

IMPLEMENTATION OF TALENT MANAGEMENT IN A SELECTED COMPANY IN THE SLOVAK REPUBLIC

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Abstract

Talent management in relation with employee performance managing is seen as a summary of activities, tools and processes leading to identification, motivation, stabilization and talent development of the company, and so to ensure their potential with the aim to carry out effectively its tasks in accordance with future needs and trends. The application of talent management is convenient for the company as well as for employees. An employee included into the process of talent management has a job security. In this paper we suggest a way how to implement talent management in the selected company into the practice. This model of talent management relies mainly on its own employees and their growth brings the company many positive aspects. Based on the schematic procedures we are allowed to use the mentioned method in different companies. The process of succession and career planning is long and it requires significant financial expenditures. However, if it is of high quality, an organization gets an employee who is loyal and provides quality work performance of high quality. Researches show that more and more companies in Slovakia begin to apply the talent management process to increase their competitiveness, to improve the quality of the workforce composition and finally increase their economic performance.

Key words: talent management, succession planning, human resources management.

Classification JEL: M12 – Personnel Management

1 Introduction

In this time of economic turmoil and financial instability, the permanent disposition of high quality and skilled employees is a significant competitive advantage for business. Maintaining these employees is also contributed by consistent application of talent management, through which the company can keep them, but also subsequently to develop their potential.

In today's uncertain times, job security is an important concept. From this point of view, the application of talent management is advantageous for both sides, for business as well as for employees. The company can be sure that the work position will be placed by a skilled employee. On the other hand employees can be sure that they will not lose their work and they feel that the organization trusts them and needs them. If an employee does not have to be worried about his job, he provides higher work performance and increases his loyalty to organization (*Repková, 1999*). A loyal and satisfied employee is what an organization needs to be able to fulfill its objectives.

2 Talent management

Actually, the talent can be defined as a set of skills, knowledge, ability to learn and potential in combination with emotional intelligence and employee's or candidate's values in order to effectively perform the tasks of the organization (www.kariera.zoznam.sk/sk/cl/100324/399289/Aj-talent-manazment-pomaha). The term ***talent management*** can be generally seen as a summary of activities, tools and processes leading to the identification, motivation, stabilization and development of organizations' talents to ensure their potential in order to carry out effectively its tasks in accordance with future needs and trends. In each company, talent is defined differently, because each subject may consider a talent to something else. His work, focus of activity and the environment in

which it is located is crucial. Talent is understood as a combination of skills, personal qualities and qualification knowledge and skills of the fertile potential for their further development (*Alexy, Boroš, Sivák, 2004*).

His work, specialization and the environment in which it is located is decisive. Talent is seen as a combination of skills, personal qualities and qualification knowledge and skills of an employee enhanced by the potential of their further development (www.jenewegroup.com/dokumenty/raabe/talent_manazment.pdf). The talent management in association with the management of employee performance is seen as a summary of activities, tools and processes leading to the identification, motivation, stabilization and talent development of the organization and ensuring their potential with the aim to carry out effectively its tasks in accordance with future needs and trends (www.vasa-personalna.sk/2007030034-planovanie-kariery). We can also the term “talent management” understand as a sum of activities and actions that lead to the ability of managers to identify talents in the company (i.e. qualified and experienced professionals), to support them and give them a space for their development (<http://management.about.com/cs/people/a/MngTalent092397.htm>). The term talent management is well known abroad, and it is very used. In Slovakia the talent management is not so widespread. But it is positive that Slovak companies start to realize the talent management brings them significant advantages. Companies do not have to complain about the lack of qualified and talented people anymore because through the talent management they can find them themselves. The talent management is not just about finding talent inside the company. It is important to realize that talents are situated in the environment outside the company. They need to find them and attract them into their business. Most talents are located in educational institutions. Therefore companies should cooperate with secondary schools and universities. This cooperation is mutually advantageous. On one hand a company gets unlimited access to talented people and it can choose only the best. On the other hand, given educational institution becomes more attractive to students because they provide them with a potential possibility to be employed in a company, what is very interesting these days (*Blašková, 2005*). The talent management in the narrower context provides:

- Identification of strengths and development areas of employees,
- Preparation of talents to perform difficult tasks and problems solving,
- Full and effective usage of talents in relation to achieving the best possible performance of the organization,
- Creating of career progress of individual talents,
- Talent development regarding to their knowledge, abilities, skills and competencies expansions,
- A starting point to reward and take care of employees,
- A starting point to deploy employees and to create their workload,
- Development of leaders and building the leaders continuity,
- Creation the favorable working conditions and working environment (www.jenewegroup.com/dokumenty/raabe/talent_manazment.pdf).

The given process is linked to several activities of human capital development. Its aim is to ensure and retain the best people in the organization on the right places. From the organization's perspective it presents a long-term investment. The talent management requires the company invests a considerable amount of funding in further education and staff development (*Haasenová, 2010*).

Therefore it is important that a company should create, besides the education plan, other development strategies. It must keep trained and educated people, to provide them with advantages and benefits that would not be found in the competition. Also, it should properly

measure the results of educational process. If the employee does not feel (financial or moral) improvement, he will not be interested in his further development (www.mojbiznis.sk/manazujem/ludske-zdroje/vzdelavanie). Therefore it is important to develop himself, but also people around. This is the best investment for the future. It is not important what products and services the company provides, or what machines and buildings it owns. The most important are people inside it, their knowledge, motivation and common values (Koubek, 2003).

3 The talent management tools

The talent management tools include two components – succession planning and career planning. **Succession planning** is a process aimed at ensuring continuity of talents for defined key positions of the company in the short term but also long term perspective. During its application the company must firstly identify these positions, to evaluate their significance and determine the extent of necessary skills and competencies to fill them and later to focus on the planning process for future changes. This tool is very closely related to the evaluation of staff and identifying their development potential. During its application it is necessary to notify and define a strategy, company vision and mission and therefore its managers and employees should know its future aiming.

Succession planning should not be understood as replacing or exchanging employees. It is a process aimed at ensuring competent managers in accordance with future needs of the organization. It is a process that involves the leaders' development and continuity building, potential successors' development to managerial positions with emphasis on their strengths, the system of regular performance evaluation of employees, identification of best internal candidates for management positions and investments in the talent development in order to ensure the firm profitability in future (www.jeneweigroup.com/documents/raabe/talent_manazment.pdf). The career usually means a development sequence of jobs that a person performs throughout his working life, on the basis of deliberate decisions related to his professional interests and business needs, as well as on the basis of certain circumstances and opportunities (Kachaňáková, 2007, p. 122).

Career planning uses all information on company's requirements, evaluation of the work performance and potential plans of succession in managerial positions and transforms them into individual programs of career development and general development systems of managers, career consulting, mentoring and managers training (Armstrong, 2002, p. 547). In this process the development and individuals progress is profiled on the basis of company needs evaluation, as well as on the basis of performance, potential and preferences defining of individual employees. For career planning the career orientation of individuals is important, which is related to their skills, experience, motivation, and value preferences. This kind of career framework is sometimes expressed as "career anchors" (Kachaňáková, 2007, pp. 122 – 125). Every individual person is responsible for career planning. His career aim (work position he wants to achieve) would be determined after a thorough skills self-assessment (knowledge, skills, attitudes, practice) and validation of his career aspirations by relevant manager. He should judge their consistency with the needs and interests of the company as well as their reality in terms of employee skills and the conditions and opportunities that can be created for him by the company. The career plan is then the result of self-evaluation process of individuals, setting aims and conditions to achieve them. He should take into account that company needs can be satisfied only with satisfying the needs of individuals. That means that individuals expect recognition of their abilities, which ultimately leads to higher motivation and provided opportunities and development support are reflected in increasing their employment potential. The career planning is also related to talent

development (*Porvazník, 2003*). Similarly, just like in the succession planning, it also uses all information on the company's requirements, evaluation of work performance, potential and succession plans in managerial positions and transforms them into individual programs of career development and general systems of managers' development, consultations about their careers and mentoring. However, during the succession planning the development of selected talents is rather focused on specific positions and competence development that are necessary for their occupation, during the career planning we can talk about the process of identifying and breakthrough of development needs of organization and talents in a wider context. The career planning is a process whereby on the one hand talented employees define and achieve their career goals and personal ambitions and on the other hand the organization evaluates their individual skills and development areas in accordance with its needs and priorities (www.jeneweigroup.com/dokumenty/raabe/talent_manazment.pdf).

4 The talent management implementation in the selected company

Analyzed company is a state-owned company, it belongs among large enterprises. It employs more than 5,000 employees, who can be divided into three basic groups according to the qualification requirements and difficulty to obtain a proper employee. The first group presents blue-collar positions that do not require any special education and their main prerequisite is health state and appropriate skills. It is not needful to make a big effort to fill such a position because of enough candidates.

In the second group there are following requirements for employees: health state, especially psychological competence, ability to work independently and qualification predispositions, which include final education at a relevant secondary school. This work includes also periodic examinations that must be undergone by employees to expand, but mainly modernize their knowledge related to the modernization of equipment and technologies used in their work. Employees are obtained at secondary schools, where the analyzed company has signed an agreement of mutual cooperation.

The third group is the most difficult for succession planning. It deals with positions of supervisors and senior managers. Completed university education of first, respectively second degree and professional experience is the main requirement.

Analyzed company is currently in a state of restructuring. Nowadays new employees are recruited rarely. Regarding the social conscience the company tries to find employee an appropriate position within its own structures before sending him to the labor market. This place may be in another department, in another city and it is possible that the employee will have to get higher qualification to occupy the position. If the employment termination is necessary, they will try to dismiss people with the lowest qualification and experience, using the benefits agreed in their own collective agreement.

The aim of our work is to define the process of succession planning in a selected company in the Slovak Republic. In the work we define a procedure of succession planning and further career planning. In the methodology we suggest how to apply the general procedures of succession and career planning by partial processes usable in most factories. In conclusion, we define the benefits of talent management application for the company.

4.1 Succession planning

The main prerequisite for the succession plan establishment is to clarify what positions are the most important for trouble-free company operation. This means determining the positions, which later filling by qualified staff causes problems both inside and outside the company. Information on key positions the company acquires mainly from the organizational and managerial structure. In this step, the firm determines what basic requirements the

employee should meet to occupy the position. Succession plan should be developed in time to avoid the unexpected departure of the employee.

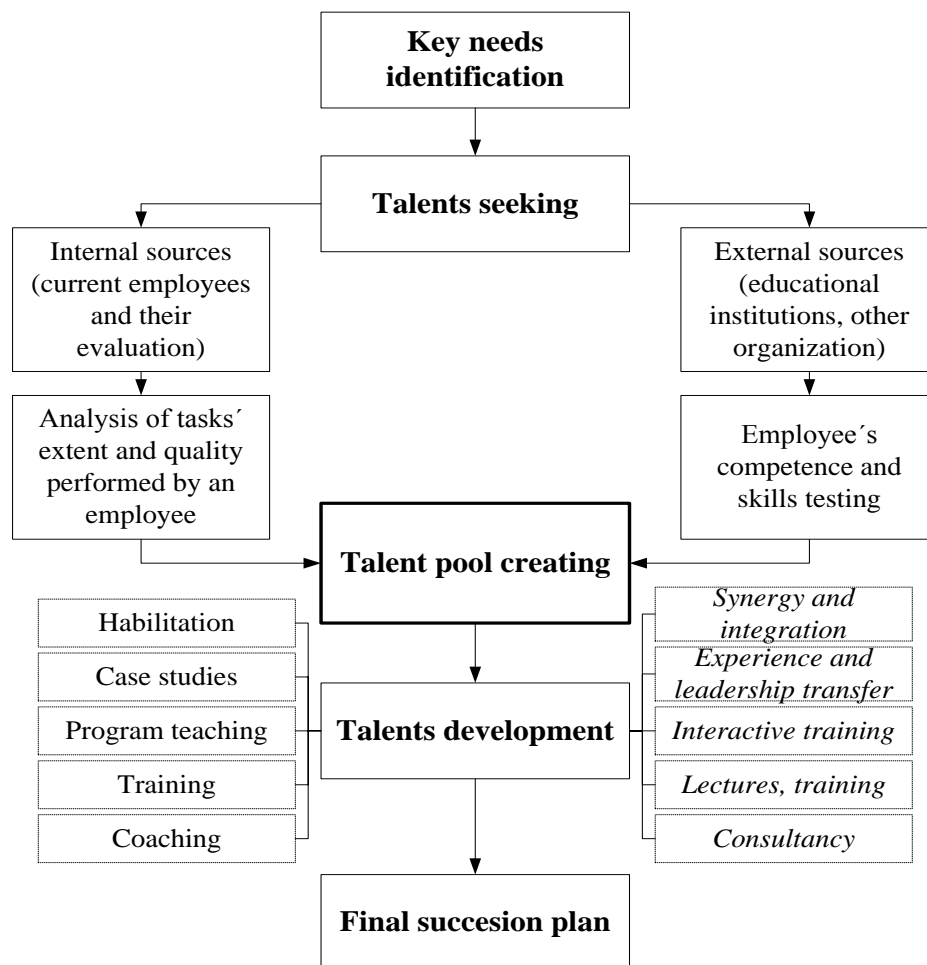


Figure 1. Succession planning

Source: Own processing

Based on this initial information, the organization approaches to finding talents, with using both internal and external sources. To search talents the analyzed company uses mainly own resources. This procedure in a state of restructuring appears to be the best. By using their own employees it builds loyalty and belonging. The disadvantage of focusing on internal resources can be the fact that the absence of external sources brings organization new ideas.

4.2 Key positions identification

The first step of succession planning is to identify key positions. These are some positions that are critical for organization success. Late occupation of these positions can lead to disruption of business. Therefore it is necessary to detect and define a key position and to plan employees in advance for these positions to avoid unforeseen situations.

Key positions can be detected from the analysis of organizational structure. These are particularly the top management positions. Identification of key positions includes the identification of specific work requirements. That means to determine the precise activities description that are performed in the work place and then to provide the necessary quantity

and quality of needed staff. The part of identifying the key positions is also creation of work profiles of ideal candidates.

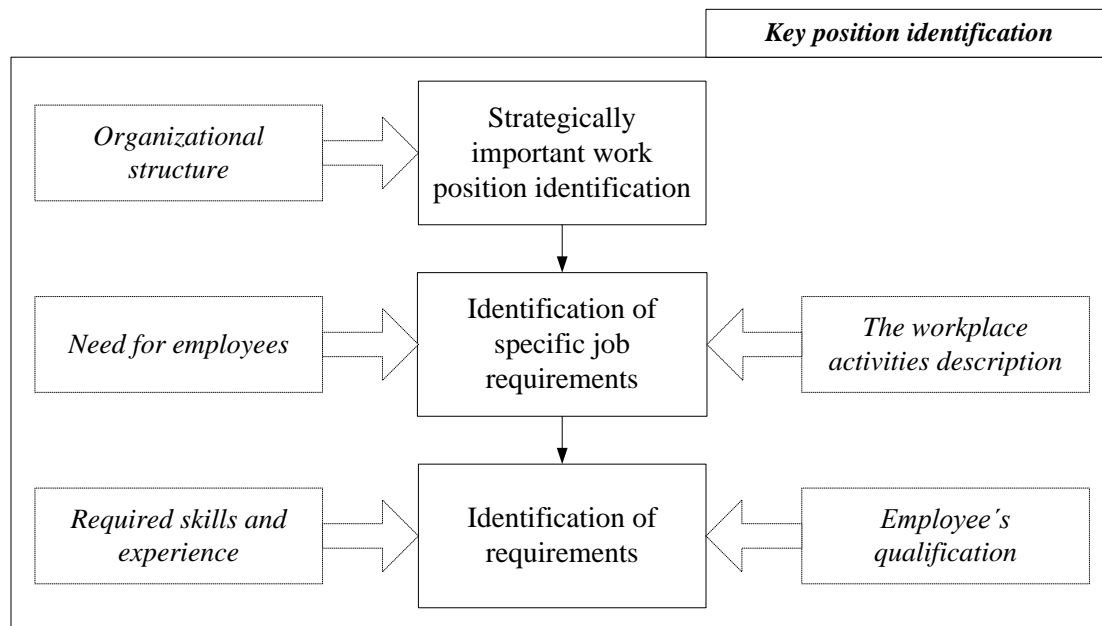


Figure 2. Key positions identification

Source: Own processing

Requirements depend on the type of work that is carried out in the workplace. After determining the basic and additional requirements, the organization may proceed to seek a suitable employee. This search should begin in advance to avoid possible complications if the position is not occupied.

4.3 Talents seeking

When finding suitable employees that could be added to the group of talents by the company, it is possible to proceed according to Figure 3. The company should analyze whether the suitable employee is inside the organization, or it is necessary to use external resources. If the answer is positive, then it is determined what extent of selected requirements the employee meets. If he meets them, he is automatically placed to a group of talents. If there are any deficiencies, the company finds out how they can be removed. This process is repeated until the employee does not sufficiently meet all requirements or he is removed from the group of talented employees.

Organization can also choose from competition's staff and graduates of educational institutions. If the organization recruits a graduate it must accept the fact that he has very little or no experience and does not know the situation in the industry. It will be necessary to provide him with a tutor. Competition is another possibility of obtaining talented employees. This option appears to be the best from external sources. The employee of the competition knows the industry and situation in it, he has enough experience. The big advantage is that poaching talented employees gives the organization a significant competitive advantage over his competitors. However, it is important that the organization reviews the conditions under it gains such an employee. The analyzed company does not realize this way of finding talents.

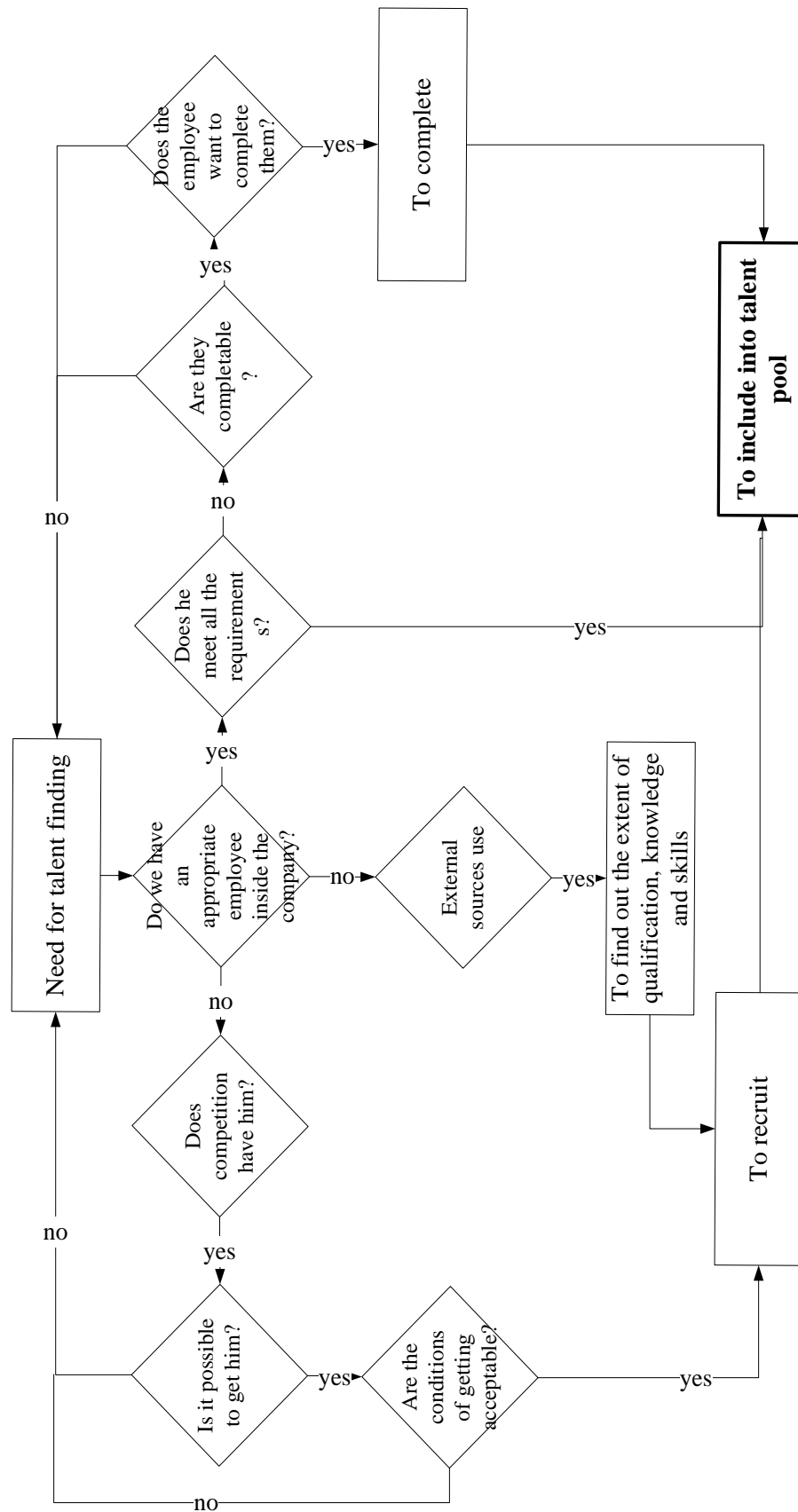


Figure 3. Talent seeking

Source: Own processing

4.4 Creating the group of the talented – talent pool

The goal of talent management strategy is to secure the fund of highly talented, skilled, dedicated and committed individuals who are able to contribute to the achievement of the current but also future business requirements, so called talent pool.

The practical finishing of talent management strategies are especially three main groups of processes leading to ensuring an adequate talent pool. It is the gaining, developing and keeping talents, when each of these processes involves a variety of related activities and components.

The success of talent management also depends on its links with internal and external recruitment of employees, talents training and development, their awarding, evaluating, motivating, leading and internal communication. The whole process of getting talents can be characterized by the following steps:

- Key roles identification in company and a need for gaining talents.
- Identification of key competencies and creating a rating scale to determine their contribution to the organization.
- Performance evaluation by measurement scales and prediction of future talents potential.
- Establishment of the talent pool.

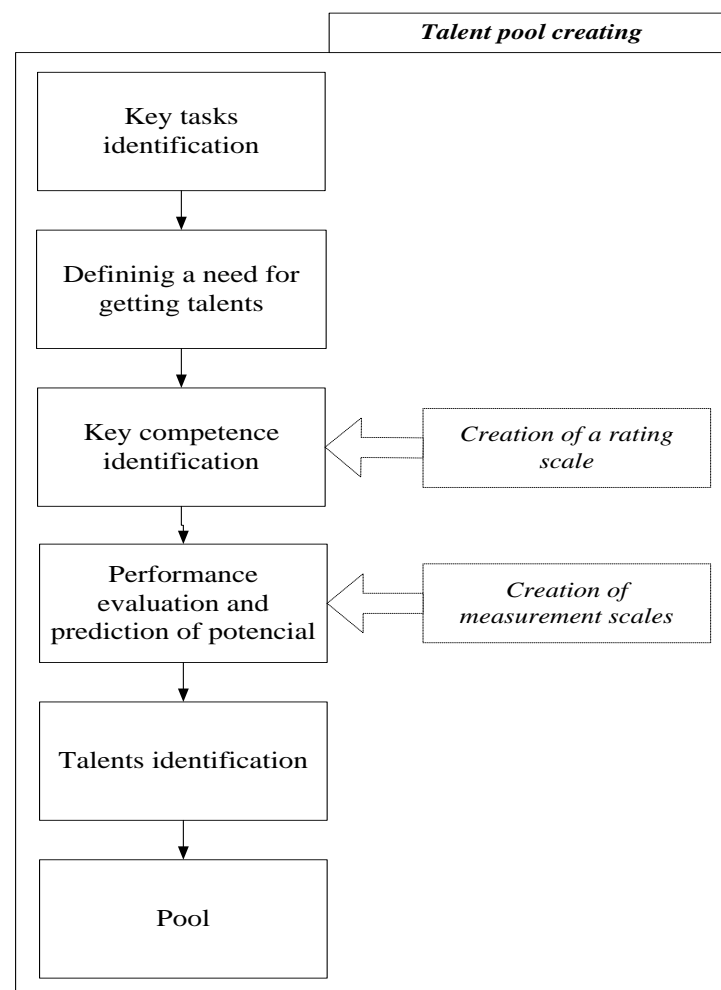


Figure 4. Establishment of the talent pool

Source: Own processing

An important part of the whole process is performance evaluation and finding the potential of a particular employee. Within this step it is necessary to establish a system of evaluation and measurement scales. Analyzed company usually gets talents from its own resources. Part of the surplus staff is transferred into the talent pool. These are employees who have great experience with the company and have sufficient skills and abilities. In the case of insufficient skills, they are willing to increase it to occupy the given position.

4.5 Talents development and evaluation

The next step in work with talents is their development and continuous evaluation. Concerning the methods of developing talent pool the company has a range of training methods that depend on need and opportunities of the company. This step is very important from the point of view of the whole training success. Selection of an inappropriate method, which does not comply with the training of employees, may extend the development process or it does not fulfill its purpose.

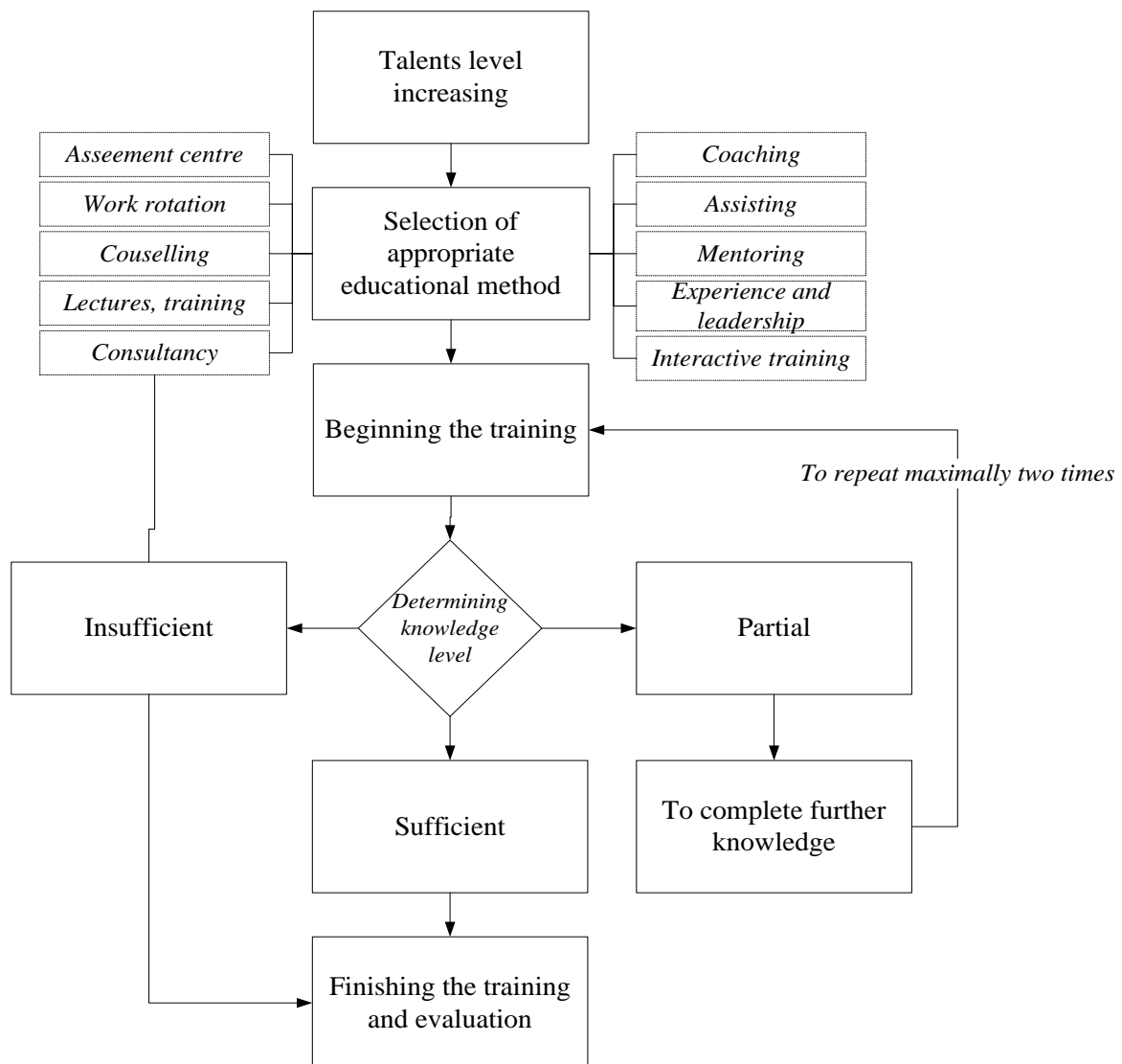


Figure 5. Talents evaluation

Source: Own processing

Therefore it is important in the consultation with an employee to determine which teaching method suits him the best of all and then apply it (*Pavlik, 2010*). Further forms of education are presented in the Figure 5.

Education deals with recognizing and satisfying the needs of training and development needs, providing flexible qualification of employees (that means preparing employees to be able and willing to take on additional duties and responsibilities, increasing their versatile skills and training employees to be ready to take a higher level of responsibility and competence in future).

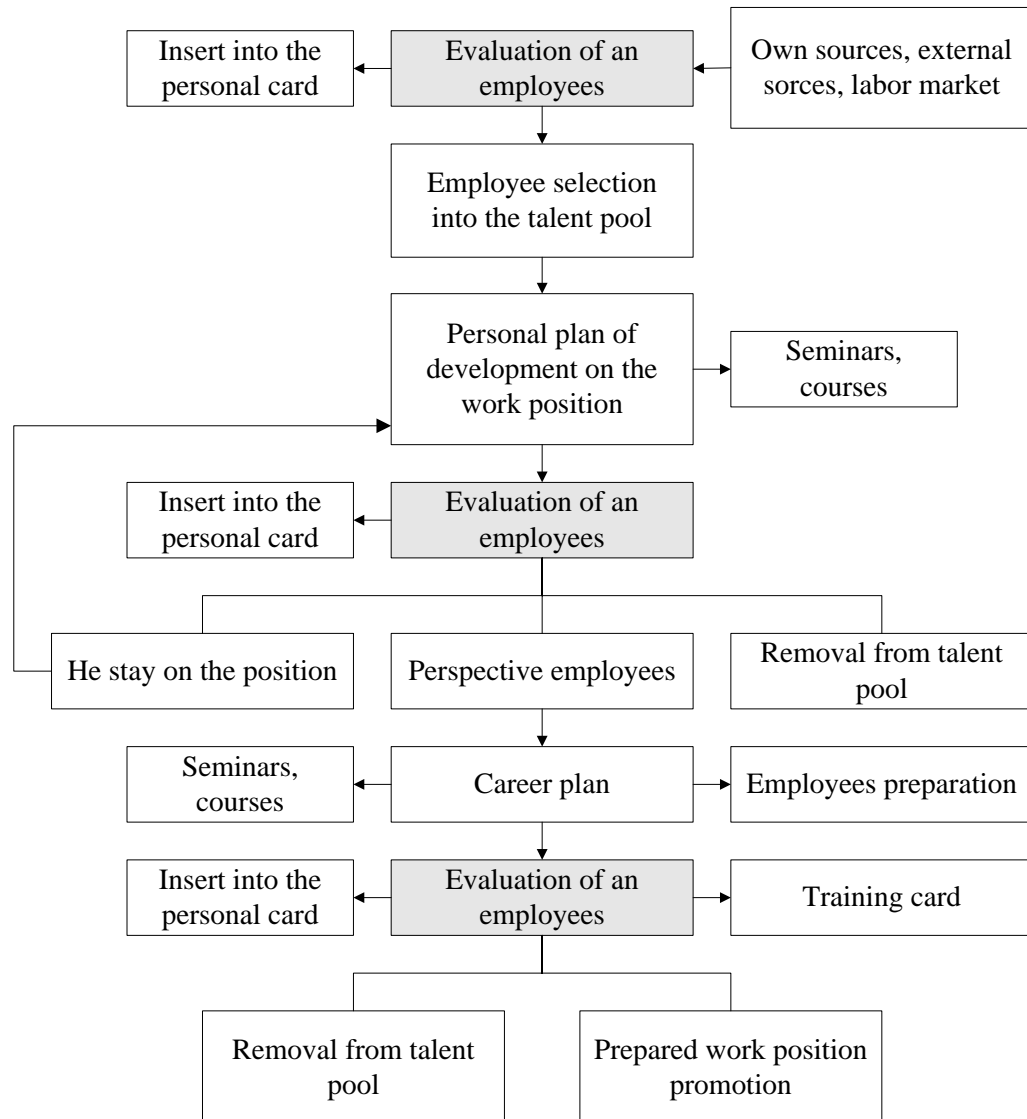


Figure 6. Talent pool performers' evaluation

Source: Own processing

The need for training is associated with a work position where the employee is located. Requirements for the position are given in advance and the organization's task is to find out the extent within an employee meets these requirements. The employee should give organizations information regarding his interests related to his work (e.g. if he likes working with computer, if he is good in mathematics and numbers). This information will facilitate the organization to decide in which area education should be aimed at (*Pichña, 1995*).

Education is followed by research if the trained employees really obtained required knowledge in a sufficient extent. This finding may use various knowledge tests structured by training staff. If it is found that the level of knowledge is inadequate, it will be necessary to repeat the training. This procedure is recommended to repeat maximally two times. Then the process becomes ineffective and brings the company unnecessary costs. It is assumed that if an employee does not acquire the necessary knowledge in two repetitions, he will not obtain it anymore (*Foot, Hook, 2002*). Talented employees should have the ability to understand new things well. If an employee has not this ability, he should be removed from a group of talents. In the second case, where knowledge of trained staff is sufficient, the training phase can be definitely finished. After training we recommend the company to study the actual impact of education on employee's development. That means if the finished education changes his work performance.

The talent pool development is followed by continuous evaluation, which should mainly focus on the usage of obtained knowledge in practice. These changes may not appear immediately, they may occur gradually and in a longer time period. Evaluation should include the following questions:

- usage of adequate tools of the educational process,
- opinions, attitudes and response of trained employees,
- the acquirement rate of developed knowledge,
- applying knowledge in practice.

5 Conclusion

The proposed talent management model, which relies mainly on its own employees and their growth, brings the company many positive aspects.

- Regarding the complex organizational structure of the company, its extent and number of locations, the way the career growth of employees selected from own sources is an advantage. That means he does not have to spend time to recognize the environment and structure, which of course also saves costs of the company. Thus obtained time can be used for professional preparation for a new work position.
- Employees can quickly understand the work responsibility, workload and position in the company.
- Previous period of work performance in the company is in its own way bonus, which consists in obtaining the work habits and needed skills for effective performing the new work position.
- Employees who are selected from own sources, especially at the time of revitalization, which brings a reduction in staff, are aware that the company appreciates them. It causes that employees are more loyal to the company and increases the desire to be beneficial for it.
- Employee's work in a large firm, that the analyzed subject is, offers unique benefits of professional growth and more opportunities to find interesting challenges and work opportunities within the same company.
- The proposed talent management model is focused on retaining qualified employees of high quality inside the company. The talented employee is a competitive advantage and the company can profit from him.

The process of succession and career planning is long and it requires significant financial expenditures. However, if it is of high quality, an organization gets an employee who is loyal and provides quality work performance of high quality.

Researches show that more and more companies in Slovakia begin to apply the talent management process to increase their competitiveness, to improve the quality of the workforce composition and finally increase their economic performance.

The possibility of work position security is very rare nowadays. An employee assigned to the process of talent management has such a security. If the company realizes talent management and promotes this fact publicly, it becomes very lucrative for potential new employees. New employees seek themselves work in this organization, so the company receives a large amount of potential talents.

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