

SELECTED PRACTICES OF TALENT MANAGEMENT: INSIGHT INTO SLOVAK ORGANIZATIONS

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Abstract: The paper examines selected areas of talent management. Based on the present literature, the aim was to identify individual processes and practices of talent management. Subsequently, questionnaire survey was conducted to obtain primary data - to determine the prevalence and implementation of talent management in Slovak organizations. The article is focused on presentation of partial results of the survey –how Slovak organizations define talents, declare talent management strategy and implement talent management as an approach.

Keywords: Talent, talent management, practices, organization

Introduction

Recent researches and volume of scientific papers highlight the growing interest in talent management in organizations and businesses. In order to succeed globally and to retain competitive, organizations must give adequate attention to talents - people who are able to ensure long-term and sustainable prosperity and development.

Talent Management: Perspectives and Content

Talent management is strongly related to human capital. Cappelli [1] indicates that talent management is “simply a matter of anticipating the need for human capital and then setting out a plan to meet it”. According Sonnenberg [2] “talent management is the capability to create and continuously optimize the talent resources needed to execute a business strategy. This means attracting and developing them, guiding their performance toward optimal productivity in light of strategic goals and finding new sources of value in their performance through innovation and continuous improvement”.

Lewis & Heckman[3] state that in the literature focused on talent management there is a lack of clarity regarding the definition, scope and overall goals of talent management. Authors distinguish three distinct views / perspectives on talent management: the first defines talent management as a set of typical human resource practices, functions and activities such as recruiting, selection, development, career and succession management; the second focuses primarily on the concept of talent pools; and the third perspective focuses on talent generically - without regard for organizational boundaries or specific positions [3].

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The justification and need for talent management in organizations shows the following idea of one of the worldleader agencies in therecruitment- Manpower Group:“A new, collaborative approach is required from government, companies and individuals to together find a way to unlock the raw human potential within their reach and then nurture and shape that potential to lead them to success” [4]. We assume that recognition, attracting and retaining skilled people and exploitation of their potential are critical to success ofexisting businesses.

Talent management covers wide range of activities and practices, particularly planning, identifying, recruiting and selection, development, retaining and rewarding of talented people. Stahl et al. [5]studied talent management practices. Based on their research in which 18 companies were investigated they discovered that there are two different views on how best to evaluate and manage talents. Authors point out that “one group of companies assumed that some employees had more “value” or “potential” than others, and that, as a result, companies should focus the lion’s share of corporate attention and resources on them; the second group had a more inclusive view, believing that too much emphasis on the top players could damage morale and hurt opportunities to achieve broader gains” [5].

Talent Management Strategy

The formulation of talent management strategy is critical factor to its effective implementation. Talent strategy means formulation of strategic goals and defining talent needs [2]. Organisation need to start by looking at its strategic plan, identify knowledge and experience areas that will be important to future success and competitiveness, develop competency models for each of these areas, and design learning paths to develop these competencies in increasing degrees[6].

According Millar [7]in many organizations are talents overlooked. The reasons for this phenomenon are: prioritization (excessive focus on opportunities), pace of change, lack of formal experience in organizational performance of the owners and managers (misunderstanding of how talent lapses limit or damage performance and growth). Author emphasizes the need for strategic alignment i.e. talent strategy alignment with overall strategic planning.

Identification of Talents

Generallyacceptableopinionis that humanresourcesarethe most important assetof any organization. A singlecategory ofhuman resourcesthat havethe greatest impact on organization's performance is theparticular groupof employees so called “talents”. The importanceof this categoryof employeeshighlights Jim Collins [8]who considers wrong the popularidea “People are the most important asset” and clarifies that not people, but “right people” are the most important asset. In the context of this idea, we believe thattalented people (talents) represent a strategic assetof the organization and their presence is critical to future success of businesses.

Managing talents is commonly a part of HR strategy respectively human capital strategy. First step in forging these strategies is the definition of the organizational

talent which means specification of those who are considered talents. However, to define the “talent” is not easy. Individual organizations perceive talent differently which is conditional on different conditions and environment they are operating in as well as on different requirements on employees necessary for performance of a particular job. This is the main reason for the considerable inconsistency and ambiguity of the definitions of “organizational talent”.

Howe et al. [9] state that people are rarely precise about what they mean by the term “talent” in organisations and the implications of defining talent for talent management practice.

We can conclude that talents are people with high potential i.e. with specific skills, competencies, abilities, attributes, experiences and behaviours who are able to achieve excellent results and thus ensuring good overall performance, viability and competitiveness of the organization.

Next step after identification is attracting of talents that is not a simple matter. Organizations seek talents but it becomes increasingly difficult to find and attract exact talents - there is a mismatch between the available talents and talents needed by employers. This is the reason for apparent paradox – existence of high levels of unemployment on one side and job vacancies on the other side. “Talent is not just people, it is people with the specific skills, behaviours and the way of operating, for example, in a chaotic, global environment, that fits the needs of an organization” [4].

Research methodology

The collection of primary data was conducted through questionnaire survey among owners, managers or executives of the companies in the Slovak Republic. The methodology of the survey was based on the methodology created by Dr. William, J. Rothwell [10].

In the research we wanted to determine the situation of talent management implementation in Slovak organizations. In the next part there are presented partial results of the research related to the topic and issues examined. The survey results are presented by methods of descriptive statistics. When testing hypothesis (i.e. in the determining if two sets of data are significantly different from each other) we used the statistical software SPSS and Student's t-test.

The main outcome of this study is insight into the current state of the talent management processes and practices in Slovak organizations. The study helps us to:

1. Understand Slovak reality in the field of defining talents;
2. Gain insight into declaration of talent management strategy in Slovak organizations;
3. Get insight into implementation of talent management as an approach with focus on the differences between organizations with and without foreign equity participation.

Sample characteristics

The research sample consists of 69 organizations operating in the Slovak Republic. The respondents were approached by electronic and written questionnaires. Respondents from all regions of the Slovak Republic were included in the research. Detailed breakdown of the participating organizations in terms of size, scope of activity and foreign equity participation can be seen in the Figures 1, 2 and 3.

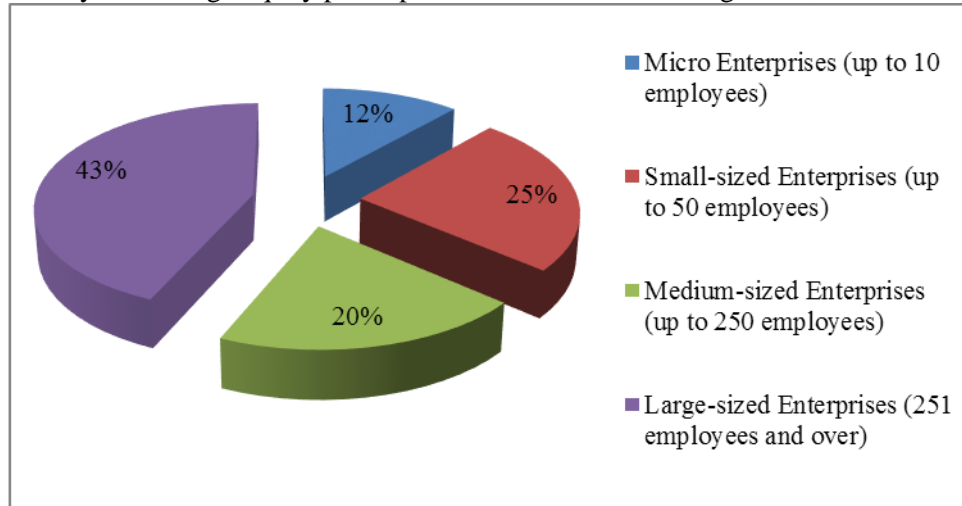


Figure 1. Research sample characteristic in terms of size (number of employees)

Source: own processing

Out of the 69 organizations reviewed, 43 % were large companies, 25 % small companies, 20 % medium-sized companies. The remaining 12 % of the sample were micro companies.

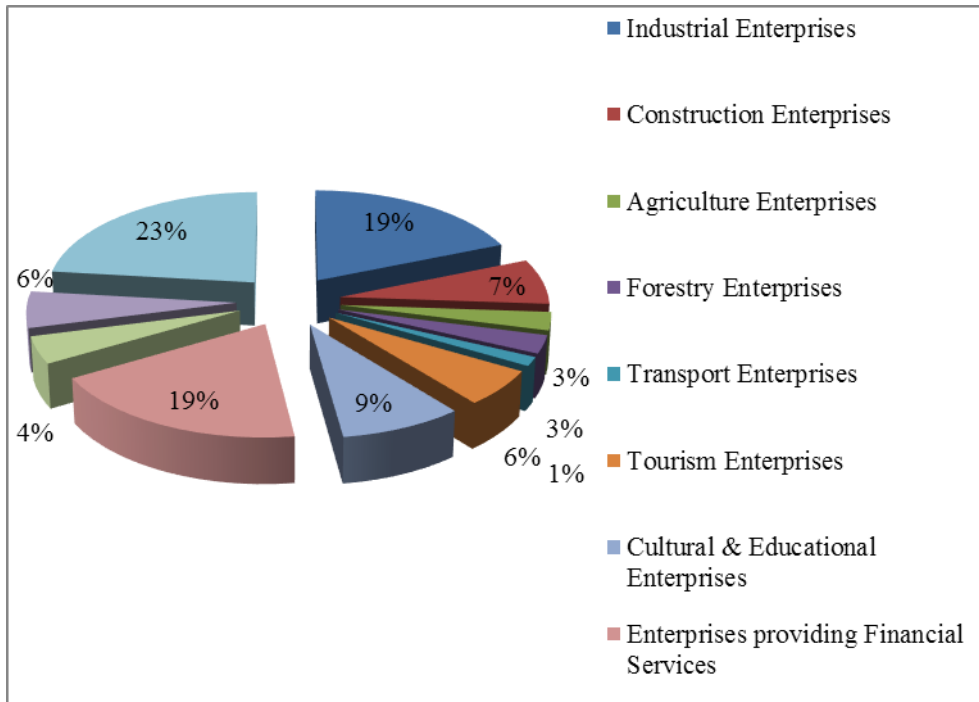


Figure 2. Research sample characteristic in terms of scope of activity

Source: own processing

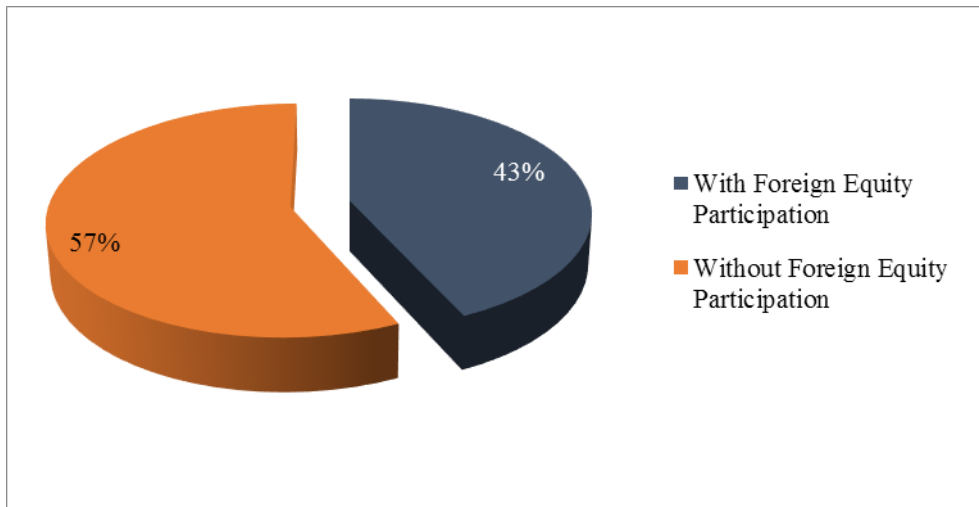


Figure 3. Research sample characteristic in terms of foreign equity participation

Source: own processing

Research results

The respondents were asked to answer how talents in their organization are defined. Participants shouldon Likert scale express whether they agree or disagree

with a statement. Responses have six total answer options range: 5 - strongly agree, 4 – agree, 3 – neutral (neither agree nor disagree), 2 – disagree, 1- strongly disagree, 0 – unable to rate/comment.

Declaration of Talent Management and its strategy

The key to successful implementation talent management is to align and synchronize talent management strategy with overall company strategy. Participants were asked on Likert scale (5 - strongly agree, 4 – agree, 3 – neutral (neither agree nor disagree), 2 – disagree, 1- strongly disagree, 0 – unable to rate/comment) express the level of agreement with a statement.

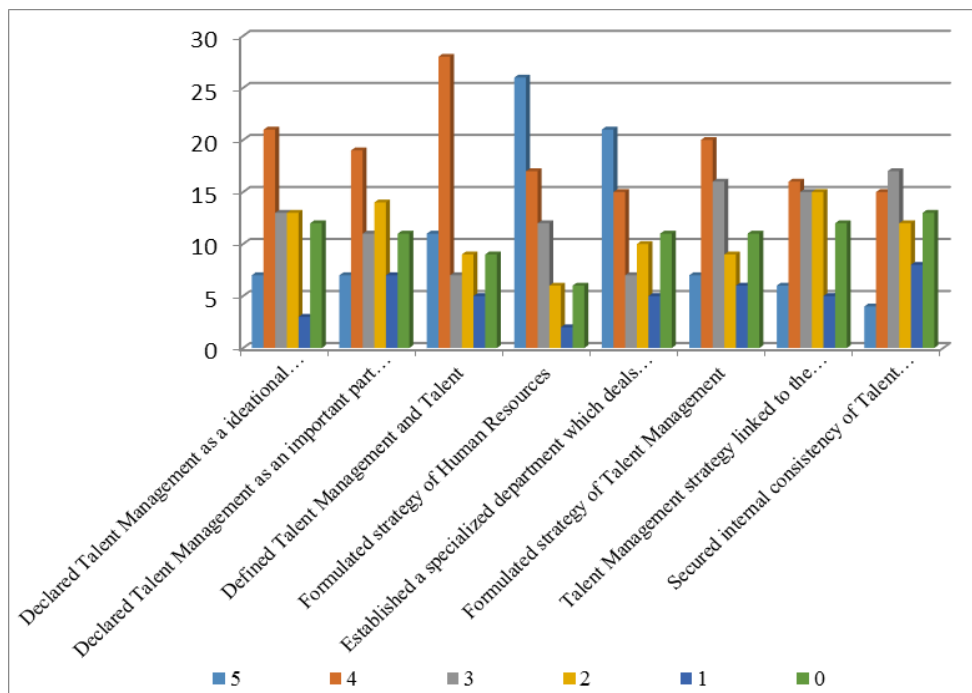


Figure 4. Declaration of Talent Management

Source: own processing

When examining the “ballast” of talent management respectively its “alignment with overall strategic planning” in different companies, we can conclude that most examined organizations in Slovakia have defined talents and talent management itself. Not surprisingly, most of Slovak organizations have defined an HR strategy and have well established specialized department that is dedicated to the development of human resources.

Perception and characterization of organizational talent

There are big differences in how organizations perceive talents. Organizations use various ways and aspects when defining talents (e.g. emphasize behavioral aspects, knowledge, skills etc.). One of the items in the questionnaire concerned how the organizations perceive identified characteristics and criteria of talented employees in terms of relevance and importance to the organization. The results can be seen in Figure 5.

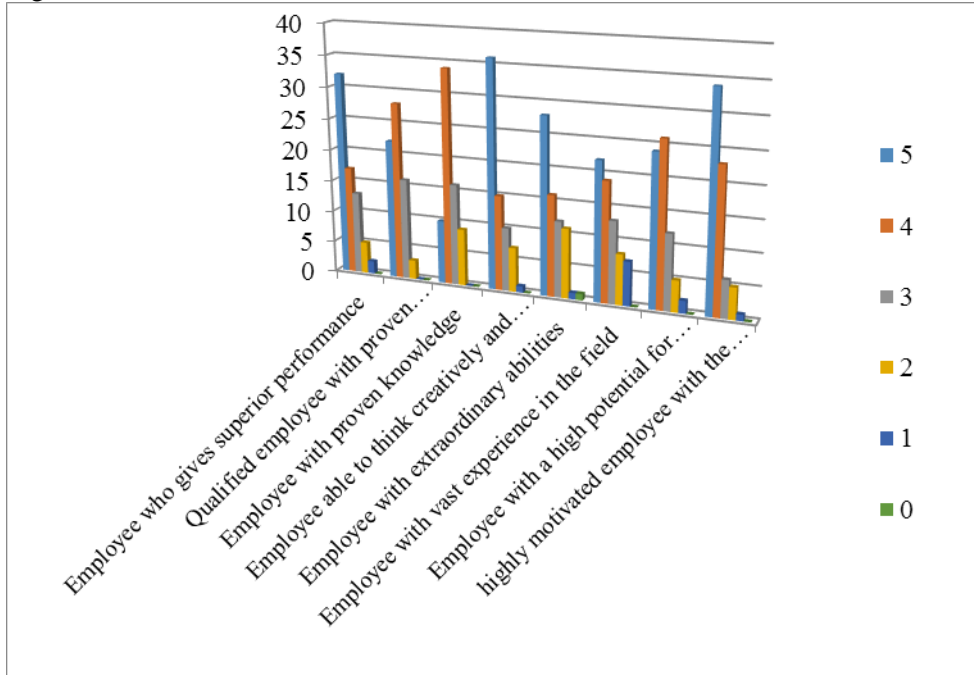


Figure 5. Characteristics of talents

Source: own processing

Research has shown that organizations perceive talented employees most frequently as employees who are “able think creatively and innovate” and as “highly motivated employee with the ability to learn”. Further most frequently cited characteristics of talented employee (i.e. answer with the highest sum of the positive responses: 5 and 4) are: “qualified employee with proven practical skills in the field” and “employee with a high potential for personal growth and development”. Organizations at the least perceive the talented employees from the perspective of wide experiences (item: “employee with vast experience in the field”). Research has confirmed the fact that experience and knowledge are at work not enough. It is preferred if the employee is - in addition to knowledge – independent and able to think creatively.

Identification of employees' development potential

Part of the survey was a question detecting with what frequency organizations approach to identifying development potential of employees. Respondents should on 6-point Likerts scale denote the frequency of identification of employees' development potential, where: 5 - very frequently, 4 – frequently, 3 – occasionally, 2 – rarely, 1 – never, 0 - unable to rate/comment. Results obtained are presented on the Figure 6.

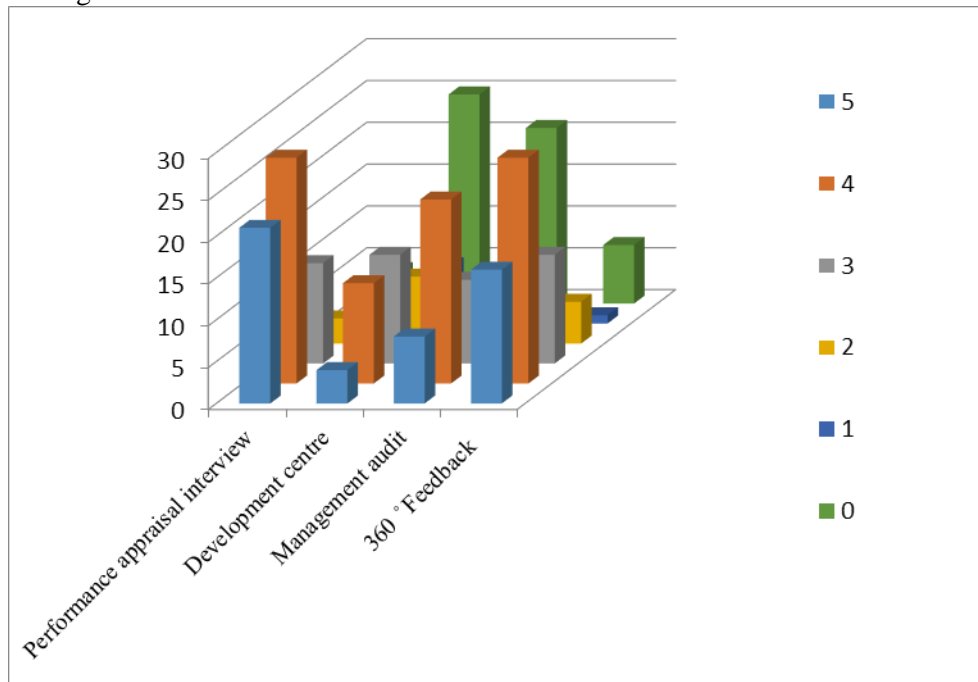


Figure 6. The frequency of identification of employees' development potential

Source: own processing

Research has shown that organizations when identifying employees' development potential most frequently use “performance appraisal interview” and “360° Feedback” (those answers have the highest sum of the positive responses: 5 and 4). It was foreseeable that Slovak organizations very rarely use the “development centre” services.

Research question

Considering that concept of talent management is relatively new in our business environment it can be assumed that companies with foreign equity participation would be expected to be more likely than Slovak companies to consider declaring the talent management (as part of the strategy).

H1: The declaration of talent management in the organization is positively related to the type of equity participation (the organization with foreign equity

participation are more likely declaring talent management than organizations without foreign capital participation).

The hypothesis was tested by using a statistical method t-test for two independent variables, which compares the averages of the two groups. The t-test compared the item questioned the “existence of foreign equity participation in the organization” and item detecting whether the investigated “organization has declared talent management as mental approach for all stakeholders”. The value of the correlation coefficient shows that strength of the linear relationship between variables is high. We can conclude that the declaration of talent management in organization is associated with the kind of equity participation. This means that organizations with foreign capital participation to greater extent declare talent management than domestic organization (i.e. organization without foreign capital participation).

Summary

Human capital with its knowledge, skills and abilities becomes a critical factor for economic success of organizations. Since human capital is the greatest and most important asset of an organization and talents are able to influence the overall performance and results of the organization, the process of managing talents is becoming very important. Driven by this shift, Slovak companies implement some processes of talent management. In this paper were presented partial results of the survey, which was conducted within the Visegrad Fund Standard Grant project „Integrated Talent Management - challenge and future for organisations in the Visegrad countries”. The attention was concentrated on how organizations in Slovakia define talents, declare talent management strategy and implement talent management as an approach.

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WYBRANE PRAKTYKI "ZARZĄDZANIA TALENTAMI": WPROWADZENIE DO SŁOWACKICH ORGANIZACJI

Streszczenie: Artykuł analizuje wybrane obszary zarządzania talentami. Oparte na obecnej literaturze, celem artykułu było zidentyfikowanie poszczególnych procesów i praktyk zarządzania talentami. Następnie przeprowadzono badanie ankietowe w celu uzyskania danych pierwotnych - określenie częstości występowania i wdrażanie zarządzania talentami w organizacjach słowackich. Artykuł koncentruje się na prezentacji częściowych wyników badania, w jaki sposób organizacje słowackie definiują talenty, określają strategię zarządzania talentami i wdrażają zarządzanie talentami jako ogólne podejście.

Słowa kluczowe: talent, zarządzanie talentami, praktyki, organizacja

人才管理的若干措施：洞察 SLOVAK 組織

摘要：本文探討人才管理的若干領域。根據目前的文獻，其目的是識別人才管理的各個過程和實踐。隨後，問卷調查，以獲得原始數據 - 確定人才管理的斯洛伐克組織的普遍性和執行情況。本文的重點是介紹調查 - 如何斯洛伐克組織的部分結果界定人才，申報人才管理戰略和實施人才管理作為一種方法。

關鍵詞：人才，人才管理，實踐，組織。