

Analytical view of factors affecting retention of talented employees

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Abstract: Talent management is now in the forefront due to the fact that human resources, as bearers of knowledge and innovation, represent an irreplaceable business factor and a significant competitive advantage. The paper deals with the topic of talent management, while special attention is being paid to the problem of retention of talented employees. The paper describes important factors that are necessary for the effective implementation of talent management, because these create the conditions for the development and proper use of talented employees, help build a sense of loyalty, and thus reduce the risk of talented employees leaving.

Key words: talent, talent management, human resources, retention.

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1. Introduction

Organizations wishing to survive and grow in today's environment, outperform their existing competition and work on their added value must attract and retain talented employees. In today's evolving global market, many organizations are aware that one of their greatest assets is the talent, skills and knowledge of employees (Lewis and Heckman 2006; Collings and Mellahi 2009). Several authors agree that talent management has become a major challenge for organizations today (Scullion, Collings and Caligiuri 2010). According to Cannon and McGee (2007), there are several reasons why increased attention needs to be paid to human resources, especially talented individuals, who greatly influence the performance and especially the competitiveness of the organization. These include specializations in all disciplines associated with a sharp increase in knowledge, the need for constant innovation, research and development, limited flexibility of organizations to implement "green" measures, lack of skills (endemic problem of most advanced industrial companies), less job flexibility (due to multi-career families, the search for a better work-life balance, the growing requirements regarding "perfect job" etc.). Koubek (2007) states that the number of talented individuals in the population is quite limited. Therefore, in the interests of their own competitiveness, organizations should seek to obtain and make the best use of these limited resources, using the most effective tools possible. It goes without saying that organizations should take care of talented employees, develop their skills and try to keep them in the organization as long as possible.

2. Theoretical basis of talent management

Talent management is a complex issue that is constantly evolving. It is influenced by external factors, such as the state of the economy, globalisation, mergers of companies on a national and international scale. Critical success factors for effective talent management are alignment with the company's strategic goals, support for top management, well-functioning human resources management (Sojka et al. 2020).

According to Mellahi and Collings (2009), talent management in a global context can be understood as a human resource management practice aimed at balancing the multidirectional forces of the labor market, employee needs and economic interests. Forman (2005) states that the process of talent management is cyclical as opposed to a linear one. The stages that make up the cycle are as follows: (1) talent planning, (2) talent acquisition, (3) talent development, (4) talent deployment, (5) talent retention and evaluation. According to the author, we can also include employee engagement. Employee engagement is a tool which helps organizations gain a competitive advantage over others as it is the organization's most valuable asset. Therefore, the development of these assets makes sense for organizations. This is due to the fact that committed employees are more involved in their work and show greater enthusiasm.

Talent management covers all aspects of the human resource development process and is employed when an organization wishes to develop the skills of its staff (Tajuddin and Maali 2008). Talent management is not only about attracting the best people, but also defining and eliminating the wrong ones (Ulrich and Brockbank 2009). On the other hand, talent management ensures that job positions are filled with right people at the right time (Kesler 2002). Wall and Knights (2013) see talent development as an ever-evolving strategic resource that enables people to do their current and future job tasks and helps them prepare for the changes that may take place. Rothwell and Kazanas (2003) define talent development as a process of organizational change, i.e. interested parties, planned and unplanned training to achieve and maintain competitiveness (now and in the future).

For talent management to be effective, organizations should incorporate it into their business strategy. The outcome of these efforts are practical talent management tools, i.e. tools for the acquisition, development and retention of talents. Talent management should not focus only on individuals with high potential, e.g. managers in top management positions. There is a need to implement a broader approach which would identify talents and key employee segments across the organization's hierarchy. Likewise, talent management, as stated by Horváthová (2010), should not only focus on talents - individuals, but also on the way talented people are made into teams, thus forming a talent pool of the organization.

With regard to the effective retention of key talents, talent management helps ensure that the assigned work tasks are challenging, responsibility and independence are upheld, thus giving the employees a sense of connection with the assigned tasks and their work in general. Due to the changing nature of the workforce and the routine or sedentary nature of some tasks, organizations must also focus on flexibility in the workplace and flexibility of roles, giving employees room to adjust their tasks to their expertise and interests (Koubek 2007).

The activities or initiatives resulting from good talent management practices are:

- Managing performance through feedback, both positive and negative, as well as recognition of efforts, providing employees room for improvement and motivating them to keep up good work (Otley 1999).
- In addition to performance management, total reward strategies are also great tools of effective talent management and motivation. Employees who feel rewarded fairly, whether financially or otherwise, are more likely to remain productive and feel satisfied with their work.
- Talent training and development programs keep employees' skills at the required level. Maintaining the spirit of learning automatically improves the skills and abilities of employees. In addition, training and development programs help with the personal growth of employees.
- Career management and planning, including succession planning.

An important element in the field of talent management is organizational culture. Organizational culture influences processes, tactics, and managerial routines. Therefore, it is essential that talent management be understood as a strategy that suits the organization's culture, mission and values. The term "talent pool" is often mentioned in this context. Talent management aims at managing the talent pool and developing the career paths of the best talents in the organization. It may include career planning, development programs, and a range of other viable strategies for high-potential or high-performance employees, if the organization deems it appropriate (Khalvandi and Abbaspour 2013).

2.1 Retaining talented employees as part of talent management

An integral part of talent management are activities that ensure the retention and stabilization of talented individuals in the organization. The aim is to ensure that talented employees remain in the organization as dedicated members, engaged in their work, without tendencies to leave the organization, as departure of talents usually negatively impacts the organization's operation.

According to Lewis and Heckman (2006), the goal of talent management is to support and maintain a group of talents with appropriate qualifications and commitment. In order to acquire and retain a given category of staff, it is necessary to carry out a talent audit (Botha, Bussin and De Swardt 2011). Talent audit benefits both the organization and its employees, not only by developing employees through continuing education for the benefit of the organization, but also by enabling employees to grow and move on to more challenging tasks. Thanks to the talent audit, the organization can act fast in terms of talent retention (McCartney and Garrow 2007).

The level of employee involvement therefore affects employees' decisions to stay in or leave the organization. Due to employee engagement, organizations must strive to develop an employer-employee relationship. Human resource professionals can use talent management practices to influence employee fluctuation. Employee retention and the challenges organizations face in this regard influence how employees perceive the environment they work in. It should be borne in mind that there will always be employees who are not willing to make a commitment. The organization must know which employees or groups of employees to focus their retention efforts on.

The employer's brand seems to be one of the most important aspects for acquiring and retaining talented employees. The authors also point to the indirect relationship between stress and job satisfaction, the higher the stress, the lower the satisfaction. They also point out the direct relationship between job satisfaction and commitment, where there is lower satisfaction, there is a lower commitment. An employee who is satisfied with the organization and has a positive feeling towards the organization expresses high satisfaction with the organization and also a high organizational commitment. Emotional connections may vary, either the employee feels connected to the organization and thus puts more effort into his work (higher commitment) or, conversely, the employee's commitment to the organization affects his job satisfaction (Brown and Armstrong 2006).

Patil (2012) lists the factors that lead to lower satisfaction and may result in the departure of talented workers:

- 1) Slow career growth.
- 2) Stress.
- 3) Weak social life.

- 4) Less opportunities for career growth.
- 5) Less opportunities to acquire new skills.
- 6) Lack of innovation at work.
- 7) Inconsistency between knowledge and its application.
- 8) Dissatisfaction with remuneration.
- 9) Lack of support from the organization.

It is important to focus on increasing and expanding the knowledge that employees can gain within the organization. It is obvious that employees are more likely to stay in the organization if they see their future in it. They gain more experience and enjoy the benefits associated with seniority. Another major factor in maintaining is the work-life balance. Employees see this issue as a key parameter of effective performance. Organizations should therefore strive to create and maintain a positive image of themselves so that they can retain their staff (Kavitha, Geetha and Arunachalam 2011). Griffith, Hom, and Gaertner (2000) noted that wage-related variables have only a modest effect on employee turnover. Studies have revealed that most employees, when satisfied with their work, are satisfied with the organization, and that is the very basis of staying in an organization. Employee retention programs that support training, provide opportunities for knowledge sharing, career planning, are more valuable and have a stronger influence on the employee decision to stay in the organization.

The loss of talented employees causes damage to the performance of the organization and its future success. Talented employees leave the organization for countless reasons, but mainly because they are not motivated and satisfied enough with their work (Effrion and Ort 2010). The importance of employee retention can be explored through resource-based competitive advantage theory (Barney and Wright 1997). Resource-based theory suggests that organizations have "bundles" of resources that lead to competitive advantages. The more unique and difficult to replicate this bundle of resources, the stronger the competitive advantage. Human capital, such as talented employees, are among the most difficult to emulate and are the key to competitive advantage.

If the organization has employees who are specialized and competent, the organization can benefit from their increased performance. Organizations should pay adequate attention to the given group of employees and strengthen the emotional bond between the organization and the talented employee. In stress situations these emotional bonds will ensure that employees do not "escape from a sinking ship" (Bethke-Langenegger, Mahler and Staffebach 2010). A study was conducted which confirmed that there is a positive relationship between employee involvement and the psychological impact the organization has on them (Kahn 1990). When employees feel secure in their job, they tend to be more involved in the workplace. This finding suggests that focusing on these things is now becoming a necessity. This sense of security can be provided to employees by creating deep emotional and intellectual ties with them, thus securing their loyalty.

For effective talent management, a quantitative and qualitative perspective of talent management is essential. This should be determined by the business goals and strategies of the business entities (Mäkelä et al. 2010). Key concepts and elements of effective talent management include a clear understanding of business entity's current and future business strategies, defining key gaps between the current and desired talent situation, and designing a reliable comprehensive talent management plan to address key gaps (Statatabaei and Mami 2015). This program should be integrated into corporate strategies and personnel strategies in order to achieve the right type of personnel decisions. The way talent is managed and developed in relation to the external environment or to existing corporate strategies should be considered an integral part of the effective internal organizational functioning.

Garrow and Hirsh (2008) defined 5 weak points in the implementation of an effective talent management strategy:

1. Talent management interventions should clearly target groups of jobs or people who, without active attention, may jeopardize the functioning of the business entity. Therefore, the key first question should not be "who is the talent?" but rather the "what is the place where the company needs to focus its talent management efforts"? This may be case for talented employees at the beginning of the career, mid-career or close to the top (also specific job positions or various degrees of seniority, sometimes critical job positions). The business entity will often need to

focus on several target areas in terms of talent management activities. Such an approach requires active development of the entire workforce, not its replacement.

2. Individuals need to be discussed about their careers and development. Conversation should be two-way and should focus on the future direction, not just the current situation. Talent and succession processes must be linked to the usual processes of individual performance management and development.

3. Managers need to work collectively in identifying and developing talent. In order to do this, they need clear rules for collective information sharing, decision-making and implementation. Discussions between managers should be linked from top to bottom across the business entity and simultaneously across divisional and geographical boundaries.

4. Individuals are developed through career and development activities. Active career development is the basis for talent development. Talent programs are often a version of skills training or coaching. Gaining access to the right range of work experience is key to gaining trusted successors at any level.

5. The human resources management department is to provide the necessary support for talent management, including information management and training. Central teams should provide assistance to local business partners to identify and develop potential at lower levels in the early stages of their careers.

Talent management brings along risks, too, for example poorly defined competencies talented employees forming the talent pool should have. Choosing future employees based on sympathies or behind-the-scenes policy and preference of selected employees for predetermined job positions. Poor selection of employees or wrongly set criteria thus lead to a non-return on investments put into talented employees. It is important that business entities implementing talent management also check the return on investment in this area of management, because if the company does not do so, talent management can become useless. The implementation of talent management programs requires good communication, proper setup and sufficient level of knowledge of all employees, not just the talented ones, because otherwise it is possible that these programs will lead to demotivation of those employees who are not involved in those programs or dissatisfaction of talented employees who are not allowed further growth in their careers. It is necessary to take into account the individual differences and needs of selected talented employees, but on the other hand, the talent management programs themselves can lead to individualism and separation, which then lead to non-cooperation, thus negatively affecting the operation of the business entity (Sojka et al. 2020).

3. Conclusions

The present time is characterized by the lack of quality talented human resources. Today, it is not enough for a company to only attract talented candidates, but it is very important to carry out other activities to retain talented employees. These facts gradually lead companies to focus more on the topic of talent management and gradually implement talent management practices into their practice. Research carried out under the conditions of the Slovak Republic showed that although the majority of organizations still do not have talent management implemented in the Slovak market, it can be assumed that the number of organizations implementing talent management will increase. Based on the results of the research, it is clear that talent management is used by organizations with international participation and a high number of employees, i.e. these are the types of companies that search for employees most often. It is the implementation of talent management practices that creates the preconditions for the successful operation of the company, as no company can function without quality and talented employees.

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