

## **NURTURING THE LEADER: TALENT MANAGEMENT IN ORGANIZATIONS**

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### **Abstract**

*Globalization forces organizations to face new adaptive challenges. That is the main driving force behind the witnessed restructuring and reengineering efforts by organizations. To achieve the change and adaptation forced by the new global setting, organizations need managers who also have the ability to lead and transform the organization. Managers who also have leading skills are very rare but the experience has amply demonstrated that most leading skills can be developed. Organizations started to employ "talent management" as a tool to nurture the leaders vital for their survival in the global make up. The study underlines the increasing need for leadership in contemporary organizations and argues how talent management can help to develop this vital resource called leadership.*

## **LİDERİ YETİŞTİRMEK: ORGANİZASYONLARDA YETENEK YÖNETİMİ**

### **Özetçe**

*Günümüzde organizasyonlar küreselleşmenin getirdiği güçlüklerle uyum sağlamak zorundadır. Organizasyonlardaki yeniden yapılanma çabalarının temelinde bu neden yatmaktadır. Küreselleşmenin dayattığı değişiklikleri gerçekleştirmek ve uyumu sağlamak amacıyla organizasyonların liderlik etme ve dönüştürme yeteneğine sahip*

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*yöneticilere ihtiyacı vardır. Bu tip yeteneklere sahip yöneticilerin azlığı bilinmektedir ancak deneyimler çoğu liderlik yeteneğinin geliştirilebileceğini göstermiştir. Lider yetiştirmek için, “yetenek yönetimi” organizasyonlar tarafından küresel şartlarda varlıklarını sürdürürebilmelerini sağlayacak bir araç olarak kullanılmaya başlanmıştır. Çalışma, günümüz organizasyonlarında liderlere duyulan artan ihtiyacın üzerinde durmakta ve yetenek yönetiminin liderlik denilen bu hayati kaynağın geliştirilebilmesine katkısını tartışmaktadır.*

**Keywords:** Globalization, Leadership, Talent Management

**Anahtar Kelimeler:** Küreselleşme, Liderlik, Yetenek Yönetimi

### **1. INTRODUCTION:**

Globalization symbolizes the convergence of digital technologies, and breakthroughs in medicine, communication, and transportation. We know only one thing for sure: Nothing will ever be the same. Globalization presents a volatile and competitive business environment. A crucial aspect of globalization is the way diverse challenges are being faced by organizations in an increasingly inter dependent economic environment. The human factor is the key in the new era of globalization. Human resources must be effectively managed to successfully cope with the growing challenges caused by globalization.

Globalization forces organizations to face new adaptive challenges. Changes in customers, markets, societies, competition are pushing organizations to develop new strategies, to clarify their values, learn new ways of operating. The adaptation of the organization to the new global make up is vital in the sense that globalization challenges the way the organizations comprehend their relations with their stakeholders. The values that organizations deeply believed in became irrelevant. To survive in this new setting called globalize world organizations have to change their old mind set and adapt to the new and more challenging conditions. That is the main driving force behind the witnessed restructuring and reengineering efforts by organizations. [1]

The search for leadership is deemed to be a key determinant of organizational success. To achieve the change and adaptation forced by the new global setting organizations need managers who also have the ability to lead and transform the organization. Leading is the key attribute in attaining and sustaining organizational transformation and success. But the obvious problem is all managers are not good leaders.

The concept of leadership was approached differently from the very early days of its study. First, the tendency was to assume someone is a leader by virtue of a formal position. Thus a Chief Executive may be regarded as the organization's leader simply because he or she is the Chief Executive. Secondly, leadership may be assumed as a set of practices and the person doing them as a leader. Accordingly, it might be argued that a leader is someone that analyses situations and then mobilizes the organization through decisions, advice, encouragement, and recognition. Thirdly, yet another tendency is to see leadership as an expression of personal qualities like being exceptionally strong, brave, and resolute. [2]

Studies of leadership have diverged in their assessments of leaders' impacts on organizational performance. At one end stands the "leadership school," which argues that leaders have a significant impact on organizational performance because they are able to shape the organization's strategy, structure, and culture. At the other end, the "constraints school", also called the organizational ecology researchers, claims that leaders are too ruled by their constraints and environments that they have little ability to affect organizational performance. [3] Forces like organization's culture, the structure of its industry, and its fixed assets are all inertial factors that reduce the CEO's ability to take actions that will impact the organization. [4]

## **2. LEADERSHIP SKILLS CAN BE GAINED:**

As Senge puts it: ".....According to this shared story, leaders are the few special people blessed with the capability for command and influence. They have become leaders precisely because of their unique mix of skill,

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ambition, vision, charisma, and no small amount of hubris. They can overcome the blocks that stymie everyone else. They make great things happen. The implication is clear: if you too want to make a difference, you had better be one of these special people.” [5]

Kotter (2001) had a tremendous impact on people who studied leadership. Kotter outlined the nature of leadership in a series of comparisons between leadership and management. He said managers bring order and consistency. Leaders help organizations cope with change. Managers plan and budget while leaders set a direction for change. Managers control by monitoring against the plan and then solve the problems revealed by the monitoring but leaders motivate and inspire. Managers organize people; leaders align people. Managers design organizations; leaders communicate to people in a way that aligns them to the direction the organization is going. [6]

The role of the leader is to give a sense of direction for the organization. The leader evaluates the environment in which the organization operates and determines the best strategy adapted to that environment. A good leader is able to coordinate his followers around a credible mission statement, which communicates the future course of action of the organization. [7]

Presenting organization leaders as superheroes initiated a number of myths. Goffee and Jones, categorize the four most common leadership myths: [8]

- **Everyone can be a leader:** This is not true. Many executives don't have the self-knowledge or the authenticity for leadership which are necessary but not sufficient conditions for leadership
- **Leaders deliver successful business results:** This is not always true. Some well-led businesses do not produce short-term results, while some businesses with successful financial results are not necessarily well led.

- **People who get to the top are leaders:** This is one of the most persistent misperceptions. People in leadership positions are not always leaders. But people who make it to the top may have done so because of political acumen, not necessarily true leadership quality. Real leaders are found all over the organization, from the executive suite to the shop floor. Leaders are simply people who have followers and rank doesn't have much to do with that. Effective military organizations have long realized the importance of developing leaders at many levels.

- **Leaders are great coaches:** This is rarely true. This belief rests on the assumption that a single person can both inspire the troops and impart technical skills.

If leaders are “few” and “special” as Senge calls them, it is obvious that very few organizations will have the chance of retaining these highly talented people. Is it possible to develop and train promising individuals as leaders? The answer to this question is: “Yes”. Individuals can expand their leadership capacities. No doubt, leadership capacity has its roots partly in genetics, partly in early childhood development, and partly in adult experience. The experience has amply demonstrated that adults can develop the important capacities that facilitate their leadership effectiveness. Some of the capacities that leaders can, and must, learn over time are: [9]

- Self-awareness
- Self-confidence
- Ability to take a broad, systemic view
- Ability to work effectively in social systems
- Ability to think creatively
- Ability to learn from experience.

Zaleznik also agrees that leading skills can be developed. He suggests two ways to develop leaders. First is to avoid over reliance on peer learning situations which he believes will stifle the aggressiveness and initiative that fuel leadership. The second suggestion is to cultivate one to

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one relationships between mentors and apprentices. Close working relationships encourage intense emotional interchange, tolerance of competitive impulses, and eagerness to challenge ideas which are essential characteristics of leadership. [10]

Korn/Ferry Whitehead Mann interviewed 70 CEOs, Chairs, Human Resources Directors to understand what are the most important drivers and characteristics of those with future CEO potential and how to identify them.



*Exhibit 1: Can you develop the drivers or are future CEOs born with them?*  
*Source: Korn/Ferry Whitehead Wasserman, Discovering the DNA of Future CEOs, December 2009, p.8.*

Most notably of all, only 1 in 5 survey participants thought that future CEOs, whatever their gender, are born with all the drive they need to become business leaders. The majority agreed that it was more often the case of “a bit of both”; CEOs may be born with some drivers and develops others. They may have raw talent, but this needs to be identified, encouraged and nurtured. [11]

### **3. MANAGING THE TALENT POOL:**

The answer seems to be “talent management”. Talent management is the recruitment, development, promotion, and retention of people, planned and executed in line with your organization’s current and future business goals. It is aimed at building leadership strength in depth, it creates flexibility to meet rapidly changing market conditions. A structured talent management process will systematically close the gap between the human capital an organization currently has and the leadership talent it will eventually need to respond to tomorrow’s business challenges. [12]

Talent management consisting of talent planning and development is a relatively new concept, only emerging in the 2000s. Talent management is the use of an integrated set of activities to ensure that the organization attracts, retains, motivates and develops the talented people it needs now and in the future. The aim is to secure the flow of talent, bearing in mind that talent is a major organizational resource. [13]

Talent management can be a more urgent issue for some companies compared to others. For some companies, the most urgent driver to engage with the talent management is CEO succession. Exhibit 2 shows the increase in CEO turnover figures. Increasing CEO turnover figures is an other major reason that underlines the importance of talent management.

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		1995	1998	2000	2001	2002	2003	2004	2005
<b>North America</b>	<b>Percentage</b>	10.5%	10.6%	17.9%	13.4%	11.0%	10.1%	12.9%	16.2%
	<b>Index to 1995</b>	100.0	101.0	169.9	127.3	104.2	95.7	122.6	153.9
<b>Europe</b>	<b>Percentage</b>	3.2%	6.2%	9.8%	8.2%	11.4%	10.0%	16.8%	15.3%
	<b>Index to 1995</b>	100.0	196.0	308.8	258.2	358.3	313.9	528.6	481.8
<b>Japan</b>	<b>Percentage</b>	15.0%	12.5%	14.5%	17.1%	9.7%	13.5%	15.5%	19.8%
	<b>Index to 1995</b>	100.0	83.8	97.1	114.0	65.0	90.5	103.5	132.1
<b>Rest of Asia/Pacific</b>	<b>Percentage</b>	4.5%	2.3%	3.7%	1.9%	9.1%	5.6%	17.2%	10.5%
	<b>Index to 1995</b>	100.0	50.2	82.5	42.3	200.8	124.9	380.8	232.4
<b>Global</b>	<b>Percentage</b>	9.0%	8.4%	12.9%	10.9%	10.8%	9.8%	14.7%	15.3%
	<b>Index to 1995</b>	100.0	93.3	143.6	120.9	120.0	108.4	163.1	170.2

*Exhibit 2: CEO Succession Rates, by Region, for All Types of Successions*  
*Source: Chuck Lucier, Paul Kocourek, Ralph Habel, "CEO Succession 2005: The Crest of the Wave," Strategy + Business, Vol. XIII, Summer 2006, p.3.*

Boards of directors have become more responsive to the demands of shareholders and regulatory pressure and are more proactive in ousting underperforming CEOs. Of companies world wide 15.3 percent replaced its chief executives in 2005. This represents an increase of 70 % increase compared to year 1995 and it is believed that turnover level will endure. [14]

The pressing question, then, is how to accelerate the process of nurturing and maturing leaders so that absence of talent is never an impediment to your business goals. As with all change initiatives, it's only when you, the CEO, invest your time and energy that they are internalized by the entire organization and truly shape your organization for the better. Developing people for important leadership positions requires more work on the part of senior executives, often over a long period of time. That work



begins with efforts to spot people with great leadership potential early in their careers and to identify what will be needed to stretch and develop them. [15]

The management of a organization's pool of talent is now too important and has become the responsibility of the top executive. Of all 20 corporate leaders interviewed for The Economist Intelligence study said that talent management is their responsibility. Of the 18 chief executive officers (CEOs) and two chief operating officers (COOs) interviewed, seven say they spend 30–50% of their working time on talent management, and a further seven executives estimate their time commitment to be about 20%, a substantial time commitment percentage, given a top executive's crowded agenda. Talent management has become more important because of a growing recognition that it helps to drive organizational performance, even though the exact impact is hard to quantify. The heads of human resources departments play an important, supporting role in executing talent strategy. However, this effort is not typically guided by a formal talent strategy explicitly linked to the organization's overarching goals or embedded in the business planning process. In most cases, CEOs engage in selected supporting activities where they believe they add value. Many CEOs mentor executives in their organizations—an additional and important part of the programme. They regard the development of the next generation of leaders as one of the best ways of leaving a strong legacy. [16]

#### **4. CONCLUSION:**

Globalization forces organizations to face new adaptive challenges. Changes in customers, markets, societies, competition and technology are pushing organizations to develop new strategies and learn new ways of operating. To achieve the change and adaptation forced by the new global setting organizations need managers who also have the ability to lead and transform the organization. Leading is the key attribute in attaining and sustaining organizational transformation and success. But the obvious problem is all managers are not good leaders but the experience has demonstrated that managers can develop leadership skills. Talent

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management is the recruitment, development, promotion, and retention of people, planned and executed in line with your organization's current and future business goals and is a relatively new concept that emerged in 2000s. Organizations started to employ talent management as a critical tool to nurture the leaders vital for their survival in the global make up.

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