



We are Changing the Governance from the Social Sector

**International Association to Change the World**

## The Multiple Talents and their business model

Javier Marzal, 10-4-2009

In this century, Drucker wrote: "The corporation as we know it, which is now 120 years old, is not likely to survive the next 25 years". With this insightful statement Drucker detected the points of interruption that were coming up, even without knowing the new alternative ways. Now it makes sense in "The Theory of Multiple Talents" context that distinguishes and classifies the main areas of organizational results, therefore talent types.

The current crises have demonstrated the failure of bureaucratic industrial society and its models, based on bureaucracy and technocracy.

This theory eliminates the myth that associates talent with managers, breaking the barriers of traditional management and enabling a new reference business model which permits to make the most of the employees to increase their motivation, productivity and satisfaction.

In 2008 I published "The Book of talent" with the first complete paradigm on talent: definition, characteristics, types, construction and application. Unlike the paradigms of capabilities (intelligence and competency), which supposedly enable us to be more competent, talent only exists when extraordinary results are obtained, therefore it is based in facts other than assumptions. In the same way this paradigm is a base for the construction of high efficiency working teams, making even the mediocre, untalented employees' work professionally useful.

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This article only refers to the four main groups of organizational environment – with or without profit –, these are: conceptual, enterprising, organizational and technical. These four types of talent or areas of extraordinary results are not to be confused with the related capacities in which a person can stand out. To have these capacities does not imply to obtain results.



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The conceptual talents provide extraordinary vision results. From the 20<sup>th</sup> century we can point out Peter Drucker (intellectual or business guru) or those who created the concepts of: Credit card, supermarket or consulting. Among enterprising talents feature the founders of Google, whose initial success was related to market and business rather than to conceptual talents. It is regular for the enterprising talents to emerge as a result of other persons' business or social concepts. It is rare to have both talents; in fact most of the best-known entrepreneurs are imitators, even if we think that they are using their own concepts.

On the other hand organizational talents run an organization - created by the former - whose primary mission is to maintain its position and operation. Jack Welch, ex CEO of General Electric, was named the top executive of the 20<sup>th</sup> century. He was noted for his organizational talents. People with technical talents are often little known outside their environment, their results refer to different organizational functions such as finance, research, marketing, production/operations, human resources and information systems. At the same time, these functional areas are divided into different specialties that originate different talents. The same can be said about the other three groups.

In the previous two paragraphs the conceptual and enterprising talents, who can be exogenous in respect to an organization, have been separated from the organizational and technical talents, more related to its inside, therefore endogenous. From this perspective, the exogenous talents are directed to the benefits and the endogenous talents to the costs.

The R & D + I policies do not distinguish between technical talents more related to Research, enterprising talents to Developments and conceptual and enterprising talents to Innovation, that is why they produce low results.

The fundamental task of a consolidated organization is to maintain its position (inherited business), for this function the bureaucratic/technocratic mentality of managers and technicians is appropriate. But the acceleration in the pace of changes shortens the assumptions' life cycles (of organizations, sectors, enterprises, economy, culture and society) and of the product (goods and services), perhaps, with some exceptions, forcing changes. A research of Fortune indicates that over 90% of companies that in 1950 appeared in Fortune 500 (the 500 largest U.S. companies) did not appear any more in the 2000 edition. When people with bureaucratic/technocratic mentality want to make changes is when they make appalling mistakes.



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Besides managers and endogenous talents confined to the assumptions of certain area and organization, as well as internal company policy, for this deep change the exogenous talents that provide a wider and objective view are necessary. Thus exogenous talents act in areas and companies as the market economy, without respect for privileges and created interests. Endogenous talents are mainly reactive and focus on inertia, rules, resources and solving problems, while exogenous are proactive and are concerned about the client.

The managers' work is routine essentially to maintain its position. Improvements usually imply trespassing departmental barriers and the politicking of the managers involved often make the initiatives fail; on the contrary the ones that have a talent are the exchange dealers, so it is difficult, perhaps impossible for them to be together or to have duty exchange. Managers do not usually have a talent, for that reason they do not want changes, talent cannot stand routine. So I propose as a reference model, that each organization should be divided into three areas: top leadership, inherited business and change projects. This latter area would be unstructured and virtual for it would only have individuals or teams as it had any projects. The top leadership should combine the different types of talent in a variable number depending on each situation. For inherited structures, traditional management provides the methods, being the authority paradigm –command and control as well as the institutional and manipulating leaderships- suitable for leading technocracies.

On the contrary, a person with a higher professional concern and creativity prefers to carry out projects of change (even strategic), individually or in self-managed high efficiency work teams, where commitment, exigency, dynamism, responsibilities, self-leadership, emergent multi-leadership and results are higher. In this sense, some large companies are creating innovation, talent or business development managements or chairmanships. Organizations will have to adapt their costs accountancy and their retributive system to this new scenario, in which there will be individuals with talent, without position, but with higher incomes than most of the medium managers and some of the high ones, due to the variable compensation for the results of their initiatives. In certain cases, some managers and specialists will enter these projects of change even part time.

One of the main characteristics of a talented person is that they are expansive. Therefore, they often start showing interest and outstanding in technical aspects, then in internal corporative processes, ending with the product, strategy and business model. The organization proposed here allows each talent to grow at its own pace and it also allows an alternative way to reach the business leadership without being a directive.



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Decades ago we created a culture of change, creativity and innovation, which we go on promoting; now it is necessary to adjust the organizational structures and styles, because the present ones do not allow that change. Organizations will have to separate routine activities of classical hierarchical structures, may be in complete outsourcing, from the projects of change that will be generally created at the initiative of persons with different types of talents, constructing the most appropriate way for each stage in each project. The implementation of this new business model, including SMEs, implies an increase in productivity, reduced costs, decrease in absenteeism and stress. As shown in the table below, the Multiple Talents are one of the foundations of the new management announced by business intellectuals and defined, partly, in this article.

<b>Nuevo Management (Systemic Management)</b>	
Systemic intellectuals and innovatory theorist scientists (conceptual talents)	
Business leaders, Government, multi-strategic consolidation, business model (Mixed talents depending on the circumstances of areas and organization)	
Inherited business Bureaucratic hierarchy Rules and inertia, outsourcing Strategic planning, operational policies Managers (with or without organizational talents Scientists and technicians	Changing projects (transformation/innovation) Individualism and working teams Creativity and entrepreneurship Multi -strategy, business model and processes Conceptual talents and entrepreneurs  Scientists and technicians (sometimes also managers)
<b>Decadent</b>	<b>Emergent</b>

Decentralization in individuals without talent produces a worse result than centralization.