The Effects of Using Talent Management With Performance Evaluation System Over Employee Commitment

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Abstract

Talent management is a complex procedure for organizations but organizations need talented employees to maximize their organizational performances. In this situation the real problem is not to search or manage the talents but to provide commitment for retention because from the strategic management view, it is important to make performance sustainable, permanent and high and it is only possible with employee commitment. Within the framework of performance system, our study focuses on how talent management affects to the employee commitment. The survey of this study is conducted on 123 middle and senior managers. The obtained data from the questionnaires are analyzed through the SPSS statistical packaged software. Analysis results revealed that talent management integrated human resources procedures and performance systems have positive impact on employee commitment.

Keywords: Talent management, Employee Commitment, Organizational commitment,

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1. Introduction

Organizations needed to strive more than ever for directing their employees to the common vision of the company to establish long term cooperation and to save the organizational knowledge as the concept of strategic management became widespread. Career planning has become inevitable as competition increased in human resources and new
motivational tools for employees’ use such as talent management emerged.

Companies with the aim of growth notice that first came the human. Organizations are not very successful on finding, developing and retaining employees especially who can work within different cultures and geographies. Talent management does not take its part in the basic functions of many organizations. Perceptions of organizations about their identification are focused on the frames of market oriented structures, namely strategic work units, rather than basic skills. It is inevitable that organizations focus on final product, but this must be complemented by focusing seriously on basic skills. Organizations must not be seen just as portfolio of products or services but at the same time portfolio of skills.

2. Talent Concept

2.1. Definition

According to the dictionary of Turkish linguistic society, talent is defined in four different ways. Two of these definitions are common and the two others are from education science.

1. The qualification of someone to understand something or fulfill a task, ability.
2. Innate power in organism to get adapted to a situation, capability.
3. (Education science) The inherited borders that frame the learning of a person.
4. (Education science) The ability to receive the affect from outside.

Erdogan (1996), in his book named ‘Psycho-technical in Personal Evaluation in Organizations’, has defined talent; “Talent is the sum of a person’s mental abilities such as to understand relations, to analyze and to conclude and physical features to achieve some facts. Talent, in this sense, can be thought as individuals’ mental and physical capacities which are needed to organize their behavior.”

Talents are partially innate and partially occurring with education, training, experience, practice and compliance to work. Talent defines the qualification that may potentially exist in group or individual dimensions as well as it can be achieved by studying. When we take it from individual perspective, talents may be obtained later as well as they can exist naturally. What is explained here is to explicate and appraise implicit potential of individual.

2.2. Importance

Talent can be treated in two perspectives; organizational and individual perspectives.

From individual perspective, they need to know their current position in organization and they must determine where and how they want to be in the future. Career planning is the route that individuals use to reach their goals in their work life. For that reason the current talents of individuals will be taken as data before planning career.

But if talents, which can be developed within processes, do not fit the functional properties of position, they can be developed in time. The motivation and psycho-social structure (Kaynak, 1996) of individual must be positively related to use this way.

From organizational perspective, the talent is sustaining the right jobs with right skills but efficiency can be achieved if talents that are compatible with jobs can be used for organizational aims. Efficiency is to have best outcome from an individual’s performance on the work. The first condition for individual efficiency to occur is to have a compatible "individual supply of efficiency" exist. But this supply of efficiency (Ercan, 1982) can only be transformed into real efficiency if the person is given a compatible task. Individual's supply of efficiency is limited with his or her talents.

Talents, which are ready for use, do not supply efficiency by themselves. In other words, talents must be activated by task-oriented motivations.
3. Talent management in organizations

3.1. Definition

Management is the determination of goals and organizing available resources to achieve these particular goals (Dale, 1996).

Talent management is, directing employees of organization to their profession and expose and regulate their talents about it. Some traps may be faced while identifying talents. First of all the process of talent identification should not be left to technicians. The goal of generating new line of business may be perverse if the ownership of this is left to only technical staff because they will concern about status and resources problems more than talent concept.

Talent management is in fact a complicated process. The first step of the process is to set up a "Talent management strategy". While developing the strategy, key job and management processes must be focused on and critical staff positions and their related talents, required for strategic use in the future, must be identified at the same time. The outcome of this strategy is high performance and result oriented cultural structure.

One of the most important processes of talent management is "search and selection". With the use of appropriate and right tools in this process; attracting result oriented, value adding, high potential, promising, innovative and creative candidates, and selecting the most talented ones among them, employing them in the right places is vitally important to the performance of the organization.

However, selecting the most talented candidates is not enough. Effective development and guidance programs should be used to create the environment to retain talented personal in organization and let them add value. It is supposed that the leaders should prioritize the learning and development for both individual and job dimensions. The success and development opportunities of personal staff should be assessed according to their potential and contribution to organization's values and business results. Accordingly, high performing individuals within organization should be evaluated by effective performance and competence assessment systems. After that, successful results can be obtained by differentiating the ones with higher performance and applying flexible and creative recognition and reward systems.

The role of management rises with talented, willing and efficient employee. The openness of management to change and employees' efforts in their works drive the organization to success. On the other hand the whole organization has to endure when the management is not open to change. Dealing with people in an organization requires wide knowledge and technical skills about how people work. The success of management depends on its continuous cooperation with other units.

Manager has to improve the talents of employees continuously, make them qualified people and provide job satisfaction. Talent management, when continued in a positive manner, will improve efficiency and increase competitiveness while decreasing waste of time.

3.2. The aim of talent management in organization

It is possible for organizations to keep the growth while providing profitable and sustainable competitive advantage if their human resources produce innovative and creative projects. When the world market is observed, it is seen that organizations become the leader in their market and reach perfect business results if they are focused on developing themselves and their businesses and provide innovative and differentiated products or services continuously.

3.3. Obtaining Competitiveness

Competition is the struggle among those who want to achieve the same result. In competition (Altuntuğ, 2009) it is a necessity to know who and what is being competed. What is dominant in business world nowadays is an intense war of competition. But some elements (technologies, fiscal resources) can not bring the competition to desired level anymore. For that reason, the importance of human and human resources has become more important today. The aim is to compete through people. Talent management is a means of this aim.
3.4. Creating Customer Value

A talent should be able to add disproportionate contribution to the value perceived by customers. Talents are the skills that enable an organization to offer essential customer benefits. The talents of the organization are effective as long as the importance of customer value is understood and an essential customer benefit is provided.

A talent may have important contribution to the value perceived by customer but it is not supposed to be visible or easily understandable by customers. Many computer users know that using Macintosh is easy but they can not list the essential talents what provides that.

3.4.1. Developing Vision

Organization knows its direction and determines its goals and aims through a successful management. A very good team should be composed of warmhearted and active people for talent management. The balance here is very important. Successful organizations can improve with managers who have humanitarian approach and can think calmly and give rationale decisions.

Organizations should set up their goals with employees. The vision of the organization is tried to be developed with contribution of everyone starting from top. Which policies, goals, aims and strategies should be constituted in short and long term is determined by management. These policies, goals and strategies are implemented through bringing a flexible structure to the organization.

3.4.2. Enabling division of labour and specializing

Assigning more than one job to an employee in organizations obstructs specialization. The employees use their labor and time in the most economic manner if they are focused on one subject. The employees can use their power of command and insight in the use of talent better that way.

3.5. Talent management areas

3.5.1. Strategic Leadership

Strategic leadership is shaping the future through foreseeing and constituting the necessary strategic management approach. Accordingly it is needed to empower other manager and employees, direct them to the innovative and creative aims towards the vision of the organization, and provide the strategic change quickly when needed in this complex, global and competitive environment. Strategic leadership is to move an organization from one point to a further point and the ability to lead people to this direction.

Maybe, the most important and critical proficiency for strategic leaders is the ability to manage human resources effectively and efficiently. Intellectual property, containing innovative and creative product and service production with the use of knowledge management and adding value to the organization through these, will highly affect the success of the strategic leaders in 21st century too. Effective strategic leaders use their vision to improve their employees' motivation and performance which depends on it.

Prerequisite of strategic success is the powerful strategic leadership. So, all organizations in this century focus on developing strategic leaders in their own to create excellent business results through gaining strategic competitive advantage. Accordingly, correct implementation of talent management and related systems in organizations gains importance (Altuntaş, 2011).

3.5.2. Enhancing quality of employees

Every individual has particular talents and qualifications. These may be dexterity; unconsciously acted behaviors, mental or creative skills etc. Efficiency of organizations is proportional to the sum of employees’ talents and qualifications. Human resources management is significantly responsible for increasing the qualification of employees.
3.5.3. Performance evaluation

Performance evaluation is the analysis and assessment of every employee's results and successes achieved in the organization in particular periods by managers. In other words, it can be seen as the control of employee's efficiency and production capacity. The success of the employees in the organization is determined by their personal qualities and talents, desire to accomplish the work, and the ability to activate this desire and the work environment provided.

There are two general goals for performance evaluation. The first one is the evaluation of the current quality of performance by determining the subjects that employee is successful or unsuccessful. Second is to determine the management potential of the organization. Its aim is to enable the determination of the people who can take place in top management through their talent and performance. As a result, performance evaluation takes an important place in developing the talents and improving performance of employees.

3.5.4. Evaluation of expectations

According to the research, the most valid way for organizations to retain talented people and overcome all problems is to create "sense of belonging". The employees should not even think about working in other organizations. It is not easy to create this sense for senior staff, but it is possible for the staff in other levels by providing rewards, development in a peaceful environment, job satisfaction, and appropriate wages. In senior staff, rewarding, job satisfaction, and wages are not sufficient; supplementary tools are needed such as talent management.

3.6. Organizational Commitment

There are various ideas for definition of the commitment concept suggested by researchers. Commitment concept is remarked after the study of Kantor in 1970's. In 1980's American managers started to study Japan companies which seem successful and owing this success to loyal labor closely. The interest in the relation between mobility of employee and commitment has gained in 1990's (Yilmaz and Dil, 2008).

Different researchers from diverse disciplines defined commitment on their own, so the understanding of the term became difficult. As the definitions of commitment change from day to day, it is certain that the ideas like "whether the commitment is good or evil, constant or variable" change with the flexibility of the use of the term. Scientifically, development and conclusions about commitment should not be accomplished unless the term is completed and the scales are developed.

Organizational commitment is defined as individual's,

- Belief in organization's goals and values
- Willingness to endeavor for organization to achieve its goals
- Desire to stay as a member of the organization.

Many theoretical studies about commitment focused on employee's commitment to the organization. This approach has emerged two different thoughts. The first argument is suggested by Morrow. Morrow (1983), suggested that organizational commitment should be separated from commitment concepts such as work commitment, business ethics, addiction to career and commitment should be dealt separately from its related concepts to understand the considerable effects on employee turnover and performance.

Survival of the organization is dependent on the employees' retention in the organization. Organization is as powerful as the level of the commitment of the employees to the organization. Organizations, which are aware of this, try to prevent employees from quitting by using incentives such as wage increase, raise opportunities, rewards etc (Bayram, 2005).

Organizational commitment is a concept which is about, to what extent people internalized their organization and willing to stay in their organization (Greenberg, 2002). Generally accepted model for organizational commitment is
the model of Allen and Meyer (Yavuz and Tokmak, 2009). They stated that organizational commitment is composed of three components, which are affective, continuance and normative commitment (Allen and Meyer, 1990). Affective commitment means employees' identifying themselves with the organization and participation to the organization (Guclu, 2006). Continuance commitment is thought as it has been developed on two basic factors such as the size and the number of individual's commitment and the absence of choice. Employees who had spent respectable effort and time to gain a complete vocational ability cannot be transferred to another organization easily. If employees believe that they have less choice, their commitment to the current employer will be stronger (Allen and Meyer, 1990). Normative commitment is developed if employee perceives commitment to the organization as a duty and thinks that commitment to the organization is right (Gul et. al., 2008).

4. Research findings

4.1. Purpose

The research is prepared to understand the policies of organizations about talent management and measure the effects over employee commitment after integrating these policies to human resources applications. With this survey, it is studied whether performance evaluation and reward systems integrated with talent management policies has an effect over employee commitment and labor turnover rate of the organization.

4.2. Sampling

Convenience sampling, one of the non-random sampling methods, is preferred as sampling method for the research to enable easier reach to the information.

Human resources managers of organizations which have human resources departments are chosen as sample, managers of various organizations in service industry in Istanbul are reached with the use of convenience sampling method and an online survey form is delivered, a total of 123 participant responded by filling out the survey form.

4.3. Methodology

A survey form consisting of 5 sections with scaled and demographic queries is prepared to measure the effect of talent management and integrated human resources management systems over organizational commitment. Questions are asked in five rating scale in first four sections, first section questions talent management areas of use, second section questions the effects of talent management over employees, third section questions the ways talent management is applied, and the forth section queries the integration of talent management and HR applications; fifth section questions demographic features.

4.4. Hypotheses

H1: Organizational commitment increases in organizations which use talent management application integrated with performance evaluation.

H2: Organizational commitment varies depending on company types in the companies which apply talent management.

4.5. Findings

Gathered data from the participants in the research are analyzed with SPSS 16.0 package program. Gathered data are analyzed whether they are suitable for factor analysis and Kaiser-Meyer-Olkin (KMO) and Barlett test is applied with that aim. KMO sampling adequacy is found as 0.804, Barlett normal distribution test is significant (p<0.05). A structure with four factors emerged after factors analysis. There are 21 questions in the survey, six questions about "usage areas of talent management", nine questions about "effect over employees", three questions about "application areas of talent management", and three questions about "human resources integration". Every factor is analyzed for reliability after factors analysis. Reliability analysis represents the internal consistency of survey questions and factors. It is considered sufficient in the literature if the computed reliability coefficient of survey is 0.70 and over. Computed
Cronbach's Alpha values for selected sample vary between 0.82 and 0.93. Total Cronbach's Alpha value of reliability analysis is found as 0.874 (n=21).

Table 1 - In the Participant Organizations of the survey; Min., Max., arithmetic mean, and standard deviation of Usage Areas of Talent Management

| Finding the appropriate talent to perform long-term goals of your company | 123 | 2 | 5 | 4.10 | .987 |
| Recruitment of appropriate talent | 123 | 2 | 5 | 4.34 | .687 |
| Providing suitable incentives and rewarding employees | 123 | 2 | 5 | 3.90 | .624 |
| Properly defining of manager backup plans | 123 | 2 | 5 | 3.63 | 1.010 |
| Lack of competence and expertise in fulfilling the needs of the company workforce | 123 | 2 | 5 | 3.88 | .806 |
| Labor turnover rate in the Company | 123 | 2 | 5 | 3.41 | .940 |
| Rapidly aging of the employee | 123 | 1 | 5 | 3.29 | .947 |

If the usage aims of talent management examined in table 1 is glanced, while the expressions "low employee turnover rate in the organization" and "the rapid aging of the employees" has the lowest means, the expression in contrast "Selection and employment of appropriate talent" points to the aim with the highest mean. According to this, while talent management for search and selection is also common, the organizations which implement the application firstly aim exploring and attracting talents to the organization to gain higher performance rather than for circulation and backup.

Table 2 - Evaluating employee commitment in the companies which use talent management application, integrated with performance management

<table>
<thead>
<tr>
<th>Employee Commitment increases with talent management applications.</th>
<th>Performance management system works in integration with talent evaluation system.</th>
<th>Pearson Correlation</th>
<th>Sig. (2-tailed)</th>
<th>Sum of Squares and Cross-products</th>
<th>Covariance</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Employee Commitment increases with talent management applications.</td>
<td>Pearson Correlation</td>
<td>1</td>
<td>.693**</td>
<td>174,293</td>
<td>1,429</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Performance management system works in integration with talent evaluation system.</td>
<td>Pearson Correlation</td>
<td>.693**</td>
<td>1</td>
<td>109,976</td>
<td>109,976</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sum of Squares and Cross-products</td>
<td>109,976</td>
<td>144,585</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Covariance</td>
<td>.901</td>
<td>1,185</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>N</td>
<td>123</td>
<td>123</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Pearson correlation analysis as in table 2 is done to evaluate one of our hypotheses H1. According to the Pearson Correlation analysis, without definite boundaries, correlations are considered as poor if lower than 0.50, moderate if between 0.50 - 0.70 and strong if higher than 0.70. Accordingly, it is understood that in the .01 significance level, companies which use talent management application integrated with performance management and employee commitment has moderate positive correlation.

One Way Anova analysis is done between Company Type and Employee Commitment to evaluate our hypothesis H2. Accordingly there is a significant difference between company types over the effect of talent management to the employee commitment. (F=7.475, p<0.05). When table 4 is examined, it is seen that the effect of talent management applications on the increase of employee commitment is significant, especially in the family companies.

Table 3- The Anova result of employee commitment according to company types

<table>
<thead>
<tr>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Between Groups</strong></td>
<td>27,638</td>
<td>3</td>
<td>9,213</td>
<td>7,475</td>
</tr>
<tr>
<td><strong>Within Groups</strong></td>
<td>146,655</td>
<td>119</td>
<td>1,232</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>174,293</td>
<td>122</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4- Mean, Standard deviation, Min. and Max. values for employee commitment according to company types.

<table>
<thead>
<tr>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error</th>
<th>95% Confidence Interval for Mean</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Other</strong></td>
<td>18</td>
<td>4.00</td>
<td>1.029</td>
<td>.243</td>
<td>3.49</td>
<td>4.51</td>
</tr>
<tr>
<td><strong>Family</strong></td>
<td>9</td>
<td>4.67</td>
<td>.500</td>
<td>.167</td>
<td>4.28</td>
<td>5.05</td>
</tr>
<tr>
<td><strong>Multinational</strong></td>
<td>66</td>
<td>3.59</td>
<td>1.123</td>
<td>.138</td>
<td>3.31</td>
<td>3.87</td>
</tr>
<tr>
<td><strong>National</strong></td>
<td>30</td>
<td>2.90</td>
<td>1.242</td>
<td>.227</td>
<td>2.44</td>
<td>3.36</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>123</td>
<td>3.56</td>
<td>1.195</td>
<td>.108</td>
<td>3.35</td>
<td>3.77</td>
</tr>
</tbody>
</table>

In accordance with the analysis results, H1 and H2 hypotheses are both accepted. Within these results research model is being shaped as it has been shown at Figure 1 below:
5. Conclusions

Organizations with the aim of growth in global market started to realize that the priority must be dedicated to human. It is argued that organizations are not successful on finding, training and retaining employees who can particularly work within different cultures and geographies. Talent perspective does not take its place in natural features of many organizations. However, this fact started to change nowadays, and it became a natural extension of human resources while getting more popular.

Organizations' mission and responsibility in this point is to attract talents to organization and create strategies and policies to develop the necessary vision to retain the talents. Organizations should determine the talents and potentials, draw the route to maximize the value that these talents can provide by planning the development of these talents, and constitute attraction centers in synchronization with these development plans. Talent management is not only to select the appropriate talent, but to manage existing talent effectively and efficiently, with high motivation, commitment, and maximizing performance of added value. As it is seen in the research above, employee commitment and the use of talent management application, integrated with performance management has a moderate positive relation in these companies.

Organizational commitment expresses that employees identify themselves with organization and they do not want to quit. The organizational commitment measures evaluated in the literature are usually applied on employees. In this research, the perspective to organizational commitment is taken from the vision of employer or manager, to reveal how they see their employees' organizational commitment level.

It is seen in the research that especially the talent management is in the agenda of nearly all of the responders, and the awareness of this subject is affecting the other human resources functions, and the influence areas of mentioned functions, performance management, backup plans and education are also in the agenda.

But when all of the results above are taken into consideration, while it is understood that talent management is successfully applied on education, performance and recruitment processes, sophisticated benefits of talent management are overlooked and it is not used efficiently by strategic point of view and its every aspect is not used concurrently in organizations. For example, organizations integrate talent management as a sub process to education, performance and recruitment processes and trying to run these processes independently, or talent management tools may be used in some processes while it is not used in some of them.

However talent management is alone an integrated process it will be more successful when it is constructed as an integrated pool to provide data to all of the other functions instead of building it as a sub process. Especially if talent management tools are applied distributed under functions, their semantic meanings will probably be lost or decrease while transferring to other functions. (Such as overlooking an employee's visual abilities in career planning after finding visual abilities powerful in recruitment processes.) But an integrated talent management will be a linear improvement tool for all functions by gathering data and converting these data to meaningful information in processes from developing competence maps to performance appraisal.

Even a general assessment is not done for employees' perspective in this study, it is very well known by the employers that physical motivations are easily imitated by competitors and awaited physical awards provide short term retention and the cost of continuous employee retention is high.

We have focused on employers' view in our study and tried to understand current use of talent management and make suggestions about ideal use of it and assess usage areas and functions. Even if it is used distributed, its benefits, provided for both employers and employees, will help to support obtaining strategic competitive advantages, especially when employer brand is composed or aimed as we suggested in the integrated model above.
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