

Doctoral Thesis

Talent Management and Implementation to Middle Sized Companies
Řízení talentů a implementace v podmínkách středně velkých
organizací

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ABSTRACT

Human resource management (HRM) is the management of an organization's human resources. It is responsible for the attraction, selection, training, assessment and rewarding of employees, while also overseeing organizational leadership and culture, and ensuring compliance with employment and labor laws [4].

HRM is a product of the human relations movement of the early 20th century, when researchers began documenting ways of creating business value through the strategic management of the workforce. The function was initially dominated by transactional work such as payroll and benefits administration, but due to globalization, company consolidation, technological advancement, and further research, HRM now focuses on strategic initiatives like mergers and acquisitions, *talent management*, succession planning, industrial and labor relations, and diversity and inclusion.

This dissertation details the origins and development of **Talent management (TM)** through a literature review.

A survey of Czech companies regarding the proliferation and implementation of talent management has been conducted in order to get a “feel” of TM prevalence and impact. This was followed up by a series of interviews, which further inform the key issues with TM itself and as regards its implementation.

The investigation of the application of TM in middle sized companies conducted, discovered the lack of prosperous TM infrastructure and implicitly vulnerability to losing talent to larger competitors.

As a result the Model of the implementation of TM in middle sized company was created, based on the elements of models from larger companies and advantages of medium sized company.

Key words: Human Resource Management, Talent management, Models and Guidelines, Middle sized company, TM implementation.

ABSTRAKT

Řízení lidských zdrojů je specifickou činností zabývající se řízením lidských zdrojů organizace. Nese zodpovědnost za upoutání pozornosti, výběr, školení, hodnocení a odměňování zaměstnanců, přičemž zároveň dohlíží na organizační vedení a kulturu a zabezpečuje soulad zaměstnání s pracovním právem [4]

Řízení lidských zdrojů je produktem hnutí za lidské vztahy z počátku 20. století, kdy začali vědci dokumentovat způsoby, jak vytvářet obchodní hodnotu prostřednictvím strategického řízení pracovních sil. V této funkci zpočátku převládala transakční práce jako např. správa mezd a zaměstnaneckých výhod, ale v důsledku globalizace, konsolidace společnosti, technologického pokroku a dalšího výzkumu se nyní řízení lidských zdrojů zaměřuje na strategické iniciativy, jako jsou fúze a akvizice, *řízení talentů*, plánování nástupnictví, pracovní a pracovněprávní vztahy, rozmanitost a začlenění.

Tato disertační práce poskytuje detailní údaje o původu a vývoji **řízení talentů**, a to prostřednictvím literární rešerše. Průzkum českých firem zabývajících se proliferací a zavedením řízení talentů byl proveden s cílem „seznámení se“ s výskytem a vlivem řízení talentů. Dále následovaly série rozhovorů, které blíže informují o klíčových otázkách samotného řízení talentů a jeho realizace.

Provedené šetření aplikace řízení talentů ve středně velkých podnicích odhalilo nedostatek prosperující infrastruktury řízení talentů a implicitně také tendenci ke ztrátě talentů ze strany větších konkurentů.

Výsledkem bylo vytvoření modelu implementace procesu řízení talentů ve středně velkých podnicích, založeného na prvcích modelů z větších firem a výhod středně velkého podniku.

Klíčová slova: řízení lidských zdrojů, řízení talentů, modely a pokyny, středně velký podnik, implementace řízení talentů.

ROZŠÍŘENÝ ABSTRAKT V ČESKÉM JAZYCE

Společnosti ve 21. století čelí mnoha výzvám. Prostředí, ve kterém působí a snaží se uspět, je dynamické a v mnoha směrech stále složitější.

Nejdůležitější a často nejnákladnější část tvoří ve společnosti její vlastní zaměstnanci. Řízení lidských zdrojů je zaměřeno na maximalizaci tohoto zdroje, následných nákladů a organizačních výhod. Vývoj řízení lidských zdrojů je v neustálém procesu, jeho hodnota pro efektivnost, účinnost a produktivitu organizace je stále uznávanější.

Jelikož společnosti působí ve stále složitějším prostředí, ve kterém se potýkají s novými a různorodými výzvami, role manažerů je pro dosažení úspěchu o to důležitější. Zdokonalování manažerů a dalších klíčových zaměstnanců je zásadní pro udržení a růst cílů společnosti. Potřeba identifikovat, rozvíjet, plánovat, zlepšovat nábor a udržení těchto osob je jádrem vzniku řízení talentů.

Rozvoj řízení talentů v posledních desetiletích značně vzrostl. Role, hodnota, modely a aplikace řízení talentů je předmětem mnoha diskuzí, výzkumu i vývoje.

Jedním z klíčových problémů, kterým společnosti čelí, je skutečnost, zda si mohou dovolit aplikovat více promyšlenou a smíšenou formu přístupu k řízení talentů. Pro velké nadnárodní společnosti představuje řízení talentů příležitost jak dosáhnout efektivnosti a pružnosti (schopnosti reagovat na změny) organizace prostřednictvím náboru, výchovy a udržení talentů. Nicméně pro menší firmy může vznik řízení talentů a jeho implementace představovat další problém z hlediska výdajů, menší infrastruktury zejména s ohledem na potenciální kritický dopad ztráty klíčových talentů ze strany rivalů a větších společností. Efektivní strategie řízení talentů pro menší firmy musí řešit klíčové otázky související s řízením talentů ovlivňující tyto společnosti, ale přesto dostatečně účinné s ohledem na omezení, kterým tyto společnosti v rámci svého působení čelí.

Tato disertační práce poskytuje detailní údaje o původu a vývoji řízení talentů, a to prostřednictvím literární rešerše. Rozvíjí větší pochopení tzv. „Války o talent“ a odhaluje některé současné debaty o hodnotě řízení talentů ve 21. století. Průzkum českých firem zabývajících se proliferací a zavedením řízení talentů byl proveden s cílem „seznámení se“ s výskytem a vlivem řízení talentů. Dále následovaly série rozhovorů, které blíže informují o klíčových otázkách samotného řízení talentů a jeho realizace.

Provedené šetření aplikace řízení talentů ve středně velkých podnicích odhalilo nedostatek prosperující infrastruktury řízení talentů a implicitně také tendenci ke ztrátě talentů ze strany větších konkurentů.

Výsledkem bylo vytvoření modelu implementace procesu řízení talentů ve středně velkých podnicích, založeného na prvcích modelů z větších firem a výhod středně velkého podniku. Implementace tohoto modelu ve společnosti umožní majitelům úspěšné vedení svých talentů a v rámci udržení talentů umožní také dosažení konkurenceschopnosti vůči větším společnostem.

INTRODUCTION

Companies face numerous challenges in the 21st century; the landscape in which companies operate and seek to succeed in is dynamic and increasingly complex in many ways.

The most important and often the most costly part of companies are its own employees. In order to succeed in the maximization of this resource and the subsequent cost and organizational benefits a much greater focus of Human Resource Management (HRM) is now in place in many successful companies. The evolution of the development of HRM is ongoing; its value to organizational effectiveness, efficiency and productivity is increasingly well recognized.

As companies are operating in an increasingly complex landscape, within which new and varied challenges are; the role of managers is even more critical to success. The development of managers and other key staff is essential to maintaining and progressing company aims. Increasingly individuals within companies are crucial to success. The need to identify, develop, succession plan, improve recruitment and retention of such individuals is at the heart of the emergence of talent management.

Talent management has developed significantly in recent decades. The role, value, models and application of talent management has been subject to much debate, research and development.

One of the key issues facing companies today is whether they can afford not to implement a more considered and blended approach to talent management. For large multi national's organizations talent management represents an opportunity to build organizational effectiveness and resilience by recruiting, nurturing and retaining talent. In such cases large multi national companies with effective talent management strategies in place are competing for talent on a relatively level playing field with their

peers. However for smaller companies the emergence of talent management and its implementation can represent an additional challenge due to expense, less infrastructures especially given the potentially critical impact of losing key talents to rival and larger companies. An effective talent management strategy for smaller companies needs to address the key talent related issues impacting on such companies but still be effective in the light of the constraints in which such companies operate.

This dissertation details the origins and development of talent management, through a literature review. It develops a greater understanding of the so-called “War on Talent”, and exposes some of the current debate relating to the value of TM in the 21st century. A survey of Czech companies regarding the proliferation and implementation of talent management has been conducted in order to get a “feel” and TM prevalence and impact. This was followed up by a series of interviews, which further inform the reader as to the key issues with TM itself and as regards its implementation.

The investigation of the application of TM in middle sized companies conducted, discovered the lack of prosperous TM infrastructure and implicitly vulnerability to losing talent to larger competitors.

As a result the Model of the implementation of TM in middle sized company was created, based on the elements of models from larger companies and advantages of medium sized company. The implementation of this Model in the company will allow owners to provide successful management of their Talents and become competitive to larger companies in Talent retention.

LITERATURE REVIEW

A literature review gives the researchers knowledge and information about the studied topic, which can be used as a base for interpreting a certain subject of phenomenon [1]. Marchan-Piekkari and Welch argue that, in order to enhance the validity of the research, it is very crucial to find knowledge and information from different sides when conducting a research [2]. This is because the theories often are interpreted and presented in divergent ways between different authors. The literature study has been conducted by using many different sources and theories. The books and articles that are being used in this study have been collected mainly from the libraries of Tomas Bata University Zlin, High School of Economics Prague, the Internet and private sources.

Literature Classification

When conducting literature studies it may be important to separate between different sources with respect to what they refer to, who writes them and the intended target group. Holme and Solvang distinguish between normative and cognitive literature. Normative literature can be seen as way of appraising or judging, whereas cognitive literature can be seen as describing or telling something. The choice of literature depends on the reader's intentions. If the stated purpose is to gain a general understanding or perception of phenomenon cognitive sources may be appropriate, however, if we are more concerned about a particular attitude or intention normative literature might be more accurate [3]. Further Holme and Solvang separate between historic Methodology literature and future literature with respect to the point in time they refer to. Literature that is focused on the future will for example, with respect to the time it was published, offer aspirations or appraisals to a future concern. Another distinction Holme and Solvang make concerns the relationship between the author and

the receiver of the literature. According to them, the literature will have both different appearance and different content depending on the relationship between the two [3].

In order to gain a deeper understanding of Talent Management as a concept I have examined literature from three different sides, or perspectives:

At first, a historical study of HRM, HR planning and the HR function, that may help to explain where the concept of Talent Management derives from, if and/or how it differs from such theories, and why it has become so popular in recent years. Secondly, a study of the phenomenon of fashion in management, that may help to explain what I am looking for and how it is characterized, and thirdly literature on Talent Management. I have classified the books and articles written about TM as normative literature because of the appraising and judging content. Such literature is mainly produced by TM advocates such as consultant agencies and other HR institutions, and the intended purpose of the literature is primarily to market and sell the concepts to companies. In addition, they are mostly described in future terms and on the bases of how well an organization will benefit by adopting a concept and what the consequences will be if they don't.

1.HUMAN RESOURCE MANAGEMENT (HRM)

1.1. The Emergence and Diffusion of HRM

Human Resource management practices have been shaped over time by a variety of historical forces. During the 1800s economy depended primarily on agriculture and small family businesses. Human resource management practices were conducted by the most senior employees of the business. New employees learned their jobs through serving as apprentices to more experienced employees. Relatives and friends of the senior members of the companies or farm were given priority for new jobs. Compensation often included a small wage, food and housing.

The first HRM practices developed as a result of the Industrial Revolution. Factories required large numbers of employees with specific skills to operate machines that performed specialized operations. As a result, managers who specialized in human resources were needed to train and schedule workers. The development of Scientific Management in 1911 emphasized the importance of identifying employees who had the appropriate skills and abilities for performing each job, providing wage incentives to employees for increased productivity, providing employees with rest breaks, and carefully studying jobs to identify the best method for performing the job. Most companies were bureaucratic organizations. That is, positions were organized into a hierarchy of authority, with each position given specific responsibilities. Employees made decisions about how work was to be done and provided suggestions to improve products only if management assigned these responsibilities to them [4].

From 1911 to 1930 human resource practices were conducted primarily by what was known as the “personnel department”. The personnel department's major role was to keep track of employee records. These records included basic information about employees, such as the date of their hire, their position, health information, and performance reviews. The personnel department also administered payroll and

interviewed job applicants, as well as terminating poorly performing employees contracts [5].

The human relations movement began as a result of a series of studies conducted at the Hawthorne facility of Western Electric in Chicago between 1924 and 1933. The studies resulted in the recognition of the social function of work, the social interaction of workers, and the existence of informal organizational social systems [6].

Between 1930 and 1940, companies began to recognize the relationship between employee participation in decision-making and employee job satisfaction, absenteeism, turnover, and unionization efforts. This was the result of new management philosophy that suggested employees will contribute to company goals if they are given the opportunity to participate in decisions concerning their job and to take responsibility for their work (Theory Y management) [4].

Peter Drucker in 1954 noted that the personnel function in companies increasingly was perceived as a cost center in, and not as a valuable resource. Drucker criticized the traditional Personnel Management view of employees for being based on the assumption that employees were not motivated in their work and therefore had to be controlled. In addition he argued that personnel management was too narrowly targeted on the management of non-managers and not focused enough on how to attain an effective management of subordinate managers, which he perceived as being the firm's most critical resource [6].

Following Peter Drucker, Edward Wight Bakke appears to be the first researcher to refer to the notion of human resources as a function in an enterprise. He pointed out that all managers managed human resources including human factors, but emphasized that the human as a resource was equally important as other resources such as financial capital and materials. The central issue was not personal happiness but rather productive work and that people had to be integrated into the total task of every organization. He stressed that human resource work was a responsibility of all

managers and not just an issue for personnel or labor relations departments. Bakke did not suggest the elimination of the personnel staff function but rather to broaden and raise the importance of Personnel Management. The HRM term was perceived as carrying a dignity, which intended to raise the personal management function status and to establish it as a more legitimate field with a more comprehensive basis for understanding and committing to forces affecting decisions about employees [6].

World War II sparked the development of psychological tests that could quickly and accurately identify individuals' interests, skills, and abilities. Following the war, these tests were increasingly used for selecting new employees and placing them in appropriate jobs.

As a result, the personnel departments (now called “employee relations” or “human resources”) expanded beyond the administrative role to include testing, negotiating labor contracts, conducting attitude surveys, and complying with expanding employment legislation. Although the relationship between human resource practices and productivity was beginning to be recognized, the major role of employee relations departments was to ensure that employee-related issues did not interfere with the manufacturing, selling, or development of goods and services. HRM tended to be reactive-that is, it occurred in response to a business problem or need. HRM was not part of the strategic business plans of the company. Line managers usually referred human resource problems to a specialist in employee relations department rather than attempting to solve the problem by themselves [5].

Beginning around mid-1960s and continuing up through the decade of the 1970s, there was a rise in the view of importance of human resources and a view of them as assets, not liabilities. There was the development of programs in such areas as job design and enrichment, which along with career planning and development, were intended to improve psychological quality of work life for employees, and presumably make them more committed to and satisfied with the organization [4].

Legge noted that by the end of the 1980s and the beginning of the 1990s job advertisements, professional magazines and courses were re-titled from Personnel Management and Personnel Managers to HRM and HR-managers. The popularity of HRM accelerated quickly and many books that described the concept were published [7].

It has been only the last ten to twenty years that companies have viewed HRM practices as a means to enhance the operations of the other functions of the business and contribute directly to the firm's profitability. This has occurred because chief executive officers, line managers, and human resource managers increasingly recognize that HRM practices play a key role in determining companies' success in gaining a competitive advantage.

1.2. What is HRM?

There is not any mutual definition of Human Resource Management. Price stresses that many people consider HRM to be a vague and elusive concept because it carries so many different meanings and diverse interpretations in the articles and books that have been published [5].

Storey defines Human Resources Management as; “a distinctive approach to employment management which seeks to achieve competitive advantage through the strategic deployment of highly committed and capable workforce using an integrated array of cultural, structural and personnel technique” [8].

Another attempt to define HRM is made by Cascio “HRM is the attraction, selection, retention, development and use of human resources in order to achieve both individual and organizational objectives” [9].

Price considers the most important aspect of HRM to be the integration of human resource policies with each other, integration with the organization's business

plan and regarding people as important assets as a key instrument for the business strategy [5].

The field of HRM is often theoretically split up in two different schools or perspectives commonly referred to as the “soft” and the “hard” approaches. The hard approach descends from the Michigan school and is often associated with a more rational management philosophy where the management is based on a logical thought to action sequence. In this view employees are perceived as resources that should be managed rationally like any other resource [10]. The role of the managers is to manage numbers effectively and keeping the workforce closely matched with certain organizational requirements. The hard approach to HRM is generally more concerned with the close integration of human resources policies, systems and activities with business strategy. In this way, the HR systems are proposed to drive the objectives of the organization [7].

In contrast to the hard approach, the soft model, also called the Harvard model of HRM, while still emphasizing the importance of integrating the HR policies with business objectives, is more concerned with valuing people as critical assets as a source of competitive advantage for the organization [10].

The soft model, which is more influential model, is more preoccupied with dealing with people as critical resources and stresses the importance of commitment, adaptability and high competence of the employees. In this view, the employees are being perceived as proactive rather than passive inputs into productive processes [7].

A new term “Talent management” was emerged in the 1990s. to incorporate developments in HRM, which placed more of an emphasis on the management of human resources or talent. In the next chapter I am going to concentrate on Talent management, its definition and application to practice.

2. TALENT MANAGEMENT

2.1. What is Talent Management?

According to Hartley, Talent Management (TM) is a term that extends over a wide set of activities, such as succession planning, HR planning, employee performance management etc. [28] Creelman brings the discussion further by referring to the term as a perspective, or a mindset, where all corporate issues are seen from the perspective of “how will this affect our critical talent?” and “what role does talent play in this issue?” Creelman defines TM as: “The process of attracting, recruiting and retaining talented employees” [29]. Knez et al have a similar view of the concept when arguing that it refers to a continuous process of external recruitment and selection and internal development and retention [30].

As a concept, talent management came to the fore when the phrase “the war for talent” emerged in the 1990s. This need for talent – and, therefore, its expert management – is also driven by macro trends including: [8]

- New cycles of business growth, often requiring different kinds of talent.
- Changing workforce demographics with reducing labor pools and, therefore, a talent squeeze.
- More complex economic conditions which require segregated talent and TM.
- The emergence of new enterprises which suck talent from larger organizations.
- A global focus on leadership, which is now permeating many levels of organizations.

There is nothing new about the various processes that add up to talent management. What is different is the development of a more coherent view as to how these processes should mesh together with an overall objective-to acquire and nurture talent, wherever it is and wherever it is needed, by using a number of interdependent policies and practices. Talent management is the notion of “bundling” in action.

So talent management is the integration of different initiatives, or constructs, into a coherent framework of activity. One way of achieving such system integration and alignment is the Talent Management System. This systemic view of talent has five elements (see Figure 1): [31]

1. Need – the business need derived from the business model and competitive issues.
2. Data collection – the fundamental data and “intelligence” critical for good talent decisions.
3. Planning – people/talent planning guided by data analysis.
4. Activities – the conversion of plans into integrated sets of activities.
5. Results – costs, measures and effectiveness criteria to judge the value and impacts of TM.

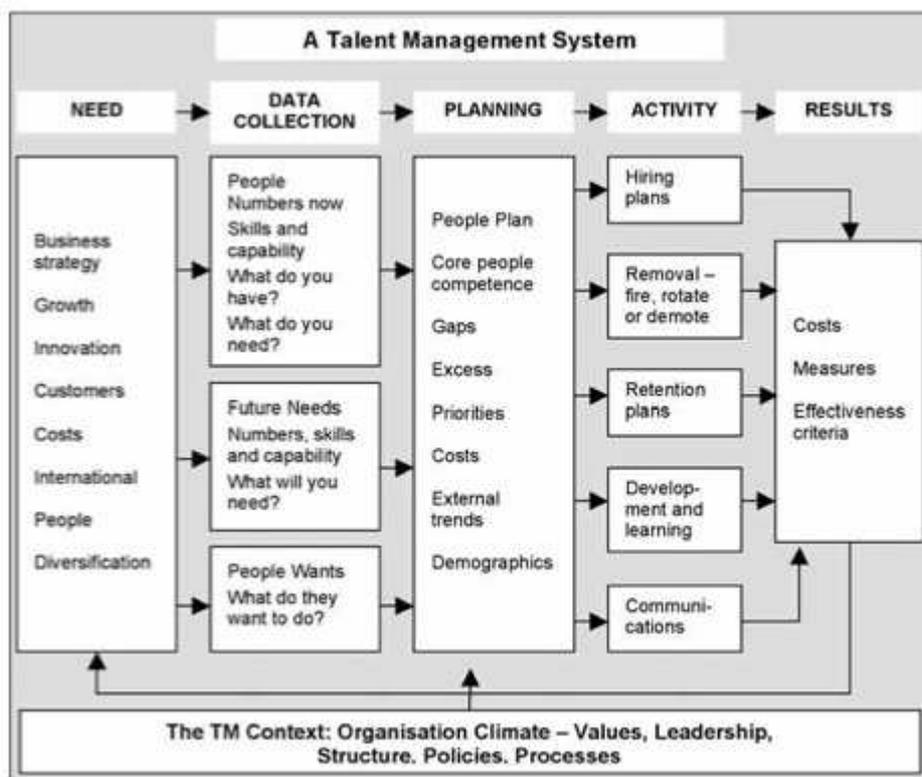


Figure 1. Talent Management system [31].

2.2. Talent management application in practice

Every company is alive. People are moving from one position to other one; getting pregnant, retired; changing company, city. Every organization sooner or later will face the need to fill in a position. Some companies are simply hiring an employee from outside, other think about it in advance, predict what positions could need to be filled one day, prepare future leaders inside the company. As the term Talent Management implies, it generally refers to highlighting and supporting a set of carefully selected employees, referred to as “talented” individuals, which are seen as critically valuable to the succession planning and the success of the organization. Central issues are thus to attract, recruit, develop and retain such individuals and the concept is extending through a wide set of activities in these different phases.

2.2.1. Identifying talent needs

Organizations must determine their business requirements for sustainability and growth. What business challenges does the organization face? Where does performance lag? What stands on the way of attaining positive outcomes? Through skillful use of executive interviews, focus groups, talent audits and other tools, it is possible to pinpoint where new skills or knowledge – or a new way of thinking or working – could transform a team, division or entire organization [32].

Using predictive techniques help accurately forecast talent needs. Reliable, objective information about competencies and skills of the individuals that comprise teams, departments or other business units can be useful in workforce planning decisions. For example, bench strength analyses can be conducted to examine the performance and potential of internal talent pools used for succession planning. Further, when normative or benchmarking data is available, competency and skill

levels also can be compared to performance in other companies to better inform talent strategy [33].

Strategic talent programs need to measure success and demonstrate value to the organization, providing their impact on business outcomes. Success measures must be considered and prepared for in the early stages of a program's inception. What are the business goals? How will program impact be measured? What data is available, and is it linked to the talent program? Does the organization value those particular data points?

Every organization should develop an accurate staffing model, identifying key skills and competencies that exist in current employees as well as those that may be required to support future business objectives. This allows companies to make informed talent decisions and react more quickly to changing circumstances.

2.2.2. Making company talent oriented

Many of the most successful companies create talent dashboards to highlight areas of organizational strength using key competencies needed for the job, as measured by both assessment and performance ratings. Talent leaders can use objective data to engage in strategic conversations can lead to improvement through:

- Targeted employee development plans to increase strength in key competency areas.
- Identification of critical skills and abilities that need to be brought in from outside the department or organization.
- Insights into what skills might be required to support future business strategies [34].

The overall strategy should be to become an employer of choice. An “employer of choice” is one for whom people want to work. There is a desire to join the organization and engaged in the work they do. To acquire a national, even a local reputation as a good employer takes time, but it is worth the effort.

On the basis of their longitudinal research in 12 companies, Purcell concluded, “What seems to be happening is that successful firms are able to meet people's needs

both for a good job and to work in a great place. They create good work and a conducive working environment. In this way they become an employer of choice. People will want to work there because their individual needs are met-for a good job with prospects linked to training, appraisal and working with a good boss who listens and gives some autonomy but helps with coaching and guidance” [35].

2.2.3. Hiring employees outside company

Making the right hiring and placement decisions can have tremendous impact on individual and organizational performance.

Using of valid pre-employment tests combined with assessment measuring critical competencies or particular jobs used early in the selection process has proven to be highly effective in the selection of candidates with the greatest potential for success. In fact, competency-based assessments combined with content designed to measure an applicant's personal fit to the company's culture can improve retention. If talent managers can identify candidates who show a preference for the work and environment, and whose values align with those of the hiring organization, they are more likely to stay and perform [34].

Some companies' main reason is not to hire employee to fill in wanted position, but to find high potentials for future. In this case companies orientate their interest to students or fresh graduates. Employers should communicate with candidates using resources students find most effective, such as: in person networking, university career centers, internships and online job boards. Recruiters should understand what motivates students to select certain jobs and make sure these messages address candidates' top considerations, such as location, fit with their skills, career advancement opportunities and company reputation and ethics. Companies should align jobs with students' fields of interest. Utilize students' top resources and the company Website to communicate these key messages. Get creative in matching employment offerings to student preferences and the organization will stand among the competition.

It's important to ensure a positive experience for new hires via efficient processing of paperwork, early socialization and culture integration experiences, and provide all resources needed to quickly become productive.

2.2.4. Discovering Talents in the company

When called upon a critical leadership role, it's not uncommon for a company to find it lacks the needed skill sets among eligible individuals. This isn't always because the talent within the company is sufficient. Rather, the lack comes as a result of insufficient succession planning [36].

There is urgency to this development need. The market for business leaders has become a classic case of rising demand and falling supply. Proper succession planning involves strategic and long-term „talent mapping“ - that is, integrating the skill sets and competencies needed to fill current and future leadership roles into high-potential employee development efforts and tracking individual results as these efforts go forward.

To be most effective, companies should look for or develop to three things in their employees:

Insight to understand what leadership skills they need to develop.

Motivation, capacity and opportunity to develop these skills.

Willingness to be held accountable to translate their high potential into high performance [36].

Companies should support those who take initiative, promote a learning culture that encourages development for everyone and talk frequently, openly and candidly about their performance. As careers move forward, relevant training and candid feedback need to continue. If an employees' performance is poor, focus on diagnosing and remedying performance problems. For those who are strong performers, recognize and reward their performance, work on a plan to sustain and strengthen it, and talk to these individuals about their next role or assignment. Help them develop and hone the

skills or new abilities. Help them acquire the experiences they need, and provide opportunities for real-world practice. And finally, map each individual's specific strengths and abilities against the talent road map you'll need to rely on when succession in critical leadership positions become an issue.

2.2.5. Training and developing

Talent employees seek to develop their skills that will make them attractive to any number of employers, at any time. If they're not satisfied with their employer's effort to train them, deliver opportunities for senior management visibility and offer job flexibility, they will leave [37].

Understanding what people already do well and where they need help allows for targeted, impactful training and development programs. Assessing employees' skills using objective tools such as tests, technical interviews and performance ratings can provide the insight talent managers need to decide who has certain skills versus who needs additional training. Talent measurement also can be used diagnostically to plan training and development investments or as an outcome measure to verify whether learning has occurred [33].

Many leading companies also allow employees to identify their own competency development needs and link those to internal career paths and opportunities. By providing tools for employees to self-assess their skill levels and then choose from recommended training and development offerings – often self-paced and provided online – companies give employees access to, and responsibility for, self-development [34].

Role design and development policies should aim to place talented people in roles that will give them scope to use and develop their skills, and provide them with autonomy and challenging work. Talent management policies should also focus on role flexibility — giving people the chance to develop their roles by making better and extended use of their talents [48].

2.2.6. Motivation through reward

There are limits to the extent to which financial payments to talented people will induce them to work better or harder or stay with the organization. In many cases they will be motivated by the work itself (intrinsic motivation) and by the opportunities for development and growth provides. Contingent pay may provide a means of recognizing contributions tangibly and therefore would be motivating for some talented people, but it is usually fails to provide a direct incentive. The design of career family structures can define career paths and indicate what rewards are available as careers develop [48].

Non-financial rewards such as recognition and opportunities for development and growth can function better for talented staff, and the impact lasts longer. Performance management processes can make an important contribution to talent management. They can ensure through feedback that talent is recognized, and they provide the basis for career development planning which provides opportunities to growth [48].

2.2.7. Retaining Talents

Snagging top talent is well and good, but talent management encompasses far more than finding the new and shiny. Developing existing employees, particularly when budgets are tight, is increasingly important. Experts in the field of industrial-organizational psychology, who have studied how people behave at work and in their jobs, have found that top-performing companies are often people-centric – employees feel they are valued contributors, and they are given a chance to develop new skills [34]

Hiring and department managers need to practice a new style of communicating with Talented employees, who respond to humor, passion and the truth. Direct and timely feedback, frequent encouragement and recognition of efforts are important to

18-to 30-years-olds. While this may feel like pampering to some, the outcome is a set of employees that is engaged and motivated to show great work.

Employers need to make an extra effort to meet Talents' needs by treating these team members as a special class of employees. Employers should bring them together for meetings and training sessions, combining entertainment and learning. This creates the feeling of community desired by Talents while emphasizing an expected investment in individual performance. Employers also are getting more creative in the work-life balance arena by offering perks, such as one-month sabbaticals after five years of service.

The office will no longer be the hub it once was. Working remotely will become standard, leveraging technology and virtual relationships. Talents are at the core of this trend because, for them, meeting and interacting online is just as comfortable and real as face-to-face meetings. This will benefit companies greatly as the need for global teamwork and flexible work hours continues [39].

Companies do not need significant overhauls and major budget infusions to drive other impactful talent management programs. Effectively leveraging successful, informal initiatives can help retain talent, develop key competencies and meet strategic objectives. There are many developmental activities that are low cost and potential for high impact include:

- Mentoring programs, which provide employees with direct access to a leader or more experienced professional and can provide coaching opportunities and a voice within organization.
- Stretch assignments, which create hands-on opportunities to take on larger, more complex initiatives and the potential for greater visibility within the organization.
- Job rotation experiences and cross-functional task force assignments, which provide opportunities to try new roles and develop new skills [34].

2.2.8. Talent evaluation

Consistently use proven assessment techniques ensure selection of candidates who possess the requisite competencies for success and who are a cultural fit for an organization. Effective talent measurement encompasses a number of tools and processes, including:

Tests: Valid tests can be used to assess knowledge, skills, abilities, personality traits, vocational interests, experience and judgment. Objective tests are characterized by standardized administration and scoring, often automated and delivered over the Internet. Tests are useful in both pre-employment and post-hire applications.

Interviews: Science-based interviews are structured and focused on past performance behaviors. Questions typically are organized around key competencies, and all candidates are measured on the same competencies. Good interviews produce scores using a behaviorally anchored rating scale or some other method to synchronize the meaning of a particular score for each competency across interviews and candidates.

Behavior-based performance rating: To make performance rating as objective as possible, focus on work behaviors: "What have I seen this person do on the job?" To combat tendencies to compare employees to each other instead of to the job and other common biases, rates should be trained how to make effective behavior-based performance ratings. Performance ratings may come from a single source, the manager or from multiple sources such as self-ratings, leaders, co-workers and customers.

Simulations: Also known as work samples, simulations are highly predictive of on-the-job performance. Simulations can range from short, focused experiences designed around a key competency or skill, to multiday events designed to represent the complexity of the target role. Recent innovations use computer-based simulations to measure targeted skills and performance in complex roles such as customer service or frontline manager [38].

I am studying management already over ten years. My Bachelor thesis was concerning opening new business – sport bar. My goal was to help the owner to build new professional team in new opened bar. It was needed to take care about teaching new personnel, motivation system, salary system and so on. My Master thesis was about influence of corporate culture on the personnel in the company, its motivation, performance and so on. Trying to find a subject for my PhD thesis I read and analyzed a lot of books and magazines devoted HRM questions and problems. The subject attracted my attention was Talent management. I found out that this is very actual, widely discussible and interesting for me subject.

The point attracted my attention was controversy in acceptance of Talent management as a new concept. There are two different opinions. First is that Talent Management is a top issue, latest trend in HRM and it's the urgency for companies to adopt that. The other opinion is that this concept doesn't represent any new and distinctive knowledge, and rather can be considered as an effort to repackage old ideas and techniques with a new label by HR professionals in order to enhance their legitimacy and status in their organization.

Analyzed a lot of information concerning this subject, I came to the opinion that there is nothing new about the various processes that add up to talent management. What is different is the development of a more coherent view as to how these processes should mesh together with an overall objective-to acquire and nurture talent, wherever it is and wherever it is needed, by using a number of interdependent policies and practices.

In next chapter I am going to find out what exactly is a Talent and where do people get it from.

3. TALENT

What do we mean by talent? In most general sense, talent is the sum of person's abilities – his or her intrinsic gifts, skills, knowledge, experience, intelligence, judgment, attitude, character, and drive. It also includes his or her ability to learn and grow.

The word talent itself dates to antiquity and has a rich history. To the ancient Hebrews, Greeks, and Romans, a talent was a unit of weight. Through exchange of precious metals of that weight, it became a unit of monetary value. What is today a key source of value creation was, thousands of years ago, money. It has come full circle [11].

The term took on broader meaning in the New Testament's Parable of Talents, in which St. Matthew recounted the tale of the lord who entrusted eight talents to his three servants. He gave five talents to the first servant, two to second, and one to the last. The first two servants worked hard and doubled the value of their talents. The third one was lazy and buried his talent in the ground. When the lord returned, he rewarded the first two servants for their enterprise and banished the third. The moral is that talent is a gift that must be cultivated, not left to languish [11].

In the sixteenth century, Martin Luther interpreted this parable to mean it is God's will that people exercise their innate talents through hard work, thus forming the basis of the Protestant work ethic. The meaning of talent, then, has grown in abstraction – from a unit of weight to a unit of money to a person's innate abilities to gifted people collectively [11].

Talents in the company are individuals, who have demonstrated superior accomplishments, have inspired others to attain superior accomplishments, and who embody the core competencies and values of the organization. Their loss or absence severely retards organization growth because of their disproportionately powerful

impact on current and future organizational performance. Talents are very special, high-performing, high-potential individuals and are vital to company's future success. These people are the crown jewels of any organization and can help promulgate and reinforce the behaviors necessary for a high-performing company [11].

Most organizations have people who make a disproportionate contribution to what they do. They habitually punch above their weight, though exactly who they are and what they do varies greatly according to context. Defining great managerial talent is a bit more difficult. There is no universal definition of an outstanding manager, for what is required varies to some extent from one company to another. As each organization has its unique culture and each position has specific requirements, it must understand the specific talent profile that is right for it. We can say, however, that managerial talent is some combination of a sharp strategic mind, leadership ability, emotional maturity, communication skills, the ability to attract and inspire other talented people, entrepreneurial instincts, functional skills, and the ability to deliver results.

To lead Talents effectively, talent managers have to do a number of things well. First, it is best to know their key characteristics. Not recognizing these may cause stumbles at the first hurdle. Not every Talent has all of the following characteristics, but they share many [12]:

- They know their worth; their skills are not easily replicated.
- They ask difficult questions.
- They are organizationally savvy.
- They are not impressed by corporate hierarchy.
- They expect instant access to decision makers.
- They are well connected outside of the organization.
- Their passion is for what they do, not who they work for.
- Even if you lead them well, they won't thank you.

3.1. What does it mean to be talented? Reason of success of outstanding people.

Most of the people surrounding us have a job and hobby. How well do they do what they do? The most likely answer is that they do it fine, well enough to keep doing it. At work they don't get fired and probably get promoted a number of times. They play sport or pursue their other interests well enough to enjoy them. But the odds are that few if any of the people around you are truly great at what they do-awesomely, amazingly, world-class excellent. After all, most of them are good, conscientious people, and they probably work diligently. Some of them have been at it for a very long time-twenty, thirty, forty years. Why isn't that enough to make them great performers?

This is a mystery so commonplace that we scarcely notice it, yet it's critically important to the success or failure of our organizations, the causes we believe in, and our own lives. In some cases we can give plausible explanations, saying that we're less than terrific at hobbies and games because we don't take them all that seriously. But what is about our work? We prepare for it through years of education and devote most of our time to it. Most of us would be embarrassed to add up the total hours we've spent on our jobs and then compare that to the hours we've given to other priorities that we claim are more important, like our families; the figures would show that work is our real priority. Yet after all those hours and those years, most people are just okay at what they do.

3.1.1. It's not inborn gift

In 1992, a small group of researchers in England went looking for music talent. [13]. They looked at 257 young people, all of whom had been introduced to study of music but otherwise varied widely. They were classified into five ability groups, ranging from students at a music school who were admitted by competitive audition to students who had tried an instrument for at least six months but had given it up.

Researches matched the groups by age, gender, instruments, and socioeconomic class. Then the researchers interviewed the students and their parents at length. How much did the kids practice? At what age could they first sing a recognizable tune? And so on.

The results were clear. The telltale signs of precocious musical ability in the top-performing groups-the evidence of talent that we all know exists-simply weren't there. On the contrary, judged by early signs of special talent, all the groups were similar. The top group, the students at music school, were superior on the measure of early ability-the ability to repeat a tune; they could do that at the age of eighteen months, on average, versus about twenty-four month for the others. But it's hard to regard even that as evidence of special talent, because the interviews revealed that the parents of these kids were far more active in singing with them than other parents were.

The researchers studied the results of grade-level exams. They calculated the average hours of practice needed by the most elite group of students to reach each grade level, and they calculated the average hours needed by each of the other groups. There were no statistically significant differences. For students who ended up going to the elite music school as well as for students who just played casually for fun, it took an average of twelve hundred hours of practice to reach grade 5, for example. The music school students reached grade levels at earlier ages than the other students for the simple reason that they practiced more each day.

By age twelve, the researchers found, the students in the most elite group were practicing an average of two hours a day versus about fifteen minutes a day for students in the lowest group, an 800 percent difference. There was absolutely no evidence of a “fast track” for high achievers.

To put the results in their starkest terms: shown five groups of students, one of which won positions at a top-ranked music school and one of which gave up even trying to play an instrument, we would say the first group is obviously more talented than the later. But the study showed that-at least as most of us understand “talent”,

meaning an ability to achieve more easily-they were not [13]. Even those few cases in which parents do report early, spontaneous signs of talent turn out to be problematic. Various researchers have found cases of children who reportedly spoke or read it extremely early ages, but they then found that the parents were deeply involved in the children's development and stimulation.

The anti-talent argument may sound sensible at each step, but at the end we're still left with the job of explaining the transcendent greatness of history's most magical, most enduring performers. Mozart is the ultimate example of the divine-spark theory of greatness. Composing music at age five, giving public performances as a pianist and violinist at age eight, going on to produce hundreds of works, some of which are widely regarded as ethereally great and treasures of Western culture, all in the brief time before his death at age thirty-five-if that isn't talent, then nothing is [14].

Mozart's father was Leopold Mozart, a famous composer and performer. He was also a domineering parent who started his son on a program of intensive training in composition and performing at age three. While Leopold was only good musician, he was highly accomplished as a pedagogue. His authoritative book on violin instruction, published the same year Wolfgang was born, remained influential for decades [15].

So from the earliest age, Wolfgang was receiving instruction from an expert teacher who lived with him. Of course his early compositions still seem remarkable, but it's interesting to know that the manuscript were not in the boy's own hand; Leopold always “corrected” them before anyone saw them. It seems noteworthy also that Leopold stopped composing at just the time he began teaching Wolfgang. Wolfgang's first piano concertos, composed when he was eleven, actually contain no original music by him. He put them together out of works by other composers. None of these works is regarded today as great music or even close. Mozart's first work regarded today as a masterpiece, with its status confirmed by the number of recordings available, is his Piano Concert №9, composed when he was twenty-one. That's certainly an early age,

but we must remember that by then Wolfgang had been through eighteen years of extremely rigorous, expert training.

Mozart did not conceive whole works in his mind, perfect and complete. Surviving manuscripts show that Mozart was constantly revising, reworking, crossing out and rewriting whole sections, jotting down fragments and putting them aside for months or years. Though it makes the results no less magnificent, he wrote music the way ordinary humans do.

The next example what we are going to discuss is Tiger Woods. Researchers on great performance sometimes call Tiger Woods the Mozart of golf, and the parallels do seem striking. Wood's father, Earl, was a teacher, specifically a teacher of young men, and he had a lifelong passion for sports. He spent the first half of his career in the army, where he says, his assignments including teaching military history, tactics, and war games to cadets. In high school and college he had been a star baseball player, and in the time between college and the army he would coach Little League teams and take them to the state tournaments [16]. Earl had plenty of time to teach his son and was intensely focused on doing so. He was also fanatical about golf. He had been introduced to the game only a couple of years earlier but had worked extremely hard at it and had achieved a handicap in the low single digits.

Earl gave Tiger his first metal club, a putter, at the age of seven months. He set up Tiger's high chair in the garage, where Earl is hitting balls into a net, and Tiger watches for hours on end. Earl developed new techniques for teaching the grip and putting stroke to a student who cannot yet talk. Before Tiger is two, they were at the golf course playing and practicing regularly. Tiger's prodigious achievements have become well known; he became nationally famous in college. Neither Tiger nor his father suggested that Tiger came into this world with a gift for golf. Earl didn't believe that Tiger was an ordinary kid. He thought Tiger had an unusual ability to understand what he was told and to keep track of numbers even before he could count very high.

Asked to explain Tiger's phenomenon success, father and son always gave the same reason: hard work [17].

The concept of specific talents turns out to be even more troublesome in business. We all tend to assume that business giants must possess some special gift for what they do, but evidence turns out to be extremely elusive. Jack Welch, named by Fortune magazine as the 20th century's manager of the century, showed no particular inclination toward business, even into his midtwenties. He grew up as a high-achieving kid, getting good grades and becoming captain of his high school's hockey and golf teams. He entered University, majored not in business or economics, but in chemical engineering, received master's and PhD. At the age twenty-five, he still wasn't sure of his direction. He took an offer to work in a chemical development operation in General Electric. Nothing in Welch's history to that point suggested that he would become the most influential business manager of his time [18].

3.1.2. It's not in our genes

We think that the awesomely great, apparently superhuman performers around us came into this world with a gift, what was given to them, for reasons no one can explain. We believe further that such people had the good fortune to discover their gift, usually early in life. It explains why great performers seem to do effortlessly certain things that most of us can't imagine doing at all. This explanation has the additional advantage of helping most of us come to somewhat melancholy terms with our own performance. A God-given gift is a one-in-a-million thing. You have it or you don't. If you don't, then it follows that you should just forget about ever coming close to greatness.

You might suppose that in the age of genomic research, there should no longer be any question about precisely what's innate and what isn't. Since talent is by definition innate, there should be a gene (or genes) for it. The difficulty is that scientists

haven't yet figured out what each of our twenty-thousand-plus genes do. All we can say for the moment is that no specific genes identifying particular talents have been found.

3.1.3. It's not just experience

Extensive research in a wide range of fields shows that many people not only fail to become outstandingly good at what they do, no matter how many years they spend doing it, they frequently don't even get any better than they were when they started [19]. Auditors with years of experience were not better at detecting corporate fraud-a fairly important skill for an auditor-than were freshly trained rookies [22]. Occasionally people actually get worse with experience. More experienced doctors reliably score lower on tests of medical knowledge than do less experienced doctors.

When asked to explain why a few people are so excellent at what they do, most of us have two answers, and the first one is hard work. People get extremely good at something because work hard at it. We tell to our kids that if they just work hard, they'll be fine. It turns out that this is exactly right. They'll be fine, just like all those other people who work at something for most of their lives and get along perfectly well but never become particularly good at it. Merely putting in the years isn't much help to someone who wants to be great performer. So our instinctive first answer to the question of exceptional performance does not hold up. The gifts possessed by the best performers are not at all what we think they are. They are certainly not enough to explain the achievements of such people-and that's if these gifts exist at all [19].

Going beyond the question of specific innate gifts, even the general abilities that we typically believe characterize the greats are not what we think. In many realms-chess, music, business, medicine-we assume that the outstanding performers must possess staggering intelligence or gigantic memories. Some do, but many do not.

3.1.4. It is not just good memory

To find out the true role of memory in high achievement we will use the results of research, that were undertaken in the psychology department at Carnegie Mellon University. The experiment was based on memory test known as the digit span task. A researcher reads a list of random digits at the rate of one per second; after a pause of twenty seconds, the subject that repeats as many digits, in order, as he or she can remember. Psychologists had been running this test on subjects for many years. Most people can remember maximum around seven numbers. One of their subjects had been tested an hour a day for nine days and had never gone beyond nine digits; he had dropped out of the study, insisting no further improvements was possible. In a much earlier study, two subjects had managed to increase their digit span to fourteen after many hours of testing. But one day their subject recalled twenty-two digits, a new record. The toll it was taking on him was large. His achievement was significant in a couple of ways. His record didn't stand for long. He kept setting new records until eventually, he could recall eighty-two digits. His memory, when tested, had been average before he began training. His grades were good, but his intelligence, when measured by standardized tests, was average. Nothing about him suggested that he would ever achieve amazing feats of memory [20].

In addition, while he stopped training at 82 digits, nothing in his progress to that point indicated that he had reached his limit. In fact, a friend of his who later started same training reached 102 digits, with no indication that he had reached his limit. The conclusion of researchers was, that there is apparently no limit to improvements in memory skill with practice [20].

A different type of research reinforces the finding that memory is developed, not innate. World-class chess players are generally assumed to have superhuman memories, and with good reason. Champions routinely put on exhibitions in which they play lesser opponents while blindfolded; they hold the entire chessboard in their heads.

Some of these exhibitions strike the rest of us as simply beyond belief. They can play 20-40 games in the same moment [21].

It's hard to believe that any normal person could do such things. But consider a study in which highly skilled chess players as well as non-players were shown chessboards with twenty to twenty-five pieces set up as they were actual games; the research subjects were shown the boards only briefly-five to ten seconds-and then asked to recall the position of the pieces. The results were expected: the chess masters could typically recall the position of every piece, while the non-players could place only four or five pieces. Then the researchers repeated the procedure, this time with pieces positioned not as actual games but randomly. The non-players again could place only four or five pieces. But the masters, who had been studying chessboards for most of their lives, did little better, placing only six or seven pieces [23,24]. The chess masters did not have incredible memories. What they had was an incredible ability to remember real chess positions.

Even if we're prepared to question the notion that certain people come into this world with specific gifts for business, most of us still assume that the greats possess tremendous general abilities, especially intelligence and memory. Goldman Sachs, the most highly regarded firm on Wall Street, has long been known for hiring only the smartest graduates of the most elite schools. McKinsey&Company, the king of consulting firms, regularly hires the most outstanding students-at the Harvard Business School. Microsoft and Google are famous for testing job applicants with questions that would leave most people begging for mercy.

3.1.5. It's not just intelligence

We begin by delving briefly into the heavily fraught and extremely deep concept of intelligence. What do we mean when we say someone is smart? It's one of those concepts that we understand intuitively, but then we dwell on it and realize how complicated it is. Some people seem smart with numbers, others with words, others

with abstract concepts, still others with concrete knowledge, and how do all those kinds of smart fit together? It seems likely that if we sat down and thought about it, most of us would come up with a basic definition of smart that parallels closely the much maligned concept of IQ.

Tests of IQ, as they have been developed over the past century, actually consist of ten subtests that try to capture various aspects of intelligence. After giving these tests to millions of people, researchers have found that performance on the subtests is correlated, that is, people who perform well on one of the subtests tend to perform well on all of them. The researchers hypothesized that there must be some general factor that influences performance on all the subtests, and they called this factor general intelligence. That's what IQ measures.

According to research, people in professional, managerial, and technical jobs have an above-average IQ as a group. Among workers overall, average IQ increases with the complexity of the work. This seems to underline the view that even if the world's great performers don't possess a specific, targeted gift, they still have some more general natural advantage, most likely superior intelligence.

The trouble starts when we dig beneath the averages. The evidence is actually far more substantial than our own random experiences. A wide range of research shows that the correlation between IQ and achievement aren't nearly as strong as the data on broad averages would suggest, and in many cases there is no correlation at all.

Consider, for example, a study of salespeople. This was a so-called meta-analysis, the largest of its type ever conducted, gathering data from several dozen previous studies looking at almost forty-six thousand individuals. Studying businesspeople in the real world is tough because you generally can't control the conditions, and the results are often unclear; whether a decision was good or bad may not be known for years. Salespeople make attractive subjects for researchers because at least they produce something quantifiable to measure: sales [25].

In this analysis, the researchers found that if you ask salespeople's bosses to rate them, the ratings track intelligence moderately well; bosses tend to think that smarter salespeople are better. But when the researchers compared intelligence with actual sales results, they found no clear correlation. Intelligence was virtually useless in predicting how well a salesperson would perform. The results were surprising also because they suggest that sales supervisors were deluding themselves [25].

The next investigation of real-world performance focused on an activity that has a lot in common with business: betting on horses. The researchers went to the racetrack and recruited a group of subjects. Based on their ability to forecast post-time odds, these subjects were deemed experts or non-experts. The experts were by definition a lot better at that task, but except for that difference, the two subsets on average turned out to show no significant differences in several ways: years of experience at the track, years of formal education, occupational prestige scores, and IQ. The IQ averages and variability of both groups were almost exactly the same as for the overall population. The expert forecasters were not smarter than non-experts or than the population in general [26].

Looking at the data more closely, the researchers found that knowing a particular subject's IQ was no use in predicting whether he was a handicapping expert. For example, one of the experts was a construction worker with an IQ of 85 who had been going to the track regularly for sixteen years; he picked the top horse in ten out of ten races the researchers presented and picked the top three horses in correct order five times out of ten. By contrast, one of the non-experts was a lawyer with an IQ of 118 who had been going to the track regularly for fifteen years; he picked the top horse in only three of ten races and the top three in only one of ten.

What makes these results especially interesting is that accurately forecasting odds is highly complex. More than a dozen factors have to be considered, and they have complex inter-relationships. In fact, the researchers found that the expert

handicappers used models that were far more complex than those used by non-experts, so-called multiplicative models in which the values of some factors (such as track condition) altered the importance of others (such as last-race speed). In other words, what they were accomplishing was extremely demanding. Low-IQ experts always used more complex models than high-IQ non-experts [26].

Similar results turn up in a wide range of fields. For example, in chess-another realm that businesspeople feel is a lot like their own-IQ does not reliably predict performance. This seems hard to believe, since we generally think of chess as an exercise in pure brainpower. Yet researchers have found that some chess grand masters have IQs that are below normal [21].

At this point we can wonder if there's anything at all that makes a significant difference to whether you achieve extraordinary performance, and that you can't do anything about. The answer is yes, of course it is. Most obvious are congenital physical and mental health problems, plus other diseases and disorders that may visit any of us in any time for reasons we still don't fully understand. Those constraints aside, and considering only people in general good health, the clearly innate limitations seem to be physical. Once you've matured physically, you can't do much about your height, and if you are too short you will never become basketball star, or if you are very tall you will never be an Olympic gymnast. Overall body size is also partly innate, so champion sumo wrestlers can probably never make themselves into elite marathoners. While you can develop your voice in all kinds of ways, the dimensions of your vocal cords impose limits; a tenor cannot make himself into a basso profundo.

3.1.6. It's deliberate practice

Jerry Rice the famous player in NFL had some troubles in the beginning of his career. He was considerate a good player but he was not fast enough. Only one university offered him scholarship and took him to the university's team. Before he started to play in NFL, fifteen teams passed him over before one finally signed him.

Rice became the greatest receiver in NFL history, and some football authorities believe he may have been the greatest player in any position. Everyone agrees that this is because he worked harder in practice and in the off-season than anyone else. He would typically continue practicing long after the rest of the team had gone home. Most remarkable were his six-days-a week off season workouts, which he conducted entirely on his own. These workouts became legendary as the most demanding in the league, and other players would sometimes join Rice just to see what it was like. Some of them got sick before the day was over. The lesson that's easier to draw from Jerry Rice's story is that hard work makes all difference. But from our previous research we know that hard work often doesn't lead to extra ordinary performance. We also know that even after an excellent college career, Rice did not possess outstanding speed, a quality that coaches generally consider mandatory in a great receiver. So there must be something else lurking in Rice's story [27].

First important point is, that he spend huge amount of time. He played in 303 career NFL games, which is about 150 hours of playing game. Rice spent approximately 20 hours a week working on football. That's about 1000 hours a year and 20000 hours over his pro career. The conclusion we reach is that one of the greatest-ever football players devoted less than 1 percent of his football-related work to playing games.

Second, he designed his practice to work on his specific needs. Rice didn't need to do everything well, just certain things. Not being the fastest receiver in the league turned out not to matter. He became famous for the precision of his patterns. His weight training gave him tremendous strength. His trail running gave him control so he could change directions suddenly without signaling his move. The uphill wind sprints game him explosive acceleration. Most of all, his endurance training – not something that a speed-focused athlete would normally concentrate on – gave hi a giant advantage in the fourth quarter, when his opponent were tired and week, and he seemed as fresh

as he was in the first minute. Rice and his coaches understood exactly what he needed in order to be dominant. They focused on those things and not on other goals that might have seemed generally desirable, like speed.

Third, it wasn't fun. There is nothing enjoyable about running to the point of exhaustion or lifting weights to the point of muscle failure. But these were centrally important activities [27].

This is just one person's story. It is difficult to make any conclusion based on his experience. But we can also consider scientific study conducted in early nineties in Berlin. The object of study is to figure out why some violinist is better than others. Professors of Music Academy, known as a school that turns out extremely good musicians, were asked to form from their students three groups. First group are best violinists with the potential for careers as international soloists. Second group are very good violinists but not as good as first group. Third group are violinists from the separate department with lower admission standards, students of which generally go on to become music teachers. Lets call the groups good, better, best [27].

The researchers collected lots of biographical data about all the subjects – the age a which they started studying music, the teachers they had, the competitions they entered, how many hours a week they practiced for each year since they started. They were given a long list of activities, and asked how much time did they had spent on each one in the most recent typical week. As a result, by many measures, all three groups were about the same. They all started violin at around age eight and decided to become musicians at around age fifteen, with no statistically difference among the groups. All three group during study in Academy were spending the same total amount of time on music-related activities – lessons, practice, classes, and so on – about fifty-one hours a week [27].

What was the difference, what was making one violinist better than other one? The researchers found out, that even students of all groups spending the same time for

music now, there was a big difference in their history. By the age 18, the violinists in the first group had accumulated 7410 hours of lifetime practice on average, versus 5301 hours for violinists in the second group and 3420 hours for violinists of the third group. All the difference was statistically significant. The other important difference was in the music-related activity. The violinists were quite certain which activity was most important for making them better: it was practicing themselves. They all knew it, but they didn't all do it. The first 2 groups, the best and better violinists, practiced by themselves about twenty-four hours a week on average. The third group, the good violinists, practiced by themselves only nine hours a week.

Just as violinists were sure that it's hard and it isn't much fun. When they rated activities by effort required, solo practice ranked way harder than playing music for fun, alone or with others, and harder than even the most effortful everyday activity, child care. The first two groups of violinists did most of their practicing in the late morning or early afternoon, when they were still fairly fresh. By contrast, violinists in the third group practiced mostly in the late afternoon, when they are likely to be tired. The two top groups slept more at night, they also took far more afternoon naps. All that practicing seems to demand a lot of recovery.

So in this research it was found out that one the one hand, we see everywhere that years of hard work do not make many people great at what they do. On the other hand, we see repeatedly that the people who have achieved the most are the ones who have worked the hardest. How could both of observations be true? The problem is that the current definition of practice is vague. To become successful in something, you shouldn't just continuously practicing in something, it should me deliberate practice.

Deliberate practice is characterized by several elements [27].

- It's designed specifically to improve performance
- It can be repeated a lot
- Feedback on results is continuously available

- It's highly demanding mentally
- It isn't much fun

To analyze several definition of Talent I found in the literature, I found the definition of Talent which is close to my understanding and what I am going to use as a meaning for term “Talent” in my thesis. **Talent (talented person)** - is an individual, who has demonstrated superior accomplishments, have inspired others to attain superior accomplishments, and who embodies the core competencies and values of the organization [11]. I would add that Talented person makes a disproportionate contribution to what he/she does. Having the same level of knowledge, in the same period of time, using same resources talented person is able to produce bigger amount of product/service and often better quality than his/her colleagues.

The components making person talented is the sum of person's abilities – his or her intrinsic gifts, skills, knowledge, experience, intelligence, judgment, attitude, character, creativity, ability to learn and grow, to make decisions. Most of people are quite sure that talent is our inborn gift and we could not gain significant achievements in our life or profession in case we are not born appropriate for that. But in this chapter, analyzing theoretical resources, I proved that every person could become a Talent and reach the desired goals or positions. The only limit could be is health limitations. Otherwise, hard work, professional mentor, diligence and persistence will make a person talented professional in desired sphere.

That makes possible for management of a company to find hard-working, career-oriented, young people with ambitions to become high professional in their sphere and help them to develop their talent, learn and grow. As a feedback company gets the professional employee who works for and bringing profit for the company in return. To help companies to come to that understanding will be a part of my research.

4. RESEARCH QUESTIONS AND GOALS

I found that, during past few years, there has been a dramatic explosion of articles and books about the concept Talent Management. These books and articles, all emphasize the urgency for companies to adopt the concept and the devastating consequences if they don't. The concept is by many researchers seen to be the top issue and, the latest trend within Human Resource Management.

Nevertheless, throughout the history of the personnel profession the world has witnessed several different concepts such as Personnel Management, Human Resource Management, and Strategic Human Resource Management and several researchers have claimed that these concepts describes the same thing. Some researchers have argued that the different concepts instead represent a continuous rhetoric struggle by HR professionals, both to enhance their legitimacy and status by becoming more business oriented and to demonstrate that employees indeed can make a difference in distinguishing successful organizations from others.

Based on theoretical research, I came to the opinion that there is nothing new about the various processes that add up to talent management. What is different is the development of a more coherent view as to how these processes should mesh together with an overall objective-to acquire and nurture talent, wherever it is and wherever it is needed, by using a number of interdependent policies and practices. I would like to prove my opinion in practice. That will be the first part of my research.

The other problem I faced analyzing theoretical sources is that there is little or no studies regarding the application of talent management in medium sized companies. As examples, books and magazines show experience of well-known big companies and corporations. Companies of such size are able to afford expensive Talent management programs, training and developing personnel, paying high salaries to their Talents. I suppose companies of smaller size with fewer resources have much more problems to

adopt Talent management concept. To find out if this problem really exists, will be the second part of my research. If yes, than what exactly cause difficulties for middle sized companies to apply Talent management. In that case I will try to develop a model of TM implementation in medium sized companies, using the elements of models from larger companies and advantages of medium sized company.

Research goals.

I will set several goals to define the direction of my research:

Goal 1. To investigate what companies know and think about talent management.

Goal 2. To learn how talent is managed in different sized companies

Goal 3. To find out advantages and disadvantages of company size in Talent management process.

Research questions.

The questions I sought to answer in order to achieve my goals:

Question 1. Is Talent management less prevalent in smaller companies because only big corporations have enough resources to provide TM programs?

Question 2. How do companies attract and retain Talents?

Question 3. What difficulties have middle size companies to apply TM?

Question 4. What advantages can a medium-sized company have over a bigger company to attract and retain talents?

Question 5. Is it possible to develop the model of TM in medium sized companies, using the elements of models from larger companies and advantages of medium sized company?

5. METHODOLOGY

I decided to undertake a survey to gather information regarding talent management of practicing managers in this field. This was complemented by a series of interviews. The richness of this quantitative and qualitative information was supplemented by a wider literature review.

Interviews. Choice of Respondents. According to Holme & Solvang it is crucial when conducting interviews to find respondents that possess deep and comprehensive knowledge in the subject of interest [3]. Subsequently, this means that the choice of respondents should not come about in random or occasional bases but rather in a systematic mode using theoretical and well defined criteria that the researcher has formulated. In finding respondents for this study, I have chosen three main criteria. First and foremost, I wanted to interview companies that had an explicit and official Talent Management strategy, this, in order to secure that I was receiving accurate information from companies that undoubtedly had implemented a TM strategy. Secondly I wanted to interview well-established and well-known companies, because of the common interest of such organizations, and their position in the society as role models. Thirdly, I wanted to meet someone with deep and comprehensive knowledge about the TM strategy in his/her respective organization, and therefore the head of TM or equivalent HR manager was considered as being appropriate.

I have chosen to interview seven companies that have adopted a TM strategy. The objective was to conduct interviews with a sample of respondents that was as wide as possible, but at the same time did not sacrifice the depth of the interviews given me time constraints. The choice of seven respondents was thus considered as being an appropriate number because it allowed me to meet the respondents and conduct

interviews with more depth and at the same time, to gather insights from a variety of different sources.

Interview Questions. Silverman claims that qualitative research is best carried out by observations, text analysis, interviews and recording/transcribing. He further explains that these methods are often combined, to get the best result [40]. “Authenticity” is often the issue in qualitative methods. The idea is to gather an “authentic” understanding of people’s experiences. According to Silverman interviews with standardized questions are appropriate in order to increase the reliability of a research [40]. This kind of survey is more into quantitative research and can be coded and generalized into greater population. However, unstructured interviewing, which is often characterized by open-ended questions is generally more flexible and dynamic, and the interviewer tends to have a dialogue and/or a discussion with the respondent. In addition, open-ended questions allow the respondents to freely express their own knowledge and understanding and thoughts of a topic of interest. Open-ended questions are generally also followed by what Taylor and Bogdan refers to as “probing” which involves series of follow up questions where the respondent is asked to comment on details and certain meanings that they attach to specific issues [41]. In this way the interviewer is allowed to gain a deeper understanding with respect to the underlying reasoning and experience that the respondent holds. The probing may ensure that the questions are perfectly understood and bring clarity in complicated issues and matters, which may enhance the validity of the study. A possible disadvantage with open-ended questions is that they tend to extract too much, or irrelevant data and thus may complicate the analytical work. Further, Taylor and Bogdan states that in order to reveal hidden facts, exaggerations or denied information among the respondents, researchers may examine different statements for consistency using “cross checks”. The researcher may for example ask the same questions several times, by asking it in different ways and in that way compare different versions of answer to a question [41].

In conducting this study, I have chosen to use unstructured and open ended questions, this in order to allow for a more flexible and dynamic interview procedure where the respondents are encouraged to express their own thoughts, knowledge and feeling on certain issues. This kind of questions has also opened up for extended possibilities to interpret and understand the respondents' real intentions, and to adapt the questions with respect to the progress of a particular interview. Another important motive for using open-ended questions is the complexity of the subject and the sensitiveness of the research problem from the perspective of the respondents. The questions have been cross checks in order to make sure that the respondents have perfectly understood the questions and revealed as much accurate and relevant information as possible.

Face-to-Face Interviews. An interview may be conducted in several ways. The most ordinary technique is face to-face interviews where respondent and the interviewers meet. This type of interview is more time and resource consuming; nevertheless it provides the researchers with the possibility to interpret body language, and to better recognize if any of the questions have been misunderstood. Other techniques to conduct an interview are also by asking questions by telephone or survey questions for e-mail. Further, in order to make the respondent prepared for the interview the researchers could send the questionnaire in advance and force the respondent to be able to answer some more complicated questions [42]. However, when conducting interviews it is generally important to not letting the respondents to know exactly what you are studying or examining. Taylor & Bogdan explains that it is sometimes useful to hide the real purpose questions to reduce self-consciousness and the perceived threat. It is also likely that the respondents become more eager to cover up mistakes and other error to make things look better then they really are. Further, when conducting a face-to-face interview, it is important, to establish and interview

situation that the respondents feel comfortable and relaxed in. A sterilized environment is not appropriate for smooth conversations [42].

The interview should also start with “small-talk” with the respondent in order to make him/her relax and feel comfortable. Such small-talk, which Krag refers to as an “ice-breaker”, could for instance involve a short presentation concerning the topic of the thesis and how the questionnaire will be treated [43].

In conducting this study, I have chosen to use face-to-face interviews, this in order to better interpret the respondents and make sure that they have understood the questions perfectly. The questions have been sent to the respondents in advance in order to simplify the interview and make the respondent more prepared. However, because of the sensitiveness of the subject, I have been very cautious in not revealing the real stated purposes and intentions. The questions that have been sent to the respondents have been presented in simplistic and superficial way, and have not revealed the exact subject of interest. The interviews have in all cases been conducted at the respondents’ conference rooms or offices in order to make the respondents feel comfortable and relaxed with the environment. The interviews have also started with a small discussion and a presentation of the thesis and me. The interviews have also taken off with open and general questions where the respondents have been able to address their points and reveal as much information as possible before being aware of, or anticipating the exact purposes and intentions of the study.

All the interviews have been recorded with a voice recorder. This has provided me with the possibility to secure that no information gets lost. I am aware that a recorder in some cases can be regarded as a disturbing object for the respondent, and have therefore in all cases asked for permission with the respondents.

Interpretation of Interview Information

When interpreting collected data, it is important to sort out all relevant information, and at the same time ensure that no important information is lost. This is

particularly crucial when using unstructured questions because of the contents of such data often involves a large amount of redundant and unnecessary information that may complicate this process [44].

An important phase in the interpretation of the collected data is according to Holme& Solvang to structure the material in a way that data from different sources that deal with the same issues or concerns are positioned together [3]. Thus, in this way the material, shall be analyzed, can be made accessed easier and questions can be analyzed from different points of view. The reason for organizing the data in this way is to simplify the interpretation process and make it easier to communicate to the reader [3].

In organizing the collected data, Kvale present three major phases that are needed to be considered. In the first phase the data is written down and printed, in order to be carefully examined. In the second phase all the relevant information is sorted out and redundant and irrelevant information cut off. In the last phase information from different sources are structured and put together with respect to as set of main themes or issues that will be analyzed [45].

When analyzing the collected data, I have followed a work structure similar to Kvale's suggestion. In the first phase, all the data was written down from the voice recorder in the exact words. The data was then sent to the respondents in order to allow for corrections and additional information. In the second phase, when the respondents had replied, I cut off all the unnecessary and redundant information. I was, in this phase very cautious, not to cut of any relevant information. In the last phase all the data was organized with respect to the different sources and similar information were centered around a set of main issues or topics. In order to present the empirical findings as clear and consistent as possible, I limited the extraction of material with respect to its importance and to the purpose of the study [45].

Methodological Credibility. To accomplish quality and to achieve trustworthy results in research it is necessary to achieve a high degree of validity and reliability [42,

46]. However, the terms validity and reliability often have different meanings depending on whether the research is of a quantitative or qualitative nature. In a quantitative study, the validity is considered to be high if the measured phenomenon is what the researchers actually plan to study. Thus, in this way, the validity in qualitative research could be strengthened by applying an accurate theoretical background using the appropriate instruments and accurate methods of measurements. In qualitative research approaches on the contrast, the validity generally refers to the quality of the entire research process and that what is studied is similar to reality. A good validity in a qualitative research may for instance involve that a respondent have understood the questions perfectly and, thus gives accurate information to the interviewee. In addition, validity can both be internal and external. Internal validity refers to the extent to which the results correspond to reality, while external validity refers to the extent to which the results are appropriate to generalize.

According Patel & Davidson reliability is so closely connected with validity in a qualitative study, that it is therefore seldom used. A sign of a high reliability would, in a qualitative study, for instance imply that when a question is repeated on different occasions by different interviewees, the respondent would offer the same answer [46]. However, this does not necessarily have to be the case because the respondent might have changed his/her opinion or gained more knowledge with respect to a certain issue. In order to enhance the validity in this particular study, I have, as mentioned before, used certain interview techniques, such as probing and cross checks. In addition the respondents have been allowed to correct and complement with additional information after the interviews were carried out. Hence, I believe that the respondents have understood the questions perfectly and that the data therefore can be considered as being characterized by a high degree of internal validity. The literature study has been conducted by using many different sources in order to ensure that, what has been examined has been accurate and valid with respect to its content.

Hermeneutic was selected as an appropriate research approach since the research goal was to interpret how people understand the conduct and practice of judgment artistry. Using this approach researcher attempts to understand the whole through grasping its parts, and comprehending the meaning of the parts divining in the whole. This involves repeatedly and cyclically moving between the parts or aspects of the phenomenon [57]. Since I am applying qualitative approach from a hermeneutic point of view, the results might not be perfectly appropriate for generalizing to a large population, or as Kjar puts it; “the reader of a qualitative study may decide whether this is possible to generalize or not.” The purpose of this study is to gain a deep understanding the phenomenon of TM from the respondents’ point of view and therefore the results might not be applicable for a generalization [47]. For a generalization, I also believe that an extensively larger sample of respondents would have been necessary.

Questionnaire Methodology. In order to complement the literature review and interviews a survey of 250 Czech companies was undertaken. Companies were posted the questionnaire and followed up to ensure a reasonable response rate. This survey was intended to provide a broader feel of talent management, a temperature take in effect. Given that the survey was elective in its participation it is expected the results will show some bias towards companies with larger infrastructures and companies who have an interest in talent management. However it is expected that this broader dataset will add richness to the study. So whilst this quantitative data is not statistically definitive it does provide a sense of talent management awareness and activities, and should be treated as information, which contributes to the findings of this thesis.

6. TALENT MANAGEMENT RESEARCH

6.1. Questionnaire

For our research I identified 250 companies. They covered a range of sizes and work in a number of sectors. I sent questionnaires out by email/fax, and then called the HR departments and/or top managers to ask for their co-operation in the questionnaires completion. In total 89 responses were received, giving a response rate of 36%. This provides data which has a confidence interval of 8.35, when applied to mid range responses.

6.1.1. Survey Responses

Question	Number of responses	Percentage of responses
1. What is your position in the company?		
CEO/ Owner of the company	16	18%
Manager of top-level	22	25%
Manager in HR department	42	47%
Line-manager	9	10%
2. How many people are working in your company?		
1-100	4	5%
101-500	50	56%
501-1000	23	26%
1001+	12	13%
3. In what sector of industry is your company?		
Tourism and Hospitality	10	11%
Professional Services	8	9%
Financial Services	19	21%
Media and Technology	5	6%
Consumer Business	9	10%
Manufacturing	20	23%
Others	18	20%
4. What is your explanation of Talent management		
The respondents gave individual answers, a summery is following below.		

5. How often do people use the phrase “Talent management” in your company?		
Rarely	13	15%
Sometimes	40	45%
Often	32	36%
Always	4	4%
6. Do you have a clear and understandable definition of “Talent management”?		
Yes	29	33%
No	60	67%
7. How would you evaluate the ability of your company to manage talents?		
Very low	2	2%
Low	16	18%
Medium	58	65%
High	8	9%
Very high	5	6%
8. Does your company feel the deficit in talents?		
Yes	60	67%
No	29	33%
9. Do you have problems in attracting and retaining talented employees?		
Yes	62	70%
No	27	30%
10. Does your company have clear strategy of management of talented people?		
Yes	31	35%
No	58	65%
11. To what tier is your program of talent management targeted?		
Only Management	37	42%
To all workforce with high potential	12	13%
We do not have such program	40	45%
12a. What is the key factor in attracting of Talents to your company?		
Contribution of HRM department	15	17%
Managers' management style	1	1%
Reputation of the company	31	35%
Level of salaries	34	38%
Organizational culture	8	9%
12b. What is the key factor in the retention of Talents in your company?		
Contribution of HRM department	12	13%
Managers' management style	19	21%

Reputation of the company	16	18%
Level of salaries	30	34%
Organizational culture	12	14%
12c. What is the key factor in maximizing the use of Talents in your company?		
Contribution of HRM department	19	21%
Managers' management style	36	41%
Reputation of the company	0	0%
Level of salaries	3	3%
Organizational culture	31	35%
13. What are the key components of Talent management in your company (you can choose more than 1 option)		
Specific procedures and methods of Talent assessment	27	30%
Individual development plans	35	39%
Talents' involvement into cooperation and interchanging of knowledge	43	48%
14. What are the methods of Talents' assessment in your company? (you can choose more than 1 option)		
Analysis of results of work performance	40	45%
Subjective assessment of managers	38	43%
Analysis of documents	13	15%
Competence interviews	31	35%
Psychological testing, center of assessment	23	26%
360 grades assessment	18	20%
15. What are the Methods of Talent development in your company? (you can choose more than 1 option)		
Seminars and Training	41	46%
Coaching	22	25%
Job Rotations	47	53%
Conferences, Round Tables	42	47%
Business Projects	31	35%
16a. What are the main problems in your company concerning Talent management? (you can choose more than 1 option)		
Attracting of Talents	40	45%
Managing Talent within the wider workforce	45	51%
Retention of Talents	57	64%
Managing expectations of Talents	27	30%

16b. Which of these statements applies to your company		
We have permanent fear that our bigger competitors will steal our Talent and all expenses we have incurred on them attracting and developing will be wasted.	37	42%
There was some concern in the workforce as a whole when we began to divide people to Talented and not Talented and initiated a talent management program.	4	5%
Now business is changing so fast. We spend money to develop Talents for one aim, but when they are ready, the company had to change direction, or start to emphasize on other activities and these people can not be readily applied there. So we need to develop a more flexible program.	20	22%
None of these	28	31%
17. Which of these summary statements applies to you regarding the level of maturity of organizational talent management in your company		
No talent management strategies, policies or formally developed practices. Where talent is managed, it is informal/incidental.	20	22%
Isolated/tactical/local ‘pockets’ of talent management activities. No overall strategy or plans for talent management.	23	26%
Integrated and co-ordinated talent management activities for a particular segment of the organization.	15	17%
Talent management strategy designed to deliver corporate and HR management strategies. Formal talent management initiatives linked horizontally to HR management and vertically to corporate strategy-making processes	21	24%
Talent management strategy informs and is informed by corporate strategy. Individual and pooled talent understood and taken into consideration in the strategic process.	10	11%

Table 1. Questionnaire with answers [own source].

6.1.2. Survey Findings and Analysis

Question 1. A range of managers within these organizations completed the 89 companies survey responses. This is shown in chart 1.

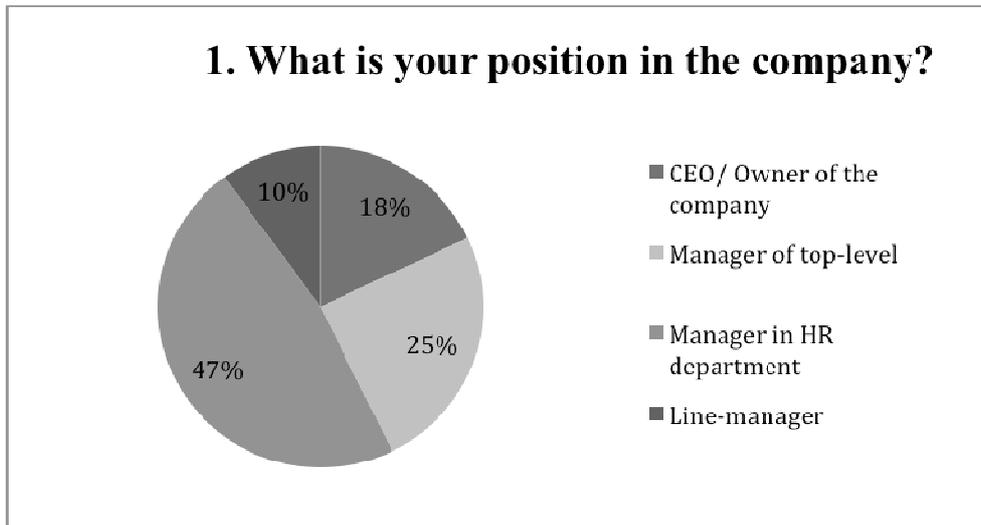


Chart 1. Answer for question 1 [own source].

Nearly half, 47% of responses were from HR managers, 25% were from managers in top-level positions, with line managers and CEO's accounting for the remaining 28%.

Question 2. Companies responding were from a range of sizes as illustrated in chart2.

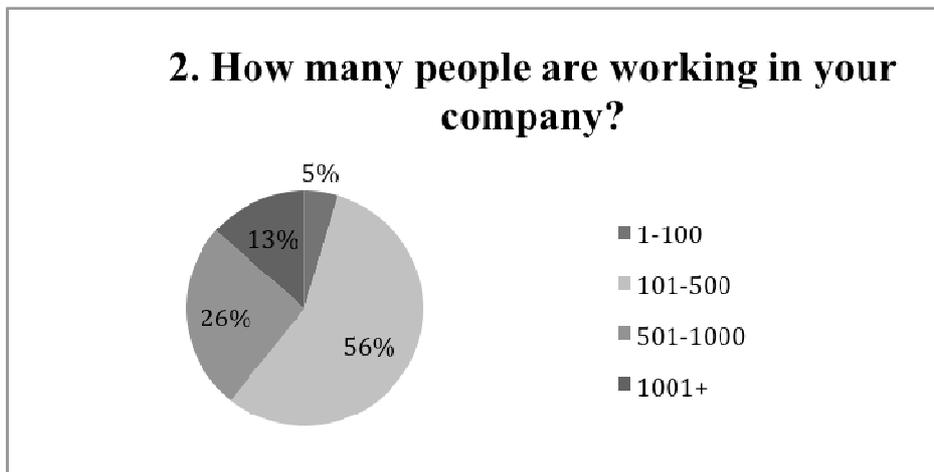


Chart 2. Answer for question 2 [own source].

The majority of responses (56%) were from companies employing 101-500 staff, 5% of responses were from smaller companies and 39% from larger companies.

Question 3. Responses were received from across the full range of sectors, as illustrated in Chart 3.

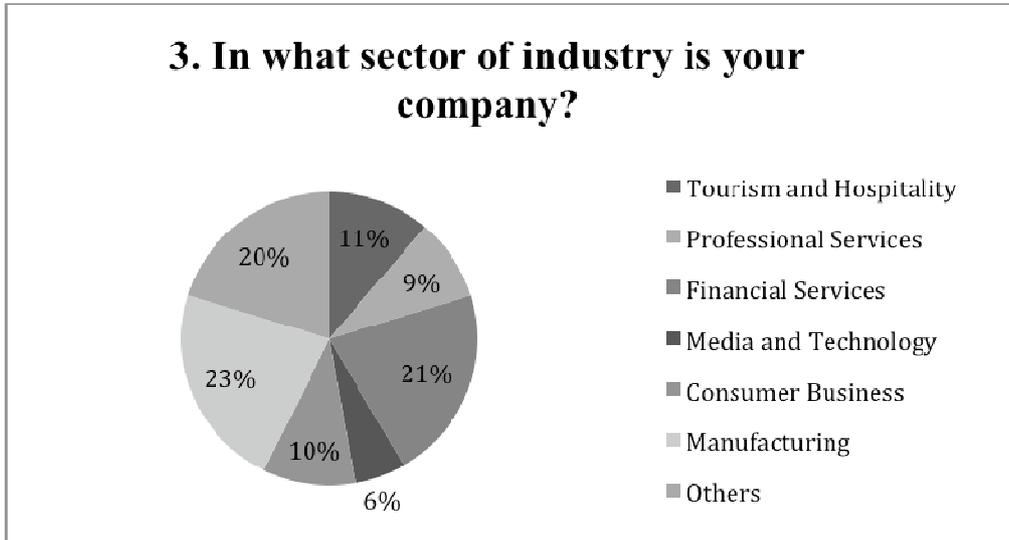


Chart 3. Answer for question 3 [own source].

The majority of companies belong to manufacturing (23%) and financial services (21%). The remaining responding sectors were tourism and hospitality (11%), consumer business (10%), professional services (9%) and media and technology (6%). Representative of any other sectors give in sum 21%.

Question 4. Most respondents have the same opinion. They say this is HRM with Focus on Talented people. And this include all processes of management: respondents mentioned attracting of Talents, developing of talent, growing up own talent from workers who show high potential, developing Talents (sending them to courses, seminars, conferences; coaching in the company), retaining Talents, career promotion of Talents, motivation of Talents.

Question 5. Companies were asked how often people mentioned talent management. The responses are shown on chart 4 below.

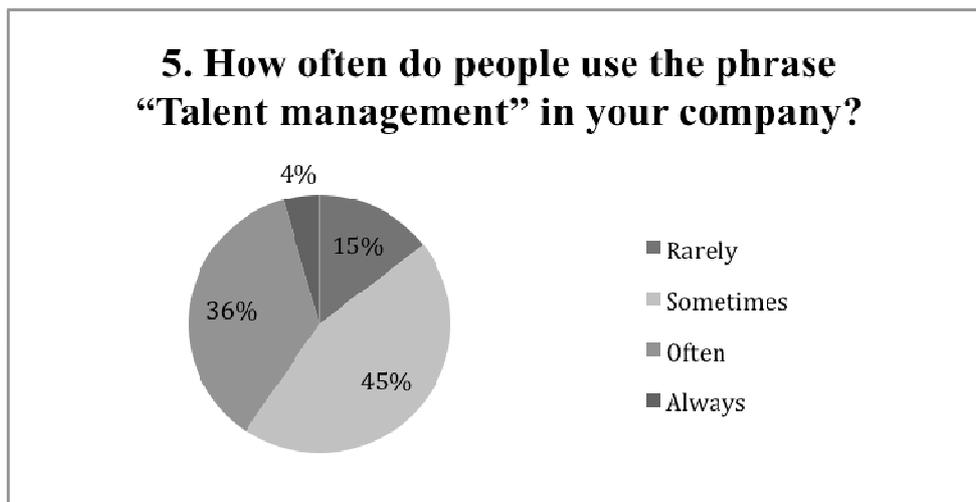


Chart 4. Answer for question 5 [own source].

40% of responses said talent management was mentioned often or more. 15% of companies rarely mentioned talent management. Cross tabulations showed that in companies below 501 employees the phrase talent management was used less, than in larger companies.

Question 6. Companies were asked if they had a clear definition of talent management and if it was communicated to the workforce. The responses are show in chart 5 below.

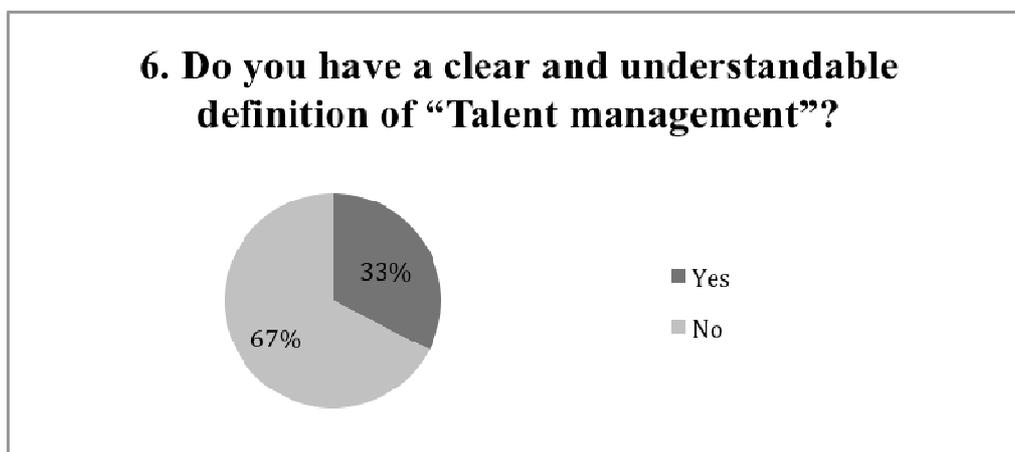


Chart 5. Answer for question 6 [own source].

Two thirds (67%) of companies responded positively to the question but a third did not. The majority of companies who did not have a clear definition of talent management had less than 500 employees.

Question 7. Companies were asked how they evaluate their companies' ability to manage talents; the results are shown on chart 6 below.

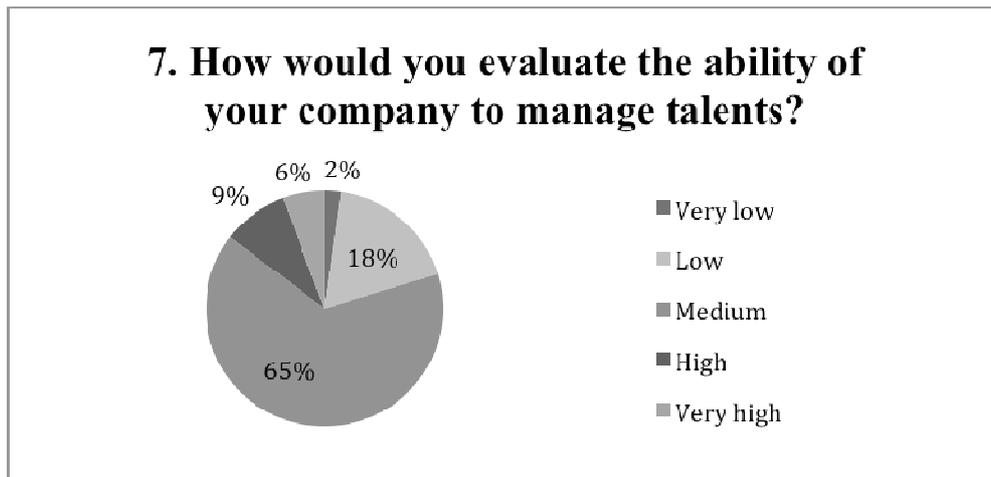


Chart 6. Answer for question 7 [own source].

The majority of companies (65%) said that their companies ability to manage talents was medium, 15% said their companies ability was low or very low and 20% said there ability was high or very high. Analysis showed that generally companies of a larger size were better at the evaluation of talents. All low and very low responses were from companies below 501 employees in size.

Question 8. Companies were asked if they had a deficit in talents, the results are shown in chart 7 below.

Two thirds of companies said they had a deficit in talents only one third did not. There was no clear pattern relating to company size and the deficit in talent. Although sector sample numbers are low, this issue appears to be magnified in the professional services and technology and media sectors, where rates over 80% of talent deficit were reported.

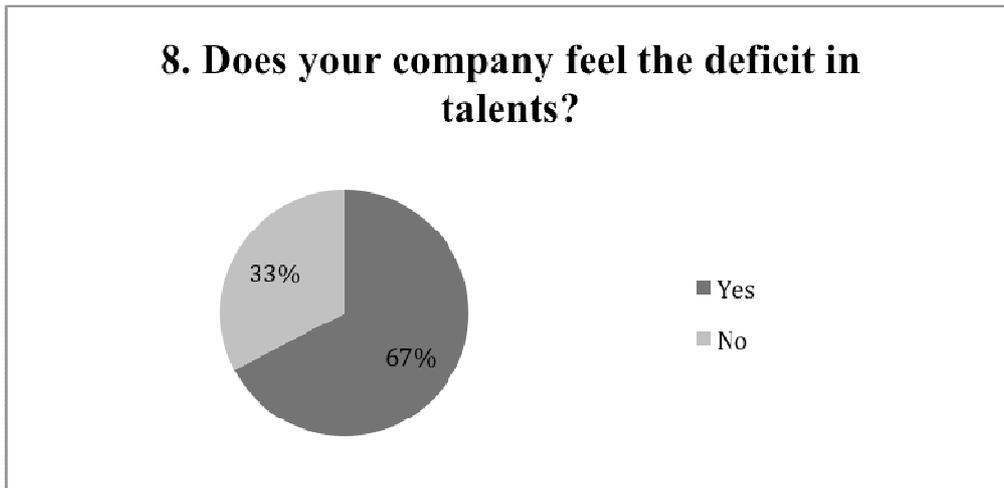


Chart 7. Answer for question 8 [own source].

Question 9. Companies were asked if they had issues in the recruitment and retention of talents, the results are shown in chart 8 below.

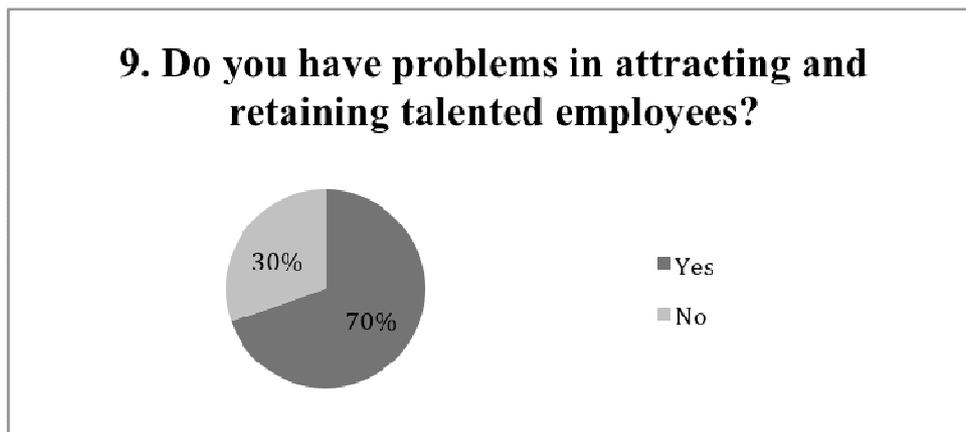


Chart 8. Answer for question 9 [own source].

70% of responding companies said they did have problems with the recruitment and retention of talents. Recruitment and retention factors were an issue for all companies, but a correlation was seen between the size of the company and problems attracting and retaining talents, with larger companies being more successful in this regard.

Question 10. Companies were asked if they had a clear talent management strategy, the results are shown in chart 9 below.

10. Does your company have clear strategy of management of talented people?

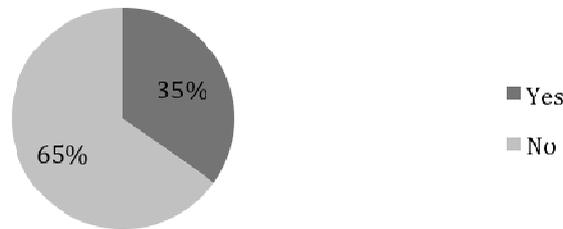


Chart 9 Answer for question 10 [own source].

Only 35% of companies said there had a clear strategy, whereas 65% said they did not. Talent Management strategies were more prominent in larger companies with over three quarters of companies of 501 employees or more having clear strategies.

Question 11. Companies were asked to what tier there talent management program was targeted, the results are shown on chart 10 below.

11. To what tier is your program of talent management targeted?

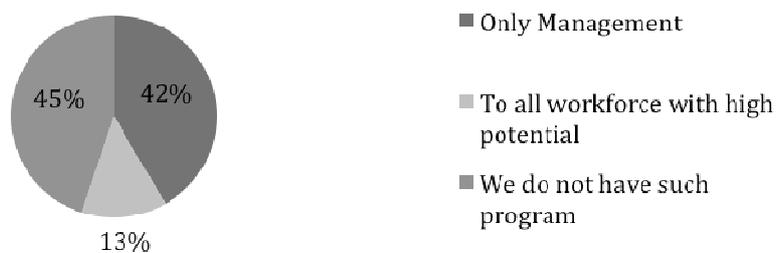


Chart 10. Answer for question 11 [own source].

42% of companies said they targeted only management, 13% said the program was open to all with high potential. Nearly half (45%) of companies said they did not have a talent management program. Companies targeting all employees with potential tended to be larger in size, or from sectors which require highly skilled workers. The majority of companies with no program were smaller in size.

Question 12. Companies were then asked questions relating to their ability to recruit and retain talents; the results are shown on charts 11, 12 and 13.

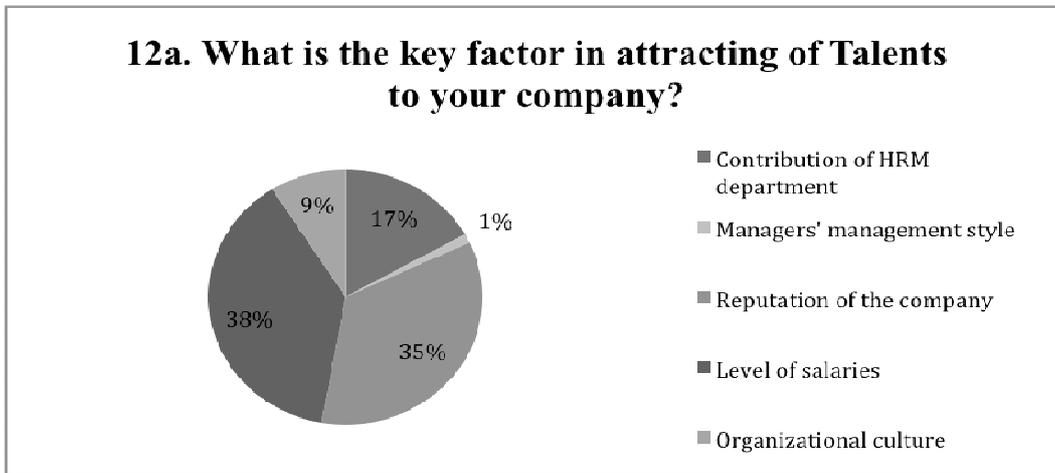


Chart 11. Answer for question 12a [own source].

The largest factor in recruiting talent was salaries (38%), followed closely by the reputation of the company (35%). 17% attributed their success in attracting talents to the contribution of the HRM department. In larger companies the HRM contribution was higher than average, as was the reputation of the company. The level of salaries was a factor for all sizes of company, but more acute in professional services. The role of management style and organizational culture were more important in smaller companies.

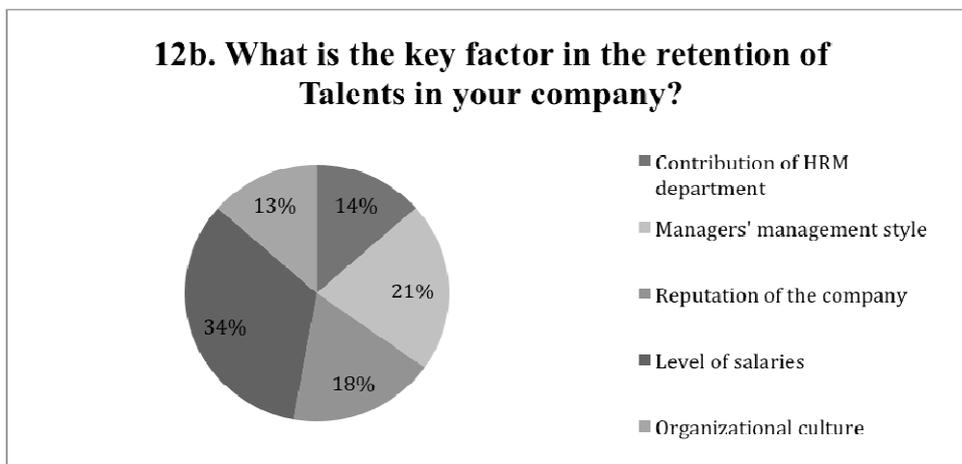


Chart 12. Answer for question 12b [own source].

For the retention of talents the most common factor was the level of salaries (35%), followed by organizational culture (21%), the reputation of the company accounted for 18% of responses. 13% of responses attributed retention to both managers management style and the contribution of the HRM strategy. The level of salaries was a more prominent issue in larger companies, with nearly half saying this was a key factor. Management style was a greater influence in smaller companies.

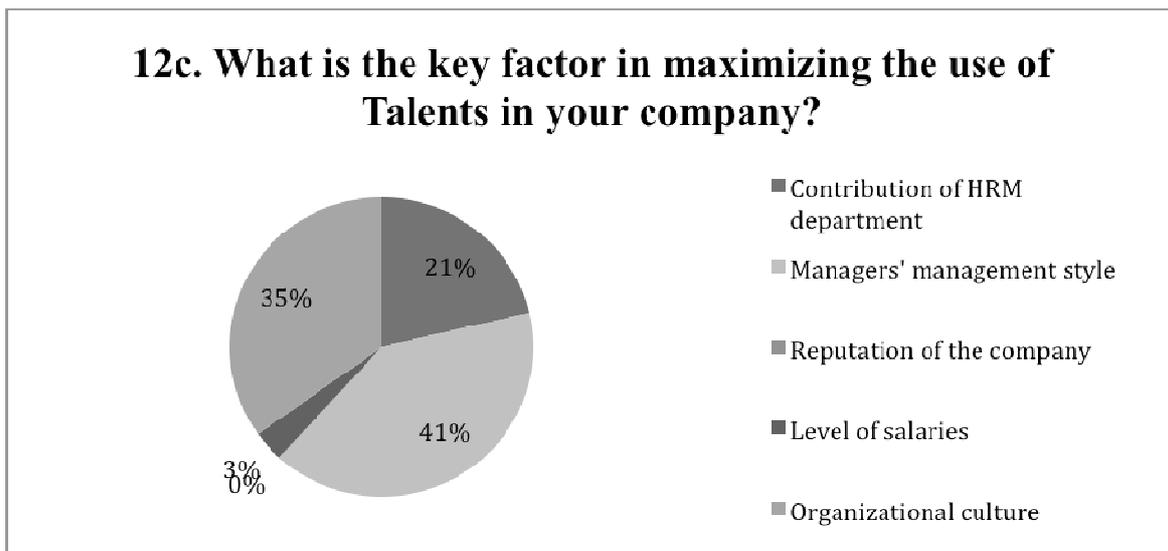


Chart 13. Answer for question 12c [own source].

The highest factor in maximizing the use of talents was organizational culture (41%), the second largest was the manager’s management style, the third largest factor was the contribution of the HRM department (21%). Again the contribution of HRM departments was more prominent in larger companies.

Question 13. Companies were asked to select the key components of talent management in their companies’; the results are shown on chart 14.

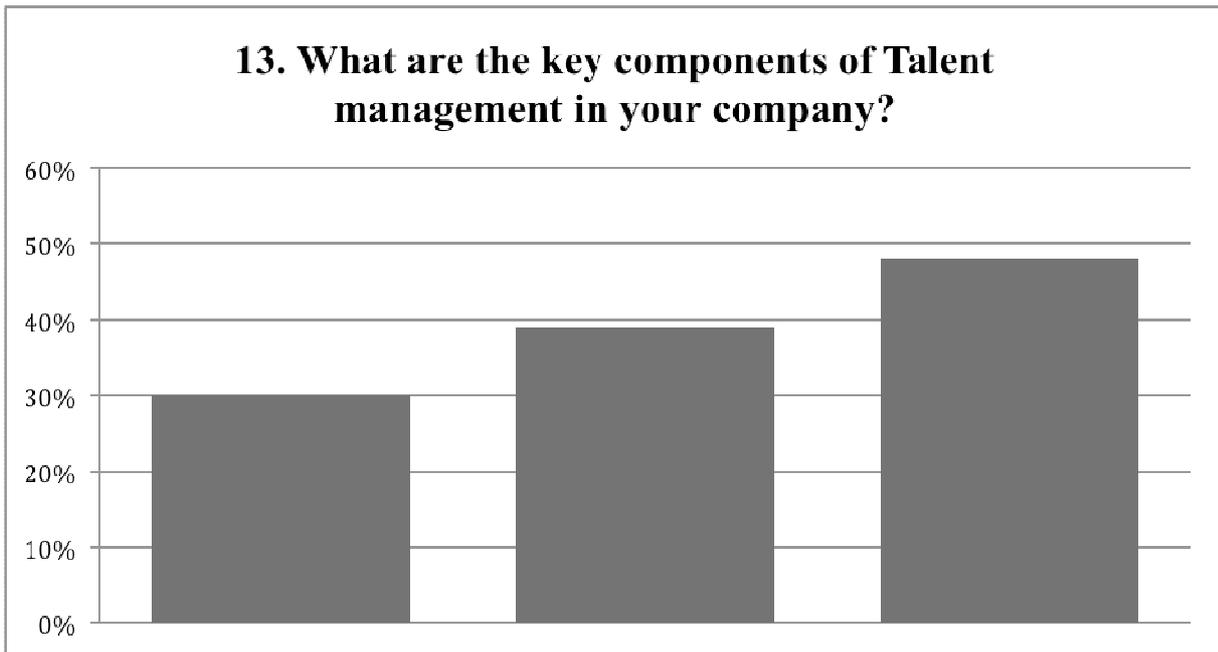


Chart 14. Answer for question 13 [own source].

The most common component was Talents involvement into cooperation and the interchanging of knowledge (48%). Individual developments plans were cited by 39% of companies and 30% mentioned specific procedures and methods of talent assessment. Larger companies had higher rates of option a. Specific procedures and methods of talent assessment, individual development plans were used with little variation across company size and sectors.

Question 14. Companies were asked what methods they used to access talents, the results are shown on chart 15 below.

The most common response was the analysis of work performance (45%), the second most common was informal assessment by managers (43%), the third most common was competence interviews (35%). 26% of companies used psychological assessments and 20% used form of 360 degree appraisal/assessment. The use of 360-degree assessments and psychological testing were more prominent in larger companies.

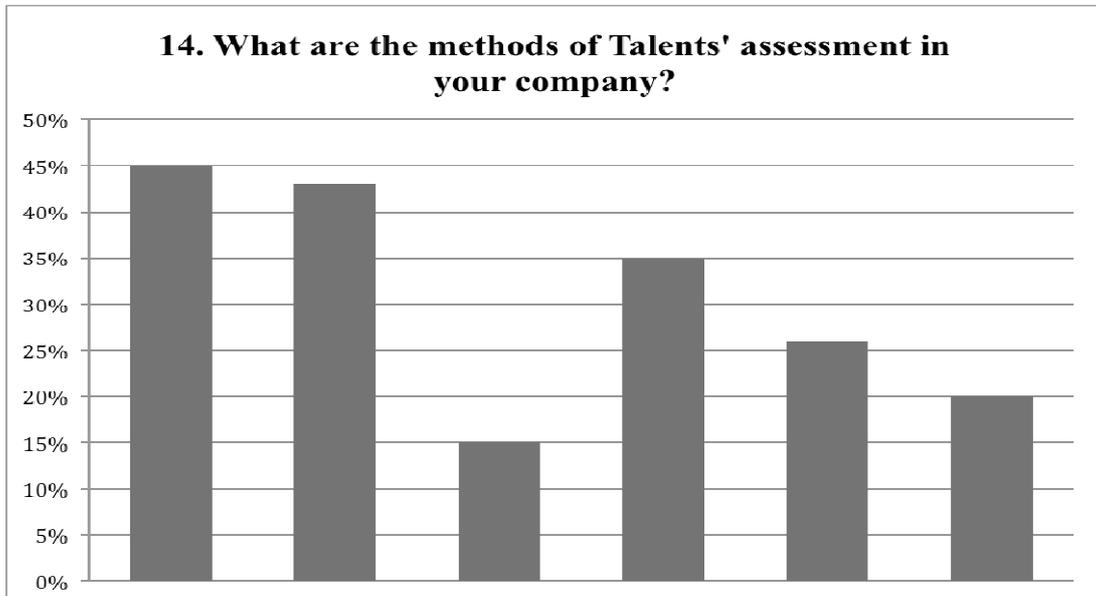


Chart 15. Answer for question 14 [own source].

Question 15. Companies were asked what methods of talent development were used in their companies'; the results are shown in chart 16 below.

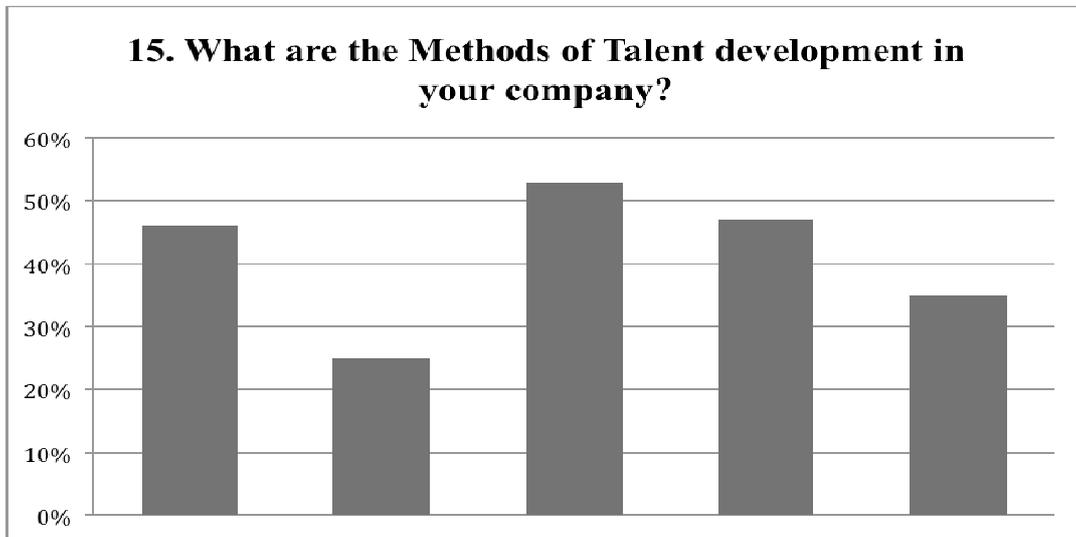


Chart 16. Answer for question 15 [own source].

The majority of companies (53%) used job rotation to develop talents, 47% used conferences and round table events, 46% used seminars and training. 35% used specific business projects and 25% used some form of coaching. Job rotation was prominent amongst larger companies; smaller companies had a heavier reliance on coaching.

Question 16a. Companies were asked what the problems with talent management in their company were; the results are shown on chart 17 below.

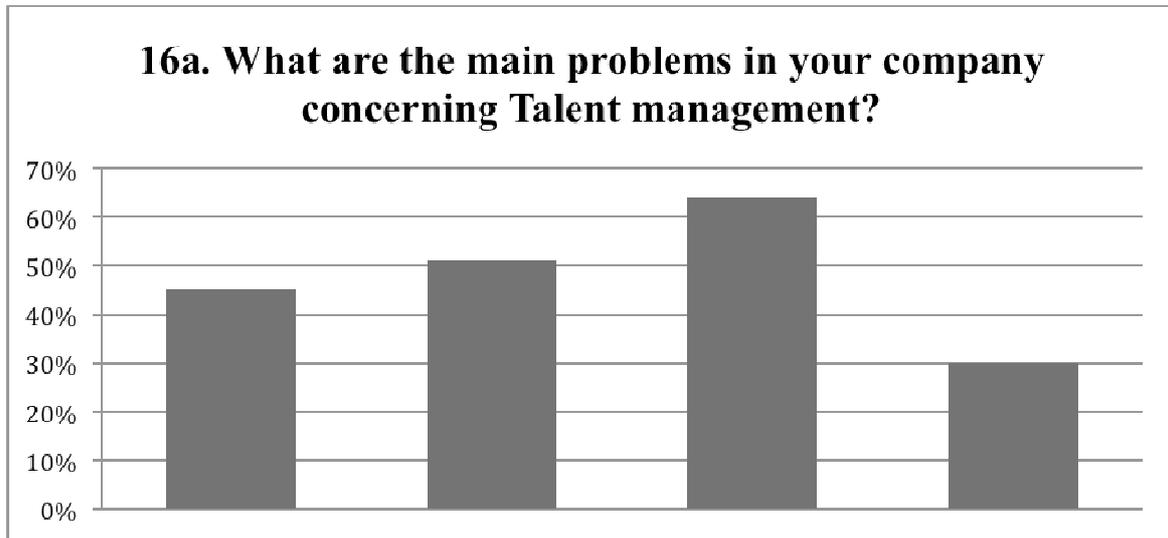


Chart 17. Answer for question 16a [own source].

The majority of companies (64%) had issues retaining talents, just over half (51%) said they had issues with managing talents in the wider workforce, 45% of companies had issues with attracting talent in the first place and 30% had issues with managing the expectations of talents. Managing the expectations of talents was a greater issue in smaller companies than larger ones.

Question 16b. Companies were asked to give their responses to 3 statements relating to talent management, these responses can be seen in table 2 below:

Which of these statements applies to your company	%
We have permanent fear that our bigger competitors will steal our Talent and all expenses we have incurred on them attracting and developing will be wasted.	42%
There was some concern in the workforce as a whole when we began to divide people to Talented and not Talented and initiated a talent management program.	5%
Now business is changing so fast. We spend money to develop Talents for one aim, but when they are ready, the company had to change direction, or start to emphasize on other activities and these people cannot be readily applied there. So we need to develop a more flexible programme.	22%

None of these	31%
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Table 2. Answers for question 16b [own source].

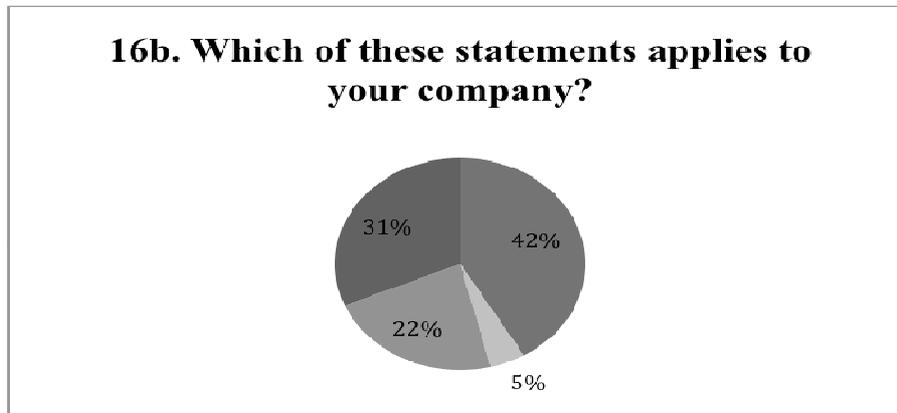


Chart 18. Answer for question 16b [own source].

The biggest issue was the fear of losing talent (42%), the rapidly changing nature of the business was an issue for 22% of companies, and only 5% of companies had workforce concerns as an issue.

Question 17. Table 3 shows responses to another series of statements relating to the maturity of talent management in their company.

Which of these summary statements applies to you regarding the level of maturity of organizational talent management in your company	%
No talent management strategies, policies or formally developed practices. Where talent is managed, it is informal/incidental.	22%
Isolated/tactical/local ‘pockets’ of talent management activities. No overall strategy or plans for talent management.	26%
Integrated and co-ordinated talent management activities for a particular segment of the organization.	17%
Talent management strategy designed to deliver corporate and HR management strategies. Formal talent management initiatives linked horizontally to HR management and vertically to corporate strategy-making processes	24%
Talent management strategy informs and is informed by corporate strategy. Individual and pooled talent understood and taken into consideration in the strategic process.	11%

Table 3. Answers for question 17 [own source].

17. Which of these summary statements applies to you regarding the level of maturity of organizational talent management in your company?

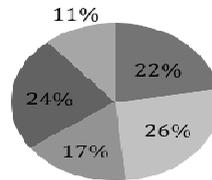


Chart 19. Answer for question 17 [own source].

Over a fifth of companies (22%) had no talent strategies, over a quarter (26%) had pockets of talent management. The majority of companies (52%) had integrated talent management strategies.

6.1.3. Survey Summary

- Only two thirds of companies have a clear talent management strategy
- Larger companies (501+ employees) tend to have better developed talent management strategies, with higher rates of supporting infrastructure through HRM departments and more sophisticated talent assessment systems.
- Smaller companies (less than 501 employees) encounter greater problems in the recruitment and retention of talents. Given the size of these companies the impact of the lack of talent in terms of recruitment and succession planning is exacerbated.
- Whilst larger companies were more successful in the recruitment and retention of talents, but the implementation of talent management in these companies was variable.
- 42% of companies reported a fear of losing talents.
- Over Half, 52% of companies had well develop talent management strategies, rates were higher in larger sized companies.

Findings what I got from my research totally proved my idea about Talent management in different sized companies. Two thirds of companies said they had a

deficit in talents. Data confirm that application of Talent management is still not performed in all companies. It is less prevalent in smaller companies because of lack of resources to provide TM programs.

6.2. Interviews

Next step is interviews. The questionnaire was first part of the research. I decided also to arrange interviews with managers of the companies. Few managers found a time for interviews. So I interviewed seven managers who provided an interesting array of comment.

The totality of these interview findings is now presented with respect to six major themes that have been brought up during the interviews:

1. Defining Talent Management
2. The Talent Management Process
3. What's new, what's different; how does Talent Management differ from HRM and HR planning?
4. Why has Talent Management gained so much attention and popularity?
5. The Future of Talent Management.

6.2.1 Defining Talent Management

According to Petr Cerny the core features of the concept is to keep track of the competence that exists in an organization. He stresses that this is important in order to plan for the current and future need for competence and identify potential competence gaps that may exist. He states that TM refers to starting with the core in the organizations; the talented individuals and invest in them. In this way the company will temporally overlook the other employees and invest in the company's most valuable people. According to him, TM is not necessarily applicable on the entire workforce, but rather on a set of people referred to as "high potentials" "Employee development

concerns all the people in the organization, but Talent Management distinguishes a particular group of individuals that the company should take extra care of.”

Alex Chambers points out that the idea behind the implementation of TM is to keep an inventory of potential individuals to a certain organizational level and develop these individuals for future needs. The main focus of the TM strategy is to optimize the company’s succession planning and secure a constant flow of competence within the organization.

Christina Summers on the contrary, states that the concept, at her company, they do not generally refer to keeping an inventory of the competence in the organization, but can rather be seen as an effort to secure the supply of managers on key positions in the organization. She states that TM, mainly refers to keeping as many competent individuals as possible in the workforce “pipeline”, where the main focus is on recruiting and developing young academics.

Another company describes their TM program as encompassing all the employees in the organization and not just the upper part of the organizational hierarchy. Vladimir Ivanov considers TM as being a continuation of the traditional personnel development in his company. He stresses that the term TM can be misinterpreted or misunderstood because of the focus on talent and claims that when focusing solely on just a particular group of employees, the company may run the risk of encountering less motivated employees in other groups. He emphasizes that TM at his company does mainly focus on attracting, recruiting and retaining talented employees but can rather be seen as a narrower concept with focus on developing the competence that already exists in the organization. In this way the TM strategy does not involve any issues for external recruitment but is rather mainly an effort to develop the already employed individuals.

Jan Chovanec addresses his view of TM by stating that the concept generally refers to planning the support of executives in the company, and to identify hidden

executive talents for forthcoming organizational needs. The focus is on training and developing potential leaders and to map the existing competence with the organization.

However, Tomas Pokorny argues that the company is currently seeking to broaden the concept so that it also involves other groups of employees like technicians and sales personnel. TM is defined as; “Talent Management is the organization’s capability to attract, recruit, retain and develop the appropriate competences for the organization’s current and future needs”

One more opinion, TM is a strategic and holistic approach to both HR and business planning or a new route to organizational effectiveness. This improves the performance and the potential of people – the talent – who can make a measurable difference to the organization now and in future. And it aspires to yield enhanced performance among all levels in the workforce, thus allowing everyone to reach his/her potential, no matter what that might be. Though this interpretation of talent is inclusive, it strikes a strategic balance between performance and potential. Performance – historically, the primary focus of measurement and management – concerns both the past and the present, whereas potential represents the future. Our position assumes that potential exists, it can be identified and it can be developed.

6.2.2 The Talent Management Process

As we could see from the previous section, the respondents’ definitions of TM differed to some extent; this is also evidently the case when interpreting the actual processes and routines behind these definitions.

Andrew Phillips talks about the “employment lifecycle” which involves attracting, recruiting, retaining, developing, and to some extent phase out employees. Petr Cerny describes this process as a continuous cycle where each phase is equally important. He stresses that Right coaches and assists companies that want to adopt a TM strategy by helping them to map their competences and identify where there are

possible “competence gaps”. In addition, the company assists organizations in identifying and develops “potentials” inside the organization.

As mentioned in the previous section, Christina Summers companies TM program is mainly focused on the recruitment and development of young academics. Christina Summers describes the TM process as continuous contact with universities and careful selection and recruitment of young academics. When they enter the organization they are introduced to the company followed individual development plans. The individual is encouraged to choose from a set of activities that may help him/ her to reach certain desirable objectives. These can for example include courses, and projects of various kind, however, Christina Summers emphasizes that it is mainly up to the individual themselves of whether to engage in such activities. The TM program extends to contacts with universities where the company focuses on being perceived as an attractive and interesting employer.

Alex Chambers describes their TM processes as continuous talent reviews where each individual involved in the program is appraised based on their skills and performance. These “appraisal talks” are carried out on regular bases, and involve setting up new objectives and goals that the individuals are meant to accomplish. The records are stored and later used when the company is searching for a person to fill a vacant position. They also form the bases for evaluating an individual’s skills and competence in the way that they provide information on his/ her level of education, and the desirable competence in order to reach the next level. The main objective with the records is to serve the organizational workforce planning and grant as an inventory to keep track of competence.

Jan Chovanec describes the features of the TM process in a similar fashion. However, he states that the TM program scales down deeper in the organizational hierarchy and involves appraisal talks on many organizational levels. The process starts with structured reviews between an individual and his closest manager, of his/hers

performance during the previous year. This review aims to provide an honest picture of the individual's current skills and competence, and at the same time highlight the desirable performance and "actions" for the future. It helps the managers to map his employees and pass the results further up in the organizational hierarchy. The reviews are made on an annual basis and followed up by "midterm" reviews to keep track of the progress. The appraisal talks follows a structured pattern where the manager reviews his employees with his manager and discuss the individual's current skills, aspirations and how the individual can be coached to reach his objectives and in the most efficient manner. The employee may choose from a set of activities to help him/her to reach the desired objectives. These activities may for instance include participation in different internal courses and/or projects. Jan emphasizes that motivating employees is equally important in the TM process, and that the company always strives to retain their employees by looking for alternative assignments or jobs inside the organization when employees seeks new challenges. By constantly mapping vacant positions and competences among the employees the TM process assists the company with appropriate job matches and succession planning.

Tomas Pokorny states that the TM process is progressing through a co-operation between HR professionals, general managers and line managers and emphasis is put on management development and succession planning. The TM strategy is progressing through a continuous cycle starting from, attracting, followed by phases of recruiting, developing and phasing out employees. In the attraction face, the TM strategy aims at building a strong employment brand, contact with universities and in the recruitment process it involves job advertisements, internships etc. In the developing-/retention phase, the TM program aims at offering leadership, and development courses and career development. The individual's competences evaluated through continuous management reviews and appraisal talks. The phasing out sequence involves exit-talks and transferring of dissatisfied workers.

6.2.3 How does Talent Management differ from HRM and HR planning?

Jan Chovanec states that HRM is more concerned with practical day-to-day activities like “hiring and firing” employees and administration, whereas TM is more considered as a wider concept dealing with the employee relations as a whole. He claims that TM more extensively refers to developing employees and look at the employment contract in the longer run. He expresses the implementation of TM as a way of “fine tuning” the previous processes where they have been simplified and in some cases merged with each other.

Petr Cerny addresses his point of view by stating that the major features of TM are to highlight a set of individuals that are regarded as valuable and critical for the company’s future. He refers to TM as more “elitist thinking” where the company pays additional attention on developing and retaining the most valuable employees. However, he argues that the actual processes and operations behind the concept do not bring about any new superior or distinctive knowledge compared with traditional HR planning. “To be honest, there is not much that have changed, the most of it is old; same, same...You can constantly find new concepts and ideas, and some are highlighted”

Tomas Pokorny supports this reasoning he states that what is now being referred to as TM has been used in his company for a long time and that he was impressed by the way in which the company was dealing with such activities when he was employed. The decision to adopt TM was mainly to visualize this way of working by gather all the activities and repackage them. He considers the term Talent Management as being just another “buzz word”. “TM is just one of many concepts that show up and then disappear in the management world... I can not see any difference”

Alex Chambers describes a similar background with their implementation of TM. They state that what is now being referred to as TM does not differ extensively from their appraisal talks that have been used in the company for several years. The

main difference is the structure of the material that is taken care of Christina Summers has a similar view. She stresses that the activities described under the concept TM has been around in the company for a long time. However, the main idea behind the adoption of the concept was to collect all the activities and restructure them. Emphasis was put on employees and their performance rather than just filling available posts or positions. Christina stresses that the activities and processes are now more structured and visible than before. In addition, she argues that the TM program brings about a positive symbolic value when it comes to marketing the company employer brand. She claims that the TM sends out positive signals that the company is taking care of their employees at the same time as it stimulates them to perform and develop.

Petr Cerny brings the discussion further by stating that TM is generally more connected with employment branding by its capability to send out positive signals that the company cares about its workforce. In this way he believes that TM carries a great deal of symbolic value to the company's environment. However, he emphasizes the need for actions behind the concept so that it does not only present empty words. This was also supported by all other respondents, who argued that the company needs to show that things have been done, or the concept becomes immediately insipid.

6.2.4 Why has Talent Management gained so much attention and popularity?

Andrew Phillips believes that a main reason for the increased attention on TM is that it has become more difficult to recruit talented individuals. Petr Cerny addresses this point by stressing that there is an ongoing war for talent in the labor market and that competent individuals are increasingly becoming a scarce resource. He states that companies have started to realize the enormous costs of hiring people and that wrong decisions could be fraught with expensive consequences. According to him the globalization, which has made many companies to go off shore in search for low wage labor, has accelerated the competition and put enormous pressure on companies that are left to optimize the results from their employees. Further, he argues that companies are

increasingly becoming more result oriented where objectives are stated and all people are supposed to deliver on demand, which subsequently has put more pressure on the HR departments to demonstrate results from their workforce. In addition he stresses that individual's perception of their work has changed, and that employees are becoming more fastidious, in finding employers that can satisfy aspirations of a stable career development, and a good balance in life.

Tomas Pokorny has a similar view of why TM has become so popular. He believes that the globalization and increased deregulation of markets has opened up for an increased competition where companies' previous favorable priority over customers, capital, labor and time to exploit technological advantages has been replaced by the establishments of global capital markets and decreased technological advantages because of shorter life cycles. According to him, this has in turn put more focus on labor as the number one factor of production and more reliance on knowledge, where companies increasingly gain their competitive advantages from immaterial sources, and their capability to attract, develop and retain competent employees. In addition, he argues that a general concern for organizations have been the mass retirement of people born in the forties and which might result in fatal consequences in the labor market.

Jan Chovanec regards the diffusion of the concept as being mainly a result of the IT bubble, which caused many organizations to be more concerned about their workforce and their recruitment processes. He believes that companies have come to realize the enormous costs of external recruitment and the consequences of wrong employment decisions and started to pay more attention to the already employed personnel. In addition he states that large organizations as his are expected to adopt such processes.

Alex Chambers agrees that to the terms that it has become increasingly difficult and costly for organizations to recruit externally. However, Alex Chambers claims that this is mainly because of the corporate culture which has become extensively stronger.

He states that the company therefore has started to pay more attention to the already employed personnel and to develop them.

Christina Summers argues that the company's customers have influenced, and put pressure on the company to engage in such activities. According to her customers and auditing firms have started to be more demanding concerning the presentation of the different processes within the company. Starting with TQM, the customers and other interest groups started to pay more attention to ways in which the quality and presentation of the organizational processes could be developed.

6.2.5 The Future of Talent Management

Andrew Phillips believes that, in the future, companies will increasingly share the same picture of the concept TM and what it stands for. He believes that companies will gradually have a more structured and visible strategy in how they are working with talent, however he states; But again, with all these new concepts or expressions, they rise and fall, some disappear and some come back.”

Christina Summers states that her company is still in the process of implementing the concept in the organization and the HR department in the company is currently coaching and assisting other functions in how to improve their TM processes.

Jan Chovanec addresses her point by stating that the processes behind TM will remain in the organization. However, she believes that the company will gradually alter the processes and develop new insights, ideas and solutions with respect to TM. Tomas Pokorny states that the processes behind TM will indeed remain in the organization. He states that the company and the HR department in particular, will work even harder with TM activities Alex Chambers believes that the TM processes in the company will be altered and improved by IT systems. He states that this will be an important issue for the future in order to keep track of all the competence in the organization.

6.2.6. Key Findings of Interviews

1. There is considerable fear of losing talents, this came across in interviews and was also backed up by survey data.

2. Talent Management is variably implemented and understood, therefore reducing its potential impact.

3. Modes of implementation vary considerably according to companies size and function.

4. There is a lack of consistency in the implementation of Talent Management we could be addressed by the availability of guidance / Talent Management Toolkit.

6.3. Research results. Answers for questions.

Its possible to say that the goals of my research are reached. I know now what companies think about talent management. I found also several main issues in the application of TM. I found out how Talent management processes differ in different sized companies.

I am able to answer to some of the research questions already:

Question 1. Is Talent management less prevalent in smaller companies because only big corporations have enough resources to provide TM programs?

Answer. Yes, our research proved that it is true. Data confirm that application of Talent management is still not performed in all companies. It is less prevalent in smaller companies because of lack of resources to provide TM programs.

Question 2. How do companies attract and retain Talents?

Answer. The largest factor in recruiting talent was salaries and the reputation of the company. In larger companies the HRM contribution was higher than average, as was the reputation of the company. The level of salaries was a factor for all sizes of company, but more acute in professional services. The role of management style and organizational culture were more important in smaller companies.

For the retention of talents the most common factor was the level of salaries and organizational culture. The level of salaries was a more prominent issue in larger companies, with nearly half saying this was a key factor. Management style was a greater influence in smaller companies.

Question 3. What difficulties have middle size companies to apply TM?

Answer. The majority of companies had issues retaining talents, just over half said they had issues with managing talents in the wider workforce, less than half of companies had issues with attracting talent in the first place and one third had issues with managing the expectations of talents. Managing the expectations of talents was a greater issue in smaller companies than larger ones.

Middle sized companies have permanent fear that bigger competitors will steal their Talent and all expenses at their attracting and developing will be wasted.

In the next chapter I am going to develop the model of TM in middle sized companies using elements of multiply models what were found in different sources. For my model I will use advantages of big companies that can be applied in the middle sized ones and those what can not be applied – will be compensated for by advantages of middle-sized companies After that I will be able to answer for last two questions.

7. DEVELOPMENT TALENT MANAGEMENT MODEL FOR MIDDLE SIZE COMPANY.

7.1. Participating company and our goals

One of the main findings of my research which I have decided to concentrate is keeping talents in middle-sized companies. Practically all owners or CEO's have a fear of loosing their talented employees. They, according owners' opinion, only use their companies as stepping stones to make their careers in bigger companies. Big companies have more resources and can propose them better conditions. What should owners/CEO's do to retain their high caliber workers? What can attract them to stay in the company a longer time?

I found a company that was open for cooperation. The owner stated that before the company was smaller and easier to manage. During last years the company became bigger, it is now middle-sized. The owner was not ready for these changes and he realized that during last 2 years he had lost 4 managers, who changed company to bigger competitors. Now he understands that it is time to change something and to find the way to retain talented managers otherwise his business will be threatened. In cooperation with the HR manager of the company and using all my knowledge I decided to create a plan of changes in the company to keep managers from leaving.

Interviews were held with key managers, HR policies and documentation were reviewed and workforce data was examined.

The outcomes of this process have informed us to the likely advantages of this medium sized company with respect to the implementation of talent management.

Advantages for this medium sized companies were:

- It is easier to foster a sense of belonging and community in a smaller company.
- Communications within the organization are easier.

- Individuals are given greater and wider responsibilities.
- It is easier to make informal contacts.
- There is less internal bureaucracy.
- The company has a well developed self assessment process, which provides management with accurate strategic information.
- Overall change management poses less challenges in a smaller company

Disadvantages for this medium sized company were:

- Lower overall budgets for Talent Management.
- Less economies of scale.
- Fewer opportunities to change roles.
- Greater dependence on individuals, whom if they are blockers could be problematic.
- A shorter career ladder.

Possible mitigations for this company are:

- A differentiated approach to talent management in order to match the company's capacity and current context.
- A sharp focus on the aims and objectives of the talent management strategy.
- A clear and practical monitoring program of talent management implementation.
- To adapt existing Talent management models from larger companies, so reducing development time and cost.
- To explore the possibility of delivering a talent management program in partnership with other companies and organizations whom are not perceived to be a threat.
- To build on the advantages of being medium size, especially in regard to company culture/belonging and communications.

7.2. Implementation of Talent Management in the participating company.

In order to reduce development time and cost, a review of existing talent management models and application were considered. From these examples I will draw out a framework for our medium sized company.

For this company I based my framework on the stages identified in the CIPD 2006 paper “Talent Management-Understanding the Dimensions”. The 12 steps we identified were [49]:

Decide of the scope of talent management, I will adopt an inclusive or exclusive model.

It was decided that in the first instance due to issues of HR capacity and to mitigate risk, to pilot my model on an exclusive basis, so only a handful of key managers and new recruits will be engaged with this specific strategy. If successful the company will consider how the program can be expanded. This is to be clearly communicated to staff of all levels.

Before embarking on this development, the company need to set clear aims and objectives:

- **First aim** is to retain identified talent, we want to reduce the loss of talent by a minimum of 50% over the next 12 months.
- **Second aim** is to increase and improve the talent recruitment process.
- **Third aim** is to develop an effective induction, talent appraisal/tracking and development program.
- **Forth aim** is longer term, to develop a talent management strategy over time, incorporating the Develop-Deploy-Connect Model.

The company has one overriding design principle, that is given a middle sized company with limitations described earlier will use a pragmatic approach to the use of

talent management theory, whilst seeking to develop a blended approach. This program needs to be owned at the highest level of the company, so needs to be embedded in corporate governance.

For the next 12 months the developing Talent Management Strategy should be raised at the company’s monthly board meetings, which will be serviced by reports from our head of HR.

I need to establish a “Talent Pipeline”. My model will be based on the model mentioned in the CIPD 2006 paper “Talent Management-Understanding the Dimensions”[49].

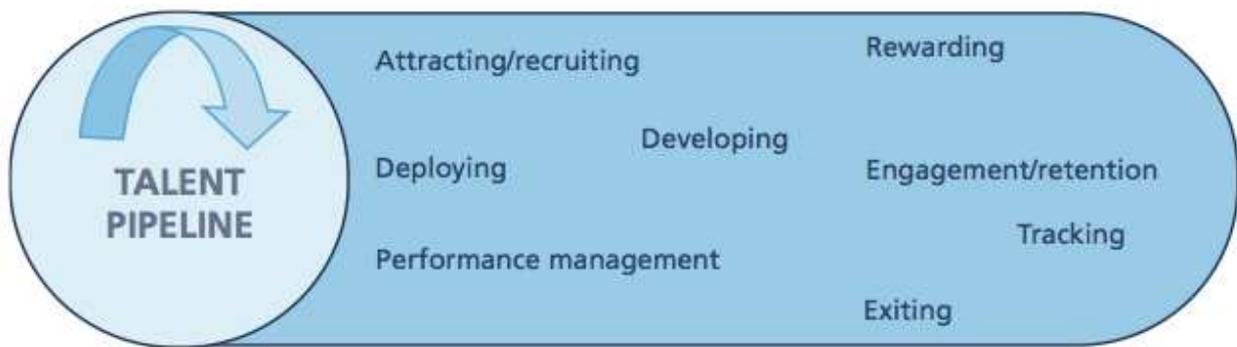


Figure 2. The talent pipeline Model [49].

In order to establish the model, the company will produce talent management strategy and action plan, which focuses on delivering the key aims of our strategy, within the capacity of the company. Some quick wins have been identified, namely to improve the recruitment of talent by targeting universities, using psychometric testing for applicants, developing recruitment panels which understand better the diversity agenda. An awayday has been scheduled for new recruits and existing talent in order to focus on the company values, objectives, with a specific aim of further improving internal communications in order to maximize the benefits of the companies medium size. The company is looking into the viability and cost of implementing a reward system for talents. The appraisal and tracking process will be reviewed for all staff and

the company will introduce 360 degree appraisals for talents. Over time the company will seek to implement the Develop-Deploy-Connect Model [55].

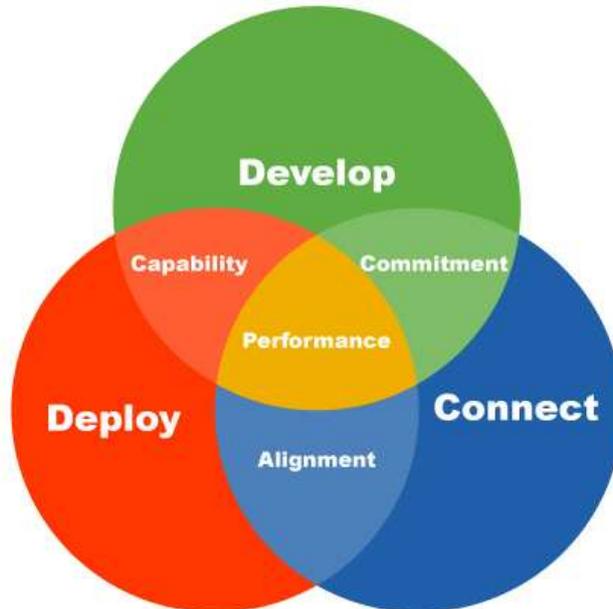


Figure 3. Develop-Deploy-Connect Model [55].

Recruitment, we need to establish a reward and development program for new and or existing talent. The initial activity for the company is to identify existing talent, to baseline their skills and competencies, to develop individualized development plans. The techniques and learning from this can then be applied to new talent. The development of the reward program is on-going but in the first instance the offer of an annual loyalty bonus has been put in place for talents.

Values, we need to induct talent into the values and culture of the organization, in order to maximize their impact and engagement with the company's objectives.

The corporate away day is the launch of this activity. This will be further embedded during performance review, manager and staff meetings (being a medium sized company we are able to discuss this with our staff face to face, which from staff surveys we know to be the most desired form of communication), use of the company website, email bulletins as well as a refreshed corporate brand strategy will all support this activity.

Given the scarcity of talent we need to ensure the diversity is embedded in recruitment processes and company culture.

The company is firstly training recruiting managers in this policy, recruitment panels (where possible balanced with representatives from under represented groups such as women and foreigners) will be used to ensure that recruits are those with the highest potential. The diversity policy will then be rolled out through the management tiers to all staff.

Appraisal of talent, we need to develop a talent tracking and appraisal process within the capacity of our company. The HR department is looking at a range of appraisal models, the company are committed to using 360 degree appraisals for talents. The current Performance management regime for all staff is being reviewed and is likely to be replaced by a SMARTer (Specific, Measurable, Achievable, Realistic, Timebound) model [56]. Also top managers will be required to enforce the supervision policy of talent and the wider staff base, which is currently patchy in its application. We need to ensure that talents or high potentials are given sufficient development opportunities.

A development program is being developed. The baseline activity described earlier will inform this development program. Job rotation, shadowing and a knowledge sharing mechanism are key elements of this program. In the first instance new recruits will undertake a two year placement program to give them a rounded knowledge of the companies business, operations and staff.

Deployment of talent, we need to consider which positions in the company are most business critical and ensure we deploy talent in these areas.

An early assessment of these positions has been made, drawing partly from the experience of losing individual talents and by looking at the overall staffing structure of the company. Middle tier management positions appear to be the most critical as well as those managers involved in product development and marketing (losing talent from

these areas is problematic as they can take the companies new ideas and clients to competitor companies).

Retention of talent is the core aim of our strategy, so we need to track, monitor staff changes and ensure talent is sufficiently engaged to stay within the company.

An assessment of the current HR database has been made. Some work is required to improve data quality, as there are some clear discrepancies and duplications. Also new fields need to be added to better capture learning and development activities as well as the new requirement to capture a wider set of diversity data. A monitoring regime has been implemented and on a quarterly basis these reports are to be presented to the board.

Organization, we need to consider how we can implement talent management in a sustainable way within our company. The company have decided to revamp a number of key processes and policies, namely recruitment, induction, diversity, appraisal and performance management. Further talent related activities such as psychometric testing and tracking are to be piloted over the first year of the program.

As you can see the implementation of talent management poses challenges to a middle sized company. It requires corporate commitment, HR capacity and effective change management. This company has decided to take a phased approach in the implementation because as well as limited HR capacity, there is a limited number of other managers who have the capacity to undertake strategic development.

However the company has decided to maximize the benefits of its size, one of which is self awareness, this should enable the company to track and monitor implementation of this program effectively, allowing for a adaptable and phased approach. The company has also taken the opportunity to improve systems and policies, which are aimed at all staff as well developing a specific talent strategy.

As a result I create a Talent Pipeline Model for our company. Its is combine from three other models: Talent pipeline [49], SMART [56] and Developed-deploy-

connect Model [55]. It was improved using all the advantages and possibilities of the middle sized company.

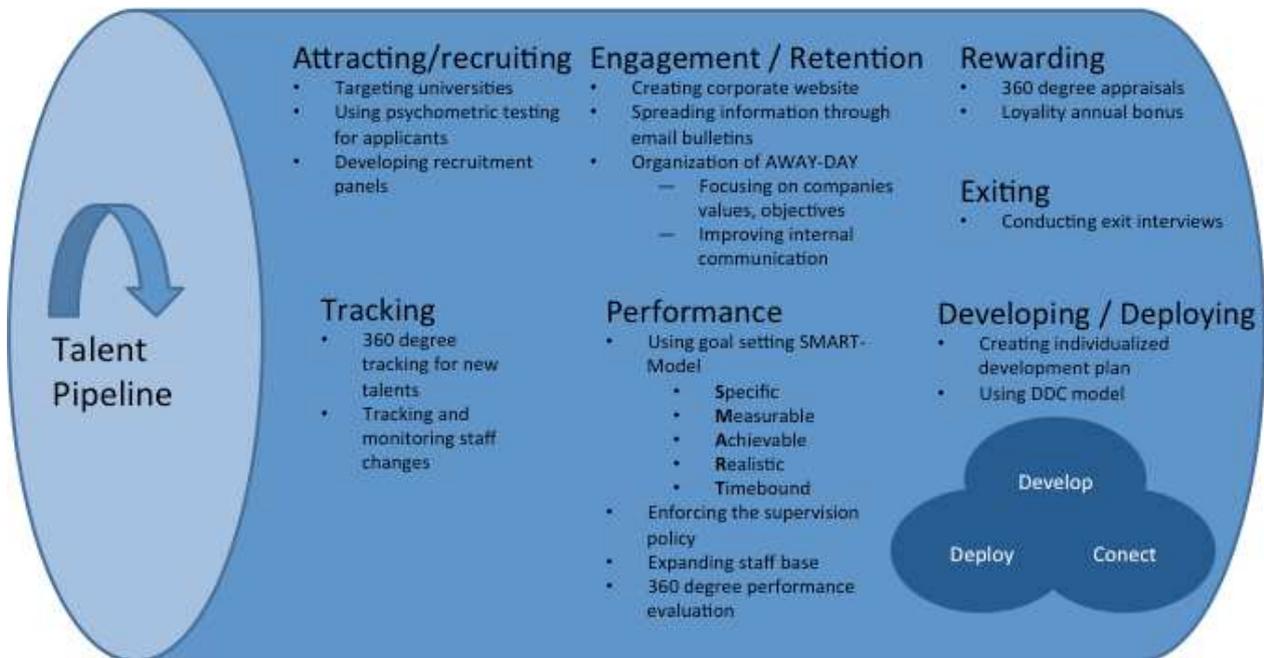


Figure 4. Combined model of Talent pipeline for middle sized company [own source].

Question 4. What advantages can a medium-sized company have over a bigger company to attract and retain talents?

Answer. In my case, advantages for the middle sized company are:

- It is easier to foster a sense of belonging and community in a smaller company.
- Communications within the organization are easier.
- Individuals are given greater and wider responsibilities.
- It is easier to make informal contacts.
- There is less internal bureaucracy.
- The company has a well-developed self-assessment process, which provides management with accurate strategic information.
- Overall change management poses fewer challenges in a smaller company

Question 5. Is it possible to develop the model of TM in medium sized companies, using the elements of models from larger companies and advantages of medium sized company?

Answer. Yes, it is possible. The Model, based on the elements of other Models, and created in order to be used in middle sized company is on the Figure 4 and the description of it is in the chapter 7.2.

CONCLUSION

Talent management in its myriad of variants and modes of implementation has improved the performance of many companies, leaving those without such a talent management program potentially or actually at a competitive disadvantage depending on their particular context. The potential for recruiting and retaining talent is inherently more challenging to smaller companies as well as companies which are large and diverse in their function.

With larger companies resources, economies of scale, and a wider pool of talent enable more comprehensive and blended approaches to be implemented over time in parallel with other key business developments. For smaller companies the capacity to undertake new strategic activities is more limited, in practice the development of talent management in such companies involves innovation and pragmatism, as well as a company specific approach, with talent management one size does not fit all. For smaller companies the critical nature of the role of a few individuals makes the effective implementation of this model business critical to current and future success.

As this study has shown it is possible to implement talent management models or elements of these models to improve the recruitment, development and retention of all staff and specifically talented ones in smaller companies.

The future development of talent management will need further to increasingly factor in the diverse needs of companies of all shapes, sizes and function, in order to fully realize the benefits of such a development.

Key challenges faced by companies implementing talent management include:

Morphing a complex and changing talent management theory into a practical strategy which is sufficiently blended as to achieve business improvement.

For Talent Management programs to embed and be successful, a stable and mature organizational platform is required. This may for some companies and organization involve a lead in time of some months and possibly years.

The top managers are required to have a deep and forensic understanding of the role of talent within there company, in order to best configure and deliver talent management programs.

Ensuring that talent management programs are sufficiently flexible as to be adaptable to change should be considered at the outset.

Over coming what can sometimes deep and unhelpful organizational cultural barriers is key to the implementation of talent management. During this research we have seen a number of negative responses to these programs, one has to ask why this could be, clearly there are a number of answers to this question but self interest and a desire to maintain the status quo is sometimes a factor.

The implementation of diversity programs themselves, within talent and the wider workforce, can in some companies represent a major cultural shift. But if companies are to succeed in the 21st century globalized market place, just drawing from a pool of university educated white males is ridiculously limiting.

A key element of talent managements success in practical terms for new talent is to ensure that in the early phases of their career with the company they are being both productive as well as developing. Companies especially smaller ones cannot afford to carry people until they are ready.

The implementation of exclusive models of talent management could provoke disenchantment in the wider workforce, this could be mitigated by being clear and transparent about access to such a program and by being flexible in the admittance criteria, often companies have a number of staff who could be re-invigorated by such a program, there identification would increase the companies talent pool.

Overall the contribution of talent management to the wider human resource debate is welcome. It has challenged existing thinking and practice. The learning from talent management is multi-faceted. It appears clear talent management programs are beneficial, thought is required in order to implement these programs effectively. But it seems there is a wider impact of talent management, where companies have been able to mainstream some of the key elements of the program, it enables them to maintain and develop talent as well as to improve the performance of the wider workforce.

CONTRIBUTION TO SCIENCE AND PRACTICE.

For companies and organizations gain a clearer understanding of talent management.

To develop an enhanced understanding of the prevalence and variations in the application of talent management programs in companies and organizations.

To identify potential issues application of talent management and to suggest potential mitigations.

The invented model could be used as recommendation for other middle sized companies obviously reworked on the base of company's realities.

POSSIBILITIES FOR FUTURE RESEARCH.

My future research I would like to carry out on the international basis. It will be interesting to compare Talent management approaches in companies in different countries. To find out how mentality, geographical position, religion, politics or other factors could possibly affect managing of talent in the companies. I didn't find enough information and researches about this subject in literature.

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