MANAGEMENT OF KNOWLEDGE BY TALENTED INTELLECTUAL WORKERS

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Abstract

The study deals with the processes of the knowledge management realizing in organization. It explores how knowledge and talent is connected, when searching for the best intellectual manpower. The primary purpose of the study is to raise attention towards the appreciation of the knowledge and talent management and their impact on business success. In this study we will outline the first, the fourth steps Probst's theoretical model. The base of the study is a set of secondary and primary sources.

Key words: knowledge management system, intellectual worker, talent, talented employees, talent managament

JEL Code: M12, M53, M54

Introduction

In recent decades economy was driven by information, human capital, knowledge and talent were increasingly appreciated, and had become strategic factors of the competitive market.

Talent is elusive phenomenon. We can found it everywhere but we cannot catch it. Employers are increasingly looking for specific skill groups, and also the existence of values that contribute to and promote the organization's progress. They prefer both technical skills as well as critical thinking possession. Talent management starts there, where the benefits of having the talent, the expense and risk of its loss are acknowledged.

In hungarian practice the largest companies deal with the implementation of talent management practices, which is closely related to the functioning of knowledge management elements. Because it provides the opportunity to identify, care, support talents, and preserve, transfer their knowledge.

In this study the relationship between knowledge and talent in the knowledge management system were examined both theoretical and practical sides.
We will introduce the findings of our research which was held between April and May 2014. Our primary goal was to survey the processes of knowledge of talented intellectual staff within the organization. The research was mainly carried out in Trnava and Nitra counties from Slovakia regardless of their activity, functional form, or their size. In this survey we used Probst's theoretical model. The questions closely followed the logic of this model. In this study we will outline the first and the fourth steps.

1 Appriciation and management of knowledge

We live in the age of knowledge and information society where the appreciation of human intelligence and knowledge can be observed. (Bencsik, 2009) No company is able to self-organize and maintain itself without the proper knowledge (Davenport & Prusak, 2001), which is in constant motion between the organizations. Some researchers have predicted the importance of this in the 1990s. As Nonaka said (1994, p. 442), "in an economy where the only certainty is uncertainty, the only source of lasting competitive advantage is the knowledge." Both companies, as well as individual level the so-called lifelong learning and knowledge management come to the fore and have a critical role as well. (Bencsik, 2009)

But what does knowledge mean and which types of it can be isolated? In the literature we could read various authors thoughts in very different contexts. According to Davenport and Prusak (2001) knowledge is elusive and formally structured, can not be understood by purely logical phrases. It is connected with people, component of their complexity, an ability to act. Knowledge is also an unique resource, which is based on our experiences. If we do not use it, it will wear off. (Bencsik, 2009) As Polányi said (1967) knowledge can be expressed as a system of practical and intellectual activities. In this process we could modify our own methods based on patterns by others. *We can differentiate two types of knowledge:* explicit knowledge is formalisable, easy to transfer, tacit knowledge is hard to codify or share. Tacit knowledge is taking place in the brain of a person. It is difficult to store it in written form. (Polányi, 1967)

What do we call knowledge economy? In the first decades of the 20th century, the knowledge and economy clusters had a more determining role, as well as the networks in the corner stones of knowledge economy. In economies like these, data, information, knowledge are revaluated. Cooperation and conflict, and also collaboration and competition can be

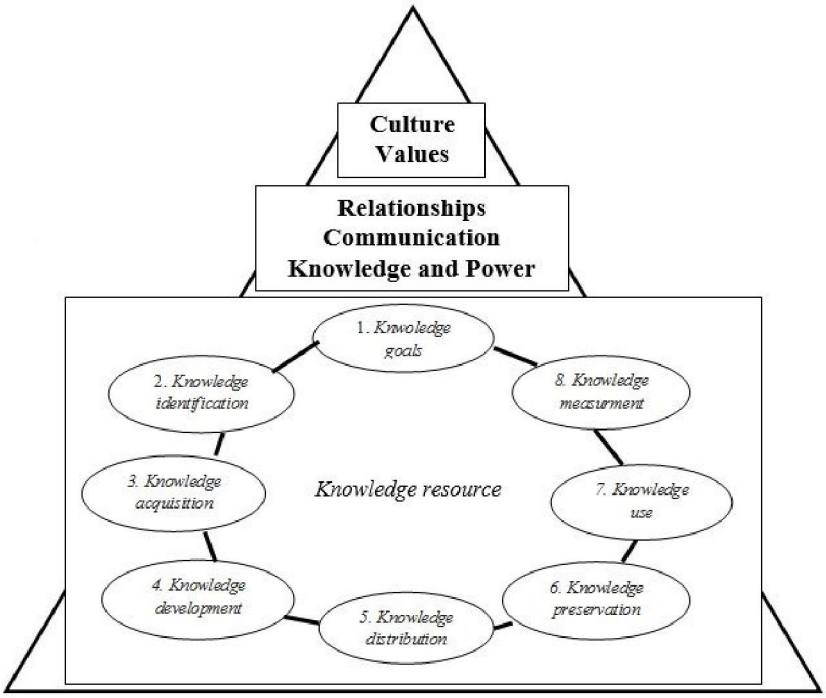
simultaneously observed via networks. Development can not be achieved without the interactivity of learning progress, which is also the indispensable element of innovation. Dropout from this progress can lead to an arrear in a country's region. In this society and economy based on knowledge those companies will be viable, which are be able to integrate and applicate their knowledge. (Bencsik, 2009) For this to handle knowledge systematically and consciously is necessary.

Knowledge management is nothing more than the management of collective knowledge held by its members in an integrated manner. It contains knowledge and activity of the individuals, which can be transformated in order to serve the organizational knowledge. (Martensson, 2000) To handle knowledge management systems it is obligatory to build learning organizational culture, where the most important value is knowledge and its conscious development. In learning organization culture we form our strategy with the mobilization of tacit knowledge. A company, which can react flexible on the changes, which can acquire new knowledge fast, will be more effective in the area of innovations too. (Bencsik, 2009)

To have a learning organizational culture and design a knowledge management system change management is needed. We need also a cultural background in which we could pay attention to the topics of trust, people, IT, structure. Trust is the foundation of all social relationships. In the absence of trust the members of the organization aloof from each other. (Bencsik, 2013) The human factor appears as a critical success factor of knowledge management system. (Moteleb & Woodman, 2007) Finally, it is necessary to examine the structure (management style and knowledge communities), which provides the operational framework for the change. (Bencsik, 2013)

A learning organization owns the following five principles: systems thinking, self-control, mental models, team learning and building shared vision. These five disciplines are pillars of learning organizations. (Senge, 1998) It is necessary to emphasize that an organization without knowledge based culture are not able to operate a knowledge management system. (Moteleb & Woodman 2007) As seen on Figure 1. knowledge management has eight basic elements, but we have to examine them as a whole system. (Bencsik, 2013)

Fig. 1: Concept of the Knowledge management system



Source: Farkas, 2005, own edition

In this study we would like to deal with the first, the fourth steps. Before the process we define the concept of intellectual workers.

1.2 Interpretation of intellectual workers in organizational operations

In this study we will examine the intellectual workers. In 1958 Peter Drucker used the term of intellectual worker at first. Several authors deal with the grouping of intellectual/knowledge workers. During our investigations we rely on Dove's list (1998):

1. In the first category includes *the creators of intellectual work*, the respondants of innovations for example engineers. They create their tasks themselves and also the tools to create it.

2. In the second category we can find *persons*, like economists, marketing experts or lawyers, *who have transferable intellectual work*.

3. The *people* in third category have special tasks. They *work in a job position where their knowledge are higher than others', where they are experts*. For examle dentists. (Dove, 1998)

During the last decades the importance and appreciation of intellectual workers were very different. Nowadays it seems positive, but variable. In the case of almost all mental work is

needed to find the most talented candidates. Although it is not an easy task to identify talented staff, to keep them seems even harder.

2 Relationship between talent and talent management

The definition of talent must be approached from a psychological and an economical aspect as well.

2.1 The psychological interpretation of talent

The notion of talent has changed from time to time, depending on how the social and cultural needs of a given time have changed. Although we can not give a general definition, researchers agree that it contains an „inner force" that may provide the possbility of increasing social performance. We are talking about such a mentality and behavior that can lead us to new paths, solutions and realms. In our research Czeizel's 4*2+1 factor talentum model will be considered as one of our corner stones. Czeizel considers the 4*2 elements, *the four genetic talents*, (*heredity as a general intelligence talent, specific mental talents, creativity talent, motivational talent, as well as the four environmental factors, like family, school, contemporary groups, general social environment*) as a source of emergence of talent. The listed create a complex mixture, because all of them can be positive, and negative too. The last „+1" factor of Czeizel model is formed by the so-called *fate factor*, which wants to emphasize that in the development of talent, fate and random has a large role. However, it is true that when researchers create talent concepts, they mostly forget about this. (Gyarmathy, 2006)

2.2 Interpretation of talent in economic processes

Talent management or talent nursing became strategically important in the 20th century, in the life of organizations. Its basic task is to forecast human resource needs and to plan the service of needs. Talent management can not be characterized as self-serving action, since its essence is not to improve employees, or to create incidental succession plans, but to ensure the reachability of the organizations´ general aims, with which every organizations survival, and everyday actions can be easier or more transparent. (Cappelli, 2008) From

economical aspect talent can be widely interpreted, but basically we focus on economically exploitable skills.

The search after a properly skilled manpower can hinder the development of business. Talent shortage not only affects the developing countries, but the world's advanced economies as well. The nominee with technical and professional experiences can be listed as a good expert, and the lack of this individual obviously slows down and makes the everyday work of organizations harder. On the global market competition, those companies can take advantage that have creative and talented colleagues. (Szekeres, 2012)

3 Relationship between knowledge and talent in knowledge management system

We will try to shed light on the more and more dominant relationship between existing knowledge and talent.

3.1 The notion of talent and targets of talent specifications

First step is defining *the notion of talent and targets of talent specifications*. This step is very important, but mostly rarely realized as conscious process. At this stage we should focus on the conditions which can be easily indicated in the job ads, what kind of knowledge is needed from the prospective employee. However, if organizations consciously focus on the objective of knowledge and talent, their determination will happen as a result of the strategic planning, rather than an ad-hoc basis. (Bencsik, 2013) To implement this stage successfully in terms of talent management, not only the priorities and objectives of knowledge are needed, but the interpretation of talents in the organization too.

During our examinations we have met so many talents definition, we think there are no good or bad concepts. It depends on the organization. Every company has to define their own concept, who will be a talent or expert of what kind of job? what abilities and skills or plus endowment are needed to list them in „above average" categories. Without it, the attraction of talents to the organization is pointless and unsuccessful attempts.

3.2 Knowledge development of talented intellectual workers

Development is indispensable to keep the prominent knowledge workers. In the following we examine this process.

The development of talented intellectual workers should be materialized as an integral part of organisation thinking to make them ready for taking up of opening positions by increasing knowledge, even it is a management position. (Timár, 2013) Besides recognition of outstanding experts their demands should be also emphasized. These needs could be different depending on generations.

The progress plans belong to knowledge development that should be revised, actualised or gearing to changing needs occasionally during the implementation. The support of the given orgnaisation's management is necessary for shaping this process along the strategy and for realization. Otherwise the appropriations – money, time and energy – don't fructify the expected efficiency and effectiveness. (Bencsik, 2013) It is important to provide the training for talented intellectual workers not just short but long term. Moreover, proactive attitude, extra concentration and the competence based employment are also emphasized leadership aspects. Besides the training, involving the employee to systematic training of the next generation can also increase the commitment especially in case of opening key-positions. All these can contribute the stabil existence of the organization. In addition if talent management becomes a conscious activity it can discontinue the knowledge monopoly that raises the difficulties of substitutions and replacements. (Timár, 2013) All these items conduce to increase competitiveness.

4 Practical examination

To test our assumptions, *quantitative research* was carried out among different organizations using a *structured questionnaire*. We asked managers to fill our questionnaires. We used mostly closed questions in our questionnaire; the respondents selected their most representative choice from predefined options. So the results are reliable, easier to code, analyse with SPSS statistical analysis tool. Because in most cases multiple choice was allowed, we evaluated nominal scales with cross-table analysis. The analysis examines the relationship between two variables with statistical chi-square test. It shows that the independent variables are related to another variable. Later we examined that the type of organizations may explains the received replies. *The sample* includes 147 organizations from

Trnava and Nitra counties (Slovakia). 64,9 % of the organizations are SMEs (small and medium enterprises), 24,1 % as public institutions, 8 % as large companies and 3 % as multinationals. 58, 6 % of the respondants operate in the tertiary/service sector. The other 72 organizations were from primary, secundary of quarternary sector in nearly equal proportions. In respect of employees 79,9 % of respondants have less than 50 employees, because of the huge rate of SMEs. Only 23 organizations have more than 50 employees

Our research was not representative, since it does not follow the distribution of organizations. At the beginning of our research then our questionnaire we definied 2 most important notions (based on the literature):

- *„intellectual workers* are employees who are responsible for doing spiritual office and non-office and other complex tasks (including planning, organization, management, decision-making). These individuals do not meet the mechanical routine tasks. The tool for intellectual workers is their knowledge, not the physical matter. "
- *„talented intellectual workers are* experts who perform mental tasks with good or outstanding performance and own ability to quality work. They are the human driving forces of development, competitive advantages and innovations in organizations."

Based on the literature which we could analyzed:

- H1: SMEs support to identify and distinguish of talented intellectual wokers more, than public organizations.
- H2: SMEs contribute the development and training of the average intellectual workers more than public organizations.

Due to limits of the study we will show just a few interesting results of our research.

H1: SMEs support to identify and distinguish of talented intellectual wokers more, than public organizations.

We analyzed how did the respondants define the so called above average intellectual workers of the organzation. We listed some elements of outstanding workers (See Chart 1.) and asked the respondants to check whether elements are used or not in their organization to characterize them.

Tab. 1: Elements of talented intellectual workers (%)

Elements	SMEs	Public institutions
High IQ	22,1	9,5
Outstanding academic expertise in related field	54,9	66,7
Outstanding experience in related field	47,8	31
Outstanding long-term performance in related field	31	35,7
Desire for learning	26,5	33,3
Creativity	50,4	35,7
Internal motivation	18,6	21,4
Good problem solving ability	51,3	40,5
Innovative personality / attitude	36,3	38,1

Source: our research, our edition

As we can see both SMEs and public organizations checked the same elements, like good theoretical knowledge, good problem solving ability, creativity and innovativity. This result shows (as well) that the notion of talent is not equal with the notion of high IQ.

As it could be said that there isn't significant differences between SMEs and public organizations in respect of distinguish average and outstanding employees. So our hypotesis is partially correct. Because 50,4 % of SMEs and 61,9 % of public organizations may support the differentiation of average and outstanding mental workers.

Related to the types of organizations there isn't significant difference in observed, implemented distinction of the two groups. Public institutions have higher detected rate of this process (40,5%), but this value is less than half of the responding public institutions.

Finally, we analyzed that in which level of jobs can be mostly observed the implemented discrimination in the course of everyday activities. Both SMEs and public institutions nominated higher levels of job (47,7%, 52,9%). Another interesting thing is that 45% of SMEs and 35.3% of the public institutions claimed that there is an implemented differentiation in both level of jobs (lower, higher).

We can therefore assume that the first hypotesis was partially correct.

H2: SMEs contribute the development and training of the average intellectual workers more than public organizations.

We examine the H2 with 8th group of questions (8, 8/a, 8/b, 8/c) and the type of the respondent organisations. There is no significant relationship between the two nominal variables. Nevertheless it can be said that those small and medium-size companies and public corporations who distinguish the above and under the average performance of the employees,

in short, talented intellectual workers, also care for development the knowledge and skills (SMEs: 65,9%, public organizations: 76,9%). We wondered the differenciations of areas and trends of development.

The trends of development show that the external training and development are authoritative (only 41,4% of SMEs and only 38,5% of public organizations preferred internal trainings).

Within this trend we have found important to map *the organisation preference of theoretical or practical development*. The approach of the two examined type of organisations are contrary. While 53% of the public organizations higlights theoretic development and 46,2% of them prefers practical trainings; 62% of SMEs voted to external practical training's importance against the theoretical development.

Besides the mentioned questions we also asked that *the development and training of intellectual workers above the average meant more or less time and cost* (the two item is handled as one factor). Neighter of the majority of the two examined type of companies could answer yes or no – 75% of SMEs and 69% of the public organizations refused the opportunity of answer. The reason is not examined in this study.

The H2 is partly proved.

Conclusion

The demand for highly skilled and talented individuals in both developed and developing countries is growing, while the unemployment rate has not decreased. Also increasing competition can be observed in attracting talented people that encourages them to more rational management, rational exploitation of resources. Over the years, in the company's thinking and efficiency those terms have been the focus such as information, knowledge, knowledge transfer, networking, talent, innovation. It can be observed that, next to the so called hard factors, soft factors (for example communication, team spirit, or the issues of motivation) has get a more and more importance in management researches.

As a result of our survey, based on the questionnaire we could say the followings. Our 3 hypothesis could not be completely verified. There is no significant relationship between talents, managing their knowledge and the types of organizations. Nevertheless, it is worth examining the distribution of responses according to each types of organizations. The comparison of SMEs and public institutions pointed out the followings:

- the two types of organizations are appropriate to common analysis,

- fort he responding organizations it is partly true that the concept of intellectual talent and talented employees are integral parts of organizational thinking,
- in the case of public organizations it is more important the presence of talent and manage of their knowledge than for SMEs,
- the examined organizations prefer external knowledge sources than internal sources in case of intellectual workers.

There are some *limitations of our research*. First, the lack of database, which can be a basis of those organizations who deal with knowledge and talent management in their daily activities. We were unable to define the basic population without adequate data. We have tried to reach out and motivate a lot of organizations to the participation, but because of the low propensity our research are not representative.

In our *future plans* we would like to continue our analyzing process in the case of other knowledge management steps. We will encourage more organizations to participate and perform deeper analysis on the common points of knowledge and talent management.

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