

# The Application of Talent Management at Human Resource Management in Organization

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**Abstract.** The paper is concerned with basic concepts, essence, content, significance, benefits of talent management and its processes - acquisition, development and retention of talents. It explains a key position of human resources especially that of talented individuals for organization's successful working. Talents and their contribution to the organization it understands as one of the main competition edges. In the final part the article brings both information on the survey the role of which was to identify the level and quality of talent management used by organizations in the Czech Republic and it submits proposals for the wider application of talent management approach in Czech practice.

**Keywords:** talent, talent management, acquisition, development, retention, usage

## 1. Introduction

In the current hard conditions of competition gaining a global character, in the conditions of growing pressures of business environment globalization, human resources are becoming more and more key aspects for organizations. It is not financial means, modern and efficient techniques and technologies but people, efficient employees who appear to be the main competitive edge. Organizations that want to survive and grow, and overtake their existing competition and substantially increase their added value in growing competition, and to implement a competitive edge have to attract, cultivate and retain their talented employees, and, as long as possible, especially those who are extraordinary talented. However, this concerns a relatively small and ultimate group of the most talented potential employees and that is why a struggle of organizations for these employees is becoming considerably harsh. Stock of the most capable people in the current population is rather limited. From that fact it clearly follows for organizations that in the interest of their competitiveness they have to fight for these limited sources and in the interest of their victory in this fight to find and employ the most efficient instruments. A follow-up care for talented employees, efforts aimed at their development and their retention in the organization should also go without saying.

What are actually the essence, content, significance and benefits of talent management, what are its individual particular processes?

## 2. Specification of the basic concepts

In principle, there are two basic views of what or who talent is. Some people consider a talented individual as an extraordinary efficient employee with a high potential who can have a significant impact on organization's efficiency. They think that talent management concerns a key individual only i.e. competent people seeking higher or top positions [6].

Other experts, however, say that as a talent can be practically considered anyone who is able to contribute to achieving organization's objectives and that talent management should not focus only on a small number of favored individuals.

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One of the most common definitions describes a talented individual as a man who gives both a high performance and shows a high potential. Also the author of the article identifies herself with this definition of a talent concept.

As far as the definition of talent management is concerned, most experts share their opinions that, in short, the system in question is the system of acquisition, retention and development of talents.

Some authors, for example, consider as talent management the use of a mutually interconnected set of activities that are to ensure that the organization will attract, retain, motivate and develop abilities of talented people that it needs at present and will need in the future either [1]. The aim is to ensure a flow of talents and to realize that talents are the main resource of organization.

BNET, a British server focused on the issues of management defines talent management as acquisition, choice, identification, retaining, management and development of employees about who are thought to have a potential for a high performance.

The author of this paper considers a talent management as a set of organization's activities whose task is to acquire, develop, motivate and retain talented employees needed for the fulfillment of both current and future business objectives she thinks talent management.

### **3. Significance and benefits of talent management**

By means of talent management, by means of systematic work with talents the following situations and strategic issues, for example, can be solved - the issue of identification and needs of talents in connection with trading priorities; difficulties with filling the most important positions appear in the organization, there is lack of skilled people on the market; a process of acquiring employees in the organization is successful but it turns out to be difficult to retain talented employees there; it is not possible efficiently to find talents and to identify employees with a high potential; it is difficult to look for a balance between a retention of employees in their positions and providing opportunities for their further development in the organization; in the organization there is a high fluctuation, mainly in the most important segments of workforce; 'best practice' programs have been implemented in the field but any significant changes cannot be seen in the approach to the employees; organization's customers pass from the organization to competition thanks to earlier personal relationships with former employees; it is expected that in the future a considerable organizational growth will occur or the acquisition requiring a presence of experienced employees will be materialized; restructuring initiated by organization's needs will happen and etc.

The main benefits resulting from a correctly set and applied system of talent management are as follows - talented employees contribute to a more considerable extent to the fulfillment of organization's strategy and economic goals; costs of fluctuation and acquirement of new employees drop; the organization becomes a sought after and attractive employer; talented employees are identified and retained; succession planning for key positions is more efficient as well as ensuring of employees from the internal sources and their motivation; talented employees are appointed to appropriate positions and their potential is better used; losses connected with vacant key positions are minimized.

### **4. Talent management generally**

The efficient work with talents is based on building talent management strategy that will be in line with organization's philosophy and business strategy [4]. Only from that strategy and through the strategy of human resources management key decisions can originate suggesting whether and which activities of talent management should be implemented.

Strategy of talent management is aimed at ensuring a fund of highly talented, competent, committed and loyal individuals able to contribute to achieving the current as well as future organization's requirements, a so-called talent-pool.

Three basic groups of processes leading to ensuring an adequate talent pool is a practical outcome of talent management strategy. It is acquisition, development and retention of talents. Each of these processes includes in itself a whole number of related activities, a number of particular elements. Organizations differ in ways of how they manage their talents. The ideal approach is to interlink all activities or at least most of

them, which is what some organizations are really striving for [1]. Some firms, however, concentrate on one or two activities only, which is not the idea of a systematic approach to talent management.

#### 4.1. Talents acquisition

The first step the organization has to take is to identify key roles. In connection with that the organization has to assess whether there are available employees with key competencies who will be needed in the future in dependency with business strategy [2]. As long as it has not sufficient existing resources then it has to find these talents. It may identify them among its present employees, from the internal resources or obtain them from the external resources, from labor market, by transferring of talents from competitive firms, from other branches, scouting of talents among employees who have got research fellowship in the organization, by scouting for talented individuals among students or graduates, by direct addressing the chosen individuals, by means of the Internet, specialized agencies and the like.

The identification of talents is made on the basis of assessment of their current performance and a forecast of their potential. Performance appraisal is the measurement of actually achieved results within those areas for which the specified individual is responsible, and/or competencies understood as critical for the success of performed work as well as of the entire organization. A forecast of potential is a prognosis for how many levels within the organization an employee can advance on the basis of their past/current performance appraisal, training and development, preferences in their careers and the current and planned levels of competencies.

There are a number of methods the organization can use for performance appraisal and a forecast of employees' potential both from the internal and external sources i.e. methods serving to the identification of talents. For a certain type of employee it is always necessary to choose such kinds and combinations that would lead both to performance appraisal and a forecast of potential. It is not possible to rely on one method only. It should also be born in mind that first it is necessary to know the criteria of identification and only then we can choose methods.

Talents from own sources are usually sought for through a working system of regular appraisal within which a number of methods are utilized. To the most used methods belong the method of assessment according to set objectives (MBO - Management by Objectives), assessment centre, the analysis of critical events, and a 360° feedback. In order to identify talents from the external sources the tests of fitness, a method of assessment centre and behavioral (competent) talks can be used.

After performance appraisal and a potential forecast, the very group of talented employees is specified - a talent-pool is formed. Individuals meeting in advance determined criteria can be jointly indicated as talents or this group of talented individuals can be furthermore divided into three groups - top talents, talents and potential talents (see Fig. 1). It always depends on the organization and its approach to the classification of talents.

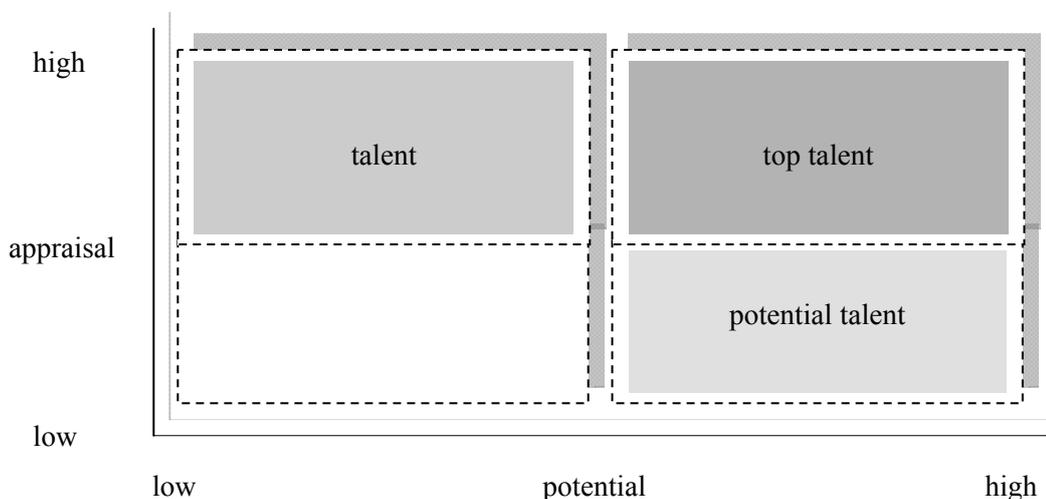


Fig. 1: Classification of talents [4]

## **4.2. Talents development**

In the area of organization's development, the talents should be offered a chance of improving their strong points, individual overall performance as well as particular competencies, and deepening of their motivation. The organization should also enable them to advance in their career. A special development program should be worked out for the talents, and in close cooperation with their managers it should be implemented. That program may encompass a combination of various methods, activities or instruments of development always according to the specific needs of a concrete organization. The methods in question are both methods *on-the-job* and methods *off-the-job*. A greater emphasis is laid on methods used for education at a workplace but, of course, both groups of methods are used.

According to the experience from many companies that have already applied talent management, the most efficient way of talent development are methods of on-the-job or learning directly at a workplace, mainly cross-training and the involvement in projects with the support of a manager, coach or mentor. Programs of talent development are very closely connected with career planning and succession planning. They provide talents with opportunities to grow in their current job roles and to move forward to the roles of a higher level.

## **4.3. Talents retention**

Also activities ensuring retention and stabilization of talents in the organization are inseparable part of talent management. Talented individuals should not leave the organization because their departures have usually extraordinary impact on organization's operation, which is irrelevant to their number. Among factors influencing talents retention in the organization there are the offer of interesting and valued work, ensuring opportunities for education and development, and professional advancement, respecting a balance between professional and private life, the offer of a flexible work role, the offer of a quality work conditions and equipment, provision of sense of recognition and respect, the offer of adequate remuneration and recently also gaining grounds for organization's social responsibility approach.

The above-mentioned facts create for a talented individual a valuable offer marking that sound values will be observed in the organization employees can expect good leadership, freedom and autonomy, highly incentive work, opportunities for professional advancement in their career and adequate remuneration [1].

## **5. The use of talent management by organizations in the Czech Republic**

The approach of talent management use in human resources management has been carefully verified by the practice worldwide, the organizations consider it as a useful instrument of systematic work with talented individuals. They really apply this system to the management of their human resources.

What is the situation, however, in the field of talent management use in human resources in the Czech business environment? Information on application of this approach within the Czech Republic does not exist. The author of the article thinks that the level of talent management application by the Czech organizations will be of rather minor extent. In order to confirm or refute this precondition and find out further information on talent management use, the survey of that approach to the application of human resources management in organizations in the Czech Republic has been carried out.

As a method of the first round of survey the electronic inquiring by means of in advance formulated questionnaire was carried out, the telephone call of the second round of the survey. The survey was carried out in February 2010.

Altogether, 300 identical respondents (100 %) were addressed, 1215 (83.3 %) of them answered questions included in the questionnaire. On the basis of obtained data processing it can be said that talent management is applied by organizations in the Czech Republic to a small extent; this approach is used by 68 (5.6 %) of organizations.

As the main reason why organizations do not use talent management they state that they are not familiar with it; this reason was mentioned absolute majority of organizations not using talent management, which can be understood as a negative finding. Thus it is necessary to try to ensure the existence of a sufficient amount of quality and reliable information (awareness) on every aspect of talent management in the Czech Republic.

Chances of how to ensure keeping people informed in the required quality and quantity is available, it is only a question of their practical application. It concerns, for example, ensuring a higher level of information on the existence of the specified approach as such, on its advantages and benefits, positive experience in its application and possibilities of the specified approach in every field of activities, various types of organizations (with the introduction of the existence of certain limits in the approach feasibility taking into account a size of the organization) or on a possibility of its use for various groups of employees (all employees, managers and specialists, managers only, specialists only). In some organizations it would be desired to change a quality of human resources management, to adjust standards of work in the specified field and to try to change a point of view of organization's priorities arrangement towards awareness and taking into account a significant position of human resources management, and thus also the importance of talent management.

A common denominator of all above-mentioned recommendations in the field of a sufficient number of information is a necessity of talent management massive promotion by means of all available instruments. This includes both publishing of professional papers, conference papers or monographs dealing with the specified topic, and giving lectures, organizing seminars, workshops for experts with practical experience. Also personal promotion of talent management by the representations of organizations successfully using that approach or the involvement of professional associations and others would be a considerable contribution.

## 6. Conclusion

More and more quick and frequent changes of the external environment make higher and higher demands on organizations [3]. To be able successfully to achieve in advance outlined objectives in this environment, to be successful in fulfilling its tasks the organization has to utilize efficiently all its sources - people, material, technique and technologies, capital as well as methods. The core and the most important area of the whole organization's working are human resources, mainly talented individuals. One of the key factors of organization's economic performance, prosperity and competitiveness can be found in quality optimum controlled and utilized human resources and in their rational management [5]. One of the possible instruments of human resources successful management is the system of talent management. For organizations a conception of talent management does not bring any special requirements from the view of human resources management as well as of particular personnel activities. It concerns only a careful application of the best principles and approaches that have proved in practice, mainly in the field of acquisition and choice, education and development, remuneration, and socio-cultural and welfare activities for employees.

In many organizations the described approach is used routinely and with a success. Unfortunately, it cannot be said about Czech Republic. It would be good to change this negative situation. By practice confirmed contributions of talent management utilization could serve as sufficient motivation for the introduction and wider application of this systematic and a comprehensive approach to work with talented individuals in Czech Republic's organizations.

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