EMPLOYEE DEVELOPMENT BY TALENT MANAGEMENT IMPLEMENTATION

Adéla Fajčíková, Martina Fejfarová, Hana Urbancová

Abstract: Employee development is an important part of the modern concept of human resource management based on the development of potential and competencies of employees to achieve a competitive advantage. Therefore, talent management is becoming a crucial part of the personnel strategy of organisations not only in the Czech Republic but also globally. The aim of this article is to evaluate the approach of organisations in the Czech Republic towards employee training and development and the extent of talent management implementation. A partial aim is to examine relationships between the selected qualitative variables. Results were obtained through a questionnaire survey (n = 389) among organisations conducting business in the Czech Republic. Results of the research showed that 54.8% of the organisations do not implement talent management. Only 11.5% of the organisations have a talent management strategy. An alarming fact is in particular one that most of the organisations not implementing talent management do not find it important (46.5%). Significant factors influencing the implementation of activities related to talent management in an organisation include the size of the organisation and the market in which the organisation operates. The significance of the sector and the area of operation has not been proved.

Keywords: Development, Employee, Human resource management, Organisation, Survey, Talent management, Training.

JEL Classification: O15, D83, M12.

Introduction

The concept of human resource management in the 21st century puts emphasis on the ongoing development of employees. The studies conducted suggest that the pressure on talents is increasing. All organisations aim to obtain high-quality talented employees with a growth potential in the labour market or among their existing employees. Mpofu [19] and Kermally [17] note that in the ever-changing business environment it is crucial for every organisation, small or large, local or multinational, to retain and develop talented employees in these highly competitive times. Stacho and Stachová [25] add that training is currently viewed as a lifelong process in which the organisation and its training programmes play an important role. Urbancová [30] points out that training of employees should be considered as an investment into the future which will return in the form of trained and skilled employees. Wall and Knights [32] see talent development as an ever-developing strategic source allowing people to perform their current as well as future work, while helping them prepare for changes that may arise. Rothwell and Kazanas [23] and Davis [6] define talent development as a process of changing an organisation, i.e. all its stakeholders, using planned and unplanned training, in order to achieve and maintain a competitive advantage at present and in the future. Caplan [4] finds employees and their interest in innovations and inventions to be one of the main factors of creating a competitive advantage. Moreover, he adds that the employees’ interest in finding new solutions is strongly influenced by the manner the organisation treats its employees.
In the context of defining the term talent management, it should be explained who may be considered a talent. Most of the organisations which do engage in employees’ differentiation do not refer to the selected group as talents but may rather use the designation high-potentials or high-performers or a combination of both [24]. Farndale et al. [10] therefore define talents as employees who achieve high performance and at the same time show high potential. Festing and Schafer [11] and also Ulrich [29] characterise highly talented individuals using a wide array of characteristics such as competencies, skills and abilities, experience, knowledge, intelligence or ability to train, develop and grow within the organisation. Nijs et al. [20] add that in comparison with other employees they are considered key strategic resources that create a competitive advantage of the organisation, which is also confirmed by Cannon and McGee [3].

Employee development is dealt with by talent management, which is, according to Hunt [15], becoming an increasingly important part of the personnel strategy of every organisation. Therefore, the aim of this article is to evaluate the approach of organisations in the Czech Republic towards employee training and development and the extent of talent management implementation. A partial aim is to examine relationships between the selected qualitative variables.

1 Statement of a problem

Working potential increases thanks to continuous training and employee development, which is beneficial to organisations as employee development is positively reflected in all organisational processes. However, it is only one of the reasons why training-oriented human resource management should be the main goal of every organisation conducting business in today’s world. In practice, the possibility of training is often connected with carrier growth, career planning and management and is only oriented at talented employees with high potential for the organisation. However, this approach often neglects other employees, who may leave without having their potential exploited. In this connection, Garralda-Garralda, Dries and González-Cruzc [12] define two fundamental concepts of talent management, a narrower and a wider one. In the narrower perspective, organisations focus mainly on employees in key positions or high-potential employees (these are mostly management or specialist positions). On the contrary, the wider perspective holds that almost every employee has some talent and it is up to the manager to discover, develop and properly position and, last but not least, take advantage of that talent. Iles, Chuai and Preece [16] specifically identified four main perspectives on talent management:

- inclusive-persons - talents = all employees,
- exclusive-persons - talents = only a specific group of employees,
- skills and abilities of employees in general (social capital),
- a specific position (exclusive-position).

Similarly, these approaches were characterised in Asset Skills [2] and by Tatoglu, Glaister and Demirbag [26] and Meyers [18]; this includes the following five approaches:

- The inclusive approach which considers all employees to be part of talent management programmes.
The exclusive approach utilising the talent pool; in their talent management, organisations focus on managers. For instance, Armstrong and Stephen [1] introduced the term high-flyers (key employees who are on their way to higher/top positions) for such persons.

The future leaders approach working with all employees throughout the entire organisation in whom traits for work in leading positions have been identified.

The succession planning approach, identifying key roles and subsequently designating employees with the required abilities and skills who may take up the (vacated) positions if need be.

A combined approached utilising several of the above approaches combined.

Ready [22] believes that in order to face the challenges of the 21st century, organisations should choose the inclusive approach, which deals with liberation and development of talents in all employees throughout the entire organisation. However, according to research by Horváthová [13] and Vnoučková, Urbancová, Smolová [31], most organisations in the Czech Republic tend to implement the exclusive approach. Cannon and McGee [3] claim that a particular talent management strategy should always be based on the organisational strategy. Rathod [21] agrees and adds that it is also important to define uniform criteria of management in all areas and stipulate specific competencies of employees. The importance of this can also be seen in the trend of population ageing, where organisations should increasingly often identify talented employees who would become successors of key employees and who would ensure knowledge continuity. Managers who are able to identify and respond to the needs of employees can more easily support the productivity growth of an organisation using career management of employees. By doing this, they build a good reputation of an employer which may attract other talented employees or help retain the current pool of talented individuals.

2 Methods

The data were obtained using a questionnaire survey conducted from 10/2014 to 06/2015. The survey was based on cooperation between the Czech University of Life Sciences Prague and the School of Economics and Management of Public Administration in Bratislava. However, the evaluation of the results was conducted separately in the Czech Republic. Collection of data took place within one academic year followed by a second academic year of data processing. A total of 389 organisations took part in the questionnaire survey. The organisations were randomly selected from all regions of the Czech Republic. One respondent from top management, either the HR department manager in the organisation or the owner of the organisation (in the case of micro and small organisations), was always interviewed. An electronic questionnaire consisted of closed and half-open questions with multiple answers. The questions were based on theoretical background dealing with the issue. The questions in the questionnaire survey related to employee training and development activities and talent management in organisations. In total, eleven questions were asked, of this five were identification-related. Questions focused on the following areas were asked in the research:

1. Employee training and development in the organisation and evaluation of employee training and development effectiveness.
2. Willingness of employees to be trained and developed.
3. Use of training and development activities.
4. Identification of training and development needs.
5. Relation of employee training and development to career management in the organisation.
6. Talent management implementation.

The following sample of respondents was used: Most of surveyed organisations conduct business in the private sector (66.8%). 33.2% of organisations operate in the public sector. 6.2% of organisations conduct business in the primary sector, 24.4% in the secondary sector and 69.4% in the tertiary sector of the economy. Only 16.45% of surveyed organisations are active in the local market, 21.6% in the regional market and 27.5% in the national market and most of the organisations operate in the multinational market (34.45%). Almost half of the organisations are also part of a larger group of organisations (43.2%). Small, medium-sized and large organisations were evenly represented in the research. 28.5% organisations employ 10 to 49 employees, 26.2% organisations employ 50 to 249 employees, and 27% organisations employ more than 250 employees. The remaining 18.3% organisations employ 1 to 9 employees.

Four null hypotheses were examined:

1. $H_0_1$: There is not the relationship between the implementation of activities related to talent management and the size of the organisation.
2. $H_0_2$: There is not the relationship between the implementation of activities related to talent management and the market in which the organisation operates.
3. $H_0_3$: There is not the relationship between the implementation of activities related to talent management and the sector in which the organisation operates.
4. $H_0_4$: There is not the relationship between the implementation of activities related to talent management and the area in which the organisation operates.

Descriptive statistics tools, namely absolute and relative frequencies and Pearson’s chi-square test of independence were used to evaluate results. Whether the $p$-value was lower than the significance level $\alpha = 0.05$, the null hypothesis was rejected. A scale according to De Vaus [7] was used to interpret the strength of Cramer’s V. Microsoft Excel 2013 and IBM SPSS Statistics 23 programs were used to evaluate results.

3 Problem solving

3.1 Employee training and development in organisations in the Czech Republic

The research results showed that 77.4% (301) of the approached organisations train their employees, of which only 40.2% of organisations systematically evaluate the effectiveness of training and development of their employees. Willingness to be trained and developed is currently one of the main criteria for recruitment of employees. The external environment and organisations themselves continuously develop and therefore it is necessary that their employees develop too. In the monitored organisations where training is provided ($n = 301$), the employees are willing to be trained and developed, but the courses must be proposed by the employer (50.2%). If conditions are created by the management and if the management leads and manages the process of training and development, results are achieved in synergy. In 39.5% of cases, the initiative is taken by employees, who propose courses themselves. In 8.6% of cases, employees are not willing to train and develop
if a course is proposed by the employer, they will take it. However, their personal motivation to be trained and developed is low. In 1.7% of organisations, employees try to avoid the courses.

It can be summarised based on the research that the approached organisations conducting business in the Czech Republic engage in development activities. Results show that the approached organisations most often use substitutability plans, reserve staffing and successors (14.6%), development plans (14.3%), participation in team projects (14%), participation in tasks in different functional areas of the organisation (13.3%), e-learning (12.3%), special tasks/projects simulating learning (12.6%), and training plans (9.6%). The least represented development activities include mentoring (8.3%) and coaching (7%), internal and external internships (6.3%), rotation plans (5.6%), job enrichment (5.3%), and development centre (4%). If an employee of any organisation does not develop or self-actualise, their work potential is not fully used and their work motivation declines. Therefore, their work efficiency is low and their performance is declining, which ultimately has an impact on the overall performance of the organisation. The research also aimed to find out how organisations identify training and development needs. In total, 63.5% of organisations responded that these areas were determined based on monitoring of current trends, 25.2% of organisations determined such areas intuitively, and 11.3% did not deal with this issue. As it was pointed out earlier, managers who are able to identify and respond to needs of employees can more easily support the productivity growth of an organisation using career management of employees. The questionnaire survey showed that only 24.9% of organisations engage in a career management process, and the remaining 75.1% do not deal with this issue at all.

### 3.2 Talent management implementation in organisations in the Czech Republic

The following two questions dealt with activities related to talent management (n = 389). More than half (54.8%) of organisations do not engage in talent management activities. 33.7% of organisations carry out such activities using their intuition and only 11.5% carry out such activities based on talent management strategies. Where the approached organisation did not engage in talent management-related activities (213 organisations), organisations were asked about the reason. It was found out that most of the organisations which do not engage in talent management-related activities do not do because they consider talent management financially demanding (44.6%) or they do not find it important (46.5%). 8.9% of organisations stated different reasons (time and capacity, (small) size of the organisation, area of operation, etc.).

### 3.3 Results of Pearson’s chi-square test of independence

Contingency tables determine relationships between two variables and they have been prepared based on the absolute and relative frequencies obtained from the questionnaire survey in the selected organisations in the Czech Republic (see Tab. 1 - 4).
Tab. 1: The relationship between the implementation of activities related to talent management and the size of the organisation

<table>
<thead>
<tr>
<th>Question</th>
<th>Do you implement activities related to talent management?</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes, intuitively</td>
<td>Yes, according to the strategy</td>
<td>No</td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td></td>
<td>% Row</td>
<td>% Column</td>
<td>% Row</td>
<td>% Column</td>
<td>% Row</td>
</tr>
<tr>
<td>1 – 9</td>
<td>19</td>
<td>26.8%</td>
<td>1</td>
<td>1.4%</td>
<td>51</td>
</tr>
<tr>
<td>Size of</td>
<td>44</td>
<td>39.6%</td>
<td>5</td>
<td>4.5%</td>
<td>62</td>
</tr>
<tr>
<td>organisation</td>
<td>38</td>
<td>37.3%</td>
<td>9</td>
<td>8.8%</td>
<td>55</td>
</tr>
<tr>
<td>(number of</td>
<td>30</td>
<td>28.6%</td>
<td>30</td>
<td>28.6%</td>
<td>45</td>
</tr>
<tr>
<td>employees)</td>
<td>30</td>
<td>28.6%</td>
<td>66.7%</td>
<td>21.1%</td>
<td>213</td>
</tr>
<tr>
<td>Total</td>
<td>131</td>
<td>33.7%</td>
<td>45</td>
<td>11.5%</td>
<td>213</td>
</tr>
</tbody>
</table>

Source: Authors

The first null hypothesis states that there is not the relationship between the implementation of activities related to talent management and the size of the organisation. The value of the test criterion chi-square is 47.943 at 6 degrees of freedom and the p-value is 0.000. Therefore, the null hypothesis can be rejected and we can accept an alternative hypothesis. This test showed that there is the relationship between the implementation of activities related to talent management and the size of the organisation. The value of Cramer’s V is 0.248 that indicate low strength of dependency. It follows from the above that talent management strategies are in place mainly in large organisations. Talent management-related activities in organisations in the Czech Republic are mostly carried out based on intuition.
The second null hypothesis states that there is not the relationship between implementation of activities related to talent management and the market in which organisation operates. The value of the test criterion chi-square is 30.890 at 6 degrees of freedom and the p-value is 0.000. Therefore, the null hypothesis can be rejected and we can accept an alternative hypothesis. This test showed that there is the relationship between implementation of activities related to talent management and the market in which organisation operates. The strength of dependency is low because the value of Cramer’s V is 0.199. It follows from Tab. 2 that talent management activities are mostly carried out by multinational organisations in which talent management is an integral part of strategic goals of the organisation, which underlines its importance in times of globalisation.
Tab. 3: The relationship between the implementation of activities related to talent management and the sector

<table>
<thead>
<tr>
<th>Question</th>
<th>Do you implement activities related to talent management?</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes, intuitively</td>
<td>Yes, according to the strategy</td>
</tr>
<tr>
<td></td>
<td>% Row</td>
<td>% Column</td>
</tr>
<tr>
<td>Primary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>% Row</td>
<td>10</td>
<td>41.7%</td>
</tr>
<tr>
<td>% Column</td>
<td>7.6%</td>
<td>2.2%</td>
</tr>
<tr>
<td>Secondary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>% Row</td>
<td>29</td>
<td>30.5%</td>
</tr>
<tr>
<td>% Column</td>
<td>22.2%</td>
<td>31.1%</td>
</tr>
<tr>
<td>Tertiary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>% Row</td>
<td>92</td>
<td>34.1%</td>
</tr>
<tr>
<td>% Column</td>
<td>70.2%</td>
<td>66.7%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>% Row</td>
<td>131</td>
<td>33.7%</td>
</tr>
<tr>
<td>% Column</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Authors

The third null hypothesis states that there is not the relationship between implementation of activities related to talent management and the sector in which the organisation operates. The value of the test criterion chi-squared is 2.759 at 4 degrees of freedom and the p-value is 0.599. We can accept the null hypothesis. The test showed that there is not the relationship between implementation of activities related to talent management and the sector in which the organisation operates. It follows from the above that organisations engage in talent management regardless of the sector.

Tab. 4: The relationship between the implementation of activities related to talent management and the operated area

<table>
<thead>
<tr>
<th>Question</th>
<th>Do you implement activities related to talent management?</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes, intuitively</td>
<td>Yes, according to the strategy</td>
</tr>
<tr>
<td></td>
<td>% Row</td>
<td>% Column</td>
</tr>
<tr>
<td>Operated area</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private</td>
<td></td>
<td></td>
</tr>
<tr>
<td>% Row</td>
<td>92</td>
<td>35.4%</td>
</tr>
<tr>
<td>% Column</td>
<td>70.2%</td>
<td>75.6%</td>
</tr>
<tr>
<td>Public</td>
<td></td>
<td></td>
</tr>
<tr>
<td>% Row</td>
<td>39</td>
<td>30.2%</td>
</tr>
<tr>
<td>% Column</td>
<td>29.8%</td>
<td>24.4%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>% Row</td>
<td>131</td>
<td>33.7%</td>
</tr>
<tr>
<td>% Column</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Authors
The fourth null hypothesis states that there is not the relationship between implementation of activities related to talent management and the operated area (private or public). The value of the test criterion chi-square is 3.705 at 2 degrees of freedom and the p-value is 0.157. We can accept the null hypothesis. The test showed that there is not the relationship between implementation of activities related to talent management and the operated area. Organisations operating in both the private and public sectors engage in talent management implementation.

4 Discussion

Research by Deloitte [8], which dealt with global trends in human resource management, showed that one of the three most significant challenges of organisations today is to transform and accelerate organisational training and development. In spite of ever-increasing importance of this problem, the ability of organisations to face this challenge declines. Employees at all levels expect dynamic and continuous opportunities to learn from their employers, which is, however, often in contrast with outdated development programmes and a static approach to training [8]. Research results show that 77.4% of the approached organisations conducting business in the Czech Republic engage in training of their employees. Yet, in 39.5% of organisations, the initiative towards training and development comes directly from employees, and only 40.2% organisations, which engage in training, systematically evaluate the effectiveness of training and development activities. Therefore, it is evident that development programs need to be redesigned and a new approach should be taken to spark the interest of employees in personal development.

According to the Global Workforce Study [28], almost two-thirds of organisations experience problems attracting high-performing and high-potential employees. Furthermore, more than half of them have difficulties in retaining them, as it follows from The Towers Watson Strategies for Growth [27]. In total, 40% of employees who were identified as talents would leave the organisation, mostly due to insufficient opportunities for career growth [28]. The questionnaire survey showed that only 24.9% of organisations engage in the career management process, while the remaining 75.1% do not deal with the issue at all. However, only an effectively designed and implemented career management programme may bring benefits for employees and employers alike. Since only one quarter of the approached organisations in the Czech Republic engage in career management, we may assume that managers will not be capable of a timely response to the needs of their employees and may lose them. Research by Robert Half International with 2,525 managers from eleven countries showed that every fourth domestic organisation has a special talent development and management programme; however, development programs for talents are not widely spread in Central Europe. The result of Czech organisations was even the worst from the participating countries. Moreover, it was found out that any programmes oriented at development and career growth of employees are designated as talent programs in the Czech Republic [14].

Research results also showed that significant factors influencing the implementation of activities related to talent management in organisations in the Czech Republic include the size of organisation and the market in which the organisation operates. The significance of the sector and the area of operation of organisations has not been proved. The influence of the size of the organisation on the strategic approach to talent management can also be demonstrated by results of research by Egerová et al. [9] conducted on the sample of 174 organisations from the Czech Republic and the Slovak Republic. The concept
of talent management more likely to be connected with strategic goals of an organisation in large organisations. The strategic approach is significantly limited in small and medium-sized organisations. The research similarly showed that small and medium-sized organisations prefer short-term planning based on the intuition and that small and medium-sized organisations mostly implement the exclusive strategy including segmentation of employees, while large organisations tend to inclusive talent management strategies. The strategic approach to talent management is mostly implemented by multinational organisations. Organisations conducting business in local or regional markets do not usually carry out talent management activities. It is also confirmed by Tatoglu, Glaister and Demirbag [26] who state that there are significant differences in talent management practices between multinational organisations and local organisations.

Investing in talent management has a positive impact on critical individual and organisational level outcomes [5]. The benefits arising from the implementation of talent management can be seen in all organisations. In the Czech Republic, the concept of talent management is known and implemented by 45.2% of the approached organisations, however, 33.7% of them carry out these activities only intuitively and only 11.5% carry out these activities on the basis of a talent management strategy. It follows from the above that the main problem in the Czech Republic is mainly the integration of the concept of talent management into the strategy of an organisation, and implementation of talent management activities in the organisation as a whole. However, employees welcome any opportunity to engage in talent programmes in place, which consequently helps retain them in the organisation.

**Conclusion**

There is an increasing pressure on the competitiveness of organisations in the current environment. Organisations which wish to succeed in the market should, therefore, be able not only to attract talented employees but also to retain them in the long term. Talent management supports natural development and growth in organisations. It motivates individuals and maintains and increases the level of performance and development of the organisation. The most prominent benefits for organisations arising from the implementation of talent management activities include mainly performance and productivity of organisations, ability to retain high-quality employees and development of human potential. Organisations with good talent management strategies in place and sufficient care, development and stimulation of employees have higher chances of retaining such talented employees. Talent management is implemented by organisations regardless of the sector in which they are active, however, organisations active in multinational markets engage in talent management activities to a greater extent. However, integration of the concept of talent management into the organisational strategy and implementation of talent management activities in the organisation as a whole is a problem.

**Acknowledgements**

This article was supported by the Internal Grant Agency of the Faculty of Economics and Management of the CULS Prague No. 20161007, “Talent management in organisations in current practice”.
References


Contact Address

Ing. Adéla Fajčíková  
Czech University of Life Sciences Prague, Faculty of Economics and Management,  
Department of Management  
Kamýcká 129, Suchdol, 165 00 Prague  
Email: fajcikova@pef.czu.cz  
Phone number: +420 224 382 244

Ing. Martina Fejfarová, Ph.D.  
Czech University of Life Sciences Prague, Faculty of Economics and Management,  
Department of Management  
Kamýcká 129, Suchdol, 165 00 Prague  
Email: fejfarovam@pef.czu.cz  
Phone number: +420 224 382 037

Ing. Hana Urbancová, Ph.D.  
Czech University of Life Sciences Prague, Faculty of Economics and Management,  
Department of Management  
Kamýcká 129, Suchdol, 165 00 Prague  
Email: urbancova@pef.czu.cz  
Phone number: +420 224 382 026

Received: 12. 07. 2016  
Approved for publication: 28. 11. 2016