Talent Management - Case Study on Determining the Collective Pool of Talent

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Our paper focuses on the importance of attracting and retaining talent in a company. Attracting talent refers not only to the selection of talented employees from outside the company, but also to their identification among existing employees by determining and developing the collective pool of talent. The aim of our paper is to get a better view on how companies understand, attract and retain talent. To achieve this aim, we first reviewed the literature in the field of interest and then conducted a case study on determining the collective pool of talent within a medium size company from Bihor County. Results are discussed.

Keywords: talent management, human resources, collective pool of talent.
JEL: M12

1. Introduction
The demand for specialized personnel grows simultaneously with the lack of those that have the abilities and skills necessary for the proper functioning of companies. Talent management responds to the challenge of recruiting and keeping the employees with high competences and providing them opportunities to achieve performance, excel and to promote in the company. Companies facing the world’s demographic, macroeconomic, and technological changes (Abrudan L, 2008) need to see talent management as a business priority in order to survive. At the same time, the world economic crisis adds pressure over managers, forcing them to rethink all business practices. Companies are orienting themselves towards a global search of talent. Although, currently, only a small percentage of companies resort to displacement in order to have access at new sources of talent, until 2015 this percentage is going to reach 20 percent or more in some cases. (Abrudan and Matei, 2009).

2. The collective pool of talent - defining the concepts
In 2008, a Boston Consulting Group research (The Boston Consulting Group, 2008), has highlighted the following as the most important activities in the field of talent management:
- The development of personalized career plans.
- The development of re-compensation plans specific for the talented employees.
- The search for talented employees in the competitor companies.
- The set up of the Alumni networks.
- The relocation of businesses to have access to new sources of talented employees.

However, attracting talented employees is one of the core activities of talent management strategy, in addition to their retention and development. When it comes to attracting talent the most important activity is to establish a collective pool of talent, namely to identify a group of employees who can be developed in a predetermined period of time. The pool of talent is defined as the sum of positions, roles and skills where a 20 percent increase in quality or availability will produce significant effects on the business overall results (Blas, 2009).

3. Research methodology
In our previous sections we emphasized the importance of attracting and retaining talent in a company. Attracting talent refers not only to the selection of talented employees from outside the company, but also to their identification among existing employees by determining and developing the collective pool of talent. For a better view on the latter aspect, we conducted a research using the case study as a research method.
The company selected for the case study is Eurotechnik Romania LLC, a medium size company with its registered office in Oradea, Bihor County. 95 percent of Eurotechnik Romania LLC employees are production workers, which facilitates the obtaining of homogenous research results. Within the selected company we first conducted a survey using two different questionnaires (adapted from Berger, Lance, and Berger, 2004):
- type A questionnaire applied to three evaluators with management positions;
- type B questionnaire applied to all production workers.

The data collected from the two types of questionnaires was then processed using two instruments:

1. The **two characteristics matrix of talent** - performance and potential – which uses the data collected from the evaluators (see Figure no.1). The ranking of employees is achieved using a five dimensions scale. The excellent group consists of high scorers in both potential and performance.

![Figure no.1. The analysis matrix of talent](image)

2. The **summary form** - which will be completed using the data collected from the production workers and from the evaluators as well (see Figure no.2). To obtain the final grade for each employee, we calculated the average between the self-evaluation grade and each of the grades obtained from the three evaluators. Based on a five categories scale we then ranked the employees using the final grade obtained by each of them. The fifth category brings together the most talented employees.

![Figure no.2. Summary form (2.A) and the ranking of employees based on final grades (2.B)](image)

The collective pool of talent represents the employees ranked in the fifth category by each of the two instruments.

### 4. Research findings

As mentioned, the data collected from the two types of questionnaires was processed using two instruments. The results are discussed following.

A.) The results of the evaluation analysis using the two characteristics matrix of talent - performance and potential

After grouping the data collected, we constructed three matrixes of talents, one for each evaluator (see Annex No.1.). Then we compared the three matrixes to identify the employees who...
were placed in the same group by at least two of the evaluators. The results are summarized in Figure no.3.

<table>
<thead>
<tr>
<th>Groups</th>
<th>% of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent group</td>
<td>19.51</td>
</tr>
<tr>
<td>Superior group</td>
<td>19.51</td>
</tr>
<tr>
<td>Middle group</td>
<td>35.37</td>
</tr>
<tr>
<td>Inferior group</td>
<td>14.63</td>
</tr>
<tr>
<td>Anomalies</td>
<td>1.22</td>
</tr>
<tr>
<td>Outside the talent pool</td>
<td>9.76</td>
</tr>
</tbody>
</table>

**Figure no.3 – Talent matrix summary**

As seen in Figure no.3, the excellent group represents 19.51 percent of all employees. This represents the collective pool of talent of the company studied. The percentage is high enough to produce significant beneficial effects on the overall business results, but the higher the better. An increase of this percentage would be advisable.

The superior group consists also of 19.51 percent. Employees in this group are a valuable resource for business development although their performance and potential are not as high as of those in the excellent group.

The largest share is represented by the middle group (35.37 percent). These employees have average performance and potential, their work being however satisfactory.

The inferior group consists of 14.63 percent of all employees, which is a large enough percentage that can negatively influence the overall results of the company. These employees are poorly trained and have limited potential and weak performances.

The anomalies group represents 1.22 percent and consist of one employee. The employee in question is not able to complete the simplest stage of the technological process, which means that the company’s expense with this employee is unjustified. Usually, companies lay off employees in this category, but the expenses with the firing and hiring (recruitment, selection and work integration) of another are not insignificant.

About 10 percent of all employees have not been included in any group because they have not been ranked in the same group by at least two evaluators. Still, if we analyze their grades we can include them in the middle and inferior group.

B.) The results of the evaluation analysis using the summary form:

It should be noted that the results of employee self-evaluation are higher than the grades given by the evaluators for the majority of employees; but the differences are not high. Tendency to overestimate is quite common in evaluation processes.

The next issue easily observed is that the percentage of employees ranked in the forth and fifth category, which include employees with the best grades, is identical to the percentage of employees in the excellent and superior groups illustrated using the two characteristics matrix of talent. This may denote the objectivity of evaluators and the employees’ degree of self-awareness.

The differences between the two analyzes occur in the third group. This group, which consists of middle level employees, represents 45.13 percent of employees. In this case, the third group gathers the employees ranked in the middle group and outside the pool of talent within the first analysis. The last two categories have achieved identical percentages with the inferior group (14.63 percent) and the anomalies group (1.22 percent) illustrated by the first analysis.
The analysis performed using the two instruments has helped us to determine the collective pool of talent at Eurotechnik Romania LLC. Within the company about 60 percent of all employees are ranked in the lower three categories. The top two categories (superior and excellent employees) represent slightly less than 40 percent. The fact that within the company prevail employees with average potential and performance can be attributed to the poor training and lack of experience in the field. The 1.22 percent of anomalies illustrates the relative efficiency of workforce recruitment and selection. The evaluators believe that the employees ranked in the inferior group will be the ones who are most likely to leave the company because of the reduced work motivation and lack of personal development desire.

5. Conclusions and recommendations

Talent management should be a priority for each organization. In the case of the analyzed company, we recommend a series of actions intended to enlarge the collective pool of talent and to continuously improve performance:

- Designing employee scorecards to be completed periodically - by heads of department or even by employees - and centralized in a database that can be consulted periodically to reflect employee development. In the long term, the use of databases to store information about employee evaluation will certainly deliver benefits to any company (Demian, 2008).
- Recognition and rewarding of talented employees. This practice will determine a desire of continuous self-development and will produce an increase in the level of work motivation.
- Increasing the intrinsic work motivation of talented employees by delegating tasks and responsibility and providing autonomy.
- Careful monitoring of the superior group to discover new talents. It is very important to increase or, at least, maintain the size of the collective pool of talent.
- Create a framework to facilitate employee development.
- Increased attention to recruitment and selection in order to avoid candidates who would eventually be ranked in the inferior or the anomalies group.
- While a company must be able to fulfil the administrative requirements in the field of talent management, one must not let out of sight the fact that talent management refers to the development of individuals, at their training and at the creation of leaders.

6. Acknowledgments

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References

Annex no.1. Talent matrices based on performance and potential

<table>
<thead>
<tr>
<th>Scale</th>
<th>Anomalies</th>
<th>Inferior group</th>
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* the numbers within the matrix represent the number associated with each employee

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* the numbers within the matrix represent the number associated with each employee
Evaluators no. 3*

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*the numbers within the matrix represent the number associated with each employee.*