoad, 1996). Originally, the term talent was considered a unit of weight, used by Babylonians, Assyrians, Greeks and Romans (Cresswell, 2009). It was also used as the name of a monetary currency (Howatson, 2011).

References can also be found in the Bible, with Matthew in the New Testament referring to "talent" - in this case as currency, associated the performance of labor, capital gains and commitment to productive work. This, according to Tansley (2011), is the point at which talent starts to be seen as relating to human capital. Subsequently, talent continued to be linked to Christianity and worship, but this has little relevance to the topic at large (Gallardo, 2013).

It was not until the nineteenth century that talent was seen as a personal characteristic, and at that point, it was interpreted as a quality or ability in a certain area that allowed for segmentation the population (Cresswell, 2009).

Today, talent is generally understood to be a special quality and / or an ability to do something in a manner that is above average. Talent has also been considered a special ability to develop itself, which implies a degree of responsibility, pro-activity and commitment in terms of the individual (Gagné, 2000). Although as we will see there are several unique and interesting definitions of talent, interpretations of what it means in the real world are many and various. Most recently, talent has been considered as a highly valuable asset for contemporary organizations (Ashton and Morton, 2005).

2.1 Talent defined by language

From the work of Holden and Tansley (2008), there are several interesting references to the linguistic underpinnings and definitions of talent, which highlight the contrasting uses of the word in different languages. It is important first to clarify that definitions of talent generally infer that it is some sort of inborn or innate ability, which manifests itself in a given field of endeavor or performance (ranging from the physical to the intellectual). So, for example in English, talent refers to a characteristic of talented people. By contrast, in
German the definition is subtly different, referring to an innate disposition toward high
achievement in a particular field (Eingeborene Anlage zu einem guten Leistungen auf
bestimmten Gebiet; Brockhaus, 2003).

Outside Europe definitions become more varied. For example, in Japan, the word for talent
is “saino”, which derives from two words of Chinese origin: “sai” – which means capacity,
and “no” which means ability or achievement. In Japanese culture use of the word for
talent emphasizes its nature (as understood by the Japanese) as an acquired achievement,
which is the result of frequent repetition / practice in order to achieve perfection. Finally,
reinforcing the Asian approach, Gagné (2000) argues that talent emerges as a result of
cumulative impact of an individual's learning, and involves greater-than-average mastery
of skills and knowledge developed in at least one field of activity (see also Heller et al.,
2000, p. 67).

Table 1: Talent in other languages

<table>
<thead>
<tr>
<th>Domain</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Danish</td>
<td>The Danish language is consistent with these definitions: “innate abilities for a specific field”: “a person who has talent” (Politikens, 2000); “innate abilities” (Politikens, 2000).</td>
</tr>
<tr>
<td>French</td>
<td>One authoritative French dictionary refers to a given disposition, given by God (Grand Robert, 1991). This is a rare occurrence of lexicologists attributing talent to drive inspiration. The same dictionary also suggests that talent, however endowed, serves “to succeed in something” (“pour réussir en quelque chose”), nothing that talent is also “a particular aptitude” which is “appreciated by social groups”. This reminds us that talent can only be recognised as such by people capable of appreciating it.</td>
</tr>
<tr>
<td>Russian</td>
<td>Definitions in Russian also relate to “outstanding innate qualities, especially natural gifts” (Ozhegov, 1984) and “outstanding capabilities in a given field (artistic, scientific, political), giftedness and being a gifted person” (Leikhin, 1955).</td>
</tr>
<tr>
<td>Polish</td>
<td>In Polish we not only see similarities with these other definitions, but also an important expansion of the term. In a Polish-English dictionary we find a distinction between the singular (talent) and popular (talenty) in Polish. The singular Word is translated by “talent” and “gift”, the plural by “accomplishments” and “endowments” (Stanislawski, 1994). In a Polish business dictionary the entry is: “A persona endowed (lit. gifted) with unusual ability; innate or acquired (learned) ability to do something in an outstanding, creative way”.</td>
</tr>
</tbody>
</table>

2.2 Talent today

In 1998 McKinsey helped to highlight the importance of talent in organizations seeking excellence, as indicated in the work of Michaels, Handfield-Jones, and Axelrod (2001). From this point on, talent management began to gain greater prominence as a discipline and importance to organization. It soon became a priority for many organizations, and was seen as a critical success factor, as well as a means of simple survival and sustainability (Beechler & Woodward, 2009; Iles, Chuai, & Preece, 2010; Lawler, 2008).

The accumulation and application of talent should be the ultimate goal of talent management. However, it is at this point that definitions become problematic, because talent is often bound inextricably to leadership or high-performance – and not necessarily seen as something that can be present at any and all levels of the organization. There appear to be a several areas of discrepancy. For example, should organizations buy or develop talent from existing human resources; is talent innate or can it be developed; does talent need to be present across the organization or only in certain fields or departments (Michaels et al., 2001).

To develop a contemporary and comprehensive definition of talent, we need to take various factors into account. First, what are the constituent parts or fundamental elements of talent and how do we evaluate them? Secondly, in what sort of environment can talent be best employed and made meaningfully productive? Thirdly, how do we differentiate between success that derives from other sources and success that derives in part or in whole from talent? Finally, what is the correlation between organizational success and individual talent, since the latter without the former is of questionable value (Ross, 2013).

It is important to note that when defining competence models in order to determine what kind of talent is required, it is relevant to consider that these models must be adaptable to change.

If they are static, even talented people may serve only to mistakenly pursue outdated ideals, acting in a misguided or shortsighted manner (Clutterbuck, 2012). On the other hand, talent can be interpreted as the means by which people are allocated for maximum impact, completing tasks in the fastest possible time with the highest level of quality or
accuracy (or other measure). In some respects this is similar to investment – investors seek to allocate capital in a manner that delivers the most rapid, sustained and safe return: investors often speak of capital seeking out opportunity. It is therefore arguable that talent is a two-way street, with talented individuals seeking a home for their special abilities (Jimenez, Hillier-Fry and Diaz, 2008).

In the same vein, according to Harvard Deusto Business Review, "Talent relates to the exploitation of people with special abilities to deliver exceptional results in a consistent manner over time, coupled with the commitment to achieving the same." In short, people with talent contribute to current and future performance of the organization, through the application of "commercial technical, social, or management excellence" (Jimenez, Hillier-Fry, & Diaz, 2008).

According to some researchers, the definition of talent has started to move away from a singular focus on intelligence or aptitude. That is to say, dimensions of talent are starting to appear, for example "capacity, commitment and action" (Jericho, 2008). First of all, specific capacities of individuals are shaped by their skills, competences and attitudes. These are qualities that develop over the entire lifespan of the individual, through study, work, relationships, hobbies and so on. Commitment relates the extent to which talented individuals commit to the application of their particular talent within an organization. A talented individual who is not committed may ultimately deliver little to an organization. Finally, action relates to the extent to which a talented individual knows when to deploy their talent (an extraordinary ability is of little use if it is deployed when it is not specifically required, or worse, when it has the potentially to do harm).

So, talent can be considered a mixture of "capacities, commitment and action", and when appropriately deployed, acts as facilitator for organizational success. Conversely, a talented individual (with appropriate capabilities) who lacks commitment is unlikely to make a material impact. Similarly, a talented individual who fails – consistently – to take action will have similarly limited impact. The three components of talent are required, together, for the talented individual to make an optimum impact (Jericó, 2008).

Clearly then, it is difficult to select a single definition of talent. Many of them are complex, ambiguous and incomplete, and no single definition stands out as being especially
comprehensive or relevant. These shortcomings have tended to lead organizations to make their own interpretations of talent as a concept or set of characteristics, and of how to motivate talented employees to turn their abilities into organizational performance. (Ross, 2013). However, it is worth briefly mentioning the work of Gallardo (2013), who has made a useful contribution towards a broader understanding of the components of talent. He drew up a lexicon of terms commonly used in association with “talent as object” and detailed references. This at least allows us to understand, at a macro level, the characteristics that researchers believe relate to the broader notion of talent. The list is set out below.

Table 2. Terms commonly associated with 'talent as object'

<table>
<thead>
<tr>
<th>Associated terms</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ability</td>
<td>Gagné (2000); Hinrichs (1966); Michaels et al. (2001); Silzer &amp; Dowell (2010); Tansley et al. (2006); Williams (2000).</td>
</tr>
<tr>
<td>Capability</td>
<td>Stahl et al. (2007).</td>
</tr>
<tr>
<td>Commitment</td>
<td>Ulrich (2007).</td>
</tr>
<tr>
<td>Competence/Competency</td>
<td>Bethke-Langenegger (2012); González-Cruz et al. (2009); Silzer &amp; Dowell (2010); Ulrich (2007); Williams (2000).</td>
</tr>
<tr>
<td>Knowledge</td>
<td>Bethke-Langenegger (2012); Cheese, Thomas, &amp; Craig (2008); Michaels et al. (2001); Tansley et al. (2006).</td>
</tr>
<tr>
<td>Performance</td>
<td>Stahl et al. (2007); Tansley et al. (2007).</td>
</tr>
<tr>
<td>Potential</td>
<td>Tansley et al. (2006); Tansley et al. (2007); Williams (2000).</td>
</tr>
<tr>
<td>Patterns of thought, feeling or behavior Skills</td>
<td>Buckingham &amp; Vosburgh (2001); Cheese, Thomas, &amp; Craig (2008).</td>
</tr>
<tr>
<td></td>
<td>Cheese, Thomas, &amp; Craig (2008); Gagné (2000); Hinrichs (1966); Michaels et al. (2001); Silzer &amp; Dowell (2010); Tansley et al. (2006).</td>
</tr>
</tbody>
</table>

2.3 Focus on talent in the enterprise

After reviewing a wide selection of reference works, one can conclude that talent in the
world of work can be analyzed from two different but complementary perspectives. These
are: object-focused talent and subject-focused talent.

2.3.1 Object-focused talent

Talent is understood as a set of exceptional qualities possessed by individuals. According
to Michaels et al. (2001), talent itself is the sum of skill, competence, knowledge,
experience, aptitude, attitude and learning capacity. There are also contributions from
Cheese (2008), Tansley et al. (2006), Goffee and Jones (2007), Buckingham & Coffman
(2005), and Buckingham & Vosburgh, (2001), in which they have all tried to capture the
meaning and implications of talent. Most coincide almost exactly with the parameters set
out by Michaels above. For his part, however, Vosburg (2001) added the notion that talent
should be a rational construct, with emotional patterns that orient the individual towards
productivity.

Within the scope of object-focused talent, we have to distinguish between several different
orientations: talent as a natural ability, talent as a form of mastery, talent as commitment,
and, talent as a fit between the skills of the individual and the organization.

- **Talent as a natural ability**: This approach suggests that talent is an innate,
natural quality of individuals in a particular field of endeavor. This perspective
therefore assumes that it is very difficult (if not impossible) to teach individuals
the components of talent. Such a perspective has been proposed by several
authors, including Meyers, van Woerkom & Dries, Hinrichs (1966) and others.

- **Talent as a form of mastery**: This approach suggests that talent is the result of
the strenuous development and perfection (over time) of an activity, and not
necessarily an innate quality. Several authors suggest that talent is simply the
product of hours of practice and successive experience in a field or activity.
Therefore, according to this approach, talent can indeed be developed in a
desired area through investment in knowledge, experience and through
repetitive practice. This theory is developed extensively in studies by Ericsson, Prietula, and Cokely (2007), Pfeffer and Sutton (2006), De Haro (2010), González-Cruz, Martinez Fuentes and Pardo-del-Val (2009); Ulrich (2007); Ulrich and Smallwood (2012), and others.

- **Talent as a form of commitment**: This approach should be seen more as a complement than as a focus in itself. It is accepted as such (as indicated earlier) because it is a necessary complement between the organization and talented workers. In essence commitment involves a psychological contract between the worker and the organization (complemented of course by an employment contract, with benefits and bonuses that may well contribute to the individual’s level of commitment). However, commitment in itself doesn’t inherently or intrinsically lead to the other components of talent (competence, determination, knowledge, leadership and so on) according to Ulrich and Smallwood (2012). Contributions from Jericó (2001), Ulrich (2007), Weiss and MacKay (2009), and Nieto Hernandez and Muñoz-Gallego (2011) make similar assertions.

- **Talent as a fit between the individual and the organization**: It is clearly necessary that the talented individual’s abilities fit within the context of the organization, and that individual’s particular role. However, more subtly, the application of talent requires individual engagement with the organization, working group and task in order to deliver some sort of enhancement to performance. A useful parallel to this is that not all business strategies are effective for all companies in all markets. Among the authors that have worked on these notions are: González Cruz et al. (2009), Jericó (2001), Pfeffer (2001), Boselie, Dietz, and Boon (2005), Ashton and Morton (2005); Boudreau and Ramstad (2005a, 2005b) and others.
2.3.2 Subject-focused talent

Within this area there are two main approaches: the inclusive approach and the unique approach (Ilies, Preece et al., 2010).

- **Inclusive approach: Everyone has talent**: This approach suggests that any worker deliver value to the organization some way (Buckingham and Vosburgh, 2001). O'Reilly and Pfeffer (2000) suggest that the success of a group lies in enhancing all its members, not just the star-performers. This inclusive approach embraces the whole organization and induces management and development policies to focus on harnessing talent across the board, providing recognition of talent wherever appropriate. For example, Silzer and Dowell (2010) suggested that "in some cases, talent can refer to the entire population of employees."

- **Unique Approach: Only a few have talent**: This approach, by contrast, aims to identify the few employees who really have talent, which they define as performance, productivity and superior results, sustained over time, Tansley et al. (2007).

- **High performance**: This approach seeks to identify, attract and retain the organization's talented individuals - "the best in class" (Smart, 2005). These individuals are characterized as exceptional people, who are among the top 10% in their field (within the organization). As Smart (2005) suggests, such individuals typically make a greater-than-average contribution to productivity and organizational performance. Proponents of this approach attempt to fill the organization with the greatest possible number of outstanding workers in order to out perform the competition.

- **High potential**: This approach focuses on identifying workers whose personal qualities and characteristics have the potential make them high performance employees in the future, unlike the other "regular" employees, Pepermans, Vloeberghs and Perkisas (2003). However, Buckingham and Vosburgh (2001)
suggest that talent management should be directed to all employees, to the greatest extent meaningful.

The “unique” approach has gained the greatest following over the years, and is practiced in many human resources departments at an organizational level (Ready, Conger and Hill, 2010). It has been demonstrated – to some extent at least - that it can bring benefits in terms of performance: as workers are recognized for their performance and results, the organization becomes better able to seek out additional, appropriate talent. Furthermore, organizations can filter out the strengths or weaknesses that need to be addressed in order to further enhance performance (Höglund, 2012).

Nevertheless, this system has numerous critics, who argue that the perceived value of talent is influenced by inherent biases and subjective interpretations which do not take into account all possible variables, scenarios or disruptive elements (Silzer and Church, 2009; Walker and LaRocco, 2002). Furthermore, the unique approach runs the risk of damaging the morale and esteem of loyal workers who are not specifically identified as being talented, and can create a climate of competition and internal rivalry that can ultimately become destructive, leading to infighting and the creation of silos, to the detriment of the performance of the organization (Pfeffer, 2001; Walker and LaRocco, 2002).

It is also worth noting that there are academics who support the inclusive approach, which seeks to maximize the potential and performance of all workers. Pfeffer (2001), who is particularly supportive of this approach, argues that an exclusive focus on hiring (and subsequently retaining) external talent may lead to a variety of negative consequences, including excessive internal rivalry, low motivation, reduced commitment, and low group cohesion.
3. TALENT MANAGEMENT

After McKinsey proclaimed that we are in the era of "talent wars" in late 1990s, talent management has become increasingly popular in the lexicon of business management. In spite of the diversity of and disagreement between definitions of talent, there is unanimous agreement of the need for it, because talent is increasingly seen as being essential for the survival of organizations (Lawler, 2008). Also, many agree that no officer or employee can develop their talent in any context without considerable care and motivation, Groysberg et al, (2010), Jones (2008).

Though not necessarily the case in recent years because of the impact of the global economic crisis, many organisations have stated that their growth and prospects are more limited by a lack of talent than by lack of capital. Companies increasingly believe that in any successful strategy, talent is a key factor (Gagné, 2000).

Talent management, as a discipline, is still in its early stages. Nevertheless, its importance and value are recognized. There is still a great deal of terminological ambiguity, although this has generally not been an impediment to the organizations’ attempts to design and implement talent management programs. The issue of terminology and definitions does, nonetheless, lead to limitations: for example, many organizations tend to ignore lower-skilled workers or specific demographics in their programs. In summary, though many organizations recognize the need to develop talent, there remains a stubborn lack of knowledge about how to do so effectively. Talent, if it is to be effectively developed, must be visible, stimulated and nourished (Penc, 1997, p. 446).

3.1 Theoretical review

As mentioned in the previous section, talent management is a comparatively new discipline, and its associated practices are still not standardized. Nonetheless, there are general principles that tend to underlie most talent management functions.

Talent management often takes the form of a management planning tool, very similar to human resources workforce planning, but where HR perceive a real opportunity to contribute to the quality of implementation of the plan. Talent management is therefore
seen as the systematic attraction, identification, development, retention of people who are of special value to an organization, either in view of their "great potential" for the future or because they already fulfill predefined expectations. (McCartney & Garrow, 2006; Cappelli, 2008).

So to some extent, under the above circumstances, talent management is seen as a commitment to implement a strategic approach to human resource management (HRM). This commitment stems in part from the widespread belief that human resources are a primary source of competitive advantage for the organization; an essential asset that is becoming increasingly scarce. Therefore, the benefits of a talent management strategy, effectively implemented, include improved employee engagement, increased retention rates and increased employee commitment. These results, in turn, have been associated with improved operating and financial performance. Within this context, the work done by Lewis and Heckman (2006, p.139) is particularly interesting. They have suggested three main concepts of talent management. First, they argue that talent management consists of "a collection of common HR practices such as: recruitment, selection, career development and succession management."

Secondly, they suggest that talent management focuses on predicting and modeling the flow of human resources through the organization, depending on factors such as the supply and demand of skilled labor, and growth and attrition. From this perspective, TM is considered synonymous with workforce planning: automated and connected to databases.

Finally, they suggest that talent management is about focusing on the origin and development of talented employees. Accordingly talent has been defined as "quality people who have the ability to make a significant difference in the current and future performance of the company" (Morton, 2004, p. 6).

However, it is worth briefly returning to the point that there are many academics who see a focus on a relatively small number of talented individuals as being potentially harmful. Pfeffer (2001) is a leading proponent of the inclusive model, and he argues that a singular focus on a small and “exclusive” group of talented individuals has the potential to disenfranchise the rest of the workforce.
Though Pfeffer’s (and others’) views are logical and sensible, they tend to be secondary considerations for talent management activities (though it is important to recognize that many organizations take them fully into account). More generally, organizations see talent management as an integrated, strategic, technology-assisted function. Talent management is seen as an extension of human resource planning, and therefore includes hiring practices, retention strategies, development and succession, especially focused on individuals identified as having high potential. The use of such activities stems from a widely held belief that human resources are one of the main sources of competitive advantage for organizations (Christensen, 2008).

3.2 Fundamental principles of talent management

Today, organizations face the challenge attracting appropriate talent to their ranks, and retaining it. Talent management principles are therefore needed not only to help organizations identify and develop key activities within selection processes, but also to develop and apply a set of general principles that are applicable to the vast majority of organizations. Such principles include: strategic alignment, internal consistency, cultural integration, involvement of the management team, the balance of local and international / global needs, and corporate identity as a source of differentiation. The work of Stahl, Björkman, Farndale et.al., "Six Principles of Effective Global Talent Management" is arguably one of the most comprehensive sources. The article is based on a research project on the practices and principles of international talent management by researchers at INSEAD and Cornell, Cambridge and Tilburg universities. The study analyzed 33 multinational corporations, headquartered in 11 countries and examined 18 companies and in depth.
The first principle is "alignment with strategy". Any company wanting to develop talent must focus on what type of talent it needs: both in terms of talent required to improve the performance of existing strategies and talent that allows the organization to constantly adapt to the competitive environment and develop new strategies for future success. In short, this principle is about aligning the management of human capital with the strategic development of the organization.

The second principle is "internal coherence". This principle refers to the relationship between the various talent management practices within the broader organization. The management of talent must not interfere with or disrupt the management of all other human resources; indeed, what it ought to do is contribute to an overall enhancement in human performance (though of course this outcome is difficult to achieve). Talent must be measured, motivated and rewarded – but not to the detriment of others.

It is therefore important to undertake rigorous evaluation of internal performance, and employees’ satisfaction and motivation. Among the actions that can be performed to support internal coherence are: 360° evaluation, qualitative and quantitative analysis, surveys, employee feedback mechanisms and so on. All these processes should be
ongoing, and should have the objective of assuring that talent is deployed and contextualized carefully, and adaptively.

The third principle is "cultural integration": As a general rule, companies assess candidates on the basis of their experience and skills, but this is changing. Some of the multinationals included in the study, for example, have created additional selection criteria that are designed to ensure a strong fit with their internal, organizational culture.

Additionally, organizations should direct resources towards achieving a reasonable work-life balance for workers. In this vein, many companies offer facilities in order to attract and retain talent. Such practices include: flexible hours, telecommuting, commute assistance and so on. Of course, where economically possible and practical, similar facilities should also be offered to other workers, so as to ensure the highest possible level of motivation and commitment across the board.

The fourth principle is "the involvement of senior management": simultaneously one of the most difficult principles to implement, but with the greatest potential impact on the development of talent in the organization, is the involvement of the management team. The management team is responsible for overseeing the entirety of an organization’s activities, and are in turn responsible for delivering returns to shareholders. Senior management must therefore fully understand the importance of talent management, know who the talented individuals in the organization are, and understand the means by which such individuals’ contribution can be optimized (without adversely affecting the motivation and subsequent performance of the rest of the work force).

The fifth principle is "the balance between global and local needs": For most companies operating internationally, talent management is incrementally more difficult. Apart from having to know how to manage talent in a local environment, they must develop and apply policies that cohere with human resources strategies in individual territories and markets. In short, organizations must be able to find a meaningful balance between local and global issues, and develop talent management policies and practices that allow talent to be attracted, retained and managed in a consistent but sensitive manner across multiple territories.
The sixth principle is "promoting corporate identity through differentiation": This principle relates primarily to the attraction of new talent. Organizations that are able to manifest a positive, attractive and inspiring corporate identity are more likely to be of interest to talented individuals seeking new opportunities.

In order to hire the best and maintain a comprehensive reserve of talent, companies need a positive international reputation. Such organizations tend to be better able to collaborate with governments and universities in order to gain access to the best talent in each area and region. Corporate social responsibility (CSR) has a role to play in this regard: organizations that have effective CSR policies and demonstrate honest and responsible behavior in practice tend to be perceived as good places to work – and this can help to attract and retain talented individuals. In that way, Cooperatives have a long tradition in combining economic viability and social responsibility through dialogue between stakeholders and participatory management, and can serve as a reference for other organizations.

3.3 Why is it important to manage talent?

Organizations’ interest in developing talent management programs is motivated by two key factors. Firstly, effective talent management helps organizations to attract and retain talent, and as indicated earlier, this can have a measurable impact on overall performance. Secondly, effective talent management tends to increase the degree of employee commitment to the organization, and where carefully implemented, this can have a positive impact beyond the select group of talented individuals.

3.3.1 Acquiring and retaining talent

The ability to attract and retain talent is perceived as one of the most critical HR management issues that organizations face today. Given demographic trends in the developed world, this should not be surprising. Citing data from the population division of the UN, Deloitte (2005) notes that "the number of 15-29 year olds who enter the labor market is shrinking steadily, while the population in developed countries is aging" (P.2). Consequently, a "chronic shortage of workers" is emerging. Birth rates across the
developed world are falling rapidly, and consequently, the number of young people entering the workforce is falling, and companies are having to focus more time, energy and money on ensuring that they get the greatest access to a dwindling resource – especially talent.

Acquiring and retaining talent is no easy task. It must result in the development of an organizational culture in which talented employees are “treated with respect, offered an interesting job, given a sense of achievement and are afforded open and free communication with fellow workers” (Government of Alberta, Human Resources and Employment, 2003, p. 8).

According to the work of Towers Perrin (2005, p 17), where a sample of 86,000 full-time employees in 16 countries and four continents were studied, HR managers have developed a series of complementary practices that help their respective organizations to attract and retain talent. This include: competitive salaries, work life balance, promotion opportunities, social benefits, challenging work, wage increases linked to individual performance, learning and development and so on.

Retention strategies tend to vary by country and region. Talented people in different countries are motivated by different things: for example inspiring enthusiasm is important in Brazil, France and the Netherlands; treating people with respect and trust is critical in Japan; effective performance evaluations is key in Italy and the establishment of fair productivity targets is important in South Korea. This supports the notion of global / regional / local balance, as set out earlier. There is clearly no “one size fits all” approach to talent management that works universally.

Another key activity for attracting and retaining external candidates is the design and implementation of “employer branding”. 21st century organizations generally understand the benefits of having a strong brand within a consumer context. Fewer appear to understand the importance of having a strong brand as perceived by potential employees. Given the increasingly strong competition for human resources, the development of a robust “employer” brand is gaining in importance amongst organizations. Having an employer brand that convinces potential employees that the organization is honest, respectful, sensitive, innovative and so on is likely to have a meaningful impact on the
attraction of talent: ensuring that the behavior of the organization respects and reflects such brand characteristics in reality is critical for retention.

In short, employer branding helps to drive the development of values, systems, policies and actions that can attract, motivate and retain employees (specially talented or otherwise). Where effectively implemented, employees internalize the mission, vision and values of the organization and often display enhanced commitment and involvement. This has been the case for companies such as Orange, Google, Apple and others, where becoming an employee of the company has actually become akin to a status symbol. Even industrial companies, with less visible consumer-facing brands, have achieved success in this regard: General Electric and Boeing could be considered amongst the best examples.

So, organizations need to position themselves as “great” employers. An effective “employer brand” – where comprehensively implemented and reflected in organizational behavior – can serve to keep current employees content, and attract a greater proportion of talented individuals from outside the organization (Dell and Hickey, 2002, p. 24).

It should be noted, however, that there is a naturally-occurring problem relating to the creation of positive employer brands – sector of operation. It is probably comparatively easy to create a convincing employer brand in consumer-related sectors that make, for example, premium products. It is rather more difficult to do the same in primary sectors such as agriculture, mining or basic manufacturing – yet the attraction and retention of talent is no less important. Finance companies have only managed to continue to attract talent – within the context of massively negative public sentiment towards banks in general and investment banks in particular – by offering disproportionately high salaries. Few other sectors can afford this type of approach. It is therefore necessary to recognize the limitations of employer branding: though an effective employer brand may help a mining company, for example, to attract an incrementally greater amount of talent, it will still likely not be able to attract the cream of the crop, who may naturally prefer to work in sectors that are perceived as more exciting and dynamic.
3.3.2 Commitment

Within the context of talent management, commitment is a very frequently used term. According to Gibbons (2006) “employee commitment is a greater emotional and intellectual connection that an employee has for his work and for the organization, which in turn influences the that employee’s level of motivation” (p. 5). The definition provided by Hewitt and Associates (2004) is slightly simple, and defines committed employees as people who take steps to improve business results of their organizations.

From the review of research carried out by Gibbons (2006), the key factors that encourage commitment among employees are:

- **Trust and integrity:** the degree to which the leadership of the organization care about employees, listen and respond to their needs.
- **Nature of work:** the degree of participation and autonomy of employees.
- **Connection between individual and corporation:** the extent to which employees understand the goals of the company and how they contribute to their achievement.
- **Opportunity for professional growth:** the degree to which employees have the opportunity to grow professionally and experience a reasonable degree of career progression.
- **Pride in the company:** the extent to which employees meet their need for self-esteem by working for the company.
- **Relationship with colleagues:** the extent to which the employee feels that they are an integrated part of a larger whole.
- **Employee development:** the extent to which resources for the development of employees are made available to them.
- **Relationship managers and executives:** the extent to which employees feel recognized, respected and appreciated by their superiors.

Commitment is associated with better operating results, as it generally infers more effective management of human capital: the most notable benefits are ease of hiring, improved retention, and lower staff turnover. An example of this is found in the work of Towers Perrin (2003), which found that almost 70% percent of highly committed employees planned to stay with their current employers, compared to just 12% of
disengaged employees. Other results associated with a higher level of commitment include increased employee productivity, better customer awareness, revenue growth and increased operating margins.

Finally, it has been shown that an increase in engagement is associated with increased financial performance. Evidence for this is set out in the work of Hewitt and Associates (2004), in which a 5-year longitudinal study following multiple companies demonstrated a clear correlation between commitment and margins.

3.4 Key components of Talent Management

Today, change is understood as a necessary part of organizational development (Falkenberg et al., 2005). Due to the highly competitive environment in which organizations exist, talent management has become one of the key determining factors in establishing, maintaining and augmenting competitive advantage. Modern organizations are aware that their development depends on investment in human capital, and developing talent within the company (Sweem, 2009).

Byham (2002) states that talent management is a set of integrated human resource policies, development, responsibility and renewal. Similarly Cappelli (2008) believes that talent management is a model of management that aims to attract, develop and retain talent and creativity within the organization, so as to help orient the organization toward future goals.

Others note that talent management includes a set of processes designed to ensure that employees are placed and / or moved to the most appropriate position within the organization (Cheloha and Swain, 2005), thus ensuring that the right person is in the right role at the right time (Kesler, 2002).

Overall, the above suggests that talent management is centred on the notion of applying additional human resource management attention to specifically talented employees, so as to ensure that their skills and knowledge are applied in a manner that delivers greatest possible impact, whilst ensuring that doing so does not negatively impact other employees who are not deemed specifically talented.
To complement this, Sweem identified components that can be used to evaluate the effectiveness of talent management strategies:

- **Performance management**: as a result of the work undertaken by Armstrong (2009), performance management is considered the process by which managers try to achieve organizational goals (present and future) through improvements to the performance of equipment and people.

- **Employee development**: relates to the efforts and resources employed to develop and maintain the knowledge, skills and abilities of employees. An widely recognized means of retaining employees within the organization, with an optimal degree of motivation, is to provide them with the opportunity to learn and develop skills.

- **Reward and recognition**: organizations must develop methodologies, strategies and policies that allow them to assess their employees, and subsequently recognize and reward those that have contributed most to the achievement of objectives (Armstrong, 2010). Talent management provides the basis for recognition and rewards for talented employees (Armstrong, 2009). A suitable reward policy can act as powerful means of attracting and retaining talented workers (Bartlett and Ghoshal, 1995).

- **Communication**: effectively all individuals understand communication, human interaction (through speech), and the use of body language between individuals (Smith and Rupp, 2002). However, the same is not always true within organizational contexts, where personal agendas, politics and other factors can serve to undermine the effectiveness of one-to-one and one-to-many communications. Effective communication is essential for employee motivation, commitment and action. Where communication is effective, sharing ideas becomes easier (Livrouw and Finn, 1990) and the exchange information across the organization becomes more straightforward (Armstrong, 2010). Also, communication can be a powerful tool for identifying the preferences of workers (as individuals and as departments or groups) and allows management to better structure work, cooperation and other elements of the organization’s work environment (Smither and London, 2009).
- **Open climate and culture:** The organizational climate is a set of internal organizational characteristics that distinguishes it from others and has a significant effect on workers and productivity in the company (Halpin, 1970). Intelligence and talent in key roles can determine organizational success (Cappelli, 2008). Therefore, talent management should be a central strategy for organizations as it acts as a major contributing factor towards achieving results and organizational success.

### 3.5 Erroneous beliefs about Talent Management

Though it can be argued that there are several principles and practices that apply to all talent management operations in all companies, global / multinational challenges are vastly greater than the challenges faced by single-country companies. And, it is important to note that a number of myths have grown up around international talent management which serve to undermine the development of good practice.

Multinational companies should of course follow talent management policies at a global level, in the race for talent. However, such Global Talent Management (GTM) policies must involve: systematic identification of key positions that contribute disproportionately to the achievement of sustainable competitive advantage; development of a pool of talent and high potential individuals that can be appointed to positions around the world as required; and the development of a differentiated HR architecture that attracts the best graduates available, and ensures their long-term commitment to the organization (Mellahi and Collings 2010).

Like talent and talent management, global talent management is not especially well defined. The body of academic research on the topic is extremely limited (for exceptions, see Scullion, Collings and Caligiuri 2010; Tarique and Schuler 2010; Stahl et al 2012). In the relative absence of theories and studies, the myths mentioned earlier have gained considerable traction in organizations, and are serving to undermine practice (Minbaeva and Collings, 2013).
**Myth 1: Talent Management is not HR's responsibility**

The challenge for the human resource department is to convince the organization that it has the ability to manage talent. In reality, and perhaps because talent management is such a new discipline, HR departments often have little ability to do so (Boston Consulting Group 2008, 2009). Often, the management team questions the capacity of the human resource department to accommodate the strategic importance of TM, and in many instances, HR departments themselves believe that they lack the skills needed to effectively address the challenges of talent management, especially on an international or global scale (Schuler, Jackson and Tarique, 2011).

The development and execution of a talent management strategy must be linked to the overall strategy of the company. It must then be understood as a strategic business process (Becker and Huselid, 2006). Global talent management aims to support and develop the knowledge, skills and competencies required for employees included in talent programs. It should be "structured to fulfill the unique needs of a specific business process", that encompasses all individuals included in talent pool (Becker and Huselid, 2006. p 906).

**Myth 2: Only the individual is of interest**

Much of the thinking on talent management is based on the idea that people with talent are critical to organizational performance and success (Michaels, Handfield-Jones and Axelrod, 2001; Pfeffer, 2001). However, organizations that put too much emphasis on attracting the "best" often stop thinking strategically about how all talent can be developed (Gladwell, 2002). Given this, it has been argued that the strategic management of talent should focus on specific roles, through which differentiation can be achieved (Becker and Huselid, 2006); in particular, the roles within the organization which can create a higher-than-average impact (Boudreau and Ramstad, 2007).

In the same vein, Minbaeva and Collings (2013) suggest that global talent management should shift focus. Rather than primarily focusing attention on the types of skills required to perform a job (such as qualifications or experience), HR departments (or others responsible for talent) should first evaluate the jobs themselves, and the potential that
talent could bring to performance of those roles. Huselid, Beatty and Becker (2005) have suggested that the focus should be on the human capital attributes necessary for the provision of A-grade positions. Such strategic positions need: (1) to be related to company’s overall strategy; (2) have a direct impact on strategic effectiveness; and (3) require high quality work and unique, specific know-how, experience and knowledge (Huselid et al, 2005; Evans, Pucik and Bjorkman, 2011).

**Myth 3: All players should be A-grade**

There is an implicit mantra in the business world that all positions should be filled with star employees, and that C-grade individuals should be systematically removed from the organization (Michaels et al, 2001). This philosophy can result organizations trying to fill all positions with star employees (Smart, 2005). As shown in Huselid et al. (2005), companies simply cannot afford to have A-graders in all positions. In fact, there is a growing number of organizations that invest too much in employees who are talented, but who – by virtue of the roles they are in – cannot have a meaningful impact on strategy or its execution (Huselid et al, 2005; Boudreau and Ramstad, 2007; Collings and Mellahi, 2009). Therefore, it is suggested that A-graders predominantly occupy strategic positions.

**Myth 4: Talent is portable**

When there is a shortage of talent at particular location, organizations tend to assume that they can simply transfer talent from other locations / countries in order to fill the gap. This rarely works well. Individuals are often reluctant to work abroad because such relocations affect family and personal life (see, for example, Collings, Scullion and Morley 2007; Collings, Doherty, Luethy and Osborn 2011a; Hippler, 2009). Even when talented individuals agree to relocate internationally, there is no guarantee that their performance will continue as before.

**Myth 5: Staff turnover is always bad for the organization**

The turnover of employees has generated concern among executives for some time. Today, employee mobility is more pronounced because of globalization, demographic changes, innovation and new technologies – and there are many more opportunities for
employees to move on (especially those with specific talent, who are increasingly in demand). Companies have to adopt a more holistic perspective, considering the many implications of staff turnover. A key contribution to the understanding of the potential benefits of staff turnover is the approach suggested by Somaya and Williamson (2011). This suggests that not all employees join competitors when they leave an organization; many migrate to customers or partner organizations, where they can continue to help their former employer to achieve its goals, albeit informally. Companies should pay much more attention to turnover as a strategic issue, which is ripe with opportunity. It is not just about the loss of valuable employees, but also about the distribution of alumni in key organizations that are of relevance and importance to the original employer. In recent years, a number of organizations have made very substantial progress in this regard – especially the large consulting and financial services groups, who refer to former employees who have moved on to partners or customers as alumni. They actively manage this network of contacts, as a means of consolidating and growing their business. This approach is especially relevant when thinking specifically about talent.

Myth 6: Global talent management’s vision does not complement organizational development

It has always been very difficult to calculate the return on investment (ROI) of HR activities (Fitz-Enz, 2009). The challenge has always been to change the belief amongst senior management that resources used for the development of human capital are not a cost but an investment. In recent years, Boudreau, Fitz-Enz and Cappelli have suggested a number of techniques by which human resource managers can better articulate the interaction of investments in human capital and organizational performance (Minbaeva and Collings, 2013).

Senior management must articulate how talent can be deployed in support of organizational goals. Now more than ever, multinational companies must try to measure return on investment in talent (ROT) through the combination of quantitative and qualitative measures, including subjective perceptions of employees and performance indicators across the business.
Myth 7: Talent decisions are inherently fair

There is a perception in society that the capacities that comprise talent can be assessed objectively, and decision about talent are therefore always based on solid data and arguments. In truth, talent-related decisions are often based on incomplete data, and subjective “look and feel” inferences.

Melahi and Collings (2010) the inherent complexity and subtlety of decisions relating to talent become more acute at an international scale. They argue that social and geographical distances create blind spots, limiting the ability of decision makers to fully understand and exploit the global pool of talent. Consequently, talent tends to accumulate within headquarters, but is often in limited supply in more remote, distant locations.

As suggested by Minbaeva and Collings (2013), organizations must ensure that management systems are specifically designed to accommodate and promote a greater and more objective understanding of talent internally. There should be detailed performance appraisals, 360 degree feedback processes, comprehensive knowledge development, and management of the organizational culture. These must be combined with talent discussion forums in which senior leaders can evaluate the talent in a more qualitative manner.

Though there is no single, trusted means of “measuring” talent, organizations can certainly do more to ensure that they understand its dimensions, as relevant to their own activities and their future strategies.

3.6 Why does talent fail?

A wide variety of factors can serve to negatively impact the performance of high potential employees. These factors can relate to the specific characteristics of the employee (psychological issues, attitude and aptitude) or they can relate to the dynamics of a group (lack of support from the organization, mismatch of skills or personality types, and cultural clashes). Organizations must take care to study not only the positives (what talent can do for the company), but also the negative – why do talented individuals sometimes fail to make an impact.
Though it is not necessary to be a psychologist to take responsibility for the development of talent in an organization, it is beneficial to know how these psychological factors and features can impact individual ability, and the ability of individuals to build a successful and sustainable career.

Kets de Vries (1989, p.6) argue that those in positions of responsibility and leadership are often isolated from people who used to be their colleagues. In these cases, which are often where talent accumulates, the inherent loneliness can be harmful and destructive, leading ultimately to frustration, anger, or in extremis, depression. Conversely, it is also important to recognize that in some circumstances, talented individuals who are promoted to senior positions develop excessive feelings of grandeur, an almost addict-like need for recognition, excessive ambition, irrationality, inferiority complexes and lack of empathy towards others (Ross, 2013). Context is critical, and there are numerous examples of talent failing to live up to its promise because of poor HR decisions relating to career progression and promotions.

Interestingly, research by Lombardo et al. (1988), suggests that key failure factors are: overconfidence, poor negotiation skills, low empathy, arrogance and an inability to develop effective interpersonal relationships (Lombardo et al, 1988; McNally and Parry, 2002; Van Velsor and Leslie, 1995; McCartney and Campbell, 2006). Thus, the identification of possible deficiencies in an individual’s emotional intelligence (EI) – by trained professionals – can allow for more sensitive and appropriate management of talent. Talent development strategies should capitalize on the known strengths of the individual and create circumstances that limit the impact of weaknesses.

In a similar vein, Zhang and Chandrasekhar (2011, p38) identified five key areas that can drive the performance of talented individuals downwards: inability to form effective interpersonal relationships; inability operate within teams; inability to adjust to changing circumstances; default towards too narrow a focus; and unwillingness to support business objectives. Clearly, talented individuals with a tendency towards any one of the above may not be effective outside their particular talent area. Indeed, it is often the case that organizations unthinkingly fast-track gifted individuals, through successive posts and promotions, such that they end up so far from their comfort zone that they are unable to operate effectively. In short, not all talented individuals are potential leaders – many are far
happier and more effective within the role for which they were hired, or something very close to it.

Finally, there are a number of further deficiencies relating to emotional intelligence which can impact a talented individual’s progress to higher rungs on the career ladder, such as the inability to cope with complexity, ambiguity, and strategic thinking, and the inability to make informed decisions under pressure (Lombardo et al, 1988, p212).

3.6.1 Effect of Talent Management in Emotional Intelligence

In the current era of globalization and technological advances, investment in human capital has been cited as the most important investment organizations can make (Hitt et al, 2006). Additionally, due to improvements made post-investment through talent’s impact on strategy and execution, some have begun to question the veracity of traditional business models and methodologies (Shih and Lin, 2002). New business models have already led to a greater focus on collaborative work, active knowledge management, ongoing organizational learning, constant innovation, remote working, self-management and so on (Farhangi et al, 2009). Today, for example, many of the most successful and valuable companies in the world allow all staff to dedicate a proportion of the time for which they are remunerate to develop their own ideas, as a way of helping the company to out-innovate its competitors. New concepts such as talent management and emotional intelligence have contributed towards the establishment of more flexible organizational models. Strategic Talent Management is becoming a tool by which the organization can address complex environmental changes, by attracting, retaining and constantly training people with talent (Allameh et al, 2011).

In addition to honing the talent of individual workers, organizations now seek to create structures and environments in which talented individuals’ emotional intelligence also improves. Not only does this help to further hone the underlying talent, but it can also help to raise commitment, motivation and productivity.
3.6.2 Relationship between Talent Management and Emotional Intelligence

As set out earlier, talent can be seen in two distinct ways. The first is talent as a natural or inherent ability, which is increasingly understood to be the compound result of multiple intelligences (Gardner, 2006). People with the ability to interconnect different types of intelligence are likely to be more effective within the organization. This is not just about high intelligence quotient (IQ): it is far more subtle. Talented individuals have the ability to solve problems and generate solutions / opportunities by invoking – in parallel – starkly different types of intelligence.

The second perspective is that talent can (to some extent at least) be acquired, thus making the social environment, education, organizational culture, rules and know-how of the organization of material importance in talent development (Cheloha and Swain, 2005). This perspective suggests that organizations can play a decisive role in the development of talent. Strategic talent management has emerged as a means of planning, designing and providing the necessary conditions for this phenomenon to occur within the organization.

Many organizations are obsessed with attracting and retaining the best talent, but the vast majority have no program for the internal development of talent. The latter is often seen as being expensive, time-consuming and ineffective – it is widely assumed that one cannot squeeze talent out of an individual.

Both approaches have their place. Clearly, the attraction and retention of talent to key roles is an increasingly indispensible means of improving an organization’s future prospects. However, being able to identify talent within the organization and give it the opportunity to show its full potential is equally important. As a consequence, it is increasingly necessary for organizations to add strategies that can bring out individuals’ multiple intelligences (talents) to their strategies for acquiring external talent.

It is important to note that it has been shown that the professional and personal success of individuals is far less linked to IQ (20%) than other factors, such as emotional intelligence, which achieved 80% (Goleman, 1996, p.34). Goleman’s work attracted great interest because of apparent importance it placed on emotional intelligence. Later, Goleman et al.
(2002, pp. 323-32) focused their attention on leadership and productivity, concluding that emotional intelligence was a key determinant for professional and personal success, with far higher emotional intelligence scores amongst business leaders. From Goleman's contribution it follows that a lack of emotional intelligence can represent a fundamental weakness for any employee, especially talented employees.

By increasing employees' emotional intelligence, the quality of relationships between individuals within the company can improve. In an environment in which emotional intelligence is generally higher, an employer is likely to be able to implement an effective strategy to attract and retain talent more generally. A focus on pan-organizational emotional intelligence (concentrated especially in leadership positions) can foster the development of improved communications, group dynamics, skills and competences (Cappelli, 2008). Also, as indicated Weisiger (2000), enhanced emotional intelligence generally leads to greater empathy amongst employees, leading in turn to a more inclusive, cooperative and effective organization.

4. TALENT DEVELOPMENT THROUGH ORGANIZATIONAL LEARNING

Currently, the main challenge for organizations is to stay at the forefront of knowledge and thus have greater ability to adapt to the competitive environment. A new revolution of global nature is taking place, where information and technology are leading to a rapid acceleration in the speed at which businesses and their environments change (Casado, 2001).

Modern organizations are aware that their development depends on investment in human capital and the development of workers (Sweem, 2009). Therefore, in order to attract and retain high potential employees organizations should provide workers with the opportunity to learn and develop new skills and competencies, within a climate of organizational learning, which is both open and collaborative (Duran and Monereo, 2012).

4.1 Knowledge Management

Knowledge management is a process that focuses on the creation, identification, capture, classification, storage, movement, distribution and application of knowledge (Tikjomirova
et al., 2008). It has similarly been described as the creation, standardization and application of knowledge (Sheffield, 2008). Fugate et al. (2009) suggested that knowledge management is a process used to generate, disseminate, share and interpret knowledge.

Knowledge management can be a decisive factor in company performance (Hagemeister and Lertxundi, 2007). In recent years, a number of studies have attempted to quantify the positive influence of knowledge management on operating results (Koh et al., 2007; Zack et al., 2009), financial results (Huang Shih, 2009; Wei and Hooi, 2009), and to a lesser extent, innovation (Andreu et al., 2007; Lundvall and Nielsen, 2007).

Knowledge management should improve data collection and sharing, and should consequently result in improved teamwork and self-management, and facilitate innovation in organizations (Baptista et al., 2006).

4.2 Organizational Learning

Organizational learning is defined as the ability to develop entrepreneurship, which is critically important in the process of innovation, allowing organizations to seize opportunities, which in turn contribute to the growth of the organization. Through learning, organizations become more able to gather data, ideas and other resources that are needed for the creation of new concepts (Eadie, 1997).

Learning implies the effective deployment of programs, strategies, policies, actions and resources aimed at making optimal use of the knowledge and ideas of often distantly distributed employees, leading ultimately to improved adaptability to the ever-changing environment (Bryson, 1995).

Various studies have examined organizational learning from different perspectives: some have focused on the elimination of obsolete knowledge and the creation of new knowledge (Hedberg, 1981); others have focused on the creation of learning (Kolb, 1984; Senge, 1992; Cook and Yanow, 1993; Dodgson, 1993; Kim, 1993; Schein, 1996; Takeuchi, 2001; Perez et al., 2004; Andreu et al., 2005); others have examined organizational absorption capacity (Cohen and Levinthal, 1990; Veugelers, 1997; Zahra and George, 2002; Arbussá and Coenders, 2007; Rodriguez et al., 2010); others have examined the development of
shared knowledge (Fiol and Lyles, 1985; Levinthal and March, 1993; Barnett, 1994; Slater and Narver, 1995; Moreno et al, 2000 and 2001; Lloria, 2001; Martinez and Ruiz, 2003). From these it is broadly understood that organizational learning is a dynamic process relating to the creation and development of knowledge at an organizational level.

Cummings and Worley (2001) describe organizational learning as a transformation that has emerged in the field of organizational development. They also noted that learning organizations tend to be flat hierarchies, and highly flexible. They also observed that organizational culture influences the way in which individuals gather, process and share information. Learning organizations have a culture based on transparency, creativity, sharing and experimentation. In this environment, errors are considered a normal part of the learning process, so people learn from their failures, as does the host organization.

Learning is a phenomenon that can be studied at various levels and from different perspectives. Usually, researchers and academics see organizational learning on three levels, distinguishing the individual, team and organizational. Peter Senge (1997) provided a clear distinction between these three tiers, and how they intertwine to form a chain of learning that transcends the organization.

According to Senge, learning at the individual level is not something that is taught, but rather an innate ability with which people are born. Learning is a mindset that leads individuals to think fantastical things, do things they never thought they could do, perceive the world in different ways, and expand their capacity to create.

He also argues that fundamentally, everyone is hungry to learn – however, it is not always the case that that hunger relates to or is of value to the organization. He also noted that people often tend to learn cyclically, separating action and reflection, activity and response.

As for team learning, Senge defines it as the alignment and capacity of a group of individuals to produce the results wanted. The three critical dimensions of team learning set out by Senge are: the need to think insightfully about complex issues; the need to innovate; and the need to cooperate.
In addition, Senge suggests that to become a learning organization, the organization must follow five basic disciplines:

- **Systems thinking**: a systematic approach aimed at achieving the visualization of new organization-wide approaches that have the potential to deliver effective change.
- **Personal mastery**: the expansion of individual capacity to create organizational environments that allow teams to achieve their goals.
- **Mental models**: the understanding and exploitation of structures of thought that influence our interaction with the environment.
- **Building a shared vision**: a critical means of creating a sense of belonging and commitment within a group, establishing a joint mission and vision, and an enhanced willingness to share and learn.
- **Team learning**: an approach that focuses on the fact that a group’s capabilities is always greater than the sum of its component parts.

On the other hand, in lasts papers Senge describes a new concept, Learning Compan, where a learning organization is one in which "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". This is presented as the natural evolution of previous paradigms to where , mostly , appears headed to Global Society, which is beginning to become a Global Companies.

Sessa and London (2006) proposed a similar view. They defined individual learning as a continuous cycle that involves a change in the individual's behavior caused by the continuous search for knowledge, improve skills, progress, and a change in the perception of the world. Later, they noted in their analysis that people have different learning styles: adaptive, generative, and transformational.

Adaptive learning involves an involuntary phenomenon that causes a relatively sharp change in behavior, and is powered by the individual's reaction to different stimuli from their environment. The individual is driven to learn in response to factors beyond his or her control. Generative learning, on the other hand, centers on the concept of adding new behaviors, knowledge and skills to existing ones. Finally, transformative learning goes
beyond mere adaptation, and involves a complete "change of mentality" in the way individuals see themselves and the world in which they live. They concluded that groups and organizations learn in essentially the same ways – depending on circumstance and composition.

4.3 Motivation and learning

Employees are motivated to learn in organizations for several reasons. Remedios and Boreham (2004), in their studies of organizational learning and intrinsic motivation of employees, found that employees are motivated to participate in activities related to learning.

Maurice Bigge and Morris Hunt (1980) also identified the importance of learning in the range of workers’ preferences. These authors amplified the differences between intrinsic motivations for learning, extrinsic motivations and interactive drivers for learning. While motivations are largely intrinsic, extrinsic motivating factors exist in individuals’ external environments, and are complemented by interactive motivators which are connected both to the intrinsic need to learn and the external environment.

Based on McClelland’s theory of motivation, people are motivated to extend themselves beyond their duties because of the desire to solve problems, achieve power and to build intimate relationships with others (Champoux, 1996; Nelson and Quick, 2003).

In the same vein, Atkinson’s achievement motivation model is useful in understanding motivation, since it clearly divides extrinsic and intrinsic sources of motivation. Extrinsic motivation comes from our participation in order to achieve a set of objectives or goals, while intrinsic motivation comes from the satisfaction we get from the simple implementation of activities (Porter et al, 2003).

According Jane Bryson et al. (2006) the attitude of the organization with regard to capacity development as well as its proactive behavior towards learning amongst workers have a positive impact on employee motivation to participate in learning activities. They concluded that the nature of the organization influences the way in which learning opportunities are interpreted and used.
Another interpretation is provided by Maria C. Osteraker (1999), wherein a tripartite, dynamic model of motivation brings together three major dimensions that are central to learning: social, mental and physical. The author argues that “... all individuals have these needs to some degree, but their importance to the individual differs from person to person depending on which dimension is key to that particular individual at that specific time. This difference can also be seen among organizations, culture, etc., and this indicates that a dynamic force must be included to accurately describe the process of motivation in a specific organization (Osteraker, 1999, p.75).

The force that binds these three dimensions, as described Osteraker, is comprised linked to individuals’ values and attitudes. This force, which is located in the center of the triangular model, is referred to as the dimension of identity.

4.4 Learning and new technologies: e-learning

The convergence of computers, communications and content has produced a revolution in learning and knowledge management in organizations. These advances have had a similar impact to those that occurred in the fifteenth century, when Johann Gutenberg printing discovered in 1450. In just 50 years, more than two million books were distributed throughout Europe, disseminating knowledge and provoking the early beginnings of the modern age. Today, new technologies offer innovative solutions that challenge traditional responses to organizational learning.

Until relatively recently, organizational learning was not especially productive for organizations. But new organizational realities and the availability of new technologies are allowing for new approaches, which differ radically from those of the past. Classroom training is slowing giving way to (or at least being supplemented by) technology-based training. Clearly therefore, organizations’ ability to take advantage of these new approaches depends to a material extent on location – in developing countries with limited access to mains power, broadband connectivity and so on, organizations have little choice but to persevere with legacy methods.
4.4.1 Changing roles

The industrial revolution signaled the emergence of a new type of society and was also the starting point for new production models in which capital and labor were considered key to the generation of goods and services. Today, the technological revolution is replacing capital and labor with information and knowledge. This is a historic turning point: the power of capital is being supplemented and in some cases substituted by the power of knowledge. So important is this trend that the term “employee power” emerged to represent the fact that in many cases employees are the owners of the “means of production” and the ability to generate value in the 21st century. It is therefore necessary to rethink how to manage the new “working class”, whose assets are exploited but not consumed per se.

Where these circumstances prevail, companies are becoming increasingly aware that workers are an asset – a holder of knowledge – that can play a fundamental role in the survival and development of the organization at large. Consequently, organizations have become immersed in a struggle to acquire and retain talent. And, in order to be attractive from the perspective of potential workers with talent, they have to be able to provide quality training and intellectual development.

It is important to note that 21st century employees often feel responsible for their own training and development (especially gifted and ambitious employees). Technology can help satiate their desire to learning by providing comparatively “on-demand” learning solutions which can be accessed anywhere, at any time – and which can be “consumed” in small segments, without the need for hours in a classroom. C-learning (in the classroom) is being increasingly supplemented by e-learning (its electronic or digital equivalent). The most important difference between the two is the power of the individual – in e-learning, the individual can choose (to a greater or lesser extent) what, when, where and how to study. The process is therefore less about “pushing” information to (not always) willing participants, but rather allowing those with a keen interest in learning to “pull” information and knowledge.
**4.4.2 Fundamentals of e-learning**

The purpose of e-learning is to allow anyone, at any anytime, and in any place, to engage in some form of education or training, at their own speed (and indeed, often in their own time). In principle therefore, given appropriate information and systems, the talented individual can gain or improve new competences, or take in new subject matter, in a manner which is inherently efficient for the employer (Casado, 2001).

As it has evolved, the lexicon of e-learning has changed. Nowadays, we often speak of online learning or web-based learning as component parts of broader educational activities that take place via the Internet, organizational intranets and / or extranets. It is also increasingly to refer to corporate e-learning, which refers to the information, training and educational facilities made available by the corporation to its employees via digital means.

E-learning is dependent on two key factors: supply and demand. Demand is driven by the obsolescence of (previous) knowledge and training, the emerging need for *just in time* training, and the more general need (amongst employees) for more comprehensive, flexible, practical and contemporary training. The supply side relates to the provision of digital learning systems – from simple repositories of educational documents that employees can read through to video-based training and one-to-one coaching via video-conference.

Contemporary e-learning programs within organizations tends to focus on three key aspects: learning, performance and innovation. The aim is to make e-learning as relevant and dynamic as possible, using all pertinent technologies and tools, to ensure that workers are able to engage in a learning process. More important, however, is the learning element itself – and organizations and their e-learning suppliers have invested (and continue to invest) considerable time and effort into ensuring that e-learning is as effective as classroom learning (in terms of impact, retention and so on).

Many e-learning programs include a knowledge management element – particularly where much of the content of e-learning platforms pertains to the organization itself, its products and services, its operations / processes and other resources. Some organizations are also starting to add wiki-style elements, such that informational resources can be updated,
edited and otherwise commented upon by workers – thus making the information more “live” and dynamic.

One of the most substantial benefits of e-learning is interactivity (Punset, 2000). In theory, the more interactive an e-learning program is, the more likely it is that the participant will engage with, remember and later apply the content. Moreover, interactivity allows the learner to structure, order and repeat material so as to achieve better results. Interactivity also tends to promote discovery – where employees can “wander the halls” of an e-learning suite, they may often be tempted to learn subjects that allow them to contribute in new ways to the organization.

### 4.4.3 The new concept of learning

Charles Handy begins a chapter in his book “The Age of Unreason”, to what he calls the “reinvention” education:

“If change is really learning and effective organizations increasingly need intelligent people, if the races are shorter and more variable, especially if growing number of people as being self-sufficient NEEDS during most of their lives, then, education has to become the most important investment that will enable anyone to manage their own destiny ”

The use of technology in training within organizations can bring many benefits, but it must respect the established means of imparting knowledge used in regular classroom teaching. As such, it must:

- Correspond to natural forms of learning.
- Provide relevant targets to create a framework and meaningful motivation.
- Should respond to the interests and concerns of each person.
  - **Feedback**: evaluation and control of the learning process.
  - **Reinforcement**: positive reinforcement on performance.
  - **Practice**: Implementation of learned concepts and ideas.
- **Involvement**: Involvement of people in the learning process
- **Relevance and practicality**: solutions must focus on relevant and practical programs.
- Personal gain: people have to perceive some sort of advancement from participation.
  - **Behavioral models**: providing reference models is effective.
- **Supportive environment**: e-learning must be supported by managers.

- **Self-esteem**: confidence and self-esteem must be addressed in all training activities.

- **Methods and visual aids**: the proper relationship between learning strategies helps create good learning environments.

In summary, e-learning must be very carefully structured, and designed to deliver specific outcomes. Each unit or element of an e-learning suite must be designed to ensure that any given participant – having followed the unit – will be able to do or know something that is relevant to the future growth or performance of the organization. This may sound relatively straightforward, but the complexity is considerable.

A company wishing to encourage innovation amongst upper tier managers must take very considerable care in the development of e-learning resources so as not to adversely distract such employees from their existing jobs. There is a stark difference between teaching individuals how to deliver innovation in an organization and teaching the same people how to be innovative. The latter could well result in chaos.

Where e-learning really comes into its own is within the field of business simulation and collaborative learning. Also referred to as goal-based scenario (GBS) training, digital e-learning solutions can provide incredibly powerful tools to allow groups of workers to learn about how to better manage an organization by simulating outcomes. In the same way that military organizations undertake what are pejoratively referred to as “war games”, other organizations can simulate everything from a collapse in raw materials prices through to the imposition of harsh regulatory conditions. Within the context of a simulation, participants can learn the dynamics of the market and the appropriate responses for their organization – within the “safety” of a simulation. This is an especially relevant platform for talented individuals – the stimulation provided by simulations is something that intellectually gifted individuals can enjoy, and apply in the future.

More generally, GBS is defined as an environment in which workers learn with the purpose of getting achieving a relevant objective. Students are given the opportunity to practice during the course, helped by a rich structure and motivational support by other workers who already have the underlying skill, ability or knowledge (the trainer within GBS is typically not a professional tutor or trainer, but rather another worker). GBS is focused,
therefore, on the acquisition of organizational-centric skills and learning - often in parallel with other learners (thus making it interactive on several levels).

If not carefully managed, e-learning often degenerates into a simple data storage. E-learning must therefore be very carefully designed, managed, monitored and curated. The benefits of e-learning are directly connected to the appropriateness, usability and relevance of the content and systems.

It is also important to note that e-learning is not a substitute for other forms of personnel development. Indeed, some forms of learning are unlikely ever to be effectively delivered by electronic means. Coaching, counseling, mentoring and other forms of peer support need face-to-face interaction, and indeed, may actually become more critical in organizations where the classroom is replaced by computer screens.

4.5 The Learning Culture

Chang and Lee (2007) studied the relationship between the culture of the organization and its impact on learning within the same. They noted that culture influences the behavior of individuals in general, but also suggested that “transformational” leadership has a much more positive impact on organizational learning.

Leadership is an essential component to facilitate a learning environment in organizations. Others, including Jayme Rolls (1995), have suggested that transformational leaders tend to promote learning and betterment amongst workers, and tend not to see talented subordinates as a threat (to their future tenure in a leadership role), but rather as a critically valuable resource to be nurtured and supported. More generally, they suggested that transformational leaders tend to be more in tune with the five disciplines of learning organizations introduced by Peter Senge.

There are several other studies that emphasize the role of culture in organizational learning (Lipshitz et al., 2002; Chang and Lee, 2007; Balthazard et al., 2006; Lai and Lee, 2007; Al-Alawi et al., 2007; Pillania, 2006; Alavi et al., 2006; Schein, 1996).
In short, the central thrust of these studies is that organizations must actively encourage learning – and allow workers to allocate a proportion of their time to training, education and indeed more general exploration. Within such a culture, employees will often take it upon themselves to invest in their own advancement, and that of their employer. In a culture of clock-watching and micro-management, this is unlikely to ever be the case.

4.6 Learning and chaos

Business is inherently chaotic and unpredictable. The framework in which organizations operate today requires managers to embrace change, complexity and ambiguity in equal measure, and design adaptive strategies that can accommodate such variables. Unlike in previous decades, today, it is virtually impossible to predict the future beyond a comparatively short timeframe. Change can turn towering enterprises into fragile edifices. Nokia could be considered a good recent example.

Contemporary leaders must therefore design and deploy flexible organizations that can learn and adapt as necessary. This implies a very substantial degree of change. Traditional notions of structure, hierarchy and control are rapidly becoming redundant in an age when competitors can appear overnight. This context amplifies the need for agile and highly effective learning.

In this vein, the work of Stacey (1993) provides an interesting guide which includes eight helpful actions:

- **Redefining the meaning of control**: Group learning is a form of control that managers unfortunately often fail to recognize. It allows intellectual horsepower to be applied to real time problem solving, and the sequences of steps and actions can form the basis of highly relevant learning. It often generates flexibility, motivation and thus a stimulus for further learning.

- **Redefine the use of power**: It is necessary to redefine the way in which power is applied within a team. The application of power (especially in chaotic environments) should not be authoritarian because it generates fear and
submission. By contrast, an open and tolerant approach should be adopted, in which critical and creative thinking are actively encouraged by managers.

- **Empower self-managing teams**: This implies that the role of managers should be limited to “coordination from behind the scenes”. Managers should only create the atmosphere that allows the team itself to get on with its work and manage how its goals and objectives are achieved. Again, this typically results in creativity, collaboration and cooperation, as well as more open sharing and collective learning.

- **Cultural variety in teams**: An effective way to get achieve new insights in problem solving is to cause a collision / interaction between different cultures and rotate people across functions and business units. If one asks the same group of people the same question several times one is likely to get the same answer over and over again. By introducing new “ingredients” to the team, the tensions and sparks created can lead to new ways of thinking and new solutions.

- **Present ambiguous challenges**: Instead of presenting direct and concise objectives to be achieved, managers should instead present a vision, a broad direction, or a set of challenges that serve to motivate action in the desired direction. If a manager asks a dichotomous question he or she will typically receive a polarized answer. An ambiguous question is likely to draw on many more perspectives and a wider data set, and is therefore likely to result in a more dynamic analysis and set of results.

- **Seek out challenges**: Organizations that do not actively seek out new challenges risk stagnation and a steady descent into irrelevance. In his studies Michael Porter has amply demonstrated that companies seeking new challenges tend to be better able to build sustainable competitive advantage.

- **Investing in the improvement of group learning**: Most challenges faced by organizations are too complex and multidimensional for a single person to be able to assimilate and respond to. Groups of suitably skilled and experienced
are far more able to cope with the complexity of such challenges, and the more groups are encouraged to share and learn together – and the more they are given the tools to do so – the more likely it is that the organization will find suitable solutions.

- **Create a wide range of resources**: To stimulate innovation, learning and the use of individual intuition, organizations should provide the fullest possible range of (relevant / necessary) resources such that workers do not face unreasonable resource constraints that could undermine their ability to drive the organization forward.

5. NEW ORGANIZATIONAL MODELS IN LEARNING ORGANIZATIONS

There are two dimensions to the term talent - one individual and one organizational. While in the first instance the term talent leads to a subject-oriented interpretation, the second should be understood as the interaction of professionals assisted by the organization, to successfully address the challenges predominating. This is a team effort, not an individual effort.

Therefore organizations that want to develop talent must set up an organizational structure that creates value, involvement, motivation, and engagement - allowing the free flow of information and knowledge, and unleashing creativity and fostering team-work.

New forms of organizational structure are emerging amongst the most innovative and adaptive companies. As will be set out, the structural typology of such organizations has evolved towards more participatory, versatile, flexible and dynamic approaches. We can see in Mintzberg (1989) adhocracy as the flexible and innovative way of generating innovative solutions to put knowledge to work into the organization within a shared vision.

As defined by Cuervo (1994), the structure of a company relates to the set of lines of authority and communication that exist throughout the organization. Companies use different types of organizational structures divide - primary structure - and then coordinate - operational structure (Hrebiniak and Joyce, 1984).
In order to divide the work in enterprises managers apply different criteria to classify it in two categories (Navas and Wars, 1996): *purpose*, which relates to product, customer, geographic area or market (Weihrich Koontz, 2002) and *procedure*, which relates to vertical function. Combining these two criteria there are five different primary structures: simple, functional, divisional, matrix and holding (Raven, 1989).

In order to coordinate the work, the main forms of integration – ranked by increasing complexity and cost – are (Fernández Sanchez and Fernandez Casariego, 1988): direct authority, administrative systems, mechanisms of integration and voluntary integration. These allow for the internalization of a set of common values in the organization, which in turn is the result of a process of training and alignment.

Besides depending on the type of coordination systems mentioned, the operating structures can be either mechanical, bureaucratic, ad hoc or organic (Mintzberg, 1979; Burns and Stalker, 1961).

5.1 Primary structures

Primary structures emerged because of the limited ability of individuals to process large amounts of information or undertake complex tasks, and so the business is divided into simple and homogenous organizational units. The five types, mentioned above, have different relative merits, and the choice of model depends on the size, technology and external environment of the organization (Strategor, 1988).

- **Simple structure**: Usually used in small companies, this structure generally consists of a director and a small number of direct subordinates. Other characteristics include: lack of development and low degree of specialization; supervision and direct communication. Given the generally small size of organizations with this structure, they are typically able to act quickly to unforeseen changes, but when they grows, centralization of authority can be a problem (Fernández Sánchez and Fernández Casariego, 1988; Menguzzato and Renau, 1991).

- **Functional structure**: This structure is often used when a company
commercializes certain types of products or several closely interrelated products / services. Organizations with this structure tend to benefit from specialization, industry experience and economies of scale, but they may also have problems with interdepartmental coordination and prospering in unstable environments (Navas and Wars, 1996).

- Divisional and holding structure: Such a structure facilitates coordination but can multiply fixed costs. Diversification strategies tend to result in this sort of structure (Williamson, 1975). Semi-subdivisions are created, all falling under a central leadership division deals with strategic issues and often finance. Under a holding structure the central leadership division often simply owns shareholdings in portfolio divisions (Raven, 1989).

- Matrix structure: It is not always easy to choose a single model, therefore large organizations sometimes decide to employ more than one model at a time. The biggest drawback of this approach is that strategic clarity is often lacking, and the process of managing different businesses can become disproportionately difficult.

5.2 Operational structures

These structures set out how to organize operations in each unit or department within the primary structure. There are typically two variants: bureaucratic and ad hoc.

- Bureaucratic structure: This structure has its origins in the work of Taylor (1911). Such structures typically favor efficiency and are ideal for repetitive work, but tend to be inherently inflexible.

- Ad-hoc structure: Since the 70s, organizations have become increasingly aware of the need for market-orientation and quickly changing customer demands and preferences (response Toffler, 1971). The ad hoc structure promotes innovation and eliminates unnecessary formalization (Mintzberg, 1979). It also defines tasks more flexibly and by means that encourage
teamwork and personal interaction. Ad hoc structures typically allow for rapid change, making them suitable for turbulent and chaotic environments.

5.3 New organizational models

These days, with such a rapid pace of change, many organizations have begun to question whether the vertical division of labor and hierarchical rigidity are a source of competitive advantage or a liability. As organizations, consultants and academics have studied the issue in more depth, a number of new organizational models have emerged. This include:

- **Inverted structure**: This structure places employees that are in contact with customers at the top of the organization, with senior management and other functions below, providing supporting functions (Quinn, Anderson and Finkelstein, 1996).

- **Network structure**: This structure is based on the notion that effective organizations emerge from an ability to gather and share knowledge and experience. Network organizations comprise nodes, which typically relate to product lines or projects, some of which may be transient (Miles and Snow, 1986; Quinn, 1992; Probst and Büchel, 1997).

- **Cloverleaf structure**: This structure consists of four overlapping cores. One of the cores represents knowledge, which is a key source of competitiveness in such organizations. The second is typically outsourcing, which is a central element of this structure: companies with a cloverleaf structure tend to outsource a substantial proportion of their activities, especially those that represent low value add. The third core represents flexible working, through which the size and shape of the workforce can scale with market demand. Finally, the fourth clover leaf is customer interaction (Handy, 1989, 1992; Quinn, 1992).

- **Hypertext structure**: This structure combines both ad hoc and bureaucratic structures, thereby attempting to eliminate the possible disadvantages that...
each one individually implies. In essence it is a differentiated multilayer model, where three levels coexist and facilitate knowledge sharing (Nonaka and Takeuchi, 1995):

- **Top layer:** Also called the project team, this a flexible team structure that changes in response to the needs of the market, customers or the company itself (or indeed all three). This layer is responsible for creating, developing and sharing knowledge. Project team members are typically drawn from different business units within the organization and assigned to specific projects from start to finish.

- The middle layer: This is the bureaucratic layer: the layer in which repetitive and routine activities take place. A bureaucratic model is used but only so as to constructively provide supporting super-structure for the top layer.

- The bottom layer: This third layer is responsible for contextualizing the knowledge generated by the top layer, throughout the organization, in a way that makes sense to the whole group.

  **Hyper-cloverleaf structure:** This is similar to the hypertext structure but shares some of the features and philosophies of the cloverleaf structure. Organizations are typically inherently multilayer, but avoid a bureaucratic layer, and generally employ a flexible cloverleaf format (Anton Rodriguez *et al.*, 2001).

There have been great changes in the organizational structure of enterprises over the past three decades. First came a new division of roles and responsibilities, with a new set of criteria based on knowledge emerging (Argyris, 1964). More recent changes have seen the de-formalization of behavior, demand for new skills, and an increase in the sharing of knowledge (Gerstein, 1988; Amat and Salas, 1989).

In this sense it is interesting to study new theories of learning in organizations such as connectivism (Siemens, 2004), understood as the integration of principles explored by chaos theory, neural networks, complexity and self-organization. Where learning is a
process that occurs within a wide range of environments that are not necessarily under control of the individual. Personal knowledge is a network, which feeds information to organizations and institutions, in turn feedback on the same network, and eventually ends up providing new learning to the individual.

The number of hierarchical levels has tended to decline as a result of the introduction of new technologies and the need for greater flexibility and innovation (Gerstein, 1988; Navas, 1994; Cabrera and Rincon, 2001).

Finally, new support mechanisms, coordination and cooperative management between employees have allowed for greater decision-making power and the emergence of learning organizations. To some extent there has been a net decentralization of organizations, both vertically and horizontally (Gerstein, 1988; Gairin, 1997).

6. COOPERATIVE MODEL AS A CATALYST FOR TALENT DEVELOPMENT

The cooperative movement arose from the cooperation among members of an economic group, typically producers of a connected group of products. With early beginnings in the agriculture business, cooperatives came into existence in order to help disparate producers to achieve greater power versus buyers.

In its modern guise, the cooperative model has become increasingly popular, partly because it often suits groups of small technology start-ups well, and also, because the cooperative approach can often be very attractive to talent.

In addition, now a days have raised a new 2.0 philosophy that defends the theory that "the less you share, the less power you have". His driver, Isaac Mao, believes that by the same way that our neurons form a network to pass information between them, thanks to the internet and social networks we can also recreate these networks and connect with other users to exchange information. As social beings, all these interconnections enrich us enormously, "The more collective our intelligence, the wiser our actions", defends Mao.

Furthermore, The guiding principles of the cooperative movement facilitate the development of talent. These principles include: shared values, the provision of collective
security, a shared purpose and high group cohesion. On the other hand, as we have seen in the sixth general principle of TM, one of the ways to attract new talent, organizations must demonstrate a compelling and inspiring corporate identity. This action can be developed through a strong CSR which is much stronger on cooperative societies which naturally conduct their business under these principles and values (Puentes and Velasco, 2009).

6.1 Cooperation and cooperatives

Cooperatives are typically run in a quasi-democratic manner. Groups of small companies typically share the cost of expensive hardware or solutions, facilities and other infrastructure. They sometimes also share talent (especially talent relating to finance, business management and development, and sometimes more detailed technical knowhow).

Often, cooperatives are managed by a large collection of “members”, who vote on issues affecting all constituent companies. This can often result in a shared philosophy and greater participation in decision-making (Nilsson, 1994, p.262). However, it can similarly result in management deadlock if members have divergent objectives or priorities (this has recently been illustrated clearly with the near-collapse of the Cooperative Bank in the United Kingdom).

Nonetheless, as stated by Bueno (1993, p.322), "social economy companies (among which exist many cooperatives) are alternative companies have emerged to overcome social challenges and provide a meaningful social response in the form of job creation, greater involvement and economic and social development in local and regional areas.”

Cooperative organizations are founded on universal values of cooperation and responsibility, including:

- Mutual support: mobilize a group to solve common problems.
- Mutual effort: individual members will work for the good of all members.
- Responsibility: commitment to and ownership of responsibilities.
- Direct Democracy: full participation of members in the management of the whole.
- **Equality**: all members have equal rights and duties.
- **Equity**: fair redistribution of benefits among members of the cooperative.

Additionally, cooperatives have a number of characteristics that make them useful for economic and social development (Vara, 1994):

1. They are very flexible in terms of size and mobility of members.
2. They typically contribute strongly to the creation of new companies.
3. They tend to favor “fair” salaries and sustainable employment.
4. Because of the underlying cooperative principles, they tend to invest relatively substantially in training their workforces. Human capital is considered a key competitive factor.

It is interesting to note the parallels between management excellence and the guiding principles of cooperation, as evidenced in the work of Vargas, Marin and Grávalos (1994). These parallels include:

- **Shared Values**: Several studies have shown that one of the characteristics of excellent companies is having a clear set of shared values. Cooperatives are built on shared values of previously unrelated entities.

- **Motivation**: Business leaders in outstanding companies typically feel a sense of duty to pass on to their employees the guiding principles and spirit of excellence that they themselves employ. As democratic systems, the level of involvement and motivation of members in cooperatives are closely linked to the achievement of the common interest (Vara, 1994).

- **Education, training and information**: Education has been called the “golden rule of cooperation.” Lifelong learning contributes to the development and consolidation of cooperatives’ culture because people feel emotionally linked to the business. Training and development, as well as transparent information sharing, tend to result.
- **Flexibility**: Cooperatives have the capacity to adapt to more anti-capitalist societies and more fragile environments.

### 6.2 How to foster collaboration and cooperation in organisations

Throughout this document it has been illustrated that the keys to organizational success are increasingly linked to individuals’ ability to work in teams, collaborate, and learn (alone or collectively).

From previous studies, it is known that members of a group collaborate more naturally if they perceive themselves as equals. This means: similar experiences, similar training, similar culture and similar individual characteristics. While this in no way suggests a need for less diversity, in the first instance it does require a major effort to establish a shared vision. Additionally, the higher the educational level of members the more difficult it is to achieve effective collaboration. At the same time, the greater the number of experts within a group, the more likely that the group will disintegrate or stagnate.

Based on the work of Gratton and Erickson (2007), eight practices that facilitate team building and more collaborative work have been established. These are divided into four categories: executive support, HR practices, leadership, and the structure of teams.

- **Executive Support**: At a basic level, the success or failure of a team ultimately depends on the philosophy of the executives in the organization. Teams often work at optimally when executives are also involved, at least to some extent. Executive support functions include:

  - **Investment in relationships within the firm**: Executives must encourage collaborative behavior in the organization. They should focus on efforts to increase communication and commitment to collaboration.
  
  - **Shaping collaborative behavior**: In organizations where managers show highly collaborative behavior, other staff tend to share the same willingness to cooperate.
Create a “gift” culture: Through activities such as mentoring and coaching, pursued informally, workers tend to build networks beyond the boundaries set within the organization.

- **HR Practice**: The HR department is responsible for developing a wide variety of practices including recruitment, selection, training and development of human capital within the organization. Two practices in particular appear to improve the performance of teams: training related skills and improved feelings of community.

  - **Training related skills**: Employees should be taught how to build relationships, communicate optimally and creatively resolve conflicts so as to increase internal collaboration.

  - **Reinforcing the sense of community**: When people feel part of a community as an active member, the overall sense of community rises and individuals become more likely to share knowledge.

- **Leadership**: In groups that illustrate strongly collaborative behavior, leadership can make a considerable difference. That difference typically relates to the extent to which leaders embrace flexibility.

  - **Leadership mix and task-orientation**: Successful organizations often seek leaders who have a strong work ethic, high awareness of goals, and a consistent focus on a people-oriented leadership.

- **Team building and structure**: Leaders who take an active interest in the shape and dynamics of teams are generally better able to encourage collaboration and cooperation.

  - **Build relationships from the basics**: The best practice seems to be to start with a couple of people who know one another in advance, and who can act as a stable foundation on which to build the rest of the team.
7. CONCLUSION

The purpose of this study was to deepen our understanding of the term "Talent Management" and thereby its implications within organizations. First, a theoretical review of the term talent was undertaken, because even though talent management as a discipline has recently enjoyed rapidly growing interest in the world of business, the essence of talent, and therefore the element that needs to be managed, is generally not well understood, even though it has been discussed significantly (Collings and Mellahi, 2009; Lewis and Heckman, 2006).

The accumulation, nurturing and exploitation of talent is the ultimate goal of talent management. However, there is no definitive agreement on the definition of talent, with even issues as fundamental as whether talent is innate or can be developed still open to debate. There still remain questions about whether it is better to build talent from within the organization or buy it in from elsewhere (Michaels et al, 2001).

If we want to finalize a realistic approximation of what is talent, we need to consider several factors. First, we must define what qualities are essential. Second, we must determine what the optimal operating environment is. Third, we must consider whether there is a relationship between success and talent. Finally, we must fully understand the correlation between organizational success and individual talent, since the second without the first is of debatable value (Ross, 2013).

In order to define models of competencies required to select the right talent, it is important to recognize that models must be adaptable to change. Otherwise, if they are static, HR managers will likely fall into the trap of constantly pursuing outdated ideals, acting with perceptual myopia (Clutterbuck, 2012).

As we have seen, organizations are motivated to develop talent management programs for two reasons. First, some organizations acquire and retain talent, developing an
organizational culture based on respect, achievement and effective communication between its workers (Government of Alberta, Human Resources and Employment, 2003, p.8). Second, other organizations aim to achieve the commitment of workers, (Gibbons, 2006) and benefit from higher emotional and intellectual connection with their employees. Therefore, the aim is to obtain the best labor possible and ensure that it is committed to the organization.

Today, companies are aware that employees have in their possession one of the most valuable competitive advantages, knowledge. Because of this, they are engaging in a struggle to acquire and retain talent. But in order to be attractive from the perspective of talented workers, they must provide quality training. Therefore, organizational learning is a key element in the development of talent within the organizations, which can only be achieved through the effective implementation of programs, strategies, policies, actions and resources aimed at growth and sustainable development (Bryson, 1995).

The current convergence of computers, communications and content, has generated a revolution in learning within organizations. Employable, valuable talent is implicitly related to the ability to delivering learning and new knowledge to individuals. Learning is often understood from a cognitive perspective or a contextual perspective (Anderson et al, 2000; Illeris, 2007). Learning is a social and informal process that is based on experience and is associated with active participation in the community (workforce).

The use of new technologies that facilitate learning (generally referred to as e-learning) differ from those of the past (c-learning) in one fundamental respect: because of the Internet, power and control in learning processes change; teacher and instructor become employee or learner. Because of this, almost anyone can perform the necessary training activities to develop their skills for improved performance at work (Casado, 2001).

It is also important to note the types of organizational structure so as to infer which may suit talent development programs better. Within this context, we have highlighted the Hypertext and Hyper-cloverleaf structures, in which the number of hierarchical levels is reduced as a result of the introduction of new information technologies and the need to be more adaptable, flexible and innovative (Gerstein, 1988; Navas, 1994; Cabrera and Rincon, 2001).
These structures tend to promote new mechanisms of adaptation, coordination and cooperative co-working between employees, providing more power and responsibility to workers, boosted by new trends such as the case of Connectivism and Sharism, which rely on the power of sharing in order to progress and improve their performance. There has been a net decentralization of organizations, both vertically and horizontally (Gerstein, 1988; Gairín, 1997), and this may not only be attractive to talent, but make talent inherently more important to the organization.

Finally, we focused on the cooperative model, which tends to sit most comfortably with the development of strategic TM programs. The cooperative model is one that emerges from cooperation between members of a grouping of congruent and complementary members (organizations). The guiding principles of the cooperative movement facilitate the development of talent. These principles include: a system of shared values, the provision of collective security, a shared purpose and high group cohesion. All members assume the role of an individual businessman such that entrepreneurship, innovation and adaptability are encouraged.

Cooperatives are normally highly committed to education, training and free flow of information among its workers and members, therefore, in the current "war for talent", the social character of cooperatives gives them a unique competitive advantage. Finally, their inherent flexibility and adaptability reduces their exposure to contemporary challenges in business, the economy and society at large (Vargas, Marin and Grávalos, 1994).
8. REFERENCES


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