

TALENT MANAGEMENT

Introduction

Talent management is one of HRM processes that has been a subject of particular interest in the past few years. This fact results from the evolution of the personnel function as well as the situation on the market. In the nearest few years -according to the forecasts - there may be a shortage of employees to take key positions in companies. The demand for the best employees may exceed the potential of the labor market.

It is a process whose description depends on how talent is defined and what targets it should reach. On the whole, there are two approaches in talent management: one that is focused on outstanding key workers called talents, and the other, which pays attention to the entire workforce in which every individual is treated as a potential talent.

Talent management is a multi-stage process that includes the acquisition of adequate candidates (“war for talents”), their retention in the company and the guarantee that they have opportunities to develop and be promoted.

The process of talent management is increasingly more often supported by IT systems, applications and software that help companies take advantage of that particular asset.

1. The concept of talent

The literature on the subject uses several definitions of talent. Their comparative analysis leads to the conclusion that:

- potential and abilities are the main determining features of talent. They also include motivation, knowledge, practical skills and system of values,
- activities that are typical for talent are: creating, introducing new elements to the organization, inspiring, influencing the others, implementing. In the area of psychological processes, they are: perceiving, understanding and feeling,
- talent has an impact first of all on company and then it influences the achievements and the performance, i.e. the employee’s effectiveness in the broad meaning of the word. The remaining elements are: objectives, development together with passion, or work itself.

It can be concluded from the analysis that an explicit definition of the term *talent* is difficult and, as A.Pocztowski puts it: “There are many possibilities and each one will be adequate if the organization needs are taken into consideration”

2. Talent management in a company

2.1. Talent management process

In the late 1990s, along with the popular American slogan of „War for Talents”, there was an increase in the interest in employees with high potentials. At first, the emphasis was put on educating and employing candidates with outstanding abilities. In time, the operation range was widened. There were several questions crucial to the functioning of companies that had to be answered:

- How to prevent crises related to – for example- turnover of key positions or how to build managerial and specialist staff?
- How to use the opportunities of possessing talented employees, how to take care of them and motivate them to undertake new challenges?
- How not to lose them?
- How to apply human resources in the creation of competitive advantage and company’s goodwill?

It is predicted that due to globalization, demographic change and the increasing importance of IT and work intellectualization, the issue of talent management is going to gain in significance.

As a result, the title and the contents of V.Buckingham and R.Vosburgh’s article *The 21st century Human Resources Function: It’s Talent, Stupid* is becoming a symbol.

The process of talent management will vary depending on the approach, although it always aims at company development. According to T.Debt, it has the following stages:

- talent acquisition,
- talent development (career management),
- talent retention.

Building an attractive workplace, i.e. an organization that attracts potential talents, is conducted by adequate PR referred to as employer branding. The next step is to provide the conditions for sustainable and focused development by means of the determination of a career path, improvement, self-improvement, motivation and assessment. The retention of talented employees in an organization is a crucial issue as there are always attractive offers on the external labor market. Consequently, a new position in the HR department - a talent manager - is needed. The traditional tasks of an HR

department should also include career advice. The activities related to talent management should be initiated by company boards, focused by medium-level management and HR department and, finally, implemented by line managers. In Poland, however, according to the research conducted by the Hay Group, the initiatives as regards the development and implementation of talent management are usually taken by company boards and HR specialists, while the interest on the part of medium and lower level managers is much lower.

2.2. Talent acquisition

2.2.1. Sources of talent acquisition

While the issues concerning staff recruitment and selection are widely discussed in the literature on the subject, talent acquisition – a key element of talent management process – has not been sufficiently investigated yet. An adequate selection of people to a group of talents determines the whole process of talent acquisition, which is similar to the one conducted in respect to the majority of positions. However, some of the methods applied may differ. Talents are acquired both on the external and internal market but the latter – as investigations show – prevails. The mere fact that a company introduces a talent management program is a sufficient factor for people with high potentials to work for it. Thus, the development followed by the implementation of such a program constitutes a crucial element of image creation both for the company's own employees and the external candidates.

In the process of talent selection a wider range of tools must be applied than it is done in a standard selection because, apart from the candidate's competencies, his/her potentials have to be assessed. According to A.Pocztowski, the following selection methods and instruments can be used:

- Assessment Centers (ACs) or Assessment and Development Centers (ADCs),
- design projects,
- behavioral interviews.

The aim of talent acquisition is to raise the value of human potentials in a company. The roles that are played by talents in an organization should be closely related to company strategy that aims at the increase of work effectiveness and the attainment of competitive advantage. In most cases, company strategy, as an intended strategy (O.Lundy, A.Cowling), is developed first. However, due to the constant change in company environment, the strategy must be altered (the emergent strategy). That is why constant change makes it necessary for companies to learn new behavior, to apply the assets in an innovative way or to change the attitudes of its employees. Talented employees are the ones who are responsible for a prompt introduction of changes. Consequently, there are at least two reasons why companies want to employ talents:

- to have staff that can see the need for change and can develop it and implement , i.e. to have human resources that, thanks to their potentials and competences, are able to lead the company through subsequent transformations,
- to acquire the potentials and versatility of talents as it is frequently difficult to determine clearly – despite defined career paths – what positions talented employees will have to take .

2.2.2. Talent measurement and assessment

The measurement and assessment of talents in a company may play similar role as staff assessment (evaluation and development functions), with a particular emphasis on the development function. The range of activities includes potential talents and workers who have not been qualified to the group of talented staff but who participate in the group selection process. In that sense the measurement and assessment support the identification of talents.

In order to be valuable, the information about an employee should include both the assessment of the acquired or developed competencies (progress assessment) and the assessment of the unused or potential skills or abilities and the identification of the development needs. A regular and thorough periodic staff assessment facilitates personnel decision making. However, the employees who are qualified to special development programs require additional measurements and assessments. The measurements and assessments of talented employees include their competences and work effectiveness. In practice, the term *talent* refers most frequently to the most important, from the point of view of a company, configurations of skills and abilities that influence substantially the effectiveness of an individual (a leader or specialist) or have an impact on the increase of the effectiveness of other employees and, possibly, on the creation of value for all beneficiaries (A. Kaczmarska, K. Sienkiewicz).

Assuming that the selection of talent elements reflects the specificity of a company, it determines the selection of measures, the weighs of criteria and the information sources applied in the assessment of particular employees. The information sources include: personnel files, career path, training courses, opinions and assessments of external and internal trainers, the opinions of superiors, project managers, co-workers, inferiors, and customers, the results of the AC and ADC sessions, employee self-assessment, direct monitoring (e.g. by secret clients), etc.

The list of talent measurement and assessment tools is long. Apart from the traditional selection procedures such as document analysis, interview, psychological tests, AC and ADC processes, personal portfolio (the results of work/ development potentials) and staff assessments, there are other, more precise methods applied such as index analysis (including the indexes of talent flow, talent competencies development, key staff reserves, talent effectiveness, expenditure on recruitment, selection, training and talent development) or check- lists (which make it possible to prepare a

talented employee profile and to conduct an evaluation of talent management, especially as regards the management strategy applied in that area).

2.3. Talent management in a company

2.3.1. Talent management programs

Many Polish companies introduce talent management programs. Below find a list of selected companies (table 1).

Table 1. Some Polish companies that use talent management programs or their elements.

Company name	Description of operations in the area of talent management
Bank Millenium SA	The employees with the best potentials are offered Development Programs: specially designed training courses to develop key competences. The development is monitored by a mentor (a Board member). Twice a year a special Development Forum is held.
BRE Bank	Individual Development Programs are arranged for the best employees (selected by annual assessments). They are also offered a training fund to realize their development initiatives.
Carlsberg Polska	Development programs are arranged for key workers; succession plans are created, talents are recruited and developed on all organization levels. The idea of the programs is that talents should serve as an example to the others.
GSK Pharma	<i>Talent Management</i> program has been implemented; career development allows for slightly earlier position taking, which results in additional motivation to fill the competence gap and learn more quickly.
ING Polska	<i>Talent Management</i> program: after the identification of talents, Personal Development Plans include coaching, training, expansion of responsibilities or entrusting new tasks, changing positions. An international base of talents has been created – ING Talent Track.
Lotos SA	The following programs can be distinguished: Individual Career Path Program, Staff Reserve Program, Graduate program and the LOTOS Academy.
Masterfoods	Talents are found by means of annual assessments, which assess the ability to learn and the effectiveness in the tasks performed. Development is ensured by – among others – assigning new tasks and participation in international projects.
PKN Orlen SA	Within the <i>Young Talents</i> program employees with particular potentials are selected and then trained in the area of general management. There is also a PKN Business Academy, called a mini MBA, whose graduates are offered individual development plans
Polska telefonia Cyfrowa Sp. z o.o.	The best employees, whose competences and commitment to the projects and tasks was assessed by the superiors as above the average, are offered the <i>XL Talent</i> program: training courses, studies financed by the company, internships, both in-house or/and abroad; the participants follow individual development plans suited to particular needs.
Sygnity (ComputerLand + Emax)	Talents are identified and divided into two groups: young hobbyists and experienced workers. A <i>Master-Disciple</i> program is arranged, training courses, participation in innovative (also international) projects and the operations of Strategic Business Units.
Unilever	On the basis of competences and the hitherto results and achievements, the Business Leaders Development Programme selects the best employees and arranges for them individual development plans including training courses, a Development Centre.

Source: J.Tabor, *Talent management: challenges, trends, exemplary solutions* (Zarządzanie talentami: wyzwania, trendy, przykłady rozwiązań) – a research report.

In well developed countries the situation is much better and the reason for that is simple – „the war for talents” began much earlier and significantly bigger emphasis is put on talent management as a key factor of company competitiveness. The table below is based on J.Sullivan’s analysis who- after taking into consideration four criteria - created a list of the best companies as regards career building within the framework of talent management. The criteria are as follows:

- companies that were included in the Fortune or Business Week rankings as top places to work,
- companies that won or were written up for excellence in talent management,
- companies that created talent management leaders who currently manage other major companies,
- companies that continued to grow and hire despite the economic crisis.

Table 2. List of the best companies to build a career in talent management, based on the achievements in the area in line with J.Sullivan’s criteria

Company	Operations in the area of talent management
Google	The company focuses on adequate recruitment, as a result the firm employees a significant number of recruiters in relation to the number of other employees. It applies a wide candidates assessment system. One of its interesting projects is the Women Engineers Project.
Microsoft	The firm has a team that constantly analyses and monitors company top performer engagement and processes that help develop a deeper understanding of talent. It understands the role of media in the employment policy (their “propaganda”, opinion on talent management, etc.) and – consequently- it is investing in various projects to determine what works and is significant and – on the other hand – what is overrated by the media in the area of talent management
Sodexo	It is considered one of the most innovative companies as regards talent management. It also runs a monitoring program for senior positions.
Facebook	Thanks to its brand image, talent management in Facebook is fairly simple as practically everybody wants to work there (one of the assumptions of talent management – to be an employer of choice). The company is also an element of other companies’ talent management strategies due to the opportunity of building social networks, which is not the case as regards other Internet portals
Starbucks	It is a company that manages very well in the conditions of rapid growth; talent management is conducted through strategic employment planning, creating the image of an employer by choice and innovative strategies of acquiring candidates.
Wegmans Food Market	They concentrate on employee engagement, retention and development of the best workers.
Infosys	It is typical for the company to recruit American students with outstanding abilities and skills. As a result, the firm acquires young talents that can be shaped in line with the company’s needs.
PepsiCo	The company has a variety of recruitment processes, candidate acquisition channels and selection methods.
Johnson & Johnson	The company has a complex system of career development: e-University, employee development planning, school of personal and professional
Southwest Airlines	The firm has its own TV show to support its employer brand and to be attractive to potential candidates (creating the employer by choice image)
GE	The company runs systematic recruitment and selection, and has a complex system of training and development. It provides opportunities for internal staff movement, has a motivational system and a care program for staff families. It has a special policy of dealing with unproductive staff.
IBM	The main features of its talent management are: adequate recruitment, learning processes, effect management, compensation and position succession planning.

Source: [http://www.era.net/2010/12/06/the best firms to build a career in talent management](http://www.era.net/2010/12/06/the_best_firms_to_build_a_career_in_talent_management).

Talent management looks alike in different companies although each one focuses on different areas of the process. Participation in the war for talents requires some care. Finding and outbidding an employee from another company is not always a good move. The successes of a talented employee in the previous company do not guarantee that they will be repeated in our company as various factors are involved that result from the differences in organizations. That is why it is recommended to “create” talents internally, to use the potentials of company staff that is well known (company as a talent manufacturer)

Talent management processes became so significant now that more and more organizations and associations are set up to deal with the problem. In 2011 *The Talent Management Association* was founded, which is a non-profit organization whose target is to represent HR experts that specialize in talent management.

2.3.2. Talent development strategy

Talent acquisition itself (either internal or external) is not enough as it must be accompanied by the creation of talent development strategies. This fact is appreciated by an increasing number of companies. According to a PwC CEO survey conducted in 70 countries (Poland including) , the CEOs consider the shortage of adequate employees as one the greatest threats to their companies. This fact may indicate the lack of knowledge about talents in a company or of the lack of the strategy of their development. T.Davis (2007) presents the following elements of staff development strategy:

- the assessment of competence and potential,
- the analysis of training needs,
- training programs,
- the assessment of training programs effectiveness.

Although talent development strategy perceived in this way is not a complicated process, it is time consuming and requires financial means.

W.J. Rothwell and H.C. Kazanas (2010) state that talent development strategy, just like HR strategy, should be closely connected with the company general strategy. This is done by “building” staff competences inside the organization after defining the targets that the company desires to achieve through talent development. From the practical point of view, it means the creation of a long-term plan of talent acquisition and development.

Conclusion

On the basis of the hitherto considerations and in line with the opinion of the above mentioned authors (W.J.Rothwell and H.C.Kazanas), a multistage process of strategic talent management can be presented:

- the identification of the objectives of talent management,
- the assessment of the conditions in the company,
- the assessment of the external environment,
- the comparison of the current strategy and weaknesses with the future threats and opportunities (SWAT analysis),
- the choice of a long-term talent development strategy,
- the implementation of the strategy,
- the assessment of the strategy effectiveness.

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Abstract

The article concerns a very important element of personnel policy – the talent management. The growth in significance of talent management resulted from the increasingly severe difficulties with finding the best employees. It presents the main assumptions of talent management, methods of acquiring talents from external labor market and from within the company, as well as talent assessment and measurement methods. The more practical part of the article presents the way of implementing talents in a company: talent management programs applied in Polish firms and talent management strategies.