

TALENT MANAGEMENT AS A KEY ASPECT OF HUMAN RESOURCES MANAGEMENT STRATEGY IN CONTEMPORARY ENTERPRISE

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Abstract:

The aim of the article is to present the essence of talent management and indicate its place and role in the strategy of human resource management in modern enterprises. Paper begins with a presentation and explanation the definition of talent and talent management (included its functions and tasks). Then, based on the comparative method, have been shown and discussed theoretical models of talent management presented in the literature. The paper concludes with an attempt to define the role of talent management in human resources management strategy in modern companies.

Keywords: talent management, talent management model, talent, human resources.

“Talent is the 21st century’s wealth”.
Tony Blair

1. INTRODUCTION

Modern organisations operate in an extremely turbulent and complex business environment. Survival in the marketplace requires highly developed skills in order to adapt to constant change, be flexible and act swiftly. In this age of the rapidly expanding knowledge-based economy, the quality of human resources has assumed crucial importance. This complex and demanding market environment has generated a demand for outstanding and talented specialists. Their key role in achieving and maintaining an enterprise's competitive edge has necessitated a change of approach in carrying out HR functions. Acquiring and retaining talented staff has become the strategic objective of HR management.

The article aim is to present the basic talent management issues, beginning with the definition of talent and talent management, through to a discussion of selected talent management models, and ending with a definition of the role of talent management in the overall strategy of a modern enterprise.

2. TALENT – DEFINITION

The issue of talent management gained prominence at the end of the 1990s. The growing interest in this sphere has two fundamental causes. First and foremost, there was the dissemination of the view that human resources played a key role in creating a competitive advantage in enterprises operating in a knowledge-based economy. The second cause had to do with changes in the labour market. This concerned the demand for specialists in areas of strategic importance to those companies and the problems involved in recruiting and retaining them (Pocztowski, 2008). This thesis is confirmed by research findings: only 15% of companies in North America and Asia, and just under 30% in Europe, claim that they have enough qualified workers and do not struggle with succession in key positions. Emerging markets feel a much stronger demand for experienced specialists, and the forecast is that this deficit will continue for another 20 years (Fernandez-Araoz, Groysberg, Nohria, 2012).

Discussing talent management in modern organisations requires that the term “talent” be clearly defined. In practice, the stage of “talent” definition is of key importance, because whatever criteria the company adopts will be used to identify talent.

S. Borkowska defines talent as a “creative, enterprising person with high development potential, being the lever of growth in shareholder value” (Borkowska, 2005). The term “talent” can also be defined by enumerating its characteristics. These include (Pocztowski, 2008) strategic thinking, leadership traits, an entrepreneurial attitude, a performance-oriented approach, the ability to persuade, teamwork, emotional intelligence, flexibility, a high tolerance to change, and highly developed specialist technical skills.

T. Ingram, on the other hand, suggests looking at a talent from the standpoint of three factors (Ingram, 2011): his/her characteristics, main activities, and objectives. On the one hand, these criteria make discovering talents in an organisation much easier, by virtue of their universal nature, but, on the other hand, it requires an in-depth knowledge of the staff.

Talent mainly consists of (Moczyłowska, 2010):

1. Extraordinary intellectual skills (general and specialist);
2. A creative attitude (originality, flexible thinking and acting, tackling unconventional problems, and a high tolerance to risk, change, uncertainty and ambiguity);
3. A commitment to work (self-disciplined, persistent in pursuing goals, and hard-working).

The analysis of the literature clearly shows that there is no unambiguous understanding of talent. Many terms are also used interchangeably, e.g. C. Fernandez-Araoz, B. Groysberg, and N. Nohria talk about high potential employees i.e. people who have developmental skills and the ability to accept (and carry out) assignments and duties characterised by activities whose scale and scope exceeds anything achieved so far (Fernandez-Araoz, Groysberg, Nohria, 2012). A number of other terms can be quoted here (e.g. overachieving worker, key worker etc.), which creates additional terminological chaos.

For the purposes of this article it was assumed that talent is defined as a “person characterized by potential, skills, motivation and knowledge, who through his/her activities has a material impact on the

organisation's operations, who overachieves, and meets set targets while taking care of his/her own development" (Ingram, 2011).

3. TALENT MANAGEMENT – DEFINITION, MODELS

Talent management is currently perceived as a key method of gaining and maintaining a competitive edge (Mikuła, Stefaniuk, 2012). The fact of having talented personnel is no guarantee of success. Because of their uniqueness and specific nature, talents can be a demanding group of workers. This makes implementing talent management measures crucial. Selected talent management definitions are presented in Table 1.

Table 1: Talent management in an organisation – selected definitions

	Author	Definition
1.	M. Armstrong	"Talent management is the processes of ensuring that talented people are attracted, retained, motivated and developed in line with the needs of the organization".
2.	B. Jamka	Talent management is the "attraction, development, and retention" of the talents, i.e. the most valuable staff members, by creating conditions conducive to their potential development, so that they can be put to use for the company's operations for as long as possible.
3.	J. Moczyłowska	Talent management is a set of activities taken vis-à-vis personnel with outstanding talents, to ensure their development and increase their operational efficiency, while simultaneously achieving corporate goals.
4.	E. Maliszewska	Talent Management consists of searching for talents inside or outside the organisation, undertaking special activities to enable their development, training and career path planning, and ensuring that their remuneration is competitive with that of other organisations.
5.	S. Borkowska	Talent management involves implementing a set of key activities as part of human resources management, while simultaneously applying more advanced methods and techniques.

Source: own study based on: Armstrong, 2007, p.354; Jamka, 2011, p. 196; Moczyłowska, 2010 p. 38; Poczowski, 2008, p. 50.

An analysis of the above definitions justifies the claim that talent management is a process. The talent management process consists of three phases (Moczyłowska, 2010): acquisition, transformation and exit. The entrance phase (talent acquisition) comprises measures such as identifying a demand for talented workers in a certain field, and methods and techniques to select and recruit them. The transformation phase focuses on career management. This includes development and improvement, assessment and motivation. The tasks to be implemented in the exit phase are mainly concerned with ways of preventing talented personnel from leaving (Poczowski, 2008).

It is essential that conditions conducive to developing talent be created as part of talent management. In practice, this means building an organisational culture oriented at identifying, developing and utilising the extraordinary skills of outstanding staff members. This critical approach suggests a departure from the term "talent management" in favour of "talent development" in order to reflect the objectives that should accompany such measures (Moczyłowska, 2010).

A more detailed definition of talent management is proposed by M. Morawski and B. Mikuła. Talent management involves the following activities (Morawski, Mikuła, 2009): casting a net, attracting talent, retaining talent, laying down conditions conducive to creating development prospects, and talent departure management. An essential role was assigned to the talent acquisition phase (this means ensuring access to talented employees and creating an image of the company as a preferred employer) and to personnel professional development.

The three-phase perception of talent management is a central plank of A. Poczowski's model for managing talent in organisations (Picture 1). Talent management processes are a result of adopting strategic assumptions for talent management and HR management in the organisation. The talent management strategy is shaped by such variables as the state of the labour market and the quality of human capital in the organisation (Poczowski, 2008).

Picture 1: A. Poczowski's model for managing talents in organisations

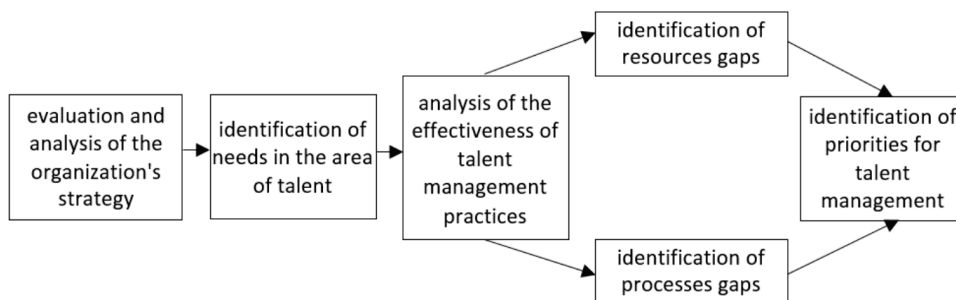


Source: own study based on Poczowski, 2008, p. 60.

Measuring and assessing the effectiveness of implemented measures is crucial. This is the source of the feedback used to make modifications at the strategic (talent management strategy) and operational (talent management programmes) levels.

There are many proposals for a model approach to human resources management in the literature. Next, there is a discussion of the talent management model developed by J. S. Heinen and C. O'Neill (Picture 2.). As with the Poczowski's model, the point of departure for all talent management activities is the organisational strategy. Talent management requirements are identified through analyses, and the effectiveness of the existing ones in this area is subsequently verified. The results of an analysis include a diagnosis of any shortcomings in the fields of resources and processes, with a view to setting talent management priorities. The collected information lay the foundations for further decisions.

Picture 2: A. Heinen and C. O'Neill's talent management model



Source: own study based on Ingram, 2011, p. 31.

It is worth noting the talent management model developed by L. Burke. This departs from the conventional approach and favours project management solutions (Ingram, 2011). Three fundamental phases and their underlying activities were identified in this model:

1. Assessing the programme requirements:
 - a. Identifying needs;
 - b. Specifying ways of supporting the corporate strategy and future leadership requirements;
 - c. Evaluating the organisational and personnel benefits.
2. Designing the programme:
 - a. Talent selection criteria;

- b. Communication strategy;
 - c. Talent status (secret /open);
 - d. Talent identification time;
 - e. Talent assessment programme.
3. Managing the development of exceptional employees:
- a. Characteristics of the type of interfunctional transfers;
 - b. Combination of competencies of the talents;
 - c. Identification of key competencies (at the business and position levels);
 - d. Time framework and change of structure;
 - e. Utilisation of atypical experiences.

The models presented here depict talent management process (to a greater or lesser extent). In the models developed by J. S. Heinen and C. O'Neill, and L. Burke, the absence of two major components is apparent, viz. the context in which the model is embedded, and an assessment and measurement of the efficiency of talent management activities. Analysing the models brings yet another disturbing conclusion, viz. no model takes talent leaving the organisation into consideration. This overly far-fetched simplification of reality can lead to organisational malfunction in extreme cases.

In practice, model activities in talent management involve developing talent management programmes. It is essential that the programme be a result of the adopted strategy (which is clearly emphasized in the models) rather than a randomly implemented set of solutions used by other companies (Fernandez-Araoz, Groysberg, Nohria, 2012). An innovative approach is vital here on account of the individual nature of talent and the organisation's objectives.

World's best practice can be useful when building talent management programmes. This can be briefly described as follows (Fernandez-Araoz, Groysberg, Nohria, 2012):

1. Harmonize talent development programmes – they have to be consistent with the corporate strategy;
2. Select candidates carefully – base promotions on objective employee assessment criteria;
3. Rotate positions – consider the developmental objectives and experience of individual employees;
4. Communicate frankly – reinforce open talent management programmes with fair and objective talent selection criteria.
5. The use of talent management models, and consequently the systemization of activities in this area, aims at eliminating shortcomings and randomness in the organisation. However, it should be born in mind that the individual traits of talent people, which make them unique, frequently hamper, or even prevent, other employees being added to the same talent management programme.

4. THE ROLE OF TALENT MANAGEMENT IN THE HR MANAGEMENT STRATEGY

At present, gaining and maintaining a competitive edge not only depends on the quality of human resources, but also on having an appropriate human resources management strategy. The major objective of the strategy is to set directions and ways that the organisation can utilise human resources, so that the attainment of corporate goals is feasible (Listwan, 2010). The supply of highly qualified, committed and incentivized personnel is at stake. Personnel of this calibre will generate a sustainable competitive edge. It is crucial to remember that "the human resources strategy may represent a contribution to the corporate strategy, and that at the same time the corporate strategy justifies the HR strategy" (Armstrong, 2010). In practice, this implies vertical integration of the overall strategy and the human resources management strategy.

The human resources management strategy (also called the personnel strategy) should not be in the form of general HR policy guidelines. It should set long-term objectives in this area (Król, Ludwiczynski, 2006). It is crucial to develop personnel substrategies concerned with (Armstrong, 2010): human capital management, high performance management, corporate social responsibility (CSR), HR and organisational development, commitment, knowledge management, specialist acquisition, remuneration, employee relations, and talent management.

Given the dynamic changes in the environment and the increased demand for high class specialists, the talent management strategy is of vital importance. It can be defined as a set of objectives (including its implementation plans) targeted at acquiring from outside, or identifying inside, the organisation, retaining and utilising talents in the organisation, so that they can enable development and help maintain a competitive edge (Pocztowski, 2008). Talent management strategy components include (Armstrong, 2007):

1. Precisely defining talents, determining who should be included in the talent management programme, and identifying the requirements of talented workers;
2. Creating an image of the organisation as a “preferred employer”;
3. Employing recruitment and selection methods that ensure that outstanding workers have good prospects, designing job positions and improving organisational roles so as to support development, and creating opportunities to satisfy the need for self-development;
4. Developing good promotional prospects, creating a work environment conducive to maintaining a work-life balance, and ensuring an attractive system of remuneration;
5. Developing succession procedures for key positions that take into account talent identification and workers who can leave the organisation.

Developing and implementing this sort of strategy requires the commitment of senior management, as well as the HR department and all the members of the organisation. It is also vital to secure a back-up infrastructure to enable strategy implementation. Decisions about talent management programme implementation, being a result of an adopted strategy, frequently consume significant resources, and their effects are only visible in the longer term. Talent management should therefore be seen as an integral part of the overall corporate strategy. Consistent activities at the level of overall corporate strategy and talent management strategy and their mutual fit is a key success factor for them (Ingram, 2011).

5. CONCLUSIONS

Modern enterprises face a deficit of talented workers and find it difficult to retain human resources of a quality sufficient to ensure a competitive edge. Attracting, retaining and developing talented workers has become crucial. Such measures may not, however, be taken in a haphazard and ill-considered manner. The talent management strategy is at the centre of attention in many modern companies. The effective implementation of a talent management strategy requires continuity and regularity. This is because decisions in this area involve significant resources and their effects are only noticeable in the longer term.

Two extremely vital issues have to be born in mind when discussing a talent management strategy. First, the effectiveness of the strategy largely depends on the support the members of the organisation – both at the management and executive levels – give to the changes. Senior management, as change leader, plays a key role here. Second, it is of paramount importance that the talent management strategy is consistent with the overall corporate strategy and with the HR management strategy. The HR management strategy (as a functional strategy) and talent management strategy (as detailed strategy) should ultimately contribute to the success of the overall corporate strategy (Ingram, 2011).

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