

Intellectual capital and talents in agribusiness organisation development

Intelektuální kapitál a talenty v rozvoji organizací agrobyznysu

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Abstract: Human resources are a key factor in the development and competitiveness of organisations. The concept of organisation's intellectual capital enables a complex and systematic look at the decisive organisation sources (including human resources). Talents – people with management skills and the so-called project talents play an important role within the frame of human resources. Talents – bearers of special endowments and abilities – are a decisive factor in the growth of the organisation. Partial probes carried out in agribusiness organisations have confirmed the significance of both theoretical concepts. At the same time, they have revealed that organisations utilise various kinds of talents the differentiation of which requires a more profound examination and analysis in order to assess, in a competent way, the contents and forms of education of young professionals, as well as the contents and forms of lifelong education in the field of agribusiness.

Key words: human resources, organisation intellectual capital, talents, management talents, project talents

Abstrakt: Lidské zdroje jsou klíčovým faktorem rozvoje a konkurenceschopnosti organizací. Komplexní a systémový pohled na rozhodující zdroje organizace, včetně lidských zdrojů, umožňuje koncepte intelektuálního kapitálu organizace. Mezi lidskými zdroji hrají významnou roli talenty – lidé s talentem pro řízení i tzv. projektové talenty. Talenty – nositelé speciálních vloh a schopností, jsou rozhodujícím faktorem růstu organizace. Dílčí sondy realizované v organizacích agrobyznysu potvrdily význam obou teoretických koncepcí. Zároveň ukázaly, že se v organizacích uplatňují různé typy talentů, jejichž diferenciaci vyžaduje hlubší zkoumání a hlubší analýzy, aby bylo možné kvalifikovaně zvážit obsah i formy vzdělávání mladých odborníků, i obsah a formy celoživotního vzdělávání v oblasti agrobyznysu.

Klíčová slova: lidské zdroje, intelektuální kapitál organizace, talenty, talent pro řízení, projektový talent

INTRODUCTION

At the beginning of the 21st century, the world is going through a period of transition to the knowledge economy. The development of human resources is considered the future key factor of both the company and state economies, as those able to speed up their growth will win the competitive advantage. There is a shift in roles – employees' capabilities, i.e. the preparedness to render the requested performance, will be more significant than the defined work positions. Standard human resource management will focus on the development of human capital. The new content of human resource management corresponds to the individualised organisation concentrating on the untying of employees' potential by means like learning, co-operation, self-confidence, initiative, and active involvement.

Company management must pay attention, in particular, to the promotion of the knowledge of employees who are thus able to come up with new ideas, these being a unique competitive advantage.

In 1988, Karl-Erik Sveiby developed the conception of "company's intellectual capital". At present, the term intellectual capital is defined as organised knowledge,

which may be used for the generation of wealth. The majority of analysts have agreed on the following classification of intellectual capital: human capital comprising competence (knowledge, skills, experience, values, etc.); attitudes – both to work and to the organisation's goals (level of motivation, level of ethic, attitude to colleagues and to problem solving); intellectual agility (creativity, flexibility, imagination, originality, goal awareness); structural capital (i.e. know-how): patents, publications, copyrights, etc.; process and organisation quality (efficiency of partial processes, efficiency of organisational processes and organisational structure, quality of organisation culture); development potential (planned and yet unrealised investments, planned education programmes, research programmes, research and development unit quality); organisation's vision and strategy; and relationship capital – relations with customers (customers' loyalty, brand dedication, distribution network quality, contractual terms and conditions, etc.), relations with suppliers (correctness, striving for mutual advantages, contractual terms and conditions), relations with partners (correctness, alliance creation), and relations with owners and investors.

The intellectual capital concept enables a complex look at individual areas, which are of essential importance for organisations. It permits the monitoring of mutual links between individual activities and stimulates the qualified management of all decisive organisation resources. It reveals interconnections between individual elements and clarifies the meaning of system approaches to human resource management. This, however, does not rule out a temporary emphasis of one of the elements whose development may be a stimulus for the development of the entire system.

Talents form an important part of human capital. Talent may be interpreted as a group of special endowments and abilities, which condition a top-class performance in a certain field. Recently, in literature dealing with management, we can encounter two interpretations of talents in organisations: talented managers and “project” talents, i.e. young, competent and routine-unburdened employees who become the driving force of changes. Sometimes these two conceptions are in conflict – according to the second, the talent at “an older age” turns into a “professional”.

Management talent refers to an executive who is able to see things in context, taking into account future prospects, who has the ability to estimate development trends, who is able to make decisions in complex situations, in lack-of-necessary-information conditions, who is able to stimulate creativity, has the ability to build and manage teams, who is able to elicit interest, zeal, enthusiasm, who is willing and able to promote the development of others, has high aspirations, and is able to react flexibly to unexpected sudden changes. These characteristics are bound with individual and team competence: initiative, innovation, ability and willingness to learn, ability to generate values, interpersonal efficiency, ability to guide people, and the ability of and preference for team work.

The second interpretation of talent, or rather talents, perceives talents as bearers of special endowments and abilities who are able to render top-class performance where requested by the relevant organisation. To determine whether a person may be, in terms of the organisation, regarded as talented depends on the organisation's strategy, on the goals the organisation sets up. Talents are perceived as a key pro-growth factor as talents are a source that accounts for 80% of growth (despite the fact that their share in the organisation amounts to a maximum of 20%, however, usually 5%). Talent is usually in a young individual aged 20 to 30 who has better-than-average endowments and the ability to work hard, which is interested in being useful and successful.

Talents in the organisation are an essential part of the organisation's intellectual capital. These are people with exceptional endowments and abilities, in particular in the approach and intellectual agility areas. Their approach to work and to the goals of the relevant organisation distinguishes talents from older employees as they put emphasis on the new and modern, the possibility of growth and development, the possibility of individual and speed winning. Their intellectual agility (including imagination, cre-

ativity, flexibility, originality, and goal awareness) is not, unlike in the case of older staff, inhibited by constructed barriers, which may be summarised under the term “organisational blindness”.

However, in order to enable the project talents to find their place in the relevant organisation and to make full use of their potential, the organisation is to determine the following:

- clear vision and strategies, goals, expected outcome of talent involvement (for future 2–3 years),
- character of the environment which would support and stimulate talents' activity:
 - adequate management methods,
 - organisational culture,
 - communication system,
 - working procedures and methods,
 - education programmes,
- talents' role in the development of the organisation.

Talents are usually divided into “strategists” (i.e. usually top management executives who develop out of some young talents – their “life” in the organisation is currently estimated at 5–6 years unless they are offered exceptionally attractive, mobilising opportunities), “project team leaders” (their career in the organisation is usually 3 years), and “team brains” (specialists whose loyalty is likely to be longer).

The growing significance of human resources is also reflected in the area of agribusiness. Therefore, it is necessary to review the conditions of intellectual capital conception applying and the role of talents in the development of agribusiness organisations. It is essential to determine whether some specifics, especially in agriculture, enable the full application of these concepts or whether some modifications are to be made with regard to the application approaches and consequently knowledge management.

GOALS AND METHODS

The research which has been carried out was based on two basic hypotheses:

- intellectual capital conception is very little known in agribusiness organisations and is not taken into account when analysing organisation resources,
- in agribusiness organisation practice, talent is perceived in particular as management talent whilst the second interpretation is not that common.

The aim of the research was to verify, by means of partial probes, these hypotheses and to prepare background material for outlining a broader survey of intellectual capital and the role of talents in agribusiness organisations.

The above mentioned partial probes were carried out in by means of semi-standardised telephone interviewing, non-standardised personal interviewing of managers in agribusiness organisations and using questionnaires completed by a group of external students (economics and management) at the Faculty of Economics and Management of the Czech University of Agriculture in

Prague (selected from various industries of national economy). These survey methods (or rather the range of respondents) permitted only the qualitative probing of the issue.

The hypotheses have been confirmed – a vast majority of the respondents have not come across the intellectual capital concept and the significance of its exploration so far. A prevailing number of the managers listed various aspects of talent for management, however, a minimum of the respondents mentioned, on their own initiative, project talents (i.e. young specialists having exceptional endowments and abilities which are to be utilised by the organisation for the purpose of its further development).

OUTCOMES

The managers considered the intellectual capital conception a theoretical construct, which might, on a general level, be a stimulus for a more complex look at the organisation and its activity. However, they expressed their doubts concerning its practical use. They stated that the practical monitoring of all partial areas of intellectual capital and their analysis would require excessive time and financial means which organisations lacked. According to the managers, to carry out intellectual capital analysis was solely within the scope of activities of consulting firms. They would not oppose using services of such consulting firms, however, in their opinion, the majority of agribusiness organisations, in particular agricultural companies, did not possess sufficient financial means to cover the costs of such services. As far as the external students were concerned, they shared the managers' views on intellectual capital.

According to the managers, human capital, in particular the area of responsibilities and approaches, as well as the analysis of the quality of company processes and organisation within the frame of structural capital were the most important areas of intellectual capital. The external students expressed similar opinions.

The managers agreed with delimiting competence by means of knowledge, skills, experience, and values. Nevertheless they found it difficult to concretise knowledge, skills, and experience. In their opinion, they were closely linked with each employee's work (i.e. with the job description drafted for each position). When asking about the general dispositions, the managers accepted the below mentioned characteristics (again confirmed by the responding students):

- ability to make people co-operate,
- ability to lead teams,
- ability to manage process links,
- ability to realistically assess the situation and predict future trends,
- professional, methodological and social competence,
- ability to manage one's own development,
- ability to formulate adequate company vision,
- accepting and ability to clearly explain values, opinions and goals,

- leadership skills,
- ability to create and manage strategies,
- ability and willingness to appreciate change initiators, champions and dedicated colleagues,
- interpersonal skills,
- ability to offer positive future and opportunities for the active people's contribution.

The managers concentrated exclusively on managerial competence, totally ignoring the knowledge, skills and experience of workers in the blue-collar sector.

They had difficulties in determining the area of recognised values in the organisation. The values they considered the most important were those connected with stability, order, discipline, solid structure, and certain invariability. Similar opinions were expressed by the external students. The following is a list of appreciated organisation values:

- dutiful and high quality work,
- workmanship,
- mutual trust,
- discipline, self-control, restraint,
- high-quality goods and services,
- experience and knowledge,
- high and stable performance,
- willingness to work hard according to current requirements.

The managers also mentioned other values: being adequately informed and adequately open in communication, commitment to work in the organisation, respecting authorities, etc. Values linked to organisational changes, innovation, and the building of competitive advantage – activity, initiative, learning, active approach to changes, flexibility, adaptability, etc. – were mentioned only following an additional stimulus, although the managers acknowledged that they should play their role. These values were, however, regarded values of "selective character" relating in particular to executives. The responding managers concentrated on the quality and competitiveness of their company's products and did not consider more profoundly the questions of who produced the products, whether better motivated workers would not render better quality performance, whether they could apply new ideas, etc.

The external students put more emphasis on flexibility and adaptability, ability to act in risk conditions, being maximally informed, and open communication. Nevertheless, no considerable differences were noted compared to the managers' opinions.

The above mentioned values demonstrate the perception of approaches to work and organisation goals – discipline, observing norms of any kind, and financial stimulation are strongly stressed, whereas initiative, creativity, and originality are underestimated.

From various kinds of talents, whose activity has some significance for the organisation, the responding managers underlined management talent. Based on the classification of their opinions, it may be characterised by several groups of factors:

Vision	– ability to formulate a vision, goal conception, ability to transform the vision into goals, ability to communicate the vision to others and win them over, innovation, being entrepreneurial
Management and team work	– ability to delegate goals, not partial tasks, providing liberty in method selection, supporting independence, ability to co-operate with competent people, having preference for the competent, ability to stimulate, ability to create a functional team, ability to protect the team against external interventions, ability to motivate, ability to maintain co-operation, willingness to support creativity
Communication	– being active in communication, look for feedback, ability to formulate, ability to clearly communicate ideas, ability to speak and convince people logically, have a preference for face-to-face communication, respect opinions of others, ability to establish contacts
Organisation	– ability to introduce “rules” while maintaining sufficient level of freedom, ability to specify values, ability to develop structures and processes, being able to establish “discipline”
Foresight	– ability to foretell development trends, interest in changes, ability to perceive opportunities, multilateral support in the field of education
Other characteristics	– orientation towards goals, ability to win confidence, willingness to withstand adequate risks, ability to self-reflect

However, as viewed by the responding managers, these characteristics relate exclusively to top management executives.

Although the managers did not mention all the factors that characterise management talent, their opinions strongly correspond with the outcomes of previous research. The external students from the Department of Economics and Management responded likewise.

When the responding managers were directly asked whether it was desirable to support “young talent”, the majority of them said “yes”, nevertheless, it was not possible to rely solely on them. The following were considered some of the main qualities of young talented employees: vigour, routine-unburden mind, sense for the modern, ability to quickly master new methods, flexibility, willingness to deal with difficulties, and creativity. On the other hand, they also listed some negative aspects of young talents: certain incompetence to view things realistically, intolerance, impatience, excessive criticism, limited outlook, low self-discipline, poorer social skills, low level of empathy, and, in some cases, excessive self-confidence not corresponding to their dispositions or even self-importance.

When responding to the question where to seek young talented people, the managers agreed that they should be searched at schools in the course of their studies. However, they self-critically confessed that they did not pay attention to this activity because of urgent tasks, which make good resolutions change into vague intentions.

More detailed characteristics of “young talents” were provided by the external students. They emphasised vigour, willingness to deal with difficulties, high level of flexibility, ability to quickly master new methods, high level of creativity, high level of imagination, and high level of motivation. Among other important characteristics are: nonconformist thinking, better-than-average endowments and abilities (depending on the activity of the organisation), and a strong willingness to follow the outlined goals. Among the disadvantages, they men-

tioned: strong criticism, certain disrespect towards authorities, but also the emphasis on early recognition and low level of tolerance, and a certain inability of realistic view. They did not regard the age of talents as a significant limiting factor.

According to the students, the following were the most important conditions for the utilisation of “young talents”: opportunity for education, self-study and development, supporting creative people in the organisation, contact with top professionals in the organisation, inventive climate, delegating a high level of independence and powers within the frame of the assigned task, strong appreciation of non-standard and creative outcomes, opportunity to meet highly qualified professionals outside the organisation, supporting constructive criticism, and emphasis on openness.

They also said that they considered talents a key growth factor in organisations and the majority of respondents stressed the necessity of co-operation between both types of talents – i.e. management talent and “project” talent.

The responding managers confirmed that the combination of the performance of both talent groups is the most suitable way to ensure the company’s development, the outcome of their co-operation being the greatest asset for the company.

In general, the partial probes have confirmed both the theoretical reflections on the importance of talents for management and the theoretical reflections on “project” talents.

DISCUSSION

The presented attitudes and standpoints of managers from dynamically developing agribusiness organisations show that the approaches to human resource management and development have not changed. They are still affected by:

- uninformed and disdainful relations of the company top management to personnel management and by the inability to understand new elements determining human resource management,
- lack of company strategy in the field of human resource management, poorly defined personnel policy or lack of such a policy, or even lack of any personnel planning at all,
- unsophisticated systems of employee remuneration,
- unsophisticated systems of motivation, relying mostly on wage scales and underestimating non-material stimuli,
- problematic approaches to creative and unsatisfied individuals, inability to use their invention in favour of innovation,
- incomplete (i.e. problematic) information for the purpose of human resource management,
- unqualified performance of partial personnel activities.

Managers keep highlighting production, economic and marketing functions whereas the social (personnel) function together with the environmental and management functions remain outside the scope of their interest.

Individual executives, as well as the company management as a whole, still sporadically take advantage of such methods as the individualisation of approaches to employee management and motivation, modern methods of leadership, establishment of autonomous groups and teams, participation of employees in management and decision-making processes, and purposeful development of company culture.

The level of human resource management and development is still influenced by:

- insufficient and tardy information,
- low level of participation in company's decision-making processes,
- existence of relatively compact groups that are highly resistant to changes and innovation,
- limited choice of available means for the adequate remuneration of excellent employees,
- poor level of care dedicated to working environment, environment in general, and employees' conditions,
- barriers in employees' prospects.

These conclusions result not only from the discussion with the managers, but from more comprehensive facts about human resource management and development in agribusiness organisations. The fact that managers in agribusiness organisations think of any more modern approaches only in relation to their colleagues, i.e. other executives, and that they strongly underestimate the potential of other groups of employees is, in my opinion, a very considerable shortcoming. (Regarding blue-collar personnel, they only appreciated the vast "scope" of their qualifications in companies concentrating on agricultural primary production and their experience and "instinct" when working with living organisms.)

Looking at the approaches of large agricultural companies, it is possible to track another trend – emphasis on the minimisation of the number of employees, in particular blue-collar employees. In order to increase competi-

tiveness, the managers of these companies plan to substitute human work by state-of-the-art technology, complex technological lines which will be operated by highly qualified universal-type employees who will be remunerated accordingly. Pursuant to this opinion, ideas about further development fall exclusively within the scope of responsibilities of executives who will undergo differentiation as well. The area of production process management would be under the control of executives with vast technical knowledge and experience who are not expected to bring special innovative benefits. They are expected to have the ability to lead people, to communicate with them, the ability to put through their intentions and implement them. The managers of large agricultural companies see the utilisation of "project" talents in the area of business, trade, other diversified activities, not in agricultural production. The role of a conductor (co-ordinator of partial activities) should be played by a narrow group of executives with a talent for management.

If the company is to show top results, if they are to further develop, they have to take care of their talents. As Vácha (1994) says: "In order to find his place, the talent must work exploiting his abilities to the very ceiling". The below mentioned verified facts apply to the systematic economical use of talents in the field of management and, to the great extent, to "project" talents:

- There is a shortage of real talents for change projecting and for entrepreneurial management.
- Talent does not know (or does not have to know) that he is talented and might not assert himself on his own.
- Management talents and project talents have to be recognised and utilised in time, otherwise they become barren and get used to less demanding life or use their creativity in a different field.
- An organisation is able to recognise and utilise all talents only if the organisation itself is "on the move", under intensive entrepreneurial strain or having serious problems which are unsolvable without innovators and company leaders.
- In order to examine talents, they have to be assigned tasks which are on the edge of their abilities.
- In order to really identify talents, it is necessary to carry out continuous challenging assessments.
- There must be continuous competition among talents of all types for their place in the company and promotion, this means continuous and systematic transfer of the able upwards and those less able downwards, or transition to new projects.

CONCLUSION

Generally speaking, the partial probes have confirmed both the theoretical reflections on the significance of talents for management and on "project" talents. At the same time they have revealed that the differentiation of talents goes deeper than the theories show. If human potential in agribusiness organisations is to become the driving force of further development, if the organisations

are to resist in the conditions of hyper-competition, it will be necessary to collect more detailed information on the requirements for the competence of not only talents, but also other employees. Then, based on this knowledge, carefully review the content and forms of education of young people as well as the content and forms of life-long education.

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