DECISIVE FACTORS OF TALENT MANAGEMENT IMPLEMENTATION IN CZECH ORGANISATIONS

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Highlights

- Chances to implement talent management are higher for organisations with a separate HR department
- Talent management is most often used in the areas of employees’ recruitment and development

Abstract

The effort of every organisation is to have talented staff, and in the case that these employees are available in the organisation is to ensure they are motivated to stay in the organisation. The aim of the paper is to evaluate the influence of decisive factors on the implementation of activities relating to talent management and the approach of Czech organisations to this new trend as well. Data was obtained through questionnaire surveys in selected Czech organisations in 2014/2015 (n = 389), 2015/2016 (n = 402) and in 2016/2017 (n = 207). The results showed that the chances to implement talent management were significantly higher for organisations operating in national or international markets, organisations with more than 50 employees and organisations with a separate HR department, where this chance was even 4.1 times higher. Surveyed organisations use talent management the most often in the areas of employees’ recruitment, employees’ training and development, and their evaluation and remuneration.

Keywords

Czech organisations, employee development, sign scheme, survey, talent management

Introduction

The concept of talent management has received much attention from practitioners and academics in recent years (Collings, Scullion and Vaiman, 2015; McCracken, Currie, Harrison, 2016) as confirmed by a large number of scientific publications on this topic. Al Ariss, Cascio and Paauwe (2014) and Lewis and Heckman (2006), however, mention the fragmentation of views on this concept, as well as the lack of a theoretical framework and its inconsistent definition (Nijs et al., 2014). McDonnell et al. (2017) add that there is still considerable need and scope for more comprehensive and nuanced methodological approaches. Farndale et al. (2014) view talent management as a strategic resource integration that includes proactive identification, development and strategic deployment of high-performance key employees with a high potential. Talent management is also understood as an important process through which it is possible to ensure for the organisation to have staff in the required quantity and quality and to be in accordance with current and future business priorities (Wellsins, Smith and Erker, 2009). Armstrong and Stephen (2015) see talent management as a certain process, which ensures for the organisation to have highly qualified people for achieving their goals. This is done through streamlining the flow of talents in the organisation or through encouraging new talents and maintaining their inflow. This investment in staff is comprehended by Turner and Kalman (2015) as a business strategy since talented employees can be crucial for the success and long-term survival of the organisation. Tatoglu, Gläister and Demirbag (2016) agree with that, while pointing out that the talent management and activities connected with it should be seen primarily as a strategic response to changing market conditions faced by all organisations in the market. Among the most frequently mentioned changes is mainly aging of the work force, technological change, lack of talented workers and troubles with their attracting (Elegbe, 2010). Turner and Kalman (2015) agree that talent management nowadays is quite different from the talent management known in the twentieth century. This is due to a number of forces such as globalisation, demographic changes, market, sector of operating or changes in the structure of organisations. These and other aspects have had an influence on the development of approaches to talent management and the implementation of individual activities within the framework of this conception. Deloitte (2017) draws attention to the major changes that take place in the context of digital age and which force employers to adapt especially in the areas of attracting and recruiting talented employees, in their education and development or performance management, ranging from performance evaluation to rewarding. As a result of these changes it can be concluded that the training and development of talented workers within the talent management is an important challenge for organisations in their way to success. The research by Deloitte (2017) identified talent management and talent acquisition as one of the three most important challenges for human resource management in upcoming years. This is also confirmed by Meyers and Woerkom (2014) and Iles, Chuai and Preece (2010), who underline the ability of talent management to gain the sustained competitive advantage through the identification, development and transfer of talented employees. Thanks to continuous learning and employees’ development, working potential is increased and it is beneficial to organisations, since the staff development is positively reflected in all organisational processes (Edgar, Geare, 2005). However, it is only one of the reasons why the human resource management with regard to training should be
one of the main objectives of each organisation operating in the world nowadays. The possibility of education is in practice very often associated with a career growth and is often aimed at talented employees who have a high potential for an organisation (Wilden, Gudergan and Lings, 2010). However, in this way other employees, who may leave without using their potential, are often ignored. Swails and Blackburn (2016) mention that employees not included in the talent pool feel less supported and have lower expectations of the organization’s interest in them. An important task for organisations is therefore also a way of implementing talent management, when they should try to mitigate any adverse reactions. Despite the fragmentation of the views of talent management, experts agree that the implementation of talent management has a positive impact on the functioning and competitiveness of organisations and that talent management is an integral aspect of improving organisational performance (McCracken, Currie, Harrison, 2016; Al Ariss, Cascio and Paauwe, 2014; Morris, Snell, Björkman, 2016; Meyers and Woerkom, 2014). Bethke-Langensieg, Mahler, and Staffelbach (2011) describe the impact of talent management on individual employees’ outcomes with higher satisfaction of the work done, improvement of skills and abilities, and a positive impact on employees’ engagement. However, they also point to the improving of financial and organisational performance compared to organisations that do not follow this trend. Nevertheless, McCracken, Currie and Harrison (2016) point out that defining talent management and understanding the complexities of how it is implemented in practice has been problematic. A number of errors can be found in procedures of talent management, and organisations do not often have a comprehensive view and complex understanding of such concepts such as skills, abilities, key labour force or efficiency levels (Cheese, 2010). 

The aim of this paper is to evaluate the impact of decisive factors on the implementation of talent management activities and also to evaluate the approach of Czech organisations to this new trend. The article is a follow-up to published results in Fajčíková, Urbancová and Kučírková (2017) published in the proceedings from the International Conference on Efficiency and Responsibility in Education 2017, and brings the results of further statistical testing on the data obtained by the questionnaire survey in 2015/2016 and the latest data from 2016/2017.

Materials and Methods

Theoretical resources related to staff training and development through talent management activities were obtained by the analysis of secondary sources. Primary data were obtained through a questionnaire survey, which covered the period from 10/2014 to 06/2015. The questionnaire survey was conducted in 389 organisations. It was a random selection of organisations from all regions and industries of the Czech Republic. A respondent was always a manager of human resources management in the organisation or an owner of the organisation (in the case of micro and small enterprises).

The electronic questionnaire was compiled of a closed or semi-open questions with several possible answers. The questions in the survey related to the activities of talent management in organisations. In total, 7 questions were asked, 4 of which were identifying. The research questions regarding the implementation of talent management activities were asked. To test the dependence between qualitative characteristics, 4 null hypotheses associated with the application of talent management activities as an appropriate method of development of employees in organisations were determined.

\[
H_0: \text{Implementation of activities related to the talent management is not dependent on the market in which the organisation operates (local, regional, national, international).}
\]

\[
H_0: \text{Implementation of activities related to the talent management is not dependent on the sector of the organisation (primary, secondary, tertiary).}
\]

\[
H_0: \text{Implementation of activities related to the talent management is not dependent on the area in which the organisation operates (private, public, state).}
\]

\[
H_0: \text{Implementation of activities related to the talent management is not dependent on the size of the organisation (number of employees).}
\]

For the evaluation results, descriptive statistic tools were used, namely absolute and relative frequencies, dependence tests (\(\chi^2\) test) and tests of strength dependence (Cramer’s V). If the \(p\)-value was lower than \(\alpha = 0.05\), the null hypothesis was rejected. The scale according to De Vause (2002) was used to interpret the strength of Cramer’s V dependence. To evaluate the outcomes SPSS 24 statistical software was used. For a more detailed assessment of qualitative characteristics, a sign scheme of deviations was used. It allowed to specify which sign combinations differ significantly from theoretical frequencies. Using sign scheme it is possible to determine which combination of signs affect the dependence of qualitative variables. For each box of a contingency table, an association table was formed and from it, \(\chi^2\) variable was expressed. The value of \(\chi^2\) variable affects the number of signs in single fields of the table:

- \(\chi^2\) is smaller than 3.84, then the field is without indication.
- \(\chi^2\) is higher than 3.84 but smaller than 6.62, then the field is marked with one sign.
- \(\chi^2\) is higher than 6.62 but smaller than 10.83, then the field is marked with two signs.
- \(\chi^2\) is higher than 10.83, then the field is marked with three signs.

Intervals for a decision on the number of signs were determined according to respective critical values in the tables of \(\chi^2\) distribution at a significance level \(\alpha = 0.05, \alpha = 0.01, \alpha = 0.001\). The decision about whether the sign will be positive or negative was influenced by comparing actual and theoretical frequencies of a contingency table. A positive sign has been assigned where an actual frequency is higher than a theoretical one, and a negative sign where an actual frequency is lower than a theoretical one. A calculation of the odds-ratio according to the following formula was carried out (Procházka, 2015):

\[
OR = \frac{ad}{bc}, \quad (1)
\]

By means of this calculation it is possible to determine how many times the chance to carry out talent management activities is higher with selected dependent variables in a given sample of respondents.

The results of the questionnaire survey from 2014/2015 were published in Fajčíková, Urbancová and Kučírková (2017). These results are further compared with the results of the follow-up questionnaire survey in 2015/2016 as
well as with the latest results of an unfinished 2016/2017 investigation. Comparing the results over time makes it possible to determine more precisely which factors affect the implementation of talent management in Czech organisations. A total of 402 organisations took part in the questionnaire survey between 10/2015 and 6/2016. The selection of respondents, the way of questioning and the questionnaire survey were the same as in the previous survey. For statistical testing, the same 4 null hypotheses were expanded to the fifth, which introduces another qualitative variable.

H0: Implementation of talent management activities is not dependent on the existence of a separate human resources management department.

The structure of respondents is as follows:
- Market (local 12.2%, regional 23.6%, national 26.4%, international 37.8%).
- Sector (primary 3.0%, secondary 26.9%, tertiary 70.1%).
- Area (private 70.6%, public 14.5%, state 14.9%).
- Size (1-9 employees 16.7%, 10-49 employees 24.4%, 50-249 employees 24.8%, 250 and more employees 34.1%).

For the period 10/2016 to 1/2017, 207 respondents were involved in the questionnaire survey. The survey is carried out again in the same way as in the previous years. However, 4 null hypotheses have been expanded to the fifth, which introduces another qualitative variable.

The distribution of signs and of their number in the Tab. 1 shows that particularly international organisations implement talent management activities on the basis of the strategy and intuition. Furthermore, it can be said that local and regional organisations generally do not implement talent management activities. The biggest difference between actual and theoretical frequencies was found with organisations operating on the international market. For them, it is the least likely not to realise activities associated with the talent management.

<table>
<thead>
<tr>
<th>Question</th>
<th>Market of Organisation Operation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you implement talent management activities?</td>
<td>local</td>
</tr>
<tr>
<td>Yes, on the basis of the strategy</td>
<td>0</td>
</tr>
<tr>
<td>Yes, on the basis of the intuition</td>
<td>17</td>
</tr>
<tr>
<td>No</td>
<td>47</td>
</tr>
</tbody>
</table>

Table 1: Sign scheme of deviations – market of organisation operation, 2014-2015 (source: own calculation)

From Tab. 2 it can be concluded that organisations up to 49 employees do not deal with the implementation of talent management activities on the basis of a given strategy. On the contrary, organisations with more than 250 employees usually carry out these activities on the basis of a stipulated talent management strategy. At the same time, it is possible to say that it is not common for very large organisations to completely ignore these activities.

From the above calculated sign scheme, it is evident that the implementation of talent management activities (whether based on a defined strategy or intuition) is primarily concerned by organisations in national or international markets, and at the same time large organisations that have more than 50 employees. For that reason, variables of organisations implementing talent management activities, operating on a national or international market and organisations with more than 50 employees whose absolute frequencies are shown in the Tab. 3 and 4, enabling to interpret the results of odds-ratio (1) were merged.

Testing dependencies between qualitative characteristics showed a relatively weak dependence between the implementation of talent management activities and the market of the organisation operation and the size of the organisation. Using a sign scheme, it is possible to determine which combinations of characteristics affect this dependence most of all, as indicated in the Tab. 1 and Tab. 2.

<table>
<thead>
<tr>
<th>Question</th>
<th>National or international market</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>131 (a)</td>
</tr>
<tr>
<td>No</td>
<td>110 (c)</td>
</tr>
</tbody>
</table>

Table 3: Calculation of risks – market of organisation operation, 2014-2015 (source: own calculation)

The addressed sample of respondents showed that for organisations operating on a national or international market there was a 2.726 times higher chance that they would implement talent management activities than for organisations operating on a local or regional market.
Table 4: Calculation of risks – size of organisation, 2014-2015 (source: own calculation)

<table>
<thead>
<tr>
<th>Question</th>
<th>Size of organisation with more than 50 employees</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementation of talent management activities</td>
<td>Yes</td>
<td>107 (a)</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>100 (c)</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>207</td>
</tr>
</tbody>
</table>

For organisations with more than 50 employees there is a 1.752 times higher chance that they will implement talent management activities than in organisations with fewer than 49 employees.

Table 5: Results of statistical testing of dependencies, 2015-2016 (source: own calculation)

<table>
<thead>
<tr>
<th>Qualitative characteristics</th>
<th>Dependency/ p-value</th>
<th>Cramer’s V</th>
<th>The strength of dependency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market</td>
<td>YES/ 0.000</td>
<td>0.251</td>
<td>low</td>
</tr>
<tr>
<td>Sector</td>
<td>NO/ 0.060</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Area</td>
<td>NO/ 0.254</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Size</td>
<td>YES/ 0.000</td>
<td>0.313</td>
<td>low</td>
</tr>
</tbody>
</table>

Table 6: Results of statistical testing of dependencies, 2016-2017 (source: own calculation)

<table>
<thead>
<tr>
<th>Qualitative characteristics</th>
<th>Dependency/ p-value</th>
<th>Cramer’s V</th>
<th>The strength of dependency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market</td>
<td>YES/ 0.004</td>
<td>0.216</td>
<td>low</td>
</tr>
<tr>
<td>Sector</td>
<td>NO/ 0.151</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Area</td>
<td>NO/ 0.146</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Size</td>
<td>YES/ 0.003</td>
<td>0.220</td>
<td>low</td>
</tr>
<tr>
<td>HR department</td>
<td>YES/ 0.000</td>
<td>0.424</td>
<td>moderate</td>
</tr>
</tbody>
</table>

Table 7: Sign scheme of deviations – existence of HR department, 2016-2017 (source: own calculation)

<table>
<thead>
<tr>
<th>Question</th>
<th>Existence of HR department</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you implement talent management activities?</td>
<td>Yes</td>
</tr>
<tr>
<td>Yes, on the basis of the strategy</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td>+++</td>
</tr>
<tr>
<td>Yes, on the basis of the intuition</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>34</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

It can be seen from Fig. 1 that the addressed organisations focus mainly on the area of employee training and development, recruitment, evaluation and remuneration. Three other areas...
are already represented in a lower number. However, it must be realised that each organisation’s talented employees contribute more to meeting the organisation’s strategy and economic goals, so it is appropriate for organisations to support talent management activities as much as possible. Due to the talent management implementation, the fluctuation costs and the recruitment costs of new employees are decreasing. The organisation becomes for talents a sought-after and attractive employer where they want to work. The planning of the succession of key positions is more effective in such an organisation.

Discussion

Talent Management in organisations represents the strategic concept in human resources management, which has come to its strength after the financial crisis and rapid changes in the global situation. Nowadays it is not possible to talk just about the concept in human resources management, which has come to work. The planning of the succession of key positions is more critical for organisations nowadays which is also confirmed by Akkermans and Tims (2017); McCracken, Currie, Harrison & Urbancová (2014). Furthermore, the research regarding the dependence of the implementation of talent management activities on the basis of a stipulated strategy. On the contrary, organisations with more than 250 employees usually carry out these activities on the basis of a stipulated strategy of the management. The differences between expected and real frequencies also confirmed that organisations with a separate human resources management department were implementing talent management activities as a part of the strategic goal. Surveyed organisations most often use talent management in the areas of employees’ recruitment, training and development, and their evaluation and remuneration. It can be summarized that talent management nowadays, the talent management in selected Czech organisations. Fulfilling the organisation’s targets depend on the efforts of the organisation management, also on what importance they attach to talent growth and development and what talent programmes they create to be attractive for both existing and potential employees. These areas are influenced by tested characteristics (market, sector, operating area, size, HR department). Testing dependencies between qualitative characteristics showed that there was dependence between the implementation of talent management activities, the size of the organisation (low dependency) and the market in which the organisation operates (moderate dependency). These results were confirmed in every year carried surveys (2014 until 2017). Furthermore, testing did not show the dependence between the implementation of talent management activities and sectors or fields of organisation activities. In the last year of the survey, another possible factor influencing the implementation of talent management was added - the existence of a separate human resources department for which a moderate dependency was discovered (p-value=0.000, Cramer’s V=0.424). Using a sign scheme of deviations it was understood that the implementation of talent management activities based on the strategy and the intuition are dealt with mostly international organisations, and that local and regional organisations generally do not implement these activities. The sign scheme also showed that organisations of up to 49 employees rather do not deal with the implementation of talent management activities on the basis of a stipulated strategy. On the contrary, organisations with more than 250 employees usually carry out these activities on the basis of a stipulated strategy of the management. The differences between expected and real frequencies also confirmed that organisations with a separate human resources management department were implementing talent management activities as a part of the strategic goal. Surveyed organisations most often use talent management in the areas of employees’ recruitment, training and development, and their evaluation and remuneration. It can be summarized that talent management is considered a systematic approach to support acquiring and managing the right people for the right positions at the right time.

Conclusion

The paper points out attention to key area in human resource management nowadays, the talent management in selected Czech organisations. Fulfilling the organisation’s targets depend on the efforts of the organisation management, also on what importance they attach to talent growth and development and what talent programmes they create to be attractive for both existing and potential employees. These areas are influenced by tested characteristics (market, sector, operating area, size, HR department). Testing dependencies between qualitative characteristics showed that there was dependence between the implementation of talent management activities, the size of the organisation (low dependency) and the market in which the organisation operates (moderate dependency). These results were confirmed in every year carried surveys (2014 until 2017). Furthermore, testing did not show the dependence between the implementation of talent management activities and sectors or fields of organisation activities. In the last year of the survey, another possible factor influencing the implementation of talent management was added - the existence of a separate human resources department for which a moderate dependency was discovered (p-value=0.000, Cramer’s V=0.424). Using a sign scheme of deviations it was understood that the implementation of talent management activities based on the strategy and the intuition are dealt with mostly international organisations, and that local and regional organisations generally do not implement these activities. The sign scheme also showed that organisations of up to 49 employees rather do not deal with the implementation of talent management activities on the basis of a stipulated strategy. On the contrary, organisations with more than 250 employees usually carry out these activities on the basis of a stipulated strategy of the management. The differences between expected and real frequencies also confirmed that organisations with a separate human resources management department were implementing talent management activities as a part of the strategic goal. Surveyed organisations most often use talent management in the areas of employees’ recruitment, training and development, and their evaluation and remuneration. It can be summarized that talent management is considered a systematic approach to support acquiring and managing the right people for the right positions at the right time.

Furthermore, the responses of addressed organisations showed that the chance of implementation of talent management activities in organisations operating on a national or international market was 2.726 times higher than that of organisations on a local or regional market as well as 1.752 times higher in organisations with more than 50 employees than in smaller organisations. For organisations with a separate human resources department, this chance is even 4.1 times higher than for those that do not have it. A theoretical contribution of the paper is to compare the views of individual authors of the talent management issues in practice, and a practical contribution of the paper is to present the results
of the continuing research in selected Czech organisations. The limit of the article can be seen in a relatively small sample of respondents (employees), nevertheless, the results can be applied generally to the sample of respondents – organisations operating in the Czech Republic. The limit of the questionnaire is in short extent of the questionnaire on the area of talent management (only 7 questions, 4 of which were identified).

The future research in the field of the talent management will be focused on single activities, which are primarily dealt by these organisations within the talent management, and how these activities differ from those in foreign organisations.

Acknowledgement

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