

# Chapter 2

## TALENT MANAGEMENT IN INTERNATIONAL ENTERPRISES – RESEARCH FINDINGS

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### 2.1. Introduction

Interest in the problematic issue of talent management in the scientific environment worldwide is showing an upward trend, as evidenced by the multiplicity of definitions of the term ‘talent’ (Table 2.1). Despite this, there is a lack of unequivocal research demonstrating that enterprises conduct the processes of TM<sup>1</sup> in their business practices in a manner that is directed towards the achievement of business goals.

**Table 2.1.** Key aspects of definition of talent

Author	Key aspects of definition
H. Emmerson (Emmerson, 1927)	talent = authority approach widely referring to only innate features
K. Adamiecki (Adamiecki, 1932)	talent = gift the term talent mainly ascribed to managerial positions significant role of talent in science
McKinsey & Company (Chambers, Foulon, Handfield-Jones, Hankin, and Michaels, 1998)	talent = abilities thanks to talent, it is possible to evaluate employees
M. Williams (Williams, 2000)	talent = expert talent is exceptional abilities and accomplishments
E. Michaels (Michaels, Handfield-Jones, and Axelrod, 2001)	talent = abilities
K. Catlin, J. Matthews (Catlin and Matthews, 2002)	talent = competencies + skills + experience

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<sup>1</sup> Talent Management (TM) – both forms have been entered into the Polish business language in a fairly widespread manner.

L. Berger, D. Berger (Berger and Berger, 2003)	talent = above average accomplishments and results emphasized role of talent in an organization
T. Listwan (Listwan, 2005)	talent = ambition to achieve goals
A. Miś, A. Poczowski (Miś and Poczowski, 2008)	talent = added value for the organization talent = measurable competencies + immeasurable competencies
D. Ulrich (Ulrich, 2008)	talent = competency + engagement + work input
Y. Downs, S. Swailes (Downs and Swailes, 2013)	talent = natural predisposition talent is developed via abilities and skills
E. Gallardo-Gallardo, S. Nijs, N. Dries, P. Gallog (Gallardo-Gallardo, Nijs, Dries, and Gallo, 2015)	talent = natural abilities their constant development is significant
D. Gaur (Gaur and Gaur, 2020)	talent = employee of above average competencies

Source: own study based on (Stuss, 2021).

Such varied perceptions of talent also cause various approaches on the part of HR specialists in terms of proposing process solutions in organizations with regard to the acquisition, development or retention of people with unique competencies.

The aim of the chapter is the presentation of the empirical research results focused on talent management in international enterprises.

## 2.2. Empirical research methodics

Implementing theories of deduction, attempts were made within the framework of a systematic literature review to define the notion of talent (Stuss, 2021), thus key aspects of the definition of talent were acquired. Subsequently, based on the concepts of conducting scientific research (Bartunek, Rynes, and Ireland 2006; Das and Long, 2010; Sansone and Thoman, 2005), the phase of research proceedings was then conducted. The choice of the questionnaire method was made due to its distinctive features (Kraemer, 1991), employing also the basic principles of economic analysis: the simplicity of the model and validation outside of the test (Fabozzi, Focardi, and Ma, 2005). In constructing the research tools proposed by Kelley, Clark, Brown, Sitzia (Kelley, Clark, Brown, and Sitzia, 2003), the order of the activities was as follows: planning the content of the research tools; the layout of the questionnaire; additional open questions; pilot research; the stimuli to complete the questionnaire. The preparation of the questionnaire was based on the approach proposed by Creswell (2013), and also the approach applied by Schwarz, Tanur, and Tourangeau (Schwarz, Tanur, and Tourangeau, 1999).

The collected survey results were entered into the system and subjected to inductive analysis. The accuracy of the data was checked (checking for errors and cohesion of entries). The closed questions were easier in terms of analysis and encryption. By characterizing the research findings, descriptive characteristics were applied that encompassed a description of the common basic features of data in an

orderly fashion. Subsequently, this was visualized in a graphic form with the aim of identifying trends and patterns, while also emphasizing the key areas of talent management (Peersman, 2014).

The aim of the research was to diagnose the implementation of talent management programs. The research was participated in by 11 enterprises that declared the application of talent management programs in practice. The questionnaire was completed by the managers of HR departments or key employees of personnel cells. The profile of the analyzed enterprises was varied, which facilitated a multidimensional analysis of the problematic issue of TM. The research findings presented are part of a greater research project. The results relating to the way of positioning TM programs were indicated, as well as the tools implemented within the framework of the review of talents conducted in the organization, and the development of TM activities was also illustrated. Large enterprises employing over 250 employees and subsidiaries of foreign entities constitute the prevalent group. This confirms the primary assumption that the programs of talent management are first and foremost implemented in international consortiums and corporations. Data analysis indicates that the entities where the TM programs are implemented and adjusted to their business strategies, are fully aware that the return on their investment in terms of human resources will translate into the financial performance of the enterprise. In this case, human resources are treated as capital and not as a cost.

### 2.3. Empirical research findings

The research commenced by positioning the TM programs in the processes of management of the entire operations of the enterprise (Table 2.2).

**Table 2.2.** Positioning of TM program

Criteria	Quantity	%
LEVEL OF TALENT MANAGEMENT		
Integrated and coordinated activities in the sphere of talent management	4	36
Comprehensive strategy of talent management	4	36
Talent management constitutes the basis of comprehensive activities in enterprise	0	–
Only chosen activities in the sphere of talent management	3	28
PROGRAM OF TALENT MANAGEMENT		
Only available to managerial staff	4	36
Available to all employees	7	64
Available to chosen employee groups in non-managerial positions	0	–

Source: own study.

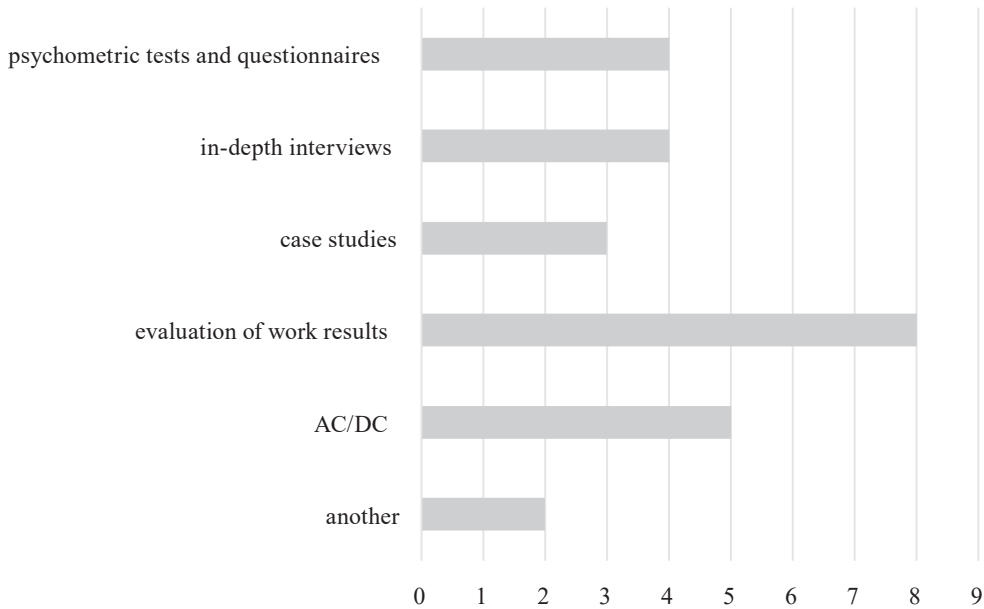
These programs are built both as entire plans that are integrated within the framework of the personnel function, or as separate strategies of TM. Unfortunately no entity indicated that TM constitutes the basis of the entire operations of the enterprise, albeit the plan of TM should be designed with the aim of eliminating gaps in terms of talent and should also be integrated with the strategic and business plans (Stuss, 2021). The analyzed enterprises are conscious of the fact that in order to attain complete success, staff must consistently develop their skills. The TM programs are most effectively used in the context of business situations that are directly significant for the organization.

A structured approach to TM that combines the business strategy, the requirements with regard to the roles, recruitment, development of abilities and management of efficiency should be reflected in the TM program executed. This facilitates the successful attraction, identification and development of high quality talents and winning 'the war for talents'. As in the case of the human resources management strategy, the TM program should constitute an integral part of the program of human resources in the organization, and must be in compliance with the vision, culture and general strategy of the company.

The thorough analysis of the TM programs was initiated from the identification of activities in the area of planning talents. The key to talent management is the perception of the appropriate criteria of the choice of talent and the appropriate definition of the future development potential of the employee. It is not possible to implement an effective program of talent management if it is unclear what type of work is executed by the employees, and what types should be engaged there. Thus, it is necessary to update the descriptions of positions, as well as formulate the models of competencies. The job descriptions must of course be adjusted to the unique needs of the organization. The same principle also relates to the model of competencies, which is influenced by the corporate culture. Almost two-thirds of the analyzed enterprises (64%) indicated that they possess the formalized set of key competencies, on the basis of which talent management is planned. However, a greater percentage of entities (82% of those analyzed), identify specific and useful skills that are necessary for the employees to execute the organizational goals in the particular work positions.

In the creation of the program/project of TM, it is vital to prepare the appropriate competency profile, and on this basis an evaluation should be carried regarding the level of competencies in the organization. As a result of such an evaluation, information is acquired as to the state of professional potential in the organization, while also simultaneously finding out about the competencies of the employees who decidedly exceed the expectations of the organization; it is possible to speak of the unique people that create the base of talents in the organization. Such a way of proceeding is the only one where the acquisition of talented employees stems from the internal resources of the organization. The other possibility is to search for such people on the external market by applying various methods. One key method is

then becoming the exact definition in the organization as to who the organization actually acknowledges to be a talent. Unfortunately, only one enterprise defined the notion of talent as a starting point in building the formalized plan of TM: “The employee is strongly involved in the work and life of the entire company. The employee is creative, innovative, open to change and cooperation”. Despite this fact, all organizations conduct audits of talents by using varied tools (Figure 2.1).



**Figure 2.1.** Tools within a framework of an audit of talents

Source: own study.

The vast majority of enterprises used the questionnaire applied in the HR department for the evaluation of the work of employees, accompanied by a detailed interview. Additionally, those analyzed used various tools in individual cases such as:

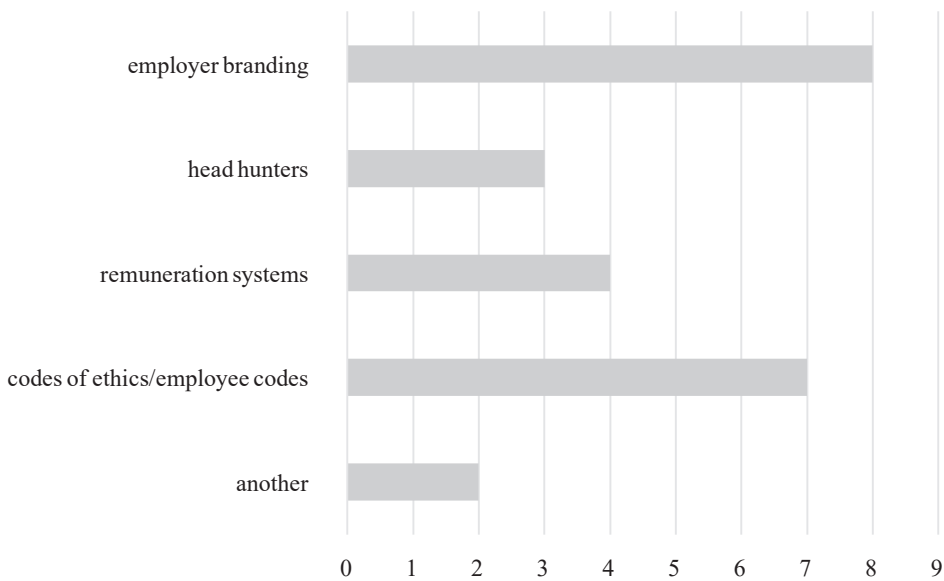
- evaluation of engagement,
- internal CV of the employee,
- psychometric tests,
- talent forum,
- interviews.

In planning talents, as previously indicated, the beginning of activities constitutes the definition of competencies that precedes the evaluation of talent in relation to the following competencies in four key areas of measurement:

- efficiency,

- behavior,
- potential,
- aspirations.

On this basis, enterprises analyze the talents in their possession and subsequently identify the lacking competencies in order to help fill the gaps in terms of performance and satisfy the future business needs. The project of talent management is not only the acquisition of the appropriate people from both within and outside the organization, but also the appropriate adjustment of the programs of professional development, as well as the systems of remuneration and motivation that would prevent the departure of staff with unique competencies.



**Figure 2.2.** Tools in processes of attracting candidates

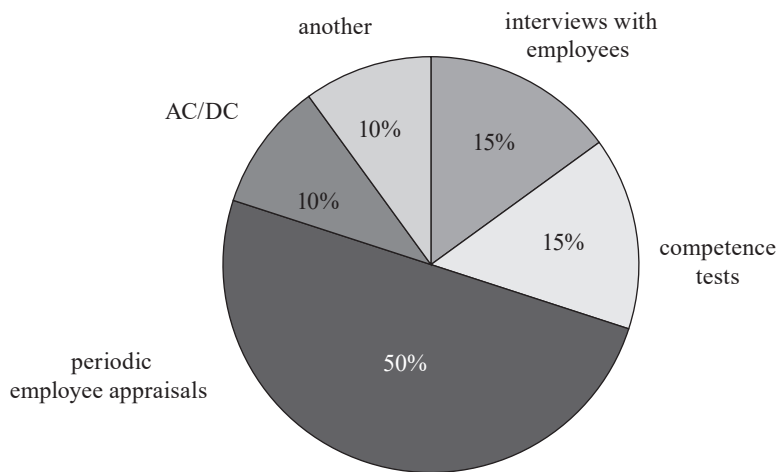
Source: own study.

A further aspect of the research was the diagnosis of the processes of acquiring talents, which requires the enterprises to promote their organizational culture and values in order to attract talented and qualified employees. The analyzed entities apply similar tools in this area (Figure 2.2), and with a similar level of intensity.

The most frequently applied tool is employer branding, namely, building the appropriate perception of the employer who provides the possibility of development and who has the appropriate motivational systems, etc. According to Matuszewska, activities centred around the image appear in the context of increasing the level of awareness of the stakeholders on the subject of positive aspects, and also the benefits accruing from the organization and generally speaking, the wider scope of activities

conducted in the area of recruitment (Matuszewska, 2012). Likewise, the research indicates that candidates constantly search for job offers online and are interested in information about the possibilities of professional development, career paths created, and systems of remuneration that take non-financial benefits into account (Kuźniarka, Stańczyk, and Stuss, 2021). The values defined in the organizations and their mutual adjustment are becoming equally important for candidates. This is expressed in the form of, e.g. the code of ethics.

In the search for talent in their own enterprises, the analyzed entities first and foremost use the system of periodical evaluation (Figure 2.3).



**Figure 2.3.** Identification of talents within the organization

Source: own study.

The periodical evaluation of the competencies of employees is most frequently a formal and systematic form of selecting people with unique skills and comparing them to the previously established norms. Such an evaluation serves the following aims of the TM programs:

- feedback – enables the employees to find out whether they are acknowledged to be talents,
- promotion – identifies the employees who deserve a promotion in the scope of conducting their duties,
- transfer – identifies the talents that require transferring to other tasks, for which they have a better predisposition,
- location of potential talents – identifies or discovers potential talents that require additional training with the aim of increasing their effectiveness in the future.

In the process of acquiring talents from within the organization, a significant role in the analyzed enterprises is played by the superiors of the employees. They take

the decisions to delegate people to the program of talent management (64% of those analyzed indicated this). However, in each case the condition must be the expression of consent on the part of the employee for him/her to be acknowledged as a talent and participate in the TM program, thus dealing with the complete voluntariness of delegation to the program. Employees that are deemed to be talents will want to develop or feel the need for new challenges.

All the tools indicated by those analyzed give the potential to build long-term talent management. It is important to develop the set of talents on the basis of the employed workers, while also attracting talents from outside the organization. Enterprises frequently become excessively dependent on the former or the latter, while the establishment of equilibrium between them may be a challenge. Talents from the external environment may have a more objective view and even an insight into the competitors, whereas internal talents understand the functioning and organizational culture of the entity better. Therefore, those analyzed ambiguously indicated whether in the case of the TM programs functioning in their enterprises the potential talents from outside the company are already identified in the process of recruitment and selection of candidates for work by subjecting them to additional assessment to determine them as talents (55% yes, 45% no). Identical results were obtained in research in the case of the verification of whether the employment of talents from outside the enterprise takes place on the basis of negotiating the conditions of work by both sides (55% yes, 45% no). Nevertheless, it is necessary to remember that locating the talent in the inappropriate place may multiply the organizational challenges despite the qualifications and competencies (Schmidt, Mansson, and Dolles, 2013).

**Table 2.3.** Evaluation of positive development activities in TM

Criteria	Quantity	%
DEVELOPMENT OF TALENTS		
Enterprise has a solid plan for the development of employees by applying the most effective development actions adjusted to individual needs	6	55
Enterprise ensures support in the sphere of training and development of talented employees	9	90
Training program is useful for enhancing the value of talents and skills of employees and preparing them for future challenges	11	100
In the enterprise there is a coaching and/or mentoring program that encourages people to improve themselves, learn at work, while simultaneously to develop talent	7	64
In the organization there are procedures aimed at the development of talent	8	80
The list of people in the development plan of talent is regularly verified	6	55

Source: own study.

The majority of enterprises analyzed admitted that while attempting to implement the TM program from the outset, they started by employing workers that



had the appropriate competencies by acknowledging them to be talents for specific positions. This was not always the appropriate way to commence the process of talent management. Nowadays, those analyzed indicate that the TM program must start with the strategic process of a comprehensive view of talent management.

Investment in the development of talents was justified as a source of competitive advantage (Stuss, 2021). Enterprises must invest in the development of employees in order to execute the strategic aims of the organization. In doing so, it is necessary to take account of the individual needs, learning styles and the current labor strategies. Programs of talent management try to develop and retain employees of high potential, while simultaneously ensuring organizations of a source of talents. In the diagnosed programs of TM in the majority of cases, the respondents emphasized the relevance of their plans for the development of talented employees (Table 2.3).

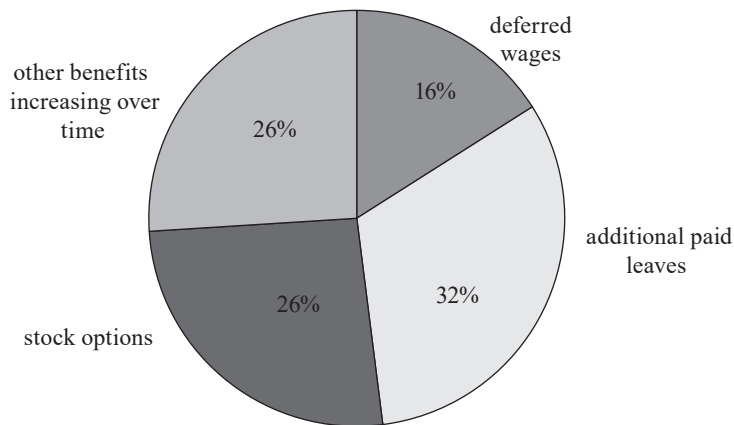
Thanks to the detailed preparation and execution of the programs of development within the framework of talent management, the analyzed enterprises ensure that their employees have the possibility and space to model their own talent in their activities with the aim of achieving an individual and organizational vision. Talent appears in efficiency, thus, apart from the general internal development of the abilities of an employee, the field of talent management is also focused on a better working environment and positive changes in management in order to provide the additional elements for the enhancement of talents.

The development of talent is a long-term integrated process that serves for the maintenance of the organization in sound condition, while also ensuring innovativeness (Ketter, 2010; Pruis, 2011; Stewart and Rigg, 2010). In current times of economic slowdown and the prevalent role of employees on the labor market, the development of talents is therefore an active strategy for enterprises in order to survive the looming deficit of specialists.

TM programs are aimed at providing a comprehensive approach to talents, both today and for the future. Thanks to ensuring the key human resources of the possibility of development, the companies have the possibility of retaining them in the enterprise (Lockwood, 2006). Hence, another area within the framework of the conducted research was the issue of the retention of talent.

A predominant group of those analyzed indicated that planning a career involves providing employees with the real possibility of promotion (91% of respondents), while also flexibility in terms of the working conditions – the options that are available to employees are wide-ranging and do not force the choice between staying in the organization or leaving it (81% of respondents).

Of the tools that constitute long-term incentives within the framework of the strategies prepared for retaining employees (Figure 2.4), motivators are most frequently applied.



**Figure 2.4.** Motivators applied in retaining talents

Source: own study.

Unfortunately, in the case of monitoring the levels of job satisfaction in order to prevent problems before people/talents leave the organization, the distribution of results is almost half and half (55% yes, and 45% no). It is possible to conclude that there is an underdevelopment of the TM programs.

Retaining talents is an important issue, thus enterprises should build strategies to retain key employees that encompass the main practices of HR. In the analyzed TM programs, there is a prevalence of tangible motivators, whereas internal motivation and job satisfaction of the talents themselves are also significant (Saddozai, Hui, Akram, Khan, and Memon, 2017), as well as the planning of success at various levels of management (Tabatabaee, Lakeh, and Tadi, 2014).

The final stage in this section of the research strategy was the verification of whether the enterprises that have programs of talent management analyze the effectiveness of their application and in what way (Table 2.4). The obtained results are not unequivocal.

**Table 2.4.** Effectiveness of TM programs

Criteria	Quantity	%
EVALUATION OF VALUE OF TALENT		
Enterprise regularly assesses its progress in talent management	6	55
Enterprise compares the effects of talent management with its financial performance	4	44
Enterprises possesses specialized tools for the evaluation of the value of talent	2	20

Source: own study.

The evaluation of the programs of talent management is a current problem. Many managers and practitioners of HR deliberate how to assess these programs, which should be verified according to the indicators specified on the basis of the initial aims stipulated in the program, or the use of measurable indicators of human capital. Such data could be compared periodically.

## **2.4. Final conclusions**

The programs of talent management offer the analyzed enterprises a tried and trusted, while also practical way to significantly enhance the level of job satisfaction and retain employees with the aim of reducing staff turnover and its associated costs. A good TM program encompasses training on the subject of the tasks and tools that are important for the role, but also involves the corporate culture and values, as well as information on the subject of the programs of talent management, the possibilities of making contacts, establishing preliminary goals, and the periodical evaluation of their effectiveness. Organizations frequently adopt a ready-made program with the aim of satisfying their urgent needs, however not much attention is placed on the long-term needs of talented employees. As indicated in the research, they are cohesive and repetitive, yet not always effective as they do not adjust to the changing needs of talents.

The analyzed TM programs were implemented with the aim of achieving the specific aims and concentrated on the narrow aspect of the needs of talents. However, it is necessary to note that they were coordinated and associated with other systems and aims of HR, or identified with them.

TM programs are based on business strategies and the strategies of talent management. They are also fully integrated with other systems and HR processes, while also managed as basic business practices. In the perspective of the analyzed enterprises, they should prepare and implement talent management into a fully integrated system, in order to ensure the full benefits of the possible synergic benefits for the organization as a whole.

Developing the strategic abilities of TM requires specifying the program of talent management, including first and foremost the evaluation of talent, which should be applied for the measurement of the effectiveness of the program.

Talent management must be an integral part of the business strategy in order to be effective. Talent management signifies an attempt to make use of the full potential of human capital of this intangible resource, with its intricacy and associations with human behavior.