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USE OF TALENT MANAGEMENT BY ORGANIZATIONS IN ONE OF THE REGIONS OF CZECH REPUBLIC

The article aims at bringing information on the scope and the level of talent management at organizations in one of the Czech Republic regions, in the Moravian-Silesian Region. On the basis of the data acquired by the questionnaire survey it has been found 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 the organizations, that is only 9 out of 237 (100%) of the 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. The article suggests recommendations for a wider application of talent management in Czech practice.

Keywords: talent management; Czech Republic; Moravian-Silesian Region; questionnaire survey; recommendations.

JEL Classification: M12, M59.

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ВИКОРИСТАННЯ УПРАВЛІННЯ КАДРОВИМ ПОТЕНЦІАЛОМ В ОРГАНІЗАЦІЯХ ОДНОГО З РЕГІОНІВ ЧЕСЬКОЇ РЕСПУБЛІКИ

У статті надано інформацію про масштаби і рівень використання управління кадровим потенціалом в організаціях одного з регіонів Чеської Республіки, в Моравсько-Сілезькому краї. На основі даних, отриманих за допомогою анкетування, було встановлено, що організації у вищеозначеному регіоні впроваджують системи управління кадровим потенціалом в малому масштабі: цей підхід використовується в 3,8% організацій, тобто лише на 9 з 237 (100%) опитаних. Основні причини того, чому цей підхід не використовується — це те, що організації не мають інформації про нього або їм не вистачає фінансових і кадрових ресурсів. Надано рекомендації щодо ширшого вживання управління кадровим потенціалом у чеській практиці.

Ключові слова: управління кадровим потенціалом; Чеська Республіка; Моравсько-Сілезький краї; анкетування; рекомендації; ширше вживання.

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ИСПОЛЬЗОВАНИЕ УПРАВЛЕНИЯ КАДРОВЫМ ПОТЕНЦИАЛОМ В ОРГАНИЗАЦИЯХ ОДНОГО ИЗ РЕГИОНОВ ЧЕШСКОЙ РЕСПУБЛИКИ

В статье предоставлена информация о масштабах и уровне использования управления кадровым потенциалом в организациях одного из регионов Чешской Республики, в Моравско-Силезском крае. На основе данных, полученных с помощью анкетирования, было установлено, что организации в вышеуказанным регионе внедряют системы управления кадровым потенциалом в малом масштабе: этот подход используется в 3,8% организаций, то есть только на 9 из 237 (100%) опрошенных. Основные причины того, почему этот подход не используется — это то, что организации не имеют информации о нем или им не хватает финансовых и кадровых ресурсов. Предложены рекомендации по более широкому применению управления кадровым потенциалом в чешской практике.

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1. Introduction. In the current business environment under the conditions of competition and globalization increasing pressures, human resources are becoming a more and more pivotal factor for organizations. The main competitive advantage is not financial means, modern and efficient technology or technique but people, efficient employees. The importance of human resources in organizations was mentioned e.g. in the study "Aligned of the Top. How Business and HR Executives View Today's Most Significant People Challenges - and What They're Doing about It" (Deloitte and Economist Intelligence Unit Companies, 2007) in which 85% of the respondents confirmed employees' fundamental influence on reaching the required efficiency of organizations. Organizations that want to survive and expand and considerably increase their added value in such environment have to attract, cultivate and maintain talented employees - they have to pay attention to talent management (Koubek, 2007).

In what way should then Czech organizations solve this problem? One thing they can do in this situation is to offer talented employees a real perspective, to change a strategy of their conduct (Cannon and McGee, 2007).

A concept of talent management does not place any special demands on organizations from the standpoint of human resource management tasks as well as that of individual personnel activities. A careful application and interconnection of the best principles and approaches that have proved their worthiness in practice are in question (Berger and Berger, 2003). Talent management does not concern, as it is sometimes mistakenly simplified, only a matter of remuneration and benefits for talented employees but also motivation, making advancement in their career possible, creation of appropriate work environment, cultivating of recognition, appreciation and respect, introduction of targeted strategies etc. that will provide people and organizations with a space and an opportunity to develop and use their talents (Thorne ans Pellant, 2007).

A prerequisite for efficient talent management at organizations is its initiation and support by organizations' management and its interrelation with organization's business strategy. Particular processes of talent management then flow from this strategy and become a practical instrument of talented employees' management - acquisition, development and retention of talents (Armstrong, 2007).

The approach of talent management use in human resources management has been carefully verified by the practice abroad, organizations consider it as a useful instrument for systematic work with talented individuals. They really apply this system to management of their human resources. A proof, for example, can be the results of the survey "2010 State of Talent Management" (New Talent Management Network, 2010). The system of talent management has been implemented and is successfully used at 67% of the respondents participating in the survey.

What is the situation, however, in the field of talent management use in human resources in 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 authors of the article think that the level of talent management
application by 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 on to the application of human resources management in organizations in one of Czech Republic regions, in the Moravian-Silesian Region, has been carried out. Evaluation and interpretation of the data acquired by the survey can be found further.

2. Material and methodology. To confirm or refute the assumption of a rather low level of talent management use by Czech organizations and also to find out further information on all the aspects of this approach application in practice, a survey on the talent management use in one of Czech Republic regions, in the organizations of the Moravian-Silesian Region has been carried out. 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 country. This would be, however, a more extensive investigation and that is why the authors focused on one region only. Survey in organizations of the Moravian-Silesian Region can be understood as a pilot one to a comprehensive survey which the authors will realize as an independent activity.

The whole process of the survey took place in 4 basic phases: 1 - survey (definition of survey content, specification of survey goals, formulation of hypothesis, choice of method(s) of survey, realization of own survey), 2 - data processing, 3 - interpretation of the findings, 4 - recommendations for practice.

2.1. Survey of talent management use in organizations of the Moravian-Silesian Region. 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 the interested persons' response to 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.

Hypothesis that were to be confirmed or rejected by the survey were formulated like this:

Hypothesis A: Talent management is used by less than 10% of the organizations in the Moravian-Silesian Region, and

Hypothesis B: The most often cause why talent management is not used by organizations of the Moravian-Silesian Region is the absence of knowledge on it.

As a method of survey the electronic inquiring was chosen by means of in advance formulated questionnaire, the part of which was also a cover letter. The cover letter described the nature of talent management as a comprehensive and systematic approach to managing talented individuals including both activities of talent individuals acquisition, their development and retention in organizations. Therefore, the organizations taking part in the survey knew exactly what the contents of talent management was and so it could not happen that even though they used talent management they would answer the question concerning using or not using that approach in
a negative way. 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, the following procedure was chosen. As a basic set, a group of all organizations (registered units) in the Moravian-Silesian Region was chosen. In the next step a selective set of the size of 300 respondents from the basic set was worked out by the technique of quote choice; the selective choice a percentage representation of the organization's according to the prevailing activities (branches) correspond with a percentage representation of specified prevailing activities (branches) in the basic set where the needed data was obtained from the Moravian-Silesian Region Statistic Yearbook 2008.

Cover letters including a reference to the questionnaire were distributed by e-mails on 4th September 2009, filled in questionnaires were then received from 5th September 2009 to 10th October 2009. Out of the total number of 300 (100%) of the sent questionnaires, 37 (12.3%) returned completed (6 organizations used talent management, 31 did not use it), 12 questionnaires (4%) returned as undeliverable (dissolution of organizations, change of e-mail address and the like) and 251 questionnaires (83.7%) did not return.

As the return of the distributed questionnaires was relatively low (from the total number of 300 distributed questionnaires only 37 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 authors of the article decided to perform another round of a survey. In the second round an inquiring via telephone was chosen as a method of a survey, the respondents were asked questions identical with the ones used in electronic inquiries.

Telephone inquiring took place from 16th to 24th 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 the questions during the 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, 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 it can be said that 237 respondents (79%) answered the questions included in the questionnaire and 63 respondents (21%) did not answer them. The set of the responses from 237 respondents (79%) can be considered as meeting requirements for the formulation of relevant conclusions resulting from the evaluation of the responses to questions in the questionnaire.

2.2 Data processing. After checking all electronic questionnaires completeness and the completeness of the recorded responses to all telephone inquiring, subsequent processing of the obtained data was carried out from 26th November to 8th December 2009.

The classification of the first grade was performed for questions concerning problems under solution. The results were processed in the form of frequency tables, a verbal description and a graphic representation. For questions of identification both
classification of the first stage was performed during which the results were processed in the form of frequency tables, a verbal description and a graphic representation, and for the classification of the second stage the results were processed in the form of contingency tables.

3. Outcomes. On the basis of processing the data obtained by applying a questionnaire survey aimed at the use of talent management by organizations in the Moravian-Silesian Region in which 237 respondents were involved 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 the organizations, that is 9 from 237 (100%) of the respondents who answered questions included in the questionnaire. On the other hand, however, the use of talent management is minimal, but at least some number of the respondents shows that the specified approach is not completely unknown as it has been until recently.

From 9 organizations using talent management, 3 are ranked as medium (from 51 to 250 employees) and 6 are large (over 250 employees) organizations, they mostly (8 organizations) operate for a longer period (from 10 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 are also organizations performing other activities, operating in other industries (trade and repairs, real estate and renting). Majority of those organizations (6) 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 for less than 2 years. As far as legal form is concerned, in 6 cases these are commercial companies, the rest of 2 subjects are private entrepreneurs. Among organizations using talent management, cooperatives or state-owned companies are completely missing. Majority of those organizations (7) are owned by foreign owners (shareholders).

As a whole, these organizations evaluate the use of talent management as beneficial (6 organizations as very successful and beneficial, 3 organizations - as partially successful and beneficial) not only for the organization as such but also for particular employees. All 9 organizations put talent management as one of their priorities. As for practical application of theoretical knowledge, conditions of efficient working of that approach - talent management is in all 9 organizations initiated and supported by organization’s management, majority of the organizations (7) have a worked out strategy of talent management linked to their business strategy. In all 9 organizations talent management is really seen as a systematic and complex implementation of all 3 processes of that approach - acquisition, development and retention of employees in the organization. Reactions of the involved people on implementation and use of talent management were positive in those organizations.

And how does the current economic crisis impact the organizations using talent management? 2/3 of the respondents (6 organizations) mentioned that in their case the current economic crisis had no impact on the talent management use. They state that talent management is still considered a priority in their organizations, they consider this approach a key investment in the future or a reason that their business activity has not been hit by the crisis so far. Remaining 1/3 of the organizations (2 of them) 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 taking 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, 2008), which was worked out among 705 respondents - CIPD members, executives in the organizations working both in public and private sectors, in profit and non-profit organizations 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 - in both organizations that do not experience the impact of the crisis, still consider talent management a priority and key investment in the future, and organizations that have experienced the impact of the crisis on their performance, which reflected mainly by reassessing the purposefulness of the existing system of talent management costs or directly by cutting the budget for the whole talent management or at least its part.

From 228 organizations that do not use talent management, 195 are small (up to 50 employees), 19 are medium (51 to 250 employees) and 14 are large (over 250 employees) organizations. They operate 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 estate 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). As for a legal status of organizations that do not use talent management we can find there all 4 types - trading companies (176 organizations), private entrepreneurs (41 organizations), 2 cooperatives and 9 state companies; commercial companies, however, prevail.

As the main reason why organizations do not use talent management they state they are not familiar with it; this reason was mentioned by 118 of 228 organizations not using talent management, which can be understood as a negative finding. In case organizations are familiar with talent management then they consider as an essential reason, why they do not use it, a 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.

Also testing the dependency between using and not using talent management and certain factors determining this was the part of processing the data obtained in the survey. It has been found that there is a dependency between using and not using of talent management and activities being performed in the field of career development, the existence of foreign owners (shareholders) and the actual number of employees; but between using and not using of talent management and a prevailing activity in an organization, organization’s legal standard and the period of organization’s functioning does not exist any dependency.
Within processing the obtained data also testing of the hypotheses formulated at the beginning of the survey was performed. Hypothesis A, assuming that less than 10% of the organizations in the Moravian-Silesian Region use talent management was confirmed. Hypothesis B assuming than the main reason why talent management is not used because it was not known has been confirmed.

4. Discussion. By the survey it has been found that a prevailing activity (branch) is not the factor that influences whether talent management is used or not, because 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, majority of the subjects are commercial companies. What is interesting is 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 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 to 15 and more years can be found in both groups of the respondents, both 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 it will use talent management. Apparently, the truth is that organizations that use talent management first had to build up a certain position at a market during a certain period and then also maintain it, gain stability, competitiveness, be financially strong (have sufficient sources) and only then decide on the use of talent management. Also such organizations do not have to use talent management necessarily, it always depends on organization’s situation.

According to the authors, the most essential factor influencing whether talent management is used or not is the existence of a foreign owner (shareholder) - a majority of the organizations using it have foreign owners (shareholders). This fact can partly explain why these organizations use talent management - their foreign owner or a shareholder transmits the approach used in organizations of their own countries to Czech environment, the approach the contributions of which have been confirmed by a practical use and there is not any reason why it should not work under other circumstances and in different business environment. This fact can be confirmed by the finding that in the majority of cases the organizations that have not foreign owners (shareholders) do not use talent management. Another factor influencing whether talent management is used or not is a number of employees in the organization, its size. All the organizations using talent management can be ranked as medium (51 to 250 employees) and bigger (over 250 employees); among the organizations that do not use talent management we can find small or medium as well as large organizations, the majority of the respondents, however, falls to the category of small (up to 50 employees).

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 evaluation of the questionnaire survey data obtained in the 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 Czech practice, and to those who do not use talent management to start using this valuable, beneficial and verified by foreign practice as well by a number of studies, approach (of course, relevant to organization's particular 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. Ensuring higher level of information on the existence of the approach as such, its advantages and benefits, positive experience in its application and possibilities of the specified approach in every field of activities, various types of organizations will demonstrate the possibility of its use by 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 the standards of work in the specified field and to try to change 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 the above-mentioned recommendations in the field of a sufficient number of information is a necessity for of talent management massive promotion by means of all available instruments. This includes both publishing of professional papers, conference papers or monographs dealing on the specified topic, lectures, seminars, workshops by experts with practical experience; also including the issue of talent management into curricula of the corresponding master and doctoral programs or into MBA study curricula as well as personal promotion of talent management by presentations of the organizations successfully using that approach or involvement of professional associations, e.g. the Club of Czech Republic Personnel Officers and others would be a considerable contribution.

Another cause why talent management is not used in the organizations of the Moravian-Silesian Region as confirmed by the survey, is the fear of organizational as well as time demanding activity. This fear often causes that in the end organizations will not apply talent management in spite of making decision on its implementation in case they have sufficient amount of financial and other means and other prerequisites of implementation and utilization.

A certain form of talent management application, i.e. performing particular methodological activities in their sequence. Will always depend on the organization’s specific situation. It means it will depend on the level of human resources management, on the amount of available sources, on the approach and involvement of not only organization’s management but also of all its employees, and on its current condition.

A similar situation arises in the case a time period of performing particular activities or a horizon of comprehensive implementation of talent management in the organization are limited - it is not possible to determine exactly either the first, or second. As far as the time of receiving contributions resulting from appropriate implementation and utilization of talent management in the organization is concerned, on the basis of practical experience of the organizations using that approach it is obvious that sometimes it may be a horizon of several years. However, even under such conditions application of talent management will pay off as it follows from the informa-
tion provided by such organizations. That is why organizations that do not use talent management should certainly think about using that approach. Practice confirmed the contributions resulting from the use of talent management may serve as a sufficient motivation for implementation and wider application of that systematic and comprehensive approach to work with talented individuals in Czech organizations.

5. Conclusion. More and more quick and frequent changes of external environment create higher and higher demands to organizations. For almost all types of organizations the main asset to manage those changes are people. Without skilled workforce, without employees equipped by required abilities and knowledge, organizations will not be able not only to keep up with competition but they even may not survive under some conditions (Somaya and Williamson, 2009).

Talent management can be considered as one of fundamental instruments in human resources management in organizations. But what should be the organization’s attitude to management of its talented employees? It should offer them a real perspective and pay attention to the strategy of their management, not to use only formal programs of talent development and concentrate on career management and succession planning but to apply a comprehensive system of talent management that will enable those talented individuals’ real development and deeper identification with in the organization. This system helps organizations to acquire and retain highly talented employees, build on their strengths, reward their success, provide them with opportunities for advancement and increase their overall efficiency and thus the efficiency of the whole organization (Becker, Fineman and Freedman, 2004).

The article provided information on the extent to which talent management is used by the organizations of one of Czech Republic regions, by the Moravian-Silesian Region organizations, namely on the basis of the data obtained from a questionnaire survey. It has been found that the level of using talent management by the organizations in this region is really low as the authors assumed in the introductory part of the article; only 3.8% of the approached respondents apply this method. As the main reason why talent management is not used was identified the fact that organizations did not know it. Within processing the obtained data also testing of the hypotheses formulated at the beginning of the survey was carried out. A prerequisite that less than 10% of the organizations in the Moravian-Silesian Region use talent management has been confirmed as well as the prerequisite that the main reason why it is not used in organizations of this region is their unfamiliarity with it.

The study was also considering the factors that influence or do not influence the use of talent management; the existence or nonexistence of a foreign owner (shareholder) was identified as the most essential factor. The size of an organization is considered as another factor substantially influencing the situation in the field, whether talent management is used or not.

Recommendations for broader application of this approach in Czech practice were given including acquainting with the suggested methodology on introduction and application of talent management in organizations.

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