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## **Practical aspects of talent management in the light of empirical studies – a dynamic approach**

### **Introduction**

Studies on practical talent management in Poland, published between 2006 to 2016, encouraged the author of the present article to take a closer look on the topic from the angle of precise identification, development and bolstering of talents in a business entity<sup>1</sup>. More than ten years ago, when talent supporting programs just started to gain popularity, early studies only forecasted a growing significance of the process of talent management in the future. Nowadays, the majority of big enterprises already have some backhand knowledge of the concept. More than ten years of practice and actual realization of talent supporting programs have brought many interesting changes and conclusions. The questions to be raised are: if and to what extent has the attitude to talent programs changed and what are the most popular techniques used by companies? The major aim of this study is to provide these answers. The analysis of gathered material and literary studies devoted to talent management has made it possible to carry out the task, at the same time shaping the layout and scope of the present article.

### **1. Talent and talent management – a terminological aspect**

A highly dynamic nature of changes in business environment has facilitated transition from the industrial era to the world ruled by knowledge and information. Progress has put more focus on human resources which started to be perceived as crucial determinants of enterprise development. Together with advancing globalization, social-and-demographic changes and turbulent environment, the concept of human capital has gained the status of a strategic factor in business organizations. Thus, the run for best employees, i.e. talents, has started.

Both in practical management and management theory, there is no unique definition of talent to be found. The experience of organizations

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<sup>1</sup> The author uses the following terms: enterprise, company and organization interchangeably with reference to micro-economic business entities. Such an approach is resultant from stylistic purposes and goes in tandem with a common understanding of these terms, which are frequently used interchangeably in thematic literature.

described in thematic literature teaches us that the definition of talent is made up to a great extent by companies themselves, as by implementing new solutions or introducing novel concepts it is always necessary to adjust them to already existing standards according to which the organizations function [Cannon, McGee, 2007, p. 4–6].

An attempt to define talent has been made by T. Ingram and team. Having analyzed the concept, they identified three main categories of a talent-based idea: talent as a person, actions characteristic of a talent, talent as influence [Ingram, 2011, p. 17–18]. Exemplary definitions according to every category have been provided in table 1.

**Table 1. Interpretation of the concept of talent**

Definition by	The gist of talent
<b>First category</b>	
S. Borkowska	Talent is a creative, resourceful person with a high potential for development that can trigger and foster a company's value.
L. Barlow	Talent is a person inclined to face challenges, who cares about personal growth, with a company's adequate support.
<b>Second category</b>	
T. Listwan	Talent is made by: extraordinary abilities, specific skills, creativity and deep involvement in tasks.
D. Ulrich	Talent = competence x involvement x contribution
<b>Third category</b>	
V. Garrow, W. Hirsch	Talents are people with a great potential, who are of special value to an organization.
C. Zheng, C. Soosay, P. Hayland	Talents are people capable of creating organizational effectiveness, who help to maintain a competitive advantage.

Source: Own analysis based on: [Borkowska, 2005; Barlow, 2006; Listwan, 2005; Ulrich, 2008; Zheng et al., 2008, Ingram, 2011, p. 14–16; Juchnowicz, 2014, p. 351].

Talent management is a relatively new concept of action. Thematic literature offers many interesting interpretations of the term. According to a pragmatic approach, represented by E. Maliszewska, talent management consists in searching for talented individuals within or outside company structures, and once found, taking special care of them by facilitating their self-development, offering business trainings and helping them with adequate career planning. It is also important to make sure that the payment offered is accurate and satisfactory so that the talents could stay resistant to enticement from other employers and stick to their current business engagement [Maliszewska, 2005, p. 79]. On the other hand,

Ł. Sienkiewicz defines talent management as identification, development, preservation, involvement and proper use of talents under specific organization conditions [Sienkiewicz, 2007, p. 32]. T. Listwan describes talent management as a group of actions that are directed towards outstandingly skilled individuals and which are taken with the aim to facilitate talent growth and effectiveness to benefit fulfilment of an organization's goals. Moreover, the author presents the concept as a three-step process: acquisition (enlisting talents through interviews and selection), transformation (motivating, training, development and evaluation) and departure (when a talent stops working for the organization) [Listwan, 2005, p. 21; Ingram, 2011, p. 32; Poczowski, 2008, p. 51]. An adequately structured system of talent management should take account of all mentioned processes, assigning equally high priority to each of the steps [Kaczmarek, Sienkiewicz, 2005, p. 65].

## **2. Practical aspects of talent management in Poland – research reports by House of Skills**

### **2.1. Methodology**

Since 2006 House of Skills has been conducting studies devoted to talent management in Polish companies. Until now, they have realized two research campaigns: in 2006 and in 2015. The first edition was organized together with The Conference Board association, while the partner of the second event was SAP Polska. The study was based on two primary methods: on-line questionnaire and individual interviews, which made it possible to gather both quantitative and qualitative data. In 2006, the quantitative data consisted in personal application forms distributed to HR managers of 300 biggest enterprises in Poland (according to the ranking of 500 top companies published by Rzeczpospolita newspaper). The data obtained from 34 correctly filled-in forms was supplemented with remarks provided by HR managers of key branches of Polish enterprises. The study lasted between July and September 2006. On the other hand, the report from 2015 was based on data collected via personal surveys distributed to a group of big companies operating on the Polish market and hiring above 250 employees each. On-line version of the questionnaire was filled in by 22 firms. 15 companies took part in a personal interview. The study was carried out between June and August 2015.

### **2.2. Selected results – a dynamic approach**

Almost all companies that took part in 2006 study considered talent as a person with a higher, outstanding potential. However, throughout the current decade and since the first research edition we have witnessed a certain transformation of this approach. Nowadays, organizations take

a broader look and tend to believe that a talent is a person capable of rapid learning, adjustment to changes and role-swapping, determined by specific business needs.

In 2006, 94% of HR Managers were convinced that the process of talent management would gain on popularity and importance in the future. This belief must have been reflected in the fact that as many as 73% of the surveyed companies were running a program devoted to talent management. In 2015, already 85% had it applied. What is more, the majority of respondents declared the intention to continue talent programs and re-launch them in the future. This may point to a gradually increasing effectiveness of these processes, and to numerous benefits they bring to business organizations. Personal opinions seem only to corroborate this statement: in 2006 people saw both advantages and consequences of introduced talent programs, whereas now they derive pure benefits out of programs run in their companies.

According to respondents of 2015 survey, talent fostering programs are primarily aimed at developing a company's key competences to secure succession and output of future managers. This conclusion seems to confirm the one drawn in 2006 (table 2). However, it is to be noticed that nowadays talent programs tend to be more specified and focused on the development of selected qualifications, the implementation of specific changes or realization of strategic projects, as well as making employees ready to take up new business roles.

**Table 2. Talent program goals**

Assumed goals	2006 (%)	2015 (%)
Prevent the most valuable employees from leaving	42	–
Intention to attract the best potential employees on the market	39	–
Need for leaders that could lead organizational changes	24	–
Intention to invest exclusively in the best employees	24	–
Development of key qualifications for the organization	–	68
Secure business succession	–	68
Secure the output of future managers	–	51
Reward the best employees	–	41
Realize strategic projects	–	36
Reinforce talents' involvement	–	14
Employer branding	–	8
Realization of a current business program	–	5

Source: Own analysis based on data found in: [Praktyki w zarządzaniu talentami w Polsce, 2016; Zarządzanie talentami..., 2006].

Secondly, programs tend to become shorter: nowadays, companies go for programs that last up to one year – 36% (vs earlier practices that lasted from one up to three years – 39%). This tendency must come from the requirement to react rapidly to fluctuating business needs.

Table 3 presents the process of talent management at its two stages together with exemplary actions undertaken by respondents in 2006 and 2015.

While identifying talents, respondents clearly differentiated among various tools and techniques, putting a primary focus on qualitative methods. Program concepts seem to evolve, becoming more diversified, practical and demanding. Pragmatic actions that can directly benefit an organization play the most important role.

**Table 3. The process of talent management**

Stage	Actions in the scope of talent management		2006 (%)	2015 (%)
Stage I – acquisition	Tools and methods applied	Appointment by manager	73	95
		Results of a periodic evaluation	55	73
		Level of goal achievement	33	50
		Assessment Centre	–	59
		Standardization of managers' evaluation	–	55
		Qualifications-based interview	–	50
Stage II – transformation	Actions focused on talent development	Training programs	76	82
		Work at a foreign destination	52	69
		Work at different departments	45	59
		Internal projects	–	77
		Team/individual tasks	–	73
		Internal monitoring	–	64
		Action learning process	–	64

Source: Own analysis based on: [Praktyki w zarządzaniu talentami w Polsce, 2016; Zarządzanie talentami..., 2006].

### **3. Practical aspects of talent management in Poland according to HRM partners S.A.**

#### **3.1. Methodology**

Since 2010 HRM partners S.A. has led studies devoted to practical aspects of talent management in Polish companies. Until now, three research editions have been conducted: in 2010, 2013 and 2016 with the application of a questionnaire method. 2010 study was done with the involvement of 53 companies, in 2013 it embraced 101 entities, whereas in 2016 as many as 130 firms. In each case, respondents were constituted by local and international businesses of various fields, all running their activity in Poland. The first edition took place throughout October and November 2010, the second in May-June 2013, and the third one in July and August 2016.

#### **3.2. Selected results – a dynamic approach**

The results obtained through HRM partners' research demonstrate that the definition of a talent evolved in the span of six years. It is still understood as a person achieving targets and possessing outstanding competences and erudition, but above all, this is an individual focused on self-development (85% in 2016 vs 60% in 2013). One of talent-defining criteria that has gained on popularity is business thinking (46% in 2016 vs 28% in 2013).

Talent management programs are directed to a greater range of employees. In 2010 and 2013 all organizations tried to maintain an exclusive character of the programs which were reserved for only 1–5% of employees (78% and 65% respectively). On the contrary, now they are offered to 5–10% (a shift from 11% in 2010 to 47% in 2016) and to 11–15% of employees (shift from 7% in 2010 to 16% in 2016).

Where do companies seek for talents? The answer is simple and short: everywhere. Not so long ago, the target group involved only managers. Nowadays, talent programs are directed to specialists rather than managers (51% and 44% respectively in 2016 vs 44% and 67% in 2010). Moreover, it is worth noticing that the share of organizations offering talent programs to all employees has grown from 22% in 2010 to 36% in 2016.

An increased priority of programs for talented individuals is supported by a significant change of goals they are faced with. While the initiatives were once meant to merely boost engagement or limit headcount fluctuation, now they constitute a tool that facilitates talent keeping inside company structures and makes it possible to take advantage of their potential through a greater involvement in diversified projects (table 4).

**Table 4. Talent program goals**

Assumed goals	2010 (%)	2013 (%)	2016 (%)
Secure management continuity	–	47	–
Employer branding	52	44	21
Foster employees' involvement	89	37	66
Improve business results	52	35	53
Keep know-how inside an organization	–	30	–
Decrease headcount fluctuation	52	23	42
Improve employees' efficiency	37	21	29
Solve out employees concerns	7	2	11
Keep talented employees in the company	–	–	76
Motivate to a greater effort	–	–	45
Exploit potential while working on extra projects	–	–	66
Others	–	–	8

Source: [Praktyki w zarządzaniu talentami w Polsce, 2016].

It is essential to realize that nowadays talent programs tend to be shorter and last from one to two years.

Table 5 presents the process of talent management through its two stages together with a few exemplary actions undertaken by respondent companies between 2006 and 2016.

**Table 5. The process of talent management**

Stage	Actions in the scope of talent management		2010 (%)	2013 (%)	2016 (%)
Stage 1 – acquisition	Tools and methods used to identify talents	Periodic assessment of results	59	58	77
		Periodic assessment of qualifications	74	58	62
		Superior's recommendation	78	74	85
		Assessment Centre	41	30	54
		Qualifications-based interview	33	16	46
		Skills test	–	22	31
		Co-workers' recommendations	–	–	13
		Others, e.g. talent matrix	–	–	26

Stage	Actions in the scope of talent management		2010 (%)	2013 (%)	2016 (%)
Stage 2 – transformation	Actions focused on talent development	Participation in business projects	81	53	87
		Training sessions/ Work-outs for all talents	81	49	69
		Individual training sessions/work-outs	41	33	59
		Participation in foreign projects	33	28	59
		Supervisor's support	56	35	59
	Talent motivating	Lack of motivation policy	41	30	51
		Basic salary above an average level	11	5	8
		Bonuses, financial awards	7	7	15
		Extra benefits system	4	2	10
		Ethical working time	–	–	13
		Possibility to choose from a range of trainings	11	7	21
		Public appreciation of talents in front of a team	41	24	46

Source: Own analysis based on [*Praktyki w zarządzaniu talentami w Polsce*, 2016].

The results show that companies do not find it problematic to pick up talents and they use a variety of methods to achieve this goal. Most of the practices are focused on qualifications (assessment center, qualifications-based interview). It is also worth noticing that co-workers' recommendations and talent matrices have recently emerged as a new popular source of valuable information about potentially talented employees.

Furthermore, the last decade has brought a change in a program structure itself. Although training sessions still constitute its crucial element, it is practice and action that keep gaining interest as new forms of development.

When it comes to motivating talent programs, the results demonstrate that Polish companies lack a coherent, clearly defined policy. The majority of business entities do not make use of any additional motivating systems. However, it should be acknowledged that the number of companies that use financial methods has relatively grown, which may point to the fact that Polish enterprises have started to recognize the value of talented individuals.



## Conclusions

The results presented in this article unequivocally demonstrate a considerable development of the concept of a talent since the last decade. Basically, the philosophy is different. The idea of talent management is no longer treated as a separate process but has become an integral part of a strategy, it is closely related to business needs and business itself. The range of observed changes is great, beginning from a different way of thinking about talent and entrepreneurs' attitude to talent programs (recognition of their effectiveness and relative value, extension of the target group) through shifting priorities towards the realization of concrete goals and fulfilment of particular business needs, shortening programs time, diversification of tools and methods used for staff recruitment and selection, or a modified structure of talent programs as such.

To sum up, Polish companies are surely going to face numerous challenges related to effective talent management, such as keeping and managing talents inside the organization in the long run. A battle for talents has become and it seems it is not going to be over soon. Therefore, a modern approach to talent management and development makes it necessary to take further steps focused on business needs and actual effects.

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## Summary

The underlying basis of talent management is the assumption that people constitute an enterprise's major value and decisive factor of its competitive advantage. Therefore, the concept of talent management has already become a part and parcel of a business strategy shared by many leading enterprises. According to numerous studies, talent management is going to pose a great challenge to companies in a couple of incoming years. Thus, talent management is no longer an option but a must. This fact encouraged the author to analyze crucial practical aspects of current talent management on the Polish market, confronting current literary studies with the results of an empirical analysis with an attempt to deeply grasp the concept and its dynamics from the point of view represented and shared by Polish entrepreneurs.

## Keywords

knowledge, human resources, talent, talent management