

TALENT MANAGEMENT AND ITS CONTRIBUTIONS TO THE PERFORMANCE OF THE MULTINATIONAL ORGANIZATIONS

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ABSTRACT

Talent management represents a new field of great interest in the area of Human Resources Management. Both authors in this field and managers of great organizations worldwide pay more and more attention to this novel concept in the managerial science and practice, with an important role in identifying and maintaining talented employees in the organization. Contemporary society, based on knowledge, focuses more and more on organizations' performance by placing highly qualified human resources at the core of their organization. We consider that the practices used in this new, important field, which is talent management, envisage, on the one hand, the awareness that highly trained human resources have a great role in the performance of organizations and, on the other hand, the process of attracting and maintaining talented employees, who are the ones that add value to the organization through a series of efficient strategies, adapted to each particular situation.

We will therefore present several theoretical aspects characterizing talent management, as well as some results of a study meant to identify the contributions that talent management can have to the performance of organizations.

KEYWORDS: *talent, management, human resource, organizations, performance, talent management*

1. Introduction

In the managerial theory and practice, human resources development was too often synonymous with training. But, in the last few years, a new vision concerning this very important aspect has evolved, a new field thus emerging and permitting organizations to develop and maintain highly qualified employees in order to increase performance within the respective organization.

At the same time, the human dimension has constantly grown, from incipient-unilateral approaches to scientific, integrating ones, where human resources become increasingly important and have a decisive role. Nowadays, it is more and more obvious that – considering scientific progress, the informational and technological boom, but also some difficult economic conditions – the managerial action is more and more requested to ensure

the foundation and promotion of the best decisions so as to guarantee the performance of multinational organizations.

Starting from these considerations, we observe that the role of the Human Resources Manager becomes more prominent within the organization, one of its targets being solving the social problems regarding the increasing mobility of talents.

Thus, at a global level, but especially with developing countries, there is a talent crisis, which determined the mobilization of human resources departments so as to elaborate specific strategies meant to solve the problem. Hence, the new social technologies, the focus on emotional intelligence and the existence of some specialized techniques to optimize talent management and retain talents in the bosom of the organization are all elements that redefine the role of human resources.

Survival and organization development in the first decades of the 21st century, characterized by the focus on having and using knowledge, require adaptation, which involves – among many other aspects – attracting and retaining talented employees.

That is precisely why, studying talent management as a discipline has become important, although it is approached from various, even contradictory perspectives by the great specialists in this area. Some of the major approaches are presented below.

2. Aspects Characterizing Talent Management

We consider it difficult to identify the exact sense of the syntagm “talent management” because of the confusion regarding the definition and terms employed, as well as because of the many suppositions made by the authors who write about it.

Therefore, when defining the concept of talent management in literature, many researchers consider this a difficult, problematic attempt, because it is

considered that the term proper is not very clear and that, in fact, there is nothing new about this term [1].

Moreover, certain authors do not even try to define the term or simply acknowledge that there is not a unique, consistent and concise definition [2]. Obviously, the different opinions of the specialists concerning talents make us present, at the beginning, a definition of what *talent* is understood to mean.

Thus, talent is perceived as a continuation of the aptitude, a superior stage of its development, characterized not only by successfully fulfilling a task, but also by the capacity of creating original works [3].

Also, among the most valuable contributions in this field, there is the one belonging to the Canadian psychologist François Gagné, who defines talent as an exceptional mastery of some systematically developed abilities (aptitudes) and knowledge, in at least one field of human activity, at a level that places the individual at the minimum among the first 10 % of its equals who are the same sage, and who are or were active in the respective field/fields [4].

As far as the concept of “talent” is concerned in the theory of Human Resources Management, it can be regarded from three perspectives:

a) At the organizational level, talent is perceived as specific to the organization and strongly influenced by its area and the nature of its operations.

b) At the group level, most organizations group their talents in talent pools. A talent pool describes a number of employees, detected as talented and identifies a series of categories that characterize this conceptualization, as follows [5]:

• *the managerial talent*, which describes those persons that the competition would hire within seconds and are indispensable to the organization due to their ability to predict the future;

- *key-talents* usually represent 2-5 % of the employees. The persons in this group can be often the target of recruiting, “headhunting” firms;

- *the nucleus – talent*, which refers to the employees who deal with basic operational processes and do important short-term operations (6-12 months), without focusing too much on the future;

- *the peripheral talent* refers to the subcontractors and suppliers of important services which are not necessarily specific to the organization.

c) At the individual level, talent is perceived as referring to the employees who have certain abilities and exceptional competences. In other words, talent is the defining trait of talented people.

On the other hand, certain authors in the area consider that the term „talent management” has been coined only for a short while, but definitions abound worldwide, applications are numerous and a series of measures, mostly tactical ones, are currently used [6].

In this sense, authors Lewis and Heckman [7] identified a series of senses dedicated to this subject in literature, namely:

- A first approach, through which this syntagm is used as a synonym for Human Resources Management and that is it. This sense essentially includes all the processes characterizing human resources: recruitment, selection, training, development, staff planning, performance management, retaining employees, etc.

- A second sense emphasizes the necessity of the internal development of talented employees (talent pools), focusing on the planning of recruitment and on the employees’ career management through different positions.

- A third sense focuses on the performance management of talented employees.

Besides these senses, literature [8] refers to the fact that identifying key

positions in an organization is very important for the strategic objectives of the organization. In the same direction, one of the most complex and complete definitions of talent management is offered, namely the one that considers that talent management represents a series of activities and processes which involve the systematic identification of key-positions meant to contribute to the competitive advantage of the organization in the long run, the development of a group of talented employees with potential and great performances and the development of a human resource structure able to facilitate the occupation of these positions with competent, loyal employees.

Considering the spreading of talent management and the necessity of its action in every organization, a series of processes associated with this new concept were identified.

Among the authors who discuss these processes, we mention Silzer and Dowell, who claim that there is a certain consensus regarding the human resources activities which are included under the umbrella of talent management, and these activities refer to recruitment, development, performance management and retaining human resource [9]. These are, at first sight, the most interconnected activities of talent management, but all human resources processes are functionally connected and interconnected to a certain extent.

As a result of the data presented so far, we observe that providing a necessary number of talents in organizations has become one of the most important concerns of Human Resources Management. A key-factor for this interest is the intensification of competition all over the world, which has led to an increased need for human capital so as to deal not only with world integration requirements and local adaptation, but also with requirements connected to international learning and innovation in the organizations.

Globalization has produced the transition of talent management from process to strategy. In the first decades of this century the world has turned into a labor market without boundaries, where talents are no longer retained within the national perimeter. Talents' access to much more complex roles on a globalized labor market has made employers invest more and more in their talents so as to maintain the competitive advantage and to develop their organizations.

The strategies used to elaborate, substantiate and implement talent management within organizations, in general, within multinational organizations, in particular, have been diversified and perfected; thus, we can consider that we are witnessing an important, new manifestation of the strategic theory and practice and of Human Resources Management, as it will be shown in our investigation, made within certain multinational organizations.

3. Research Methodology

In order to identify the influence that talent management has on achieving performance in multinational organizations, we elaborated a research, and some of its most significant results will be presented below. We consider that this research, together with the specificities of multinational organizations nowadays, is very important if we want to have relevant information concerning the analysis of some concrete aspects connected to the presence and action of talent management within multinational organizations.

3.1. Aim, Objectives and Hypotheses

The aim of the study is represented by the determination of the contribution that talent management has to achieving the performance of multinational organizations.

Specific objectives

- a. Establishing the extent to which talent management practices are present within the Human Resources management system in multinational organizations;

- b. Identifying the extent to which detecting and keeping talented employees within multinational organizations contributes to their increased performance;
- c. Analyzing the main effects of the activities performed by talent management in multinational organizations.

The hypothesis we begin our research with is naturally suggested by the theoretical part of this work where we emphasized the fact that the performance of the multinational organizations depends on certain factors, among which talent management has a special role.

The general hypothesis was formulated in the following way: Talent management contributes to achieving performance in multinational organizations.

This hypothesis can be made operational and the following enunciations are obtained:

- a. The more talent management activities are known and promoted, the more the decisions and actions at the level of multinational organizations will guarantee performance.
- b. The performance or failure of multinational organizations is determined by the talented human resource maintained in the organization.
- c. An increased attention paid to talent management by Human Resources Managers within multinational organizations can lead to a greater motivation for the employees of the respective organization and higher performance of the institution.

3.2. Materials and Methods

We chose the survey as research method and the questionnaire as investigation tool. Obviously, when choosing the sample and the questionnaire we considered the requirements imposed by the scientific research methodology as well as the requirements imposed by ethics.

The research was done on a representative sample made up of 94 multinational organizations from Sibiu. The respondents were managers or human resources executives working for these multinational organizations.

3.3. Results and Discussions

The questionnaire and data analysis provided a series of answers; some of them are presented below:

The first question was the following: To what extent do you consider that the practices used by talent management are present with the system of Human Resources Management in your organization?

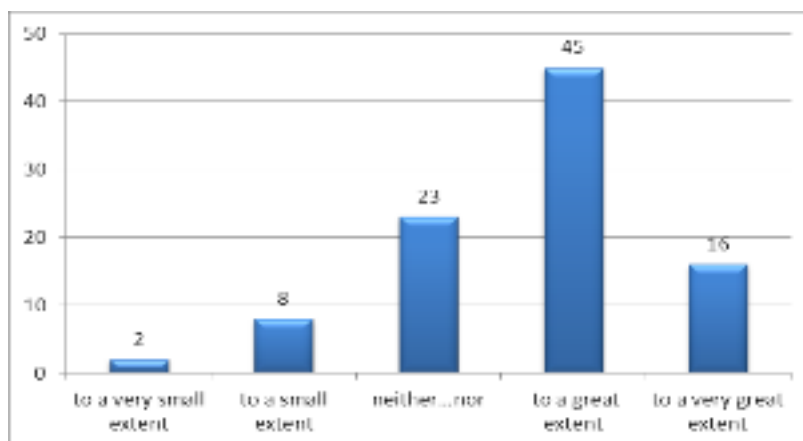


Fig. no. 1 The Presence of Talent Management Practices with Human Resources Management

Figure no. 1 shows the fact that a great part of the respondents (64,89 %) consider that there are actions belonging to talent management with the system of Human Resources Management in the organizations where they work. Practicing these activities proves the fact that the importance of this field has been acknowledged and talents are more and more appreciated by organizations. On the other hand, the structure of the appreciation of talent management presence, namely

47,87 % to a great extent and 17, 02 % to a very great extent, also supports the previous statement: although this type of management is present, the intensity of its action is little shown.

Another question in the questionnaire was the following: On a scale ranging from 1 to 5 (1 – very little, 5 – very much), estimate how much knowing and applying the practices characterizing talent management contribute to an increased performance of the organizations.

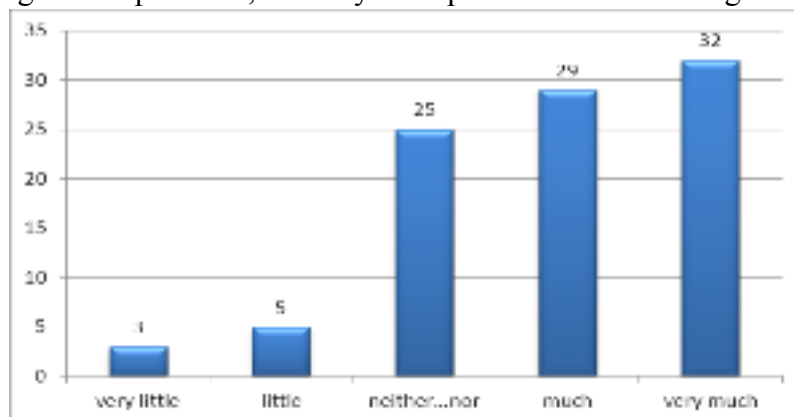


Fig. no. 2 The Influence of Talent Management on the Performance of Multinational Organizations

By interpreting the above figure, which contains the distribution of the answers to question no. 2, we notice that a significant contribution to the performance of multinational organizations is due to the talent management present here. Most respondents consider that practices characterizing talent management contribute much and very much to the increased performance of the organizations. The fact that 64,89 % of the respondents' opinions estimate that the influence of talent management upon the performance of the multinational organizations is visible proves how significant the role of this distinct field of Human Resources Management has become,

Another question reflecting the opinions of the respondents is the following: Do you consider that talent management should constitute a priority within the system of Human Management Resources in your organization? If yes, why?

80% of the persons questioned, as shown in figure no. 3, consider that talent management should constitute a priority within the system of Human Resources Management in the organization where they

work. This is due to the fact that, in their opinion, our society needs to adapt more and more to the performance oriented requirements, and identifying and maintaining talents would be one of them. Also, another reason would be the fact that, after implementing some strategies characterizing talent management, it has been acknowledged that it has a great impact upon the performance of multinational organizations.

By correlating these answers with those to question 1, it is clear that the values of the respondents' opinions are very similar, which proves that the practices of talent management are very appreciated in the structures where they are present.

Having a great role in the multinational organization, Human Resources Management is characterized by a set of activities with various influences on the performance of the multinational organizations. We perceived the opinions concerning this reality by formulating the content of the fourth question: Do you believe that an increased attention paid to talent management can lead to a higher motivation of the employees in your organization?

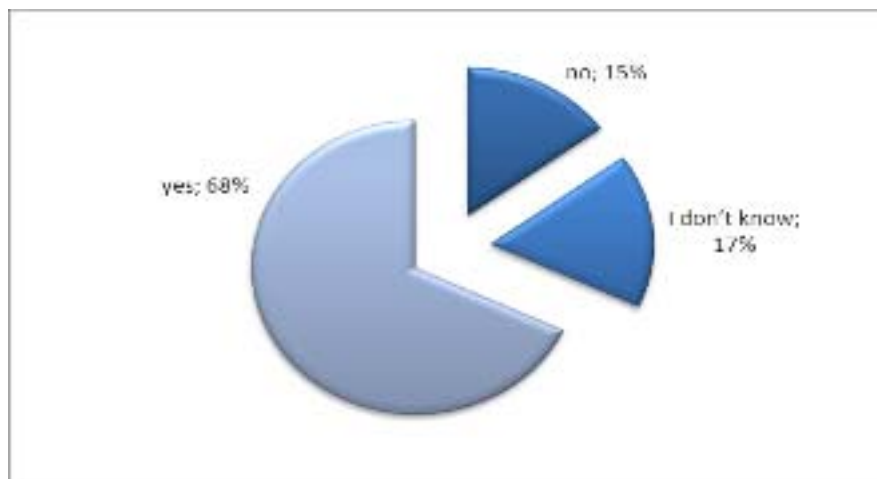


Fig. no. 3 The Estimation of Talent Management Influence on Employees' Motivation

After looking at the figure above, we can state that most Human Resources Managers consider that employees' motivation leads the organization to success

and performance. Furthermore, 68% of them consider that talent management constitutes a support element meant to increasingly motivate the employees and

lead the organization to performance. The very similar value of the answers to questions no. 1 and no. 4 demonstrates that talent management is more and more perceived as a necessity within Human Resources Management and as a source of motivation for the employees of multinational organizations.

4. Conclusions

The study of literature and the aspects resulting from our field research show the fact that most organizations, in general, and multinational organizations, in particular, struggle to develop and retain talented people in the organization to fulfill their aims. Human Resources Managers working in multinational organizations try to identify and promote talents so as to

increase the performance of multinational organizations. We consider that talent management in an organization, especially in a multinational organization, is the one that can establish the way in which the system of Human Resources Management is perceived, implemented and applied, so that the same activity could lead to a different, but efficient action and result according to each organization and to its development strategy.

In conclusion, we can state that identifying and maintaining talented human resources within multinational organizations, especially with some complex positions on a globalized labor market, can generate a major competitive advantage of the organization and obviously its increasing performance.

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