

HIGHLIGHTS OF TALENT MANAGEMENT IN RELATION TO THE TRADITIONALISM OF STATE-OWNED COMPANIES

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Abstract

The transition to a social market economy and the European Union integration are factors which generated competitiveness, mobility and entrepreneurship. But the economic changes and the elimination of the borders of the labour market were strongly perceived by the companies with state capital, entities characterized by traditionalism and centralism. If statistically more than 50% of the Romanian entrepreneurs claim the lack of qualified employees, within the state-owned companies the resentment is exacerbated especially on the background of the top management's reluctance to the contemporary tendencies of the human resources management and its focus on identifying, empowering and maintaining talents. From the administrative, technical or highly specialized personnel, in the national labour market, there is an increased interest for those potential employees who show useful talents to the production process or the services provided, a tendency generating financial or subjective benefits. Importing the experience of the private companies in the aspect of the measures necessary to attract the specialists, we observe that the general directions concern the support of the employees necessary for the development of the technical inclinations and the digital skills, the recruitment of specialists in the field of talent management and the creation of a collaboration bridge with start-ups in the fields of resort. The metamorphosis of the activities and their continuous entry into a true era of digitalization of the economy, means that top management of state-owned companies is aware of the pressure on the labour market to identify people with special and suitable skills for certain trades or with a potential training. The transition to the market economy seems to be characterized by investments in people, in their education and training.

Keywords: *Talent management, public organisations' sector, strategies.*

1. INTRODUCTION

Decentralization – as a general desideratum pursued after 1989 and acclaimed as indispensable for the development of both public administration and the business environment component represented by the industrial giants specific to

the socialist economic construction, was implemented in the sphere of the companies with full or majority state capital by fragmentation, division and reorganization, often the finality of damaging privatizations and bankruptcy.

Restructuring and privatization became the components of the economic reform policies, materialised through the appearance of numerous state companies with diverse and complex activities (from agriculture, road, naval, maritime, railway or air transport up to the production of drugs and medical equipment), beyond the independent actors animated by the idea of private initiative and free commerce, although their durability and presence in the national and regional business environment represented a chimera right from the start.

The constantly analysed antagonism and the critics of the specialists refer to the phenomenon of the bankruptcy of some important local, regional or strategic companies which before 1989 had contractual relations with partners in capitalist states, but during the transition from the centralist socialist economy to the competitive social market economy, they collapsed, but the services or products previously provided by them were immediately found in the portfolio of private and highly sought-after companies, including the local market.

This contemporary reality can be found in almost all fields of the national economy, starting from the food industry and up to the petrochemical one, a fact which raised many questions and challenged the specialists to propose solutions.

However, most research referred to the impact of governmental policies and the effects of reconfiguring the markets, without deepening the phenomenon by observing the management

of those companies, the degree to which they presented any interest for the exploited human resources in the new conditions of the free competition economy.

Analysing the situation from this angle we have the premises of discovering a real cause different from the governmental policy and the lack of capital particular for the previous era, especially as long as the product prior developed by the bankrupt public organisation was regarded as useless for the present market and it become attractive/marketable after a short period of time, but it often worked with those who were once employees of the of the public organisation.

This contradictory state of affairs is justified by the lack of skill and interest of the actors from the field of human resources management of public companies regarding everything that refers to the multilateral knowledge of the employee, his skills, skills that are limited to pleasant and natural activities, talents and his interests in knowledge, improvement and approach to innovation.

We can state that the primary cause for the bankruptcy of the analysed companies, beyond the lack of marketing strategies, is represented by the faulty management of human resources and the total lack of interest towards talent identification, with their assignment according to their efficiency in the production process.

The complete understanding of these problems, their open treatment and implementation of positive experiences specific to the private environment, but also the choice of top management on real criteria of professionalism, expertise, dedication, organization and design in time and space of business reform in the patrimony of the Romanian state, are the premises pursued in our present analysis, nurturing the formulation of adaptable conclusions as solutions, oriented in the short and medium term, as many problem situations crossed by state companies existing today in the Romanian business environment.

Paradoxically, those post-December companies which still preserve public capital, either complete or major, including the few that still represent something in the banking, transport or food production systems, frequently accuse the lack of qualified personnel and its

migration towards their private competitors, but not even today does their management handle the causes for this situation, especially when the vast majority of the highly qualified staff of the competitors was trained in the old public units.

2. TALENT MANAGEMENT

Talent management is often described as systematic attraction, an identification, development, involvement/maintenance and talent development (SCULLION & CALIGIURI, 2010). When defining talent management, various authors use different terms for the word "talent", such as: "outstanding skills", "key employees", "high potential", etc. The variety of terms used reflect one the central debates in talent management, more precisely it is debated whether talent management is an inclusive or exclusive approach (GALLARDO-GALLARDO & GONZALEZ-CRUZ, 2013). The inclusive approach is based on the conviction that all employees have qualities and skills which can be valuable for the organisation and therefore talent management can be approach as "the recognition and acceptance of the fact that all employees have talent, alongside their continuous assessment and their use in the positions that provide their best form and opportunity" (SWAILES & ORR, 2014). The exclusive orientation of talent management is addressed to a select group of employees with unique and extremely valuable skills and performances for the organisation and/or to the ones who hold significant positions from an organisational strategic point of view (LEPAK & SNELL, 1999). For the exclusive approach, the following definition is often quoted: "talent management encompasses the activities and the processes which involve the systematic identification of the key positions which differentially contribute to the organisation's durable competitive advantage, to the development of a high potential and performance group of talents in order to fulfil these roles and to develop a differentiated human resource architecture in order to facilitate the occupation of these positions by competent specialists and to ensure their continual

engagement with the organization” (COLLINGS & MELLAHI, 2009).

A revised literature review shows that the academic definition of talent seems to head towards the exclusive approach (GALLARDO - GALLARDO & THUNNISSEN, 2016). However, in many public organisations, the principle of equality which refers to the fact that all employees are equal and that they should be treated as such, still presents a strong tradition (BOSELIE & VANDENABEELE, 2011). Adopting this principle at the workplace refers to the fact that all employees should be offered the same development opportunities as well as equal promotion opportunities. Therefore, there is little place for differentiation, as opposed to the exclusive talent management approach, assuming that the inclusive approach is more suitable to the public sector. However, the literature shows that both the inclusive and the exclusive approach are used in public organisations although the reason behind these approaches is still vague (GLENN, 2012).

The exclusive versus the inclusive view about talent and talent management is connected with the accepted distinction between a “tougher” and a “lighter” human resource management (GUEST, 1999). In the tougher approach to human resource management, the interests of the organisation prevail over those of the employee and the managerial and utilitarian individual perspective is dominant. Also, the practices are mainly focused on measurement, control and increase of performance (GUEST, 1999; TRUSS & STILES, 1997). Investment in a select group of employees who occupy key positions in the organisation, as in the case of the exclusive talent management approach, is regarded as a direct improvement means for organisational performance (BEECHLER & WOODWARD, 2009). The current talent management literature mainly emphasises the economic organisational goals such as flexibility, productivity and competitive advantage (THUNNISSEN & FRUYTIER, 2013), although some scholars highlight the significance of a less unilateral view on the goals and practices of talent management (COLLINGS, 2014; FARNDAL & SCULLION, 2014; THUNNISSEN & FRUYTIER, 2013). In the “lighter” approach to

human resource management, the interests and the rights of the employee represent a preoccupation alongside the interests of the organisation. Therefore, the “lighter” practices of talent management focus on increasing the engagement and the personal and professional development of the employees in order to retain and motivate them (GUEST, 1999). In accordance with the pluralist vision of the “lighter” human resource management approach, Thunnissen & Fruytier propose a multilevel orientation towards the results of talent management. They consider that the economic and noneconomic interest and goals of several interested parties (employees, organisations, the society) have to be regarded as separate and equal goals of talent management. This orientation towards results presents high significance for the public organisations due to the multiplicity of the parties involved, the organisational goals and their role in the function of “society public employer” (THUNNISSEN & FRUYTIER, 2013).

3. STRATEGIC PERSPECTIVES ON TALENT MANAGEMENT MODELLING

The strategic perspective of an organisation models the way in which a talent management system is visualised and applied. This perspective has to be understood and supported by those who implement the system. Otherwise, the talent management processes can be falsified or neutralized by individuals whose motives are quite different. Six strategic perspectives have been identified which seem to form an organisation’s approach regarding talent management, as following (DEVINE & POWELL, 2008):

The competitive perspective: it is based on the conviction that talent management should identify talented people and offer them what they want, otherwise they would be replaced by the competition. This often represents an implicit position of the organisation without any formal process of managing talents; talent management effectively functions as a retention strategy.

The processual perspective: it focuses on processes that optimise peoples’ performance, stating that future success is based on possessing

the right talent. Talent management and cultivation is part of the daily process of organizational life.

The human resource planning perspective: it is similar to the processual perspective, but it reflects a human resource orientation towards positioning the right people in the right jobs at the right time, doing things right. The human resource team possesses and monitors the talent management processes.

The development perspective: it emphasizes the development of high potential, which is why talent management often revolves around accelerated development paths

The cultural perspective: it involves visualising talent management as a mentality and strong belief that talent is essential in the success of an organisation.

The change management perspective: managing talents is seen as an engine for change, being part of a larger human resource strategic initiative regarding organisational change.

Talent management may help change organisational culture, leadership styles and management capacities.

These perspectives help align the formal processes that support talent management, referring to the way in which companies recruit, retain, develop, manage performance, recompensate and promote talented employees.

4. TALENT MANAGEMENT STRATEGIES IN THE PUBLIC SECTOR

Talent attraction strategies (ACCA, 2008):

- The creation of clear career paths in the public sector – if possible, employers should capitalize on the requests of the people who want to work in the public sector by creating some clear routes at the middle of the career in their organisations.
- The development of the function brand or of the company team – the general image of the public sector may represent a key challenge in attracting the right talent. The labour regarding the increase of attractiveness of the whole sector is often difficult, but an investment in the development of a single brand is worth making.

- Highlighting the learning opportunities within an innovative public sector organisation – employees from the public sector should prove their digital accreditations in order to attract the financial talent necessary for implementing digital changes.

Talent development strategies (ACCA, 2008):

- Supporting employment opportunities with crossed functions – the public sector presents the capabilities of offering a diverse set of experiences while employees continue to work for the same employer. Therefore, public organisations should capitalize on this advantage and offer mobile and ambitious opportunities for the development of new capacities.
- Offering new types of experiential learning – learning at the workplace has always represented the most widely used and efficient learning and development strategy in the public sector.
- Encouraging transfers – public sector employers should use transfers in order to fulfil employees' aspirations and they should also offer various development opportunities.

Talent retention strategies (ACCA, 2008):

- Highlighting the excellent work environment offered by the public sector – talented employees want to stay in the organisations that offer them an excellent workplace experience, mainly seeking a balance between professional life and workplace security, also engaging in interesting work. Therefore, public sector employers should take into account the way in which they can efficiently transmit this competitive advantage to various workforce.
- Opportunity creation for new opportunities – it is important for the public sector employers to offer new challenges and growth opportunities within the organisation. Offering growth opportunities within the current roles of the employees represents an important factor in retaining ambitious personnel.
- The creation of clear career path – transparent career paths represent the most important factor in attracting and retaining talents in the public sector.

The talent management strategies from the public sector have to take into account the following elements (ACCA, 2008):

The talent management approaches have to build around a clear and coherent leadership model. Public sector organizations often adhere to multiple, sometimes conflicting, leadership models. Therefore, talent management will only work when managers present shared understanding regarding what an efficient and talented leader refers to.

Ensuring that the talent profiles and the skill sets keep up with the change and the reform of the sector. Each organisation has to decide for itself the right mixture of experience and skills from fields such as political and managerial leadership or community management.

Aligning talent management with diversity management so that the organisation ensures that the talented individuals from the minority groups are noticed. This means to ensure that positive action programs are part of talent management programs. This aspect may force the organisation to take on more risks, allowing "different" people to try different management approaches.

Aligning talent management processes with audit processes in order for the talented personnel to be able to prove the necessary skills.

Clarifying the connections between the internal talent management processes and the national talent management programs and the offer for support, so that the talented personnel has the chance to move towards global and trans-sectorial talent management initiatives.

Extending development opportunities for talented personnel by taking part in common talent management programs with other partners from both the public and the private sector.

The development of a better connection between the talent management processes and succession planning.

5. CONCLUSIONS

Transposing the judicious opinions expressed in the literature, we can conclude that the traditionalism of the content of human resource management activities in state-owned companies

is characterized by the anachronistic uniformity of the employees and an abstract and subjective view of the individual as a simple factor of work, but also by disinterest in talents that can be enhanced and harnessed in increasing labour productivity

The employees' continual professional training and the correlation of the reconversion potential in relationship to their talents, their native or acquired skills, which can be potentiated, highlighted and valued, represents a rare field in the managerial policies of public companies.

This almost entirely exclusive approach to personnel equality, in the spirit of the continuous tradition and the artificial visionary sedentarism, places all employees as having the same promotion opportunities, although in reality we speak about promotion based on not professional and political criteria, everything representing a stagnation or an organised involution, statistically labelled as efficient in the management of employees.

The primary solution is to professionalize the management of state-owned companies by selecting and recruiting professionals capable of implementing and transposing as continuous conduct the identification of talents and their positioning in key internal processes in order to achieve a positive commercial, professional and human purpose.

Another solution deals with the transposition of top management in the position of the employee and the feelings therefore gained have to appear in the stable strategies which should lead to a natural and long-lasting adhesion perception of the employees to the employer, so that the latter offers them increased workplace security.

Such perception on behalf of the employees will determine their sustained commitment to the dedicated performance of their duties, self-perception being able to efficiently and externally transmit the high capacity of the organization's workforce and the willingness / ability to competitively address the competitive environment.

The compaction of the hierarchies of state companies, their depoliticization and professionalization will represent a new organizational moment that will eliminate

conflicting behaviours, promotions based on criteria other than objective and qualitative, the formation of groups and reluctance, thus reforming the rise of employees and the possibility of to reach top management through work and dedication.

The managerial team consists of professionals oriented towards increasing the competitiveness of the organisation and the support for proper employees will metamorphose the rigid and reluctant image of leadership into insuflating leadership patterns.

Talent management therefore represents the lifeline for all state companies which are in collapse because of the underperforming human resources, and its daily implementation and running will work when its actors have the ability to share real experiences of what it means to be an effective and talented leader.

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