Prospects for introducing the talent management concept into Russian companies

Perspectivas de introducir el concepto de gestión del talento en las empresas rusas

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ABSTRACT:
Globalization processes have embraced almost all spheres of human activity in the past twenty years. Their dynamic nature contributes more and more to an increased accessibility to many material and physical resources, the possession of which is no longer a substantial competitive advantage among various organizations. As far as companies are concerned, they strive to find other assets to boost efficiency in business processes and, consequently, pay more attention to their own employees, their qualifications and knowledge which become an important element in achieving high positions in a competitive environment. Therefore, personnel management becomes a significant part in ensuring efficient business functioning. Latest research has shown that talented employees will be the most important business resources over the next twenty years and that management will have to recognize as an axiom the need to have talented people on their staff in order to develop and maintain business. In this way, the talent management concept needs to be introduced into business. The purpose of this article is to explain what talent management means, to detect the main problems of and prospects for implementing this concept into modern organizations and to analyze the implementation of talent management, using the case of a specific organization. The article provides arguments in favor of the appropriateness and feasibility of the talent management model in modern organizations, describes shortcomings of specific approaches to talent management and suggests ways of overcoming them. The present study has also analyzed the personnel management experience of Tatneft, one of Russia's leading public joint-stock companies, in implementing the personnel policy on talent management.

Key words: talent management, HR, management, candidate pool, training, motivation, talent pool.

1. Introduction

In modern conditions of growing competence in goods and services markets, the search for new potential for the company's growth in competitiveness, the intellectualization of all business processes, the increasing role of the company's personnel and of its potential as sources for the organization's development in the context of dynamic changes of its area of activity are becoming ever so relevant both in Russia and globally. Companies put more and more emphasis on developing managerial competences among employees, on shaping a strong organizational culture and on enhancing loyalty among employees. Companies' stress on talents and their use of the talent management concept in their business activities is a good case in point.

In practice, this personnel management paradigm is mostly typical of foreign companies. Russian experience in managing talented employees has been focused, over the years, on managing an organization's candidate pool, which is the precedent phase of development in the evolution of talent management.

Talent management is one of the forms of personnel development technologies. The term 'talent management' was first used by David Watkins in an article published in 1998 and was later developed in his book entitled "Talent Management Systems" (2004).
Motivational stimuli occupy a leading place in high-growth companies and include perks, awards, certificates of merit, vacations, and other benefits. However, some managers fail to take into account the identity-based parameters of talented subordinates (Wahyuningtyas, 2015). Employees always demand a special approach, even if the goal setting process remains a challenge for the line manager in case of traditional management systems (Krishnan and Scullion, 2016).

Employee creativity and performance are influenced by various factors. Efficient motivational theories used in traditional management concepts are ineffective due to the complexity and specific nature of value building among talented staff members (Danilina and Reznikova, 2016). Distinctive features of building creative activity and tackling complex tasks are distinctive to talented staff members. The main task of young talented workers' placement is to efficiently fill job vacancies taking into consideration the assessment results, career planning, terms and conditions of employment, smooth career advancement of staff members (Malikova, 2016). The top management of an enterprise aims, on one hand, at paying wages and providing social services to newly employed talented staff members in such a way as to enhance their professional performance and, on the other hand, at selecting personnel from newly employed talented professionals and at creating working conditions leading to an increase in their performance.

In 1998, the consulting company McKinsey published a detailed account, *The War for Talent*, which became a subject for discussion at corporate meetings and provided a basis for the homonymous bestseller by Ed Michaels, Helen Handfield-Jones and Beth Axelrod (2001). The top management of major companies, such as General Electric and Procter & Gamble, looked into their companies' principles underpinning interaction with talents. At this point of the development of personnel management practices, stocks and options have become the main tool to stimulate employees, which replaced the traditional reward money and resulted in the emergence of many millionaires in a number of technologically advanced companies, including Microsoft and Cisco. This state of affairs gave rise to debates about ways of retaining financially independent employees. McKinsey defined talent management as a set of organizational processes allowing the company to make use of what has been invested in talented personnel at the middle and top management levels (Robertson, 2003).

Accordingly, talent management puts emphasis on highly qualified or key staff members. The latter point sparked off most scholarly and practice-centered debates surrounding the essence of talent management and its correlation with personnel management. The great majority of this concept's supporters stress the fact that talents are to be found among highly qualified and key staff members, who occupy posts responsible for business success, and that they are the ones to be managed (Ghasemi, Zeinali and Gholami, 2016; Kadol, 2010; Beamond, Farndale and Härtei, 2016).

The effective implementation of three major factors listed below is central to managing talented staff in organizations:
- searching for and engaging talents by using quality personnel assessment methods aimed at identifying talents at the hiring stage or by using internal sources to attract them ("bringing up talents" from available staff members);
- shaping and developing major professional and managerial competences among talented staff members with a view to improve the level of their personnel potential and the company's human capacity on the whole;
- retaining talented workers through rationally motivating them and enhancing their loyalty to the organization (Latuha, 2013).

The initial talent management concept dealt with the search for talents outside the company, since this type of management was regarded as a process of attracting and hiring workforce. In a sense, this approach explains the origin of this word at a time when American companies waged real wars in an attempt to attract efficient workers who would bring success to business (Khilji, Tarique and Schuler, 2015). At the same time, a new manager starts influencing his or her company's performance indicators in the course of the year, roughly speaking; time is needed for his or her adaptation in the new team; and expenses for his or her stimulation are greater than for other workers. The cost of bringing a talent from outside is sometimes higher than the contribution that he or she would eventually make to the company. (Martin, 2015)

Based on the two above-mentioned characteristics of talent management in Russian practice, it started to be perceived as equivalent to processes of shaping and using the candidate pool, which usually includes the most experienced and qualified staff members. In such companies, talent management is administered in terms of position of personality. As part of this approach, companies create Top-25 or Top-50 programs. Researchers (Tatoglu, Glaister and Demirbag, 2016) believe that compliance of professional knowledge and skills with requirements imposed by modern production and management is ensured by offering talented workers the following forms of training: training in educational institutions where they acquire basic knowledge of a specific area; retraining of personnel aimed at mastering a new area of expertise which is necessary in the face of various forms of private property; continuing education in various educational institutions and postgraduate professional programs.

Training of newly employed university graduates promotes the continuous improvement of each employee's level of qualification and shapes the candidate pool which is vitally important to each enterprise in terms of performance. Work with the candidate pool is a key form of talent management in Russian practice. The pool is formed on the basis of the professional staff selection process, corresponding jobs, assessment results, the personnel files, the enterprise's staffing table and career plans (Malikova, Danilina and Reznikova, 2016). The main task of young talented workers' placement is to efficiently fill job vacancies taking into consideration the assessment results, career planning, terms and conditions of employment, smooth career advancement of staff members. The assessment results, career models, regulations on compensation and personnel appointments are used for this purpose. In case of correct personnel appointments, all vacancies at an enterprise must be filled, while ensuring that employees' preferences are taken into account.

In the practices of various companies, it is necessary to use such young talent management tools whose optimal use by the top management of an enterprise could be ensured only if management objectives are identified with personnel's wishes (Marinovic and Povel, 2017). This means that the top management of an enterprise aims, on one hand, at paying wages and providing social services to newly employed talented staff members in such a way as to enhance their professional performance and, on the other hand, at selecting personnel from newly employed talented professionals and at creating working conditions leading to an increase in their performance.

One of the key aspects in talent management is creating conditions to bring forward the potential of those workers whose performance within the organization can be regarded as exceptionally valuable. As part of the organizational environment, key employees become the targets of the motivational system developed by taking into consideration an individual set of tools to influence a specific worker. Efficient motivational theories used in traditional management concepts are ineffective due to the complex and specific nature of value building among talented staff members (Krishnan and Scullion, 2016).

Employees producing spectacular results from the perspective of their individual behavior, are excluded, as a rule, from the traditional management system owing to their superior qualities. Distinctive features of building creative activity and of tackling uncommon tasks add to the individual's difficulty in shaping communicative relationships and interpersonal communication. Such employees always demand a special approach, even if the goal setting process remains a challenge for the line manager in case he or she does not take into account a talented subordinate's identity-based parameters. Wahyuningtyas, 2015). The employee must show genuine interest in the task to start thinking outside the box. Traditionally, the employee's motivation in achieving a goal is based on the stimulating impact combining his or her interests and main values. When it comes to talented employees, reliance on top-level needs is typical of them as far as self-fulfillment, self-acknowledgment, recognition of accomplishments and respect are concerned, even though the level of satisfying the basic needs may not be sufficiently high. In this respect, the talented employee inducement system must differ considerably from that of the vast majority of the personnel staff (Cascio and Boudreau, 2016).
etc. In other words, the “do-A-you-will-get-B” motivators always work, but they are efficient only for mechanical, algorithmic tasks focused on the final result, that is, if the goal and the means of reaching it remain focused. When a need arises to search for innovative solutions, to develop new ideas or to respond to unconventional challenges handled by talented employees, traditional stimuli are ineffective. The results of sociological research studies on determining the place of work in the individual’s life provide important information about how to motivate human resources in different cultures. As an example, there is a direct correlation, in different countries around the world, between culture and the quality of the work and motivation in the exterior social environment. (Broek, Boselie and Paauwe 2017).

Since talented employees create considerable competitive advantages at the current stage, there is a need to shape a valid system aimed at motivating them and encompassing both the material and moral methods. The following non-material methods are of particular interest (Cerdin and Brewster 2014; Tatoglu, Glaister and Demirbag, 2016; Annual Report of JSC Tatneft, 2014; Annual Report of JSC Tatneft, 2015):

1) Focusing on flexibility rather than on control and the process of execution, in other words, implementation of a flexible schedule of work. For instance, many companies exercise flexitime when employees present their projects in an informal setting, resulting in specific products that may have never been realized in compliance with the Pareto principle, according to which 80% of the effects come from 20% of the causes;

2) Adopting the participation principle, under which managers attract talented employees to decision making at various levels of management;

3) Creating an enabling working environment, where an employee would be willing to perform “small deeds” on a daily basis. Such unconventional conditions may include comfortable interiors, positive music, indoor plants, recreational and entertainment rooms. Some companies even authorize pets in the workplace. These measures highlight the value of the key employees and enhance their loyalty to the company;

4) Working out short-term and long-term plans for talented employees, clear deadlines and assessment methods, annual achievement award ceremonies. In this way, a specific project marked “open for reward” generates interest among employees inciting them to join the project, while those already on it will redouble their efforts.

2. Methods

Today, Russian corporations are making an increased use of various integrated talent management programs allowing them to optimize the key stages of the personnel management process, its efficiency and development.

Our analysis of personnel management in leading Russian corporations has revealed a positive experience of Tatneft, one of Russia’s major public joint-stock companies, in implementing the personnel policy on talent management. This company has implemented, for the first time in Russia, an automated set of solutions (program products) for improving personnel selection, assessment and training and talent management based on SAP ERP HCM (Human Capital Management).

3. Results

Tatneft is operating an integrated personnel management system aimed at maintaining a high professional level of workers and experts. We will now take a closer look at talent management tools used by Tatneft (see Table 1).

<table>
<thead>
<tr>
<th>Talent management stage</th>
<th>Management impact tools</th>
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| Detecting talents in an organization | - Research Centre for Competency (corporate, professional, etc.) Modeling within Tatneft;  
- implementation of the Students’ Employment Agency project;  
- the Crowdsourcing Diploma project;  
- Newly Employed Recent Graduates Centre, seminars on innovation and creativity;  
- mentorship programs aimed at adjusting newly employed staff members to the Company;  
- the Tatneft candidate pool system |
| Developing talented employees | - the Corporate University’s activity as part of the Tatneft enterprise;  
- training of personnel in the Corporate Training and Development Centre;  
- continuing professional training in the Company |
| Retaining talented employees in an organization | - continuing professional training in the Company;  
- competitive remuneration at Tatneft;  
- just and transparent motivation;  
- remuneration depending on individual performance results and regular personnel assessment;  
- high social standards and the Company’s responsibility towards employees |

Tatneft aims to create a continuing education system integrated into the Company’s activities and aimed at constantly improving and developing its employees according to specific strategic goals, including training and upgrading of employees, experts, senior
and middle-level managers. Training of personnel is carried out in the eight departments of the Personnel Training Centre under additional professional training programs offered to employees, top management and experts. Training and upgrading of expert personnel is also carried out in specialized higher education institutions. Employees at Tatneft also participate in the Presidential Programme on Training Managers for Enterprises of National Economy of the Russian Federation. Work with the talented youth at Tatneft is carried out on the basis of a number of general guidelines: professional implementation, social protection, creativity and self-fulfillment, interaction in the information space, stress on tolerance and citizenship values among the Company’s young employees.

The Newly Employed Recent Graduates Centre strives to enhance productive and creative activity of the Company’s young employees and holds annual seminars on innovation and creativity aimed at involving young employees into Tatneft’s innovational activities. The Company runs mentorship programs to systematically accompany each newly employed staff member or specialist during one year. The ultimate goal of the mentorship program is to ensure that the young employee becomes a full-fledged member of the Company's team.

In an attempt to attract young professionals to Tatneft, the Company organizes, in cooperation with Russia’s leading universities, the targeted training of its prospective employees through funds of the federal and republican budgets and awards personal scholarships to stimulate students who have shown excellent progress in their studies and academic work.

In 2015, Tatneft participated in several large-scale educational programs in cooperation with the Petroleum Business Institute. As an example, seventy-four professionals enrolled in the international modular program entitled “Oil and gas supervisor”, whose main objective was to develop professional skills and competencies of oil and gas supervisors, their deputy assistants, project managers, etc. Young winners of a scientific-practical conference at Tatneft took part in the “Young leader at the oil and gas company” program which also included training abroad.

One of the most powerful tools for personnel development at Tatneft is the subsidiary Corporate University, an innovative educational resource ensuring continuing professional development of the Company’s employees using innovative educational methods and technologies. The main objectives of the Corporate University include the intellectual and professional development of the Company’s employees, the identification and selection of talented and promising staff for Tatneft’s candidate pool, new employees’ professional adaptation and occupational guidance for school leavers. The main advantage of the Company’s Corporate University is its strong focus on achieving its goals. Since developers of courses, workshops and trainings are the Company’s leading experts, auditors receive training in line with the development strategy of Tatneft.

Part of the Corporate University, the Students’ Employment Agency project launched in 2012 continues to attract talented staff in Tatneft. In 2014, 39,438 people visited the Students’ Employment Agency website, 1,589 job seekers (909 of them were university graduates) signed up for the website and 42 employer businesses posted 152 job openings. The same year, Tatneft launched a new project to attract young talents in the organization, the Crowdsourcing Diploma. The project is based on the following idea: the student engaged in writing a thesis publishes his or her work and a short description of the issue investigated in it. The company experts make an online evaluation of the thesis, assess the relevance of the research topic and the effectiveness of the proposed solution for dealing with the issue and suggest other ways of tackling it. Nineteen diploma projects by students from the Faculty of Economics and Management of the Almetyevsk State Oil Institute were selected to test the new technology in 2014.

In 2015, a total of 18,713 employees participated in Tatneft’s training and upgrading programs with an average of 74.9 hours per person of time spent in study and an estimated 160 million rubles channeled for this purpose.

4. Discussion
The main issues relating to talent management include focus on talents from outside; classification of staff (for instance, detection of nomad employees); talent management limited only by the formation of the candidate pool; creation of special conditions for a limited number of employees recognized as talents. Other issues concerning the talent management system are vague criteria for assessing the talent, top managers’ stereotypical views on their exclusive right to be talented and a lack of standard tools to evaluate and promote the career of talented employees.

On the other hand, talented employees are also faced with a number of problems, including absence of ways to attract the management’s attention, lack of understanding an employee’s talent on part of his or her colleagues and managers’ unwillingness to work individually with a talented employee. In our view, implementation of talent management into modern organizations is directly linked to solving the above-mentioned problems and to providing a concise definition of the term ‘talent’ and ways of managing this type of employee.

1. Research has shown that employer businesses invest too much in new employees and too little in detecting talented employees among those available and, consequently, lose real professionals. We are convinced that talent management goes essentially against hiring new employees, since talented employees and professionals are expected to be found within each organization.

2. We suggest defining talent as a set of advantages (knowledge, skills, abilities and relationships) allowing the employee to demonstrate performance above average under specific conditions. In this case, talent management will be to constantly detect talented employees among staff members and to make better use of them for the benefit of the company.

3. The talent management system implies a comprehensive approach to handling employees who have high potential to develop their leadership and management skills and could, in the long run, hold key positions (Table 2).

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<th>Main aspects of the talent management system</th>
<th>Description</th>
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<td>Identification of talented employees</td>
<td>Competencies and potential are the main criteria for assessing talented employees. They can be assessed at the Assessment Centre. The identification process must be carried on regularly base on the exterior and interior job markets ensuring the ongoing replenishment of the company's talent pool.</td>
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4. Talent management should not be limited to the creation of a candidate pool, although even this measure is, for many companies, a big step in improving the efficiency of key business operations. A broader look at this issue shows that real talents can be found anywhere, and there is no need for them to hold a senior position. To achieve greater success, many companies will make better use of talented professionals at their core post. We believe that companies need to develop all their employees. Businesses need both future top managers (the strategic candidate pool) and efficient staff members (the executive candidate pool). Detecting the employees’ professional and managerial potential is equally important for horizontal and vertical career growth, respectively. Talent management should be regarded as a cyclic and ongoing process of detecting, using and developing talented employees. In this regard, talent management interacts with the lifelong learning concept, including self-study.

5. Conclusion
Talent management is a system aimed at enhancing an individual’s competencies in crucial (from a business perspective) types of activities by introducing and developing programs for attracting, developing, promoting and retaining newly employed talented professionals. The company manager’s task is to interest young talented professionals in maintaining a high level of performance and to encourage them to meet the imposed requirements in terms of their performance, quality of their work and active participation in the company’s business. Despite a targeted approach to introducing the talent management concept in personnel management practices at most Russian companies and a focus on the candidate pool management technology, there are sufficient examples, in national practices, of the companies’ efficient use of this personnel technology.

Targeted capacity-building of the employee and ongoing search for and revelation of his or her potential is the main objective of the talent management concept. Talent management should be considered as a cyclic and continuous process of identifying, using and developing talents. Choosing the right tool to identify and bring up talented employees can help the company attain its goals, increase employees’ performance and satisfaction with work and, eventually, take the company to a new level.

References