The level of talent management usage at human resources management in organizations of the Moravian-Silesian Region

Petra Horvathova, Irena Durdova
Faculty of Economics, VŠB-Technical University of Ostrava, Czech Republic
e-mails: petra.horvathova@vsb.cz; irena.durdova@vsb.cz

The article is aimed at bringing information on the scope and the level of use of talent management by organizations in one of the Czech Republic regions, in the Moravian-Silesian Region. On the basis of data acquired by a questionnaire survey it has been found out that organizations in the above-mentioned region are implementing the system of talent management on a small scale: this approach is used by 3.8% of organizations only that is 9 from 237 (100 %) of the approached respondents. The main reasons why this approach is not used is either that organizations have no knowledge of it or there is lack of financial and personnel resources. Recommendations suggested by the author can be found useful for a wider application of talent management in the Czech practice.

JEL Classifications: M12, M59

Keywords: Talent, talent management, use, Moravian-Silesian Region, questionnaire survey, recommendations, wider application.

Introduction

The wish of every organization is to achieve in advance stated objectives and to fulfil its tasks successfully. In order to be able to carry out its intentions, the organization has to employ all its resources - people, materials, technique and technologies, capital as well as methods - as efficiently as possible. A key element in the fulfilment of in advance stated objectives and achieving organization’s required performance efficiency are human resources, mainly talented individuals. These employees contribute to a large extent to the implementation of strategy and to organization’s economic objectives. There is therefore a need that the organization pays the increased attention to them, concentrates on comprehensive and systematic work with them and applies the system of talent management in the organization.

The approach of talent management use in human resources management has been carefully verified by the practice abroad, the organizations consider it as a useful instrument of systematic work with talented individuals. They really apply this system to the management of their human resources. As a proof, for example, can serve the results of the survey “2010 state of talent management” carried out by the world’s biggest association of experts in the area of talent management New Talent Management Network in January 2010. The system of talent management has been implemented and is successfully used at 67% respondents participating in the survey.

What is the situation, however, in the field of talent management use in human resources in the Czech business environment? Information on application of this approach within the whole Czech Republic or, for example, within a certain region does not exist. The author of the article thinks that the level of talent management application by the Czech organizations will be of rather minor extent. In order to confirm or refute this precondition and find out further information on talent management use, the survey of that approach to the application of human resources management in organizations in one of the Czech Republic regions, in the Moravian-Silesian Region, has been carried out.
It can be assumed that the level (rather low) resulting from the investigation into Moravian-Silesian Region’s organizations might be, obviously with the exception of the area of capital Prague, and probably also the area of the Central Bohemian Region (much higher level), roughly similar also in other regions of the Czech Republic. For a comprehensive view of the issue of talent management utilization, some survey would have to be conducted preferably in organizations within the whole Czech Republic or as a supplement to the investigation already carried out in organizations of the Moravian-Silesian Region, in the capital Prague, and in the Central Bohemian Region. It would be, however, more extensive investigation and that is why the author has focused on one region only. Investigation in Moravian-Silesian Region’s organizations can be understood as a pilot one to the comprehensive investigation that will be carried out by the author as an independent activity.

Use of talent management by organizations in the Moravian-Silesian Region

To confirm or refute the assumption of a rather lower level of talent management use by Czech organizations and also to find out further information on all aspects of this approach application in practice, a survey of talent management use in one of Czech Republic regions, in organizations of the Moravian-Silesian Region has been carried out. There is an assumption that the level resulting from the survey having been carried out in that region might be roughly analogous also in other regions of the Czech Republic with the exception of the capital of Prague area, and probably also the area of the Central Bohemia Region. Of course, to obtain a comprehensive view of the issue of talent management use, the survey would have to be carried out in organizations within the whole Czech Republic at best or as a supplement of already carried out survey in organizations of the Moravian-Silesian Region, in the capital of Prague and in the Central Bohemia Region. This would be, however, a more extensive investigation and that is why the author focused on one region only.

The content of the survey was to map the issue of talent management use in human resources management in organizations of the Moravian-Silesian Region. The aim of the survey in particular organizations was to find out not only the extent, content, importance and benefits of talent management use but also interested persons’ response to the implementation and use of talent management, causes why talent management was not used or used unsuccessfully in its application, kinds of instruments applied to particular regions of human resources management (job performance assessment, development and education, motivation and retention of employees, career management) and the impact of the current economic crisis on the use of talent management.

As a method of survey the electronic inquiring was chosen by means of in advance formulated questionnaire the part of which was also a covering letter. The questionnaire included a total of 25 questions, 20 of them concerned the solved issues and 5 questions were identification.

To work out a set of respondents within which the survey was carried out, a procedure of three-stage choice was chosen. As a basic set, a group of all organizations (registered units) having their seat in the Moravian-Silesian Region was chosen. In the first stage of the choice, a selective set of the size of 300 respondents from the basic set was worked out by the technique of quote choice; quotes had been made in such a way that in the selective choice a percentage representation of the organization’s addressed groups according to the prevailing activities (branches) correspond with a percentage representation of specified prevailing activities (branches) in the basic set where needed data was obtained from the Moravian-Silesian Region Statistic Yearbook 2008. A quota choice, as it is often usual in practice, which was confirmed also by Vokounova (2003), was applied for the reason of being based on a prerequisite that as soon as characterizations of the basic set are known and the selective set fulfills them, then this set will be a representative one. In
the second stage of the choice the set of respondents was then worked out within
particular quotas by the technique of random choice (by means of a generator of random
numbers).

Covering letters including a reference to the questionnaire were distributed by e-mail at
the beginning of September 2009. From the total number of 300 (100%) of sent
questionnaires 37 (12.3%) of them returned completed (6 organizations used talent
management, 31 did not use it), 12 questionnaires (4%) returned as undeliverable and 251
questionnaires (83.7%) did not return. As Horvathová (2009) state, the return of
distributed questionnaires was relatively low (from the total number of 300 distributed
questionnaires only 37 of them returned completed, which was 12.3%). For the purpose
of obtaining such a number of responses that would make the formulation of relevant
conclusions possible, the author of the article decided to perform another round of a
survey. In that second round an inquiring via telephone was chosen as a method of a
survey, respondents were asked questions identical with the questions used in electronic
inquiring.

Telephone inquiring took place in the second half of November 2009. Altogether, 300
identical respondents (100%) were addressed as in the case of written inquiring with the
result that with 37 respondents (12.3%) who had completed electronic questionnaire the
inquiring on the phone was not realized (after finding out that a respondent had already
completed the electronic questionnaire a telephone call was finished), 200 respondents
(66.7%) answered questions of telephone inquiring (3 of them used talent management,
197 did not use it) 39 respondents (13%) did not answer the questions of telephone
inquiring for the reason of being busy or for some other reasons it was not possible to get
into a telephone contact with 24 respondents (8%), (maximum of 3 attempts were made).

On the basis of both rounds realization, both written and by means of a telephone call it
can be said that 237 respondents (79%) answered questions included in the questionnaire
and 63 respondents (21%) did not answer them. The set of responses from 237
respondents (79%) can be considered as meeting requirements for the formulation of
relevant conclusions resulting from the evaluation of responses to questions in the
questionnaire.

After checking of all electronic questionnaires completeness and the completeness of
recorded responses to all telephone inquiring, follow-up processing of obtained data was
carried out. On its basis it can be said that talent management is applied by organizations
in the specified region to a small extent; this approach is used by 3.8% of organization,
that is 9 from 237 (100%) of respondents who answered questions included in the
questionnaire (Table 1). On the other hand, however, the use of talent management by a
minimum number but at least some number of respondents shows that the specified
approach is not completely unknown as it has been until recently.

<table>
<thead>
<tr>
<th>TABLE 1. USE OF TALENT MANAGEMENT</th>
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<tbody>
<tr>
<td>Has talent management been put</td>
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<tr>
<td>into practice in your organization?</td>
</tr>
<tr>
<td>yes</td>
</tr>
<tr>
<td>no</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Source: Own processing
Interpretation on findings

What are then the actual results of processing the data obtained by a two-round electronic and on the phone questionnaire survey focused on the use of talent management by organizations in the Moravian-Silesian Region?

a. Organizations using talent management

From 9 organizations using the approach of talent management, 3 of them rank among medium (from 51 to 250 employees) and 6 of them rank among large (over 250 employees) organizations, they mostly (8 organizations) operate for a longer period (from 10 up to 15, and more than 15 years), their prevailing activity (branch) is manufacturing industry (3 organizations), civil engineering (2 organizations) and accommodation and catering (2 organizations). But there can be found also organizations performing other activities, operating in other industries (trade and repairs, activities in the field of real estate and renting; business activities). A majority of those organizations, 6 of them, started to use talent management in the horizon of the last 5 years; only in one case the period of utilization of that approach is longer than 5 years and 2 organizations use talent management less than two years. As far as a legal form is concerned, in 6 cases these are commercial companies, the rest of 3 subjects are private entrepreneurs. Among organizations using talent management, cooperatives or state-owned companies are completely missing. A majority of those organizations, 7 of them, is owned by a foreign owner (a shareholder). That is why it is partly possible to explain why those organizations use talent management - their foreign owner or a shareholder transfers to the Czech environment the approach the benefits of which are confirmed by practice and there is not any reason why they should not, under certain conditions, ‘work’ also in our business environment.

As far as the basic prerequisite for efficient working with talents is concerned - the existence of talent management strategy, most organizations, 7 from 9 using talent management have implemented such strategy. One of the respondents mentions that the reason why such strategy does not exist is the fact that the use of talent management is in its initial phase only and that in the following phase the strategy will certainly be developed. The other respondent did not mention the reason. It is gratifying that a predominant majority of organizations using talent management is aware of not only a necessity of the existence of managing talented individuals strategy but, let us believe so, also of its continuity to a personnel strategy, to the organization’s overall business strategy.

Findings that in all organizations that have put talent management into practice the initiator of the implementation and use of that approach was organization’s top management can be considered positive. Practical experience has confirmed that programs in the area of talents supported by the top management are usually more successful. By being an example and demonstrating support, the executives define what is important for their organization. This opinion was confirmed, for example, by the study “Have you got a sufficient number of talented workers? The key item on the program of leadership” was worked out by the Deloitte company in 2008. There, the initiation and support of talent management utilization by the top management is considered as one of the key criteria in reaching talent management success.

With the implementation and use of talent management in the organization, also the issue of involved people’s response to this situation is associated. All respondents using talent management say that the acceptance of that approach was positive, without problems. It seems that the organizations have coped well with the introductory phase of putting talent management into practice. The employees not only felt the support and active involvement of the management but they were also provided with all relevant information
relating to the reason for that approach implementation, benefits for the organization, the actual impact on an individual etc.

Two thirds, which is 6 from 9, of organizations utilizing talent management, work out a regular evaluation (audit) of that approach - four respondents do so once a year, one respondent twice a year, and one organization every week. As regards organizations that do not carry out a regular evaluation of talent management, one respondent does not carry it out for the time being because his organization is in the initial phase of talent management working but in the following phase the evaluation will certainly be introduced. Two remaining organizations do not execute the evaluation because they do not have a sufficient number of personnel resources in order to ensure that activity. Carrying out regular evaluation (audit) is unconditionally part of the quality use of talent management. Only in that way organizations can reveal possible shortages of that approach working and carry out inevitable corrective measures.

On the basis of practical use of talent management all respondents said they had a positive attitude to that approach working in their organization, they consider the use of talent management as very or partly successful and beneficial. None of the organizations mentioned a negative experience.

A quality identification and retention of talents, a possibility of placing talents in appropriate positions and with that associated better utilization of their potential, more efficient ensuring employees from internal resources, more efficient planning of key positions, talents’ higher contribution to the materialization of strategy and organization’s economic objectives, cutting the cost of fluctuation and a recruitment of new employees as well as minimization of losses connected with vacant key positions the organizations see as benefits of talent management utilization. On the basis of in that way chosen any potential benefits offered it can be said that talent management is really considered by organizations as beneficial not only for organizations themselves but also for individual employees.

It is also gratifying that all organizations using talent management understand it as a system of three processes - acquisition, development and retention of talents. It is a proof of a really systematic approach of those organizations to the way of working with talented individuals.

Most respondents, that is 6 from 9, also mentioned that in their case the same attention was paid to all three processes, in two cases the acquisition was preferred and in one case development of employees. There is no doubt that the extent of attention paid to particular processes always unfolds from the actual situation, needs or priorities of a certain organization.

A positive finding is also the way of perceiving talent management as one of organization’s priorities. All respondents using talent management said that in their organizations talent management was really considered as one of the main priorities. Obviously those organizations really realize that it is just human capital and mainly talented individuals that differs successful organizations from those less successful and that there is a need to pay a great attention to that group of employees.

As regards talent acquisition, most organizations, that is 6 from 9, using talent management in case of looking for talents from internal resources do so among all current employees. This phenomenon represents a certain shift from the standpoint that we encounter not only in this country but also abroad. According to Smrečková (2007) and Kejhova (2008) a standpoint prevails in the Czech Republic that talent management applies to the key individuals only that is to highly skilled people heading for higher or top posts. This fact was also confirmed at foreign subjects by another study called “Talent management: The State of Art” worked out by the Towers Perrin Consultancy Company in 2005. On the basis of answers from 250 respondents - managing directors, it was stated in the study that in the group of employees who had been labelled talents, only 86 % of them held a post of managers at a higher level, 75% of them were placed in the position...
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of managers at the middle level, and 75% of those individuals ranked among specialists. The view that only key individuals heading for higher or top posts are considered as talents was also confirmed by another study called “Talent management: Understanding the dimensions” that was carried out by the CIPD Institute in 2009 among specialists focused on human resources management. Similarly, Canon and McGee (2007) state that roughly only one quarter of organizations focuses on talent management that would deal with the entire workforce. A viewpoint resulting from the investigation into organizations of the Moravian-Silesian Region is not identical with a prevailing viewpoint but it is one of possible, and according to some experts dealing with human resources management this is the right approach to that who may be considered ‘the talented’. It is quite possible that recently the viewpoint who is a talent has been changed and the results of questionnaire survey in organizations of the Moravian-Silesian Region correspond to the changed prevailing standpoint. With taking into consideration that any study dealing with the above-mentioned issue has not been worked out since the time of the last survey both in this country and abroad, we cannot either confirm or refute this assumption. It is necessary, however, to emphasize that there is not the only one right opinion of who should be considered a talent, every organization in this area acts according to its actual situation, according to its needs. Talents can be found both among all employees and among managers only, or among managers and specialists or among specialists only.

As regards the situation of talents acquisition from external resources, most organizations, 6 from 9 that have adopted talent management utilize these resources and look for talents among students of secondary specialized schools and universities and by means of web portal of jobs. Organizations, of course, try to attract talents first within the internal resources, only when there is a shortage of them they look for them in the external resources. The fact that most organizations recruit talents also from the external resources might suggest that an insufficient attention is paid to training of own talents, their development and education, motivation and their retention in the organization and that in the situation in which the organization needs certain talents it has to ‘dig’ into external resources. By means of questions in the questionnaire survey aimed at issues of various tools of human resources management it has been found out that organizations within the framework of evaluation, development and training, motivation and retention and managing employees’ career in the organization use a number of tools. Obviously not up to such standard that would guarantee them a sufficient number of own talents and would not lead to the necessity of acquiring talents from external resources. Reliable and proved training of own talents including their careful evaluation, systematic development and quality education, individual motivation and real efforts for their retention in the organization and putting into practice activities in the field of managing a career is certainly the best possible way of how to approach to the acquisition of talents. On the other hand, seeking for talents from the external resources need not necessarily show that there is a shortage of internal talented individuals. It may be an intentional approach to the acquisition of talented employees. Again, it holds true that the approach to acquiring new employees always depends on organization’s actual situation.

And how does the current economic crisis impact on organizations using talent management? Two thirds of respondents (6 organizations) mentioned that in their case the current economic crisis had no impact on the field of talent management use. They state that talent management is still considered a priority in their organizations, they consider this approach a key investment to the future or that their business activity has not been hit by the crisis so far. Remaining one third of organizations (2 organizations) are experiencing a certain impact of the current economic crisis on the use of talent management - a certain review of the purposefulness of the present system of talent management costs is being taken place or the budget intended for talent management has even been cut (or some its parts, for example the one intended for development and education). In comparison with the study “The war on talent? Talent management under
threat in uncertain times” (CIPD, 2009) we can say that the findings obtained on the basis of a questionnaire survey in organizations of the Moravian-Silesian Region are relevant to the conclusions published in the mentioned study - there are both organizations that do not experience the impact of the crisis, they still consider talent management a priority and key investment in the future, and organizations that have experienced the impact of the crisis on their working, which reflected mainly in reassessing the purposefulness of the existing system of talent management costs or directly in cut in the budget for the whole talent management or at least its part.

b. **Organization that do not use talent management**

Organizations that do not use talent management, 195 of them are small (up to 50 employees), 19 are medium (from 51 to 250 employees) and 14 are large (over 250 employees) organizations. They operating for various time, from a period of less than 2 years (2 organizations) up to more than 15 years (96 organizations), their prevailing activity (branch) is commerce; repairs of motor vehicles and products for personal consumption and mostly for households (88 organizations). We can see there, however, organizations performing other activities, operating in other branch (activities in the area of real estates and renting; business activities, civil engineering, public, social and personal services, manufacturing industry and others). These organizations in most cases (215 organizations) do not have a foreign owner (shareholder), which may influence why they do not use talent management. In case they have got him, a foreign owner or a shareholder could transfer by a practical experience verified approach into the Czech environment. As for legal status of organizations that do not use talent management we can find there all four types - trading companies (176 organizations), private entrepreneurs (41 organizations), 2 cooperatives and 9 state companies; commercial companies, however, prevail.

### Table 2. Reasons why organizations do not use talent management

<table>
<thead>
<tr>
<th>Reason for not using talent management</th>
<th>Absolute frequency (number of respondents)</th>
<th>Relative frequency (percentage representation)</th>
</tr>
</thead>
<tbody>
<tr>
<td>We are not familiar with it</td>
<td>118</td>
<td>51.8%</td>
</tr>
<tr>
<td>We are familiar with it, but it seems to us to be too demanding in terms of organizational work</td>
<td>23</td>
<td>10.1%</td>
</tr>
<tr>
<td>We are familiar with it, but we have not to our disposal resources - personnel</td>
<td>33</td>
<td>14.4%</td>
</tr>
<tr>
<td>We are familiar with it, but we have not to our disposal means - financial</td>
<td>36</td>
<td>15.8%</td>
</tr>
<tr>
<td>We are familiar with it, but we do not consider it as suitable</td>
<td>10</td>
<td>4.4%</td>
</tr>
<tr>
<td>Other reason</td>
<td>8</td>
<td>3.5%</td>
</tr>
<tr>
<td>Total</td>
<td>228</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Own processing.

As the main reason why organizations do not use talent management they state that they are not familiar with it; this reason was mentioned in 118 of 228 organizations not using talent management, which can be understood as a negative finding (Table 2). In case

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1 The study was worked out by the CIPD organization in November 2008 among 705 respondents - CIPD members, executives in organizations working both in a public and private sector, in profit and non-profit organizations
organizations are familiar with talent management then they consider as an essential reason why they do not use it lack of sources necessary for talent management application, both financial (36 organizations) and personnel (33 organizations). Some respondents think that the specified approach is too demanding as regards their organization (23 organizations) or unsuitable for it (10 organizations), other organizations (8 organizations) mention as a reason why they do not use talent management a small size of their organization, its short history or low confidence in talent management as a new approach.

c. Factors conditioning whether this approach is used or not

On the basis of the above-mentioned can we determine the main factor, or possibly the main factors conditioning whether this approach is used or not?

A prevailing activity (branch) is not the factor that influences whether talent management is used or not, because a majority of activities the organizations are dealing with and use talent management can be also found in organizations that do not use it. It is similar with organizations in case of organization’s legal form because both among organizations using talent management and among those that do not apply it, a majority of subjects are commercial companies. What is interesting is the fact that among organizations that do not use talent management there are either cooperatives or state-owned companies. On the contrary, among organizations that do not use talent management, organizations of all four legal forms can be found. Even a longer period of organization’s working does not influence whether they use talent management or not because organizations whose period of working is from 10 up to 15 and more years can be found in both groups of respondents, both those who use talent management and those who do not apply this approach. It does not hold true that the longer the organization works the more probably is that it will use talent management. Apparently, the truth is that organizations that use talent management first had to build up a certain position on the market during a certain period and then also maintain it, gain stability, competitiveness, be financially strong it means to have sufficient sources and only then decide for the use of talent management. Also such organizations, however, do not have to use talent management necessarily it always depends on organization’s concrete situation.

A factor influencing whether talent management is used or not is the existence of a foreign owner (shareholder) a majority of organizations using it have got a foreign owner (shareholder). This fact can be confirmed by a finding that in a majority of cases the organizations that have not got a foreign owner (shareholder) do not use talent management. Another factor influencing whether talent management is used or it is not is a number of employees in the organization, its size. All organizations using talent management can be ranked to medium ones (from 51 to 250 employees) and bigger (over 250 employees); among organizations that do not use talent management we can find small or medium as well as big organizations, a majority of those respondents, however, falls to the category of small organizations (up to 50 employees).

Recommendations for practice

On the basis of summarization and systematization of talent management knowledge, the evaluation of this approach drawbacks and benefits, getting acquainted with the practice abroad, and the evaluation of questionnaire survey data obtained in Moravian-Silesian Region organizations it can be recommended to those who use that approach (not only in this region but generally in the whole Czech Republic) to continue their activity and in case of certain drawbacks to improve their approach and act as an example of the successful application in the Czech practice and to those who do not use talent management to start using this valuable, beneficial and by foreign practice as well by a...
number of studies verified approach (of course, relevant to organization’s concrete situation).

Since the ignorance of talent management has been identified as a main cause of why it is not used, it is necessary to try to ensure the existence of a sufficient amount of quality and reliable information (awareness) on every aspect of talent management. Chances of how to ensure keeping people informed in the required quality and quantity is available, it is only a question of their practical application. It concerns, for example, ensuring a higher level of information on the existence of the specified approach as such, on its advantages and benefits, positive experience in its application and possibilities of the specified approach in every field of activities, various types of organizations (with the introduction of the existence of certain limits in the approach feasibility taking into account a size of the organization) or on a possibility of its use for various groups of employees (all employees, managers and specialists, managers only, specialists only). In some organizations it would be desired to change a quality of human resources management, to adjust standards of work in the specified field and to try to change a point of view of organization’s priorities arrangement towards awareness and taking into account a significant position of human resources management, and thus also the importance of talent management.

A common denominator of all above-mentioned recommendations in the field of a sufficient number of information is a necessity of talent management massive promotion by means of all available instruments. This includes both publishing of professional papers, conference papers or monographs dealing with the specified topic, and giving lectures, organizing seminars, workshops for experts with practical experience. Also including the issue of talent management into curricula of followed master and doctoral study of relevant fields or into MBA study curricula as well as personal promotion of talent management by the representations of organizations successfully using that approach or the involvement of professional associations, e.g. the Club of Czech Republic Personnel Officers and others would be a considerable contribution.

**Conclusion**

As Borbas (2009) or Mikusova (2008) mention, more and more quick and frequent changes of the external environment make higher and higher demands on organizations. For almost all types of organizations the main asset to manage those changes are people. Without a skilled workforce, without employees equipped by required abilities and knowledge, a number of organizations will not be able not only to keep up with competition but they even may not to survive under specified conditions. Talent management can be considered as one of fundamental instruments of human resources management in the organization.

This comprehensive and systematic approach to work with talented individuals is quite widely used by organizations abroad. This, unfortunately, does not apply to the Czech business environment; talent management is implemented and used in a very small number of organizations. Such situation, at least within one of regions in the Czech Republic, has been confirmed by questionnaire survey, the aim of which was to determine the level of talent management utilization by organizations in the Moravian-Silesian Region. Its results are the content of this paper.

Taking into consideration the fact that talent management should be used by our organizations on a much larger scale with regard to its provable assets (Horvathova and Durdova, 2010), the paper also brings recommendations for a wider application of this comprehensive and systematic approach to work with talented individuals in the Czech practice.
References


