

T.C.
MARMARA ÜNİVERSİTESİ
SOSYAL BİLİMLER ENSTİTÜSÜ
KAMU YÖNETİMİ ANA BİLİM DALI
HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT BİLİM DALI

**THE EFFECTS OF TALENT MANAGEMENT
ON THE PERFORMANCE OF THE EMPLOYEES
IN THE MANUFACTURING SECTOR AND
AN APPLICATION IN A MULTINATIONAL COMPANY
OPERATING IN TURKEY**

Yüksek Lisans Tezi

ECE BASMACI KARALAR

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Danışman: YRD. DOÇ. DR. SALİM ATAY

İstanbul, 2008

Marmara Üniversitesi
Sosyal Bilimler Enstitüsü Müdürlüğü

Tez Onay Belgesi

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ÖZET

YETENEK YÖNETİMİNİN ÜRETİM SEKTÖRÜNDEKİ ÇALIŞANLAR ÜZERİNE ETKİLERİ VE TÜRKİYE’DE FAALİYET GÖSTEREN ÇOK ULUSLU BİR FİRMADA UYGULANMASI

Hızla gelişen teknolojilerin getirdiği olanaklar yerel ekonomilerin her geçen gün küreselleşmesine yol açmaktadır. Bunun doğal sonucu olarak da şirketlerin en iyi ve en nadir bulunan için mücadele ettikleri rekabet tüm dünya geneline yayılmaktadır. Bu noktada “yetenek” firmaların ihtiyaç duyduğu kavram olarak ortaya çıkmaktadır. Eşsiz ve taklit edilmesi zor olan insan sermayesi şirketlerin birbirlerine üstün gelmeleri için en önemli ve vazgeçilmez bir etken halini aldığından, günümüzde kurumsallaşmış firmalar yeteneği bünyelerine çekmek ve bu yetenekten en iyiyi elde etmek için yeni yöntemler ve teknolojiler kullanmaya başlamışlardır. Yetenekli çalışanlar için “Yetenek Yönetimi”nin uygulanması bir gereklilik haline gelmiştir. Firmalar yetenek savaşını kazanmak ve çalışan performansını artırmak için çekme, istihdam etme, elde tutma, dahil etme, eğitim ve geliştirme, yetenek denetimleri, kariyer ve yedekleme planlaması, performans yönetimi ve toplam ödül gibi yetenek yönetimi öğelerini uygulamaktadırlar. Bu çalışmada, yetenek yönetimi üzerine bir literatür taramasının ve yetenek yönetimi ile performans yönetimi arasındaki ilişkinin ortaya konmasının ardından yetenek yönetiminin çalışan performansı üzerindeki etkileri, Türkiye’de faaliyet gösteren çok uluslu bir ambalaj şirketindeki çalışanlar üzerinde anket uygulanması suretiyle araştırılmıştır.

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ABSTRACT

**THE EFFECTS OF TALENT MANAGEMENT
ON THE PERFORMANCE OF THE EMPLOYEES
IN THE MANUFACTURING SECTOR
AND AN APPLICATION IN A MULTINATIONAL COMPANY
OPERATING IN TURKEY**

Opportunities brought by fast developing technologies transform local economies into global economies. As a natural result of this, competition, where the companies fight for the best and the scarce, becomes global. At this very point, “talent” has come out to be the concept the companies feel the need for. Today, most of the corporate companies have started using new methods and technologies in their divisions in order to attract talent and make the most of it, since the human capital, which is unique and unlikely to be imitated, has become the most important and indispensable factor in order for the companies to win over one another. Implementation of “Talent Management” for the talented employees has become a necessity. Talent management elements such as attraction, recruitment, retention, engagement, training and development, talent audits, career planning, succession planning, performance management and total reward have been implemented in order to win the war for talent and increase employee performance. In this study, the effects of talent management on the employee performance has been investigated in an application in a multinational packaging company operating in Turkey through the use of questionnaire method following the literature review on the mentioned-elements of talent management as well as the relationship between talent management and performance management.

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ABBREVIATIONS

<i>BARS</i>	Behaviorally Anchored Rating Scales
<i>BOS</i>	Behavioral Observation Scales
<i>cf.</i>	cited from
<i>ed.</i>	edition
<i>ed. by</i>	edited by
<i>et al</i>	and the others
<i>f</i>	frequency
<i>EPAP</i>	Employee Performance Appraisal Plan
<i>EVP</i>	Employee Value Proposition
<i>HR</i>	Human Resources
<i>HRM</i>	Human Resources Management
<i>IBR</i>	Improving Business Results
<i>ILO</i>	International Labor Organization
<i>KMO</i>	Kaiser-Meyer-Olkin
<i>N.A.</i>	non-available
<i>p.</i>	page
<i>PA</i>	Performance Appraisal
<i>PM</i>	Performance Management
<i>pp.</i>	pages
<i>sig</i>	significance
<i>SPSS</i>	Statistical Package for the Social Sciences
<i>std.</i>	standard
<i>TM</i>	Talent Management
<i>TMS</i>	Talent Management System
<i>Vol.</i>	Volume

I. INTRODUCTION

In today's competitive and globalised environment, companies need more than just capital. To ensure their sustainability and development, they have to rely on their "core competencies" which provides them with a huge competitive advantage. Having in mind that technical innovations are quickly spread through the market and they can easily be imitated, "human" together with his core competencies comes up to the stage as the most crucial factor which differentiates most among the companies. Recruiting, retaining, engaging, training and measuring the employees as well as succession planning through careful career management strategies become increasingly important for the companies striving for competitive advantage and caring about their future as much as their current status.

Employees from their recruitment onwards bring their talents as an added value to the companies with them. At this very point after recruiting the employees with their existing talents, the companies are liable to make use of these talents besides trying to develop and keep these talents in-house. As illustrated by Charles Woodruffe, it is [...] true that constant change and increased competitiveness have resulted in people being the only way that firms can get an edge on one another.¹ In particular, organizations that possess talent will have the basis winning over their rivals. People become the strategy for success. In other words, human factor has become *sine qua non* tool to win "the war for talent", a term which was coined by McKinsey&Company in 1997. Among all the factors that could influence the effectiveness of organizations in the future, the foremost driver is talent.²

To attract and retain key talent, more and more companies have started to implement talent management strategies for their current and future success. Talent management strategies form a from-cradle-to-the-grave perspective starting from the

¹ Woodruffe, Charles. "What About the Knowledge Workers?". *Winning the Talent War*. Chichester: John Wiley&Sons. 1999. p. 25.

² Buckingham, Marcus&Richard M. Vorsburgh. "The 21st Century Human Resources Function: It' the Talent, Stupid!" *Human Resource Planning* . 24(4). 2001.

selection of the right person for the right task and expanding its boundaries to detect the key talent within the company, to keep and develop this talent. While the recruitment of individuals is important to the long term success of all organizations, the retention of the current employees and their ongoing development has become even more critical. [...]. To be successful, organizations must consider nurturing and developing all the talent within the organization. ³Otherwise, the organization is likely to lose the employees with high potential, who will take all the talent and knowledge with them, which will result in a talent vacancies and these vacancies will be difficult to be replaced. However, at this stage, it is crucial to stress out that talent management is not only applied to the employees with high potential, which are the highflyers of a company, but every steady performer.

Our goal in this study is to define talent and the related terms, talent management along with its tools (building blocks) and functions, to describe steps for creating a talent management system, to define performance appraisal as well as its uses, sources and methods. This is crucial for our study since we will focus our attention to find out the effect of talent management on the performance of the employees, which can only be measured through performance appraisal systems.

The link between the above-mentioned mutually-inclusive terms which are talent management and performance of the employees will be taken under scope in the third part.

Fourth part of our study will be dedicated to an application on the effects of talent management on the performance of the employees in a multinational metal packaging company operating in the manufacturing sector in Turkey. The application will be presented in the form of a questionnaire which was filled out by the whole population of employees working in the above mentioned company. The data drawn will be analyzed using SPSS. A report on the results of our research will be presented. Theoretical information will be placed on a concrete basis in this application.

³ Buhler, Patricia M. "Managing in the New Millennium: Developing the Talent Within". *Supervision* 68 No: 5 May 2007.p.20.

II. DEFINITIONS

A. THE CONCEPT OF TALENT AND THE RELATED TERMS

What is going to be the most valuable for every business is what is more scarce. It is not about gold, diamonds and petrol anymore, it is about **talent**. If you are in HR are not enhancing the ability of your people to do their best work, then who is?

Angela O'Connor, HR Director at Crown Prosecution Service

The word “talent” has ancient origins: originally as a unit of weight, then as a unit of monetary value, and then as a symbol for people’s innate achievements. Talent is more than an organization’s conclave of employees:

- Talent represents employee skills and capabilities.
- Talent often assumes managerial talents, but increasingly extends to a wider range of specialized organizational players.
- Talents represents the skills and capabilities of people hovering at shifting boundaries of organizations: for example, potential employees and contingent of contract workers.
- Talent may even include the skills and capabilities of people in other organizations-people nominally working on the other side of organization boundaries that future business needs may require crossing in order to form extended enterprises.⁴

Another definition has been made by Buckingham and Clifton:

Talent is any recurring pattern of thought, feeling, or behavior that can be productively applied. Thus, if you are instinctively inquisitive, this is a talent. If you are competitive, this is a talent. If you are charming, this is a talent. If you are persistent, this is a talent. If you are responsible, this is a talent [...]⁵

⁴ Sears, David. *Successful Talent Strategies: Achieving Superior Business Results Through Market-Focused Staffing*. Saranac Lake, NY, USA: AMACOM, 2002. p.24.

⁵ Buckingham, Marcus and Donald O. Clifton. *Now, Discover Your Strengths*. UK: Simon&Schuster. 2002. p.48.

According to Chowdhury, talents are the relatively few people who contribute the most to the organization who need to be recognized, nurtured and leveraged to maximize the results only they can achieve.⁶

To put it in simple terms, talent means potential to work (perform). Performance, on the other hand, is the expression of what the person is capable of doing under the existing circumstances. Success of a person in performing a task is tied to his/her talent and motivation. This can be formulated in the following way:

$$\text{Performance} = \text{Talent} \times \text{Motivation}$$

According to this formula, if there is no talent or motivation, in other words if the total value of these two elements are equal to zero, performance will be out of question. In order to measure one's talent, the person under scope must do (perform) something. Undoubtedly, change in the talents leads to a change in performance. Everybody has some innate talents. During the process of growth, some of these talents develop while others waste away. Therefore, when people tend towards work, talents of each person come out to be different from each other.⁷

Though it has been defined by some as a term coined for the people having high potential, deep knowledge and competence, who can lead the innovations and improve the organization, talent management processes should not be limited to the favoured few as suggested by Armstrong.⁸ The key thing is not only to have the key talent or to be high flyer in a company, but to perform steadily, which will lead in sustainability in the success of both the employee and the employer. Moreover, talent includes successful

⁶ Chowdhury, Subir. 2002. *Talent Era, The: Achieving a High Return on Talent*. USA: Prentice Hall. The book available online at: <http://bus.safaribooksonline.com/0130410403> (Date of access: 03.10.1007).

⁷ Kurtuluş, Esra. "İşe Alım Sürecinde Yetenek ve Kişilik Testlerinin Önemi: Bir İlaç Firmasında Satış Temsilcileri Üzerine Bir Araştırma". *Yayınlanmamış Yüksek Lisans Tezi*. Marmara Üniversitesi. Tez Danışmanı: Prof. Dr. Canan Çetin. 2006. p.63.

⁸ Armstrong, Michael. "Talent Management". *Handbook of Human Resource Management Practice*. 10th ed. London, GBR: Kogan Page, Limited. 2006. p.390.

time management as well as success, competence, leadership, easiness, being practical and creative and welcoming improvements.⁹

Among all the factors that could influence the effectiveness of organizations in the future, the foremost driver is talent.¹⁰ We have progressed from the Industrial age to the Information age. The value of hard assets has declined relative to the value of a company's intangible assets –assets such as proprietary intellectual capital, winning brands, and innovative ideas. Underpinning all of these intangibles is *talent*.¹¹

Finding talent will be difficult and costly throughout the world for the next several years. The workforce is not shrinking, but it is not growing skilled talent fast enough to keep up with global demand and opportunities. If talent is scarce and valuable, companies win when they are smarter than the competition in creating an attractive work environment picking the right people, and getting the most out of them. In many of the world's fast-growing economies, it may be easier to access money and technology than good people. This means competitive advantage belongs to companies that know how to attract, select, deploy and develop talent. Since the ultimate resource of all information, service and knowledge-added is people, the only way to be successful is to manage people effectively. Here, at this very point, the most crucial thing appears to be the management of talent in an efficient manner by selecting, developing and deploying talent.¹²

Difficulty in finding and developing talent is also expressed by Simon Brittain who says that key talent is often more difficult to develop because of the specialised nature of their roles. By definition, they provide the organization with something that

⁹ Author N.A. "Yönetilir Sermaye: Yetenek". Available at: www.insankaynaklari.com (Date of access: 14.04.2008).

¹⁰ Buckingham&Vorsburgh. pp.17-23.

¹¹ Author N.A. "The War for Talent". Organization and Leadership Practice. McKinsey&Company. April 2001.

¹² Gubman, Edward L. *The Talent Solution: Align Strategy&People to Achieve Extraordinary Results*. pp.3-5.

would be hard to replace, whether there is market know-how or familiarity with the mainframe. Knowing how to manage them is therefore essential to business strategy.¹³

According to John W. Boudreau, at least three markets are vital for the organizational success, which are the financial market, the customer/product market and the talent market. Talent market has turned out to be much more important, since organizations cannot succeed without effective decisions and professional practices for operating in the financial and customer markets, and they also increasingly require effective decisions aligned with professional practices in the talent market. Organizational decision processes and tools employed in the talent market are far less mature and refined than those used in finance and marketing.[...]. Professional practices alone do not systematically address the increasing sophistication and importance of talent markets and decisions to today's competitive challenges. For all their contributions, good professional practices are not the same as having a logical and a deep decision science for talent. Today, such a talent decision science is a source of competitive advantage, just as the decision sciences for financial and customer markets were in the previous century. HR and business leaders must broaden their traditional focus beyond just HR services, toward a decision science that enhances decisions about human capital, wherever they are made. The goal of this talent decision science would be to increase the success of the organization by improving decisions that impact or depend talent resources. Boudreau and Ramstad coined the term 'talentship' to describe this new decision science and to reflect the notion of stewardship for the resource of employee talents. Talentship is to HR what finance is to accounting and what marketing is to sales.¹⁴

A talent decision science, which is labelled to be as 'talentship' by Boudreau and Ramstad, is vitally needed today for all the well-known reasons that is increasingly important to enhance talent decisions, including structures, behaviors, capability,

¹³ Brittain, Simon. "How to manage key talent". *People Management* 13 no 12 June 2007. p.47.

¹⁴ Boudreau, John W. "Talentship and the New Paradigm for Human Resource Management: From Professional Practices to Strategic Talent Decision Science". *Human Resource Planning* 28 no:2. 2005. p.19.

learning, collaboration, shared culture.¹⁵ Culture, being an indispensable part of a improved talent decision, is a key differentiator for the best companies in the world, since they put some of the company's cultural attributes out there, front and center, in the promotion evaluation process. It means peering into the eyes of the candidate and determining whether he or she will be a good fit. It also means putting the culture out there for the candidate to understand, so there is no confusion about what it will feel like in an organization.¹⁶ [Organizations] have to be open and honest about what their culture is. Any individual or potential acquisition considering becoming a part of an organization has to know what that organization is about.¹⁷

Poor cultural fit is major cause of turnover for new hire. Cultural fit does not mean hires have to come from the same industry, but it does mean their leadership style and values have to be compatible with the company's culture.¹⁸

Having a shared culture is vital both to the employee and to the employer in talentship, contributing to the development and performance of the employee, which will then reciprocally have a positive effect on the success of the company.

According to Chowdhury, to lead in the present and the future, organizations must emphasize two things: talent and environment. An organization must employ and retain the best, brightest and most diversified people in order to innovate. Organizations must have people who will work together to bring out better products faster or deploy better processes in the workplace. Organizations need to provide talent with appropriate resources for innovation. An organization must create a constant learning environment that embraces positive challenge, a fearless environment where people can

¹⁵ Losey Mike (ed.by.). *Future of Human Resource Management: 64 Thought Leaders Explore the Critical HR Issues of Today and Tomorrow*. Article by John W. Boudraeu&Peter M. Ramstad. "Talentship, Talent Segmentation and Sustainability: A New HR Decision Science Paradigm for A New Strategy Definition".Hoboken, NJ, USA: John Wiley&Sons Incorporated. 2005. p.293.

¹⁶ Royal Mark and Mel Stark. "Reap What You Sow: Manage Your Talent Pipeline". Hay Group. December 2005. Available at: www.haygroup.com/ww/Media/Headline.asp?PageID=897 (Date of Access: 21.06.2008).

¹⁷ Pinola, Richard J. "Talent Management in a Global Firm". in Lance A.Berger&Dorothy R. Berger.*The Talent Managment Handbook*. New York: McGraw Hill. 2004. pp.254-255.

¹⁸ Author N.A. "The War for Talent". April 2001.

communicate and collaborate with one another, a diversified environment where people think differently and value each other's thinking, new ways of looking at problems and opportunities and a strong sense of urgency, and a culture that effectively leverages talent.¹⁹

Another thing to keep in mind is that employers view talent issues through the prism of their current and expected business needs. Their talent concerns boils down to obtaining the talent needed for a particular time at the price they were willing or able to pay. Employers' problems are not the entire employment market. Employers, for example, do not face demographic shortages, instead they face shortages of skills to accomplish the work that drives their strategies and competitiveness.²⁰

As Sears points out, one of the realities of talent is that talent is knowledge. Today, most work has a substantial knowledge component, which makes talent an indispensable part of work performed. Instead of performing program tasks, knowledge-based talent is more likely to be responsible for either all or substantial portions of broader, considerably less supervised, considerably more value-added processes. Individuals at all stages of their careers have considerable discretion to prioritize their time, efforts and method. As seen, these individuals are owners of human capital. Because of their unprecedented access to job knowledge, they become the source best positioned to define and increase their own productivity.

While talent can be defined in various terms, the definition of its value is subject to change at all times. The subject defining the value of talent is the customer, who does not care about companies and barely cares about the products and services sell. In the customer seat, products and services only have visibility and value if they improve customers's lives or contribute to customer success. From the employer's point of view, what is at high demand is not the employee itself, but the correct and timely mix of talent who can either supply products/services customers value. Employees are accepted

¹⁹ Chowdhury, Subir. "Towards the Future of Organization". *Organization 21 C: Someday All Organizations Will Lead This Way*. USA: Prentice Hall. 2003. Preview of the book available online at: <http://safari.adobeypress.com/0130603147> (Date of Access: 03.10.2007).

²⁰ Sears, David. p.74.

to be talents only if they increase customer use and value perception of existing products/services, develop or find new customers for existing products/services or develop new products/services that will be valued by existing customers and new customers.²¹

Before proceeding with the concept of “talent management”, related terms such as competence and performance need to be defined. As Mathis and Jackson describes it:

Performance is essentially what an employee does or does not do. Performance of employees that affects how much they contribute to the organization could include quality of output, quantity of output, timeliness of output, presence at work and cooperativeness. Though there might be specific job criteria for each specific job, above-mentioned elements are common to most.²²

Competence is a developed ability, relying more upon nurture than nature [unlike talent which is innate]. Competence implies being adequate or properly qualified for a purpose.²³ McLagan has noted that organizations are beginning to realize how their market value increasingly relies on the knowledge and skills of their employees and that caring about their (human) competency base and how it is developed is starting to make strategic sense to them.²⁴ Jacobs has defined employee competence as the potential to use specific sets of knowledge and skills, noting that it should be viewed within its proper performance context²⁵ and McLagan has stated that a competent workforce is well within the grasp of any organization.²⁶ Nevertheless, in today’s competitive business environment, just being competent is not enough. The term competence suggests that an employee has an ability to do something satisfactory-not necessarily outstandingly or even well, but rather to a minimum level of acceptable performance.

²¹ Sears. pp.77-79.

²² Mathis, Robert L.&John H. Jackson. “Performance Management and Appraisal”. *Human Resource Management*. USA: South-Western College Publishing. 1999. p.381.

²³ Author N.A.“CSI-Ideas For Leaders”. Available at: www.capsnap.com/max/maxarticle1.asp?ID=14 (Date of Access: 13.04.2008).

²⁴ Mc Lagan, Patricia. “Competencies: The Next Generation”. *Training and Development*. 51. May 1997. pp. 40-47.

²⁵ Jacob, R.L. “The Taxonomy of Employee Deveopment: Toward an Organizational Culture of Expertise”. *1997 AHRD Conference Proceedings*. p.281.

²⁶ Mc Lagan. p.40.

Today, rapid change within the organization is inevitable, and the organization's performance context is being constantly redefined. What is required for adapting to change is not just competent individuals but individuals who are outstanding performers. As represented by Swanson's taxonomy of performance, the skills and knowledge required to maintain a system are significantly different from the expertise required to change and improve the organization and its systems.²⁷ To gain competitive advantage and be adaptive to change, organizations are requiring that employees be top performers. Thus, it is the development of workplace expertise, not merely competence, that is becoming vital to optimal organization performance.

As the foremost goal of organization is to make the best out of its people in order for these people to contribute to the achievement of the organization's mission or strategies, what is of vital importance to an organization is core competencies, rather than the whole set of competencies, which are aligned to that organization's strategic endeavours. These core/institutional competencies are expectations of behaviours/skills/values that are crucial to the success of each employee and, therefore, to the success of the entire organization. [It has been determined by a study by Berger that] there are no more than 30 core institutional core competencies and most organizations use between 9 and 11 competencies in their talent assessment process. A set of representative core competencies are as follows:²⁸

²⁷ Swanson, Richard A. *Analysis for Improving Performance: Tools for Diagnosing Organizations and Documenting Workplace Expertise*. San Francisco: Berrett-Koehler. 1994. p.57.

²⁸ Berger, Lance A. & Dorothy R. Berger. "Four Steps to Creating a Talent Management System". *The Talent Management Handbook*. NY: McGraw-Hill. 2004. p.23.

Table 1

Competency	Competency Definition
Action Orientation	Targets and achieves results, overcomes obstacles, accepts responsibility, creates a results-oriented environment, and follows through on actions.
Communication	Communicates well both verbally and in writing. Effectively conveys and shares information and ideas with others. Listens carefully and understand various viewpoints. Presents ideas clearly and concisely and understands relevant detail in presented information.
Creativity/information	Generates novel ideas and develops or improves existing and new systems that challenge the status quo, takes risks and encourages innovation.
Critical Judgment	Possesses the ability to define issues and focus on achieving workable solutions. Consistently does the right thing by performing with reliability.
Customer Orientation	Listens to customers, builds customer confidence, increases customer satisfaction, ensures commitments are met, sets appropriate customer expectations, and responds to customer needs.
Interpersonal skill	Effectively and productively engages with others and establishes trust, credibility and confidence with others.
Leadership	Motivates, empowers, inspires, collabotes with and encourages others. Develops a culture where employees feel ownership in what they do and continually improve the business. Builds consensus when appropriate. Focuses team members on common goals.
Teamwork	Knows when and how to attract, develop, reward and utilize teams to optimize results. Acts to build trust, inspire enthusiasm, encourage others and help resolve conflicts and develop consensus in creating high-performance teams
Technical/Functional Expertise	Demonstrates strong technical/functional proficiencies and knowledge in areas of expertise. Shows knowledge of company business and proficiency in the strategic and financial processes, including planning processes and their implications for the company.

Source: Berger, Lance A.& Dorothy R. Berger. “Four Steps to Creating a Talent Management System”. *The Talent Management Handbook*. NY: McGraw-Hill. 2004. pp.23-24.

The term core competence was introduced by Hamel and Prahalad in 1990 *Harvard Business Review*. According to Hamel and Prahalad, a core competency is “an area of specialized expertise that is the result of harmonizing complex streams of technology and work activity”and meets the following three conditions:

- It provides consumer benefits-It must make a significant contribution to the perceived benefits of the end product.
- It is not easy for competitors to immitate. In many industries, such competencies are likely to be unique.
- It can be leveraged widely to many products and markets-the core competency must be capable of developing new products and services.

To say it in a different way, core competencies can well be defined as the capabilities to differentiate one organization from the other, just as talent does. According to report by International Labor Organization (ILO), it can be conceived as the group of attitudes, dexterities, skills and knowledge required to carry out a good standard determinate productive functions in a work ambient. Locating the concept in the sphere of human resources management, the definition given by the Public Function Commission of Canada says, “Competencies represent the knowledge, capacities, skills and behavior which an employee exhibits in doing his job, and which are key factors in achieving the results pertinent to the organization’s strategies.”²⁹

In today’s competitive environment, as the companies become more and more “people-driven”³⁰, they feel the need to have talent management processes as one of their core competencies, which will differentiate them from ‘the others’. The reason for this is that they have to fight for the best and scarce, which is unlikely to be imitated by their rivals. Therefore, talent owned by a company automatically comes to be core competency which can be a competitive advantage and at this very point the concept of talent management takes the floor as it is not only recruiting or having the talented people which matters, but also retaining, engaging these people and making the best out of them.

Organizational competencies take time to build. It requires commitment and transcends products and business units. Clearly, it is vital to the organization than it can retain the people in whom the competencies reside. It is also vital to retain the people who are committed to building the competencies, the people who are their champions. Retention is, therefore, implicit in a business strategy based around people as the winning resource. If the people are not retained, the organization loses the knowledge of its competencies.³¹

²⁹ Zuniga, Fernando Vangas. “Competencies in Training and Competencies in Human Talent Management: Convergences and Challenges”. August 2002. Available at: www.ilo.org/public/english/region/ampro/cinterfor/pub/sala/vangas/com_hum/index.htm (Date of Access: 07.04.2008).

³⁰ Author N.A. *Harvard Business Review* 2006.

³¹ Woodruffe. p.27.

That is the reason why talent management is accepted as an Human Resources (HR) strategy which is the combination of almost all functions of an organization, which will be described thoroughly during the second part of our study.

HR strategy becomes the business strategy when knowledge workers are put forward as the winning resource for an organization. Seeing the people of an organization as a strategic resource for achieving competitive advantage can be listed as one of the elements of strategic theme of human resources management (HRM). The argument is that having a superior human resource means having a winning resource. It starts from the premise that competitive advantage will increasingly be based upon people. It is true to say that constant change and increased competitiveness have resulted in people being the only way that firms can get an edge on one another. In particular, organizations that possess **talent** will have the basis for winning over their rivals. People [with their uniquely valuable innate power] **talent** become the strategy for success.³²

Business is no more than the extension of its key talent in the value chain, which connects customers with creators, giving customers the impression of intimacy and identity with the organization and supplying them with the value they want and need to return again and again.³³ It is better to define talent management concept to have a better insight of our subject.

³² Woodruffe. p. 25.

³³ Chowdhury. 2003.

B. THE CONCEPT OF TALENT MANAGEMENT

Talent management (TM) consisting of talent planning and development is a relatively new concept, only emerging in 2000s. There is nothing new about the various approaches contained in the concept of talent management-attraction, retention, motivation and engagement, development and succession planning. But they are bundled together to produce a more coherent whole that can be a vehicle for the development and implementation of coordinated and mutually supporting approaches that help the organization to get and to keep the talented people it needs.³⁴ This view has also been supported by *HR Focus* Journal stating that talent management covers a broad spectrum of HR activities, from crafting a job advertisement to tracking an employee's progress up the career ladder to separation.³⁵

When people talk about talent management, they refer to the structures, processes and people that are focused on “high potentials” or *Hipos* – high performers earmarked for promotion. However, but one group that most companies overlook is “key talent”- people with talent that the organization values. They differ from Hipos in that they often stay in the same role for much longer; they have business-specific technical knowledge or skills, such as in an IT role; or they possess special know-how, known as individual key talent, such as having unique relationships with clients.³⁶ Therefore, managing the key talent is considered to be an important newly-emerging strategy for business circles.

The talent management system (TMS) is an effective tool for creating a symbiotic relationship between talent and the organization to dramatically accelerate performance improvements. The TMS is a distinct function within the organizational management system devoted exclusively to attracting, keeping, managing and identifying talent.³⁷

³⁴ Armstrong, Michael. “Talent Management”. *Handbook of Human Resource Management Practice*. 10th ed. London, GBR: Kogan Page, Limited. 2006. p.389.

³⁵ Author N.A. “Many Action Add Up to Successful Talent Management”. *HR Focus* 83 No: 7. July 2006. p.3.

³⁶ Brittain.p.46.

³⁷ Chowdhury, Subir. “Chapter 5:Talent Management System”. 2002.

TMS elevates talent to a visible, exalted position to which others aspire. The TMS should be implemented and communicated as a big deal because it promotes distinct tracks for talents and other employees. [...]. The TMS should be a powerful magnet to talents, demonstrating that the corporation cares about talents and their joy-of-work needs.³⁸

Several recent articles in the practitioner-oriented literature describe “talent management” as “a mindset”; a key component to effective succession planning; and, an attempt to ensure that “everyone at all levels works to the top of their potential”. Several authors fail to define the term or admit, “there isn’t a single consistent or concise definition”. Nevertheless, Ashton and Morton note, “good TM is of strategic importance”. Despite this inauspicious start, we delved further and uncovered three distinct strains of thought regarding TM. The first defines talent management as a collection of typical human resource department practices, functions, activities or specialist areas such as recruiting, selection, development, and career and succession management.

A second perspective on talent management focuses primarily on the concept of talent pools. TM, to these authors, is a set of processes designed to ensure an adequate flow of employees into jobs throughout the organization. These approaches are often quite close to what is typically known as succession planning/management or human resource planning but can also include typical HR practices and processes such as recruiting and selection. Central to these approaches is projecting employee/staffing needs and managing the progression of employees through positions, quite often via the use of enterprise-wide software systems. In these cases the focus is generally more internal than external. Schweyer offers a perspective typical of this approach, “The first step in talent management is to gain a solid understanding of the internal workforce”.³⁹ It may surprise many human resource practitioners that the problem of ensuring an

³⁸ Chowdhury. 2003.

³⁹ Schweyer, Allan. *Talent Management Systems: Best practices in technology solutions for recruitment, retention and workforce planning*. Canada: John Wiley&Sons Ltd. 2004. p.20.

adequate flow of talent into positions while optimizing organizational resources has long been a topic of interest to researchers in industrial engineering and industrial management. Commonly known as “manpower” or “workforce” planning, these approaches generally involve modeling organizational staffing/career flows by coding levels of hierarchy, rules for entering and exiting a position, and parameters such as costs, anticipated tenure, and supply and demand. The progression of people through positions due to growth, attrition, and other factors programmed into the model has been used to simulate a variety of organizations and staffing planning problems. Enterprise talent management systems that catalogue workforce skills and the demand and supply of employees have the advantage of considering more jobs simultaneously than most manpower models, but perform essentially the same task.

A third perspective on TM focuses on talent generically; that is, without regard for organizational boundaries or specific positions. Within this perspective two general views on talent emerge. The first regards talent (which typically means high performing and high potential talent) as an unqualified good and a resource to be managed primarily according to performance levels. That is, highly competent performers are to be sought, hired, and differentially rewarded regardless of their specific role or, in some cases, the organization's specific needs. Thus, in contrast with the second perspective outlined above, organizations are encouraged to manage performance pools of talent generally rather than succession pools for specific jobs. Advocates of this approach classify employees by performance level (e.g., “A”, “B”, and “C” levels to denote top, competent, and bottom performers, respectively) and either encourage rigorously terminating “C” players or “topgrading” the organization via exclusively hiring “A” players. For example, topgrading is defined as “packing entire companies with A players – high performers, from senior management to minimum wage employees – those in the top 10% of talent for their pay”.⁴⁰

Talent management is about how organizations attract, select, retain, develop and align the right people, in the right roles, at the right time - to deliver their strategy

⁴⁰ Lewis, Robert E.&Robert J. Heckman. “Talent Management: A Critical Review”. *Human Resource Management Review*. 16 2006. pp.140-141.

now and in the future. When worldclass, it is about ensuring these activities operate in such a way that talent is viewed as a pipeline not a tap." This means investing heavily in developing people for the long term and focusing equally on the success requirements of specific roles, not just focusing on the personal attributes of those in them.⁴¹

According to Armstrong, talent management is the use of an integrated set of activities to ensure that the organization attracts, retains, motivates and develops the talented people it needs now and in the future. The aim to secure the flow of talent, bearing in mind that talent is a major corporate resource.⁴² The concept has been defined in very similar terms by the other HR Resources. Last but not least, the definition provided by *TD Journal* is as follows:

[Talent management] refers to the concept of bringing together –in a unified technology platform- the functions of recruitment, selection and assessment, learning and development, performance management, workforce planning, compensation, etc. This string of functions often has been referred to as “employee life circle” or “cradle-to-grave” employment applications, or the ability to “attain, train and retain” a workforce. Instead of talent management, other terms that have been loosely used to describe the entire process are “human capital management”, “employee relationship management” or “workforce management”.⁴³

To obtain an organization’s ability to achieve sustained excellence, it must recognize the need of proactive talent management and have a systematic way of accomplishing the activity. It is important to understand the **goals** of proactive talent management. Based on the research of Berger, it has been discovered that successful companies either articulate or intuitively focus on three outcomes:

- The identification, selection, development and retention of superkeepers. Superkeepers are a very small group of individuals who have demonstrated

⁴¹ Author N.A. “Talent Management: What the Best Organizations Actually Do”.Hay Group Working Paper. Available at: http://www.haygroup.com/downloads/ie/Talent_Management_working_paper.pdf (Date of Access: 24.06.2008).

⁴² Armstrong. p.390.

⁴³ Oakes, Kevin. “The Emergence of Talent Management”. *TD* 60 No:4 April 2006.p.21.

superior accomplishments, have inspired others to attain superior accomplishments, and who embody the core competencies and values of the organization. Their loss or absence severely retards organization growth because of their disproportionately powerful impact on current and future organization performance.

- The identification and development of high-quality replacements for a small number of positions designated as key to current and future organization success. Gaps in replacement activity for key positions are highly disruptive, costly and distracting to the organization.
- The classification of and investment in each employee based on his/her actual and/or potential for adding value to the organization. The employee groups are superkeepers, those employees who greatly exceed expectations; keepers, those employees exceed organization expectations; solid citizens, those employees who meet organization expectations; and misfits, those employees who are below organization expectations. Poor allocation of compensation, training and development resources can lead to unwanted turnover, morale and performance problems, particularly superkeeper and keeper groups.⁴⁴

Long-term value creation demands focusing on people. It is a must to build an organization where people want to satisfy customers every day, every year. This takes a long time, requires responding a lot of diverse needs. Every improvement to a company rests on its people deciding to do something differently and better. To manage the talent within to create outstanding results, one needs to do three things according to Edward L. Gubman⁴⁵:

⁴⁴ Berger&Berger. p.4.

⁴⁵ Gubman. pp.20-21.

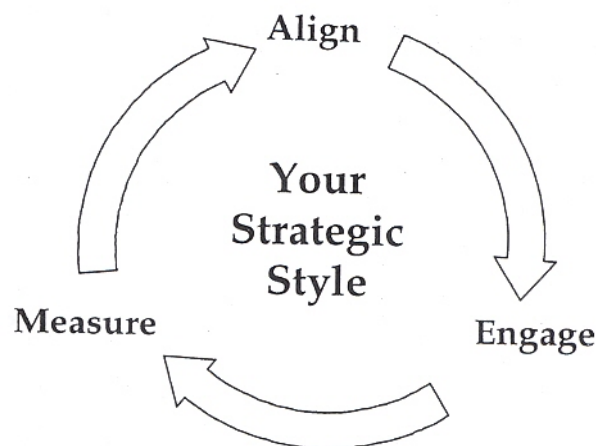


Figure 1: Talent Management Framework

Source: Gubman Edward L. “Strategy Implementation Through People”. *Talent Solution: Aligning Strategy&People to Achieve Extraordinary Results*. Blacklick, OH, USA: McGraw-Hill. 1998. p.21.

- **Align your talent to your business strategy:** Make sure people know where you are going as a business, what you are doing to get there, how they can contribute to what you want to achieve, and what is in it for them when they do. These are the things people keep telling you they want to know. They also are the things that lead to higher productivity. [...] Alignment starts by telling employees what game you are playing and how you plan to win. This helps them understand your strategic style and how you are executing it. This communication is incredibly meaningful to both you and your employees. They want to know just as much as you want them to-maybe more. People want to excel and win. They associate winning with having a plan-knowing how you want to win.

Aligning people means simultaneously paying attention to several different practices and variables –who you select, how you train them, how they are organized, what you tell them, how you reward them, as well as what you are doing and how they are feeling about it, their customers, you and themselves.

In order to allign people to better business results, there are different alignment models, one of which has been diagrammed below:

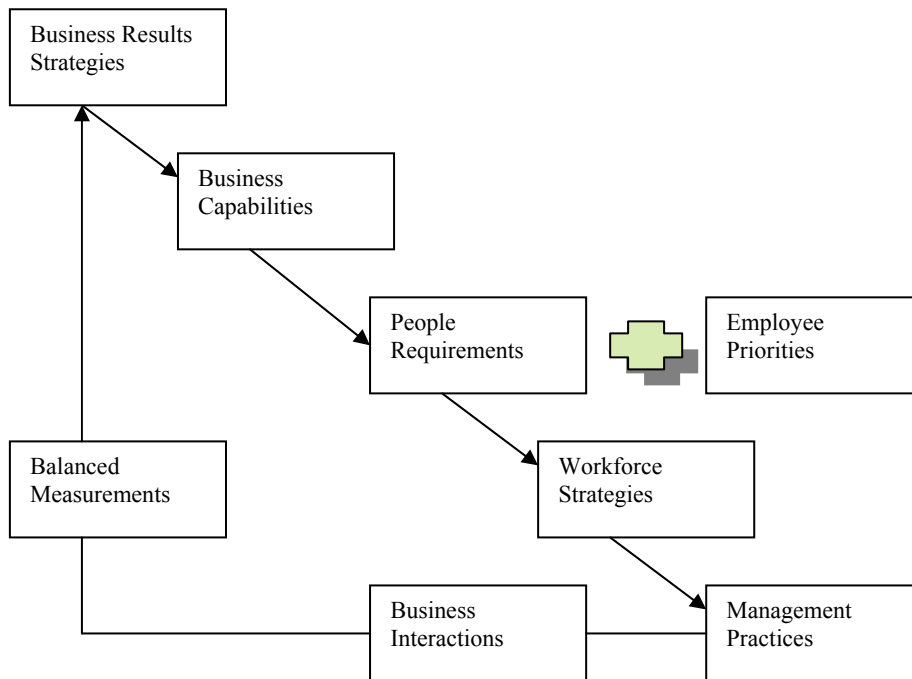


Figure 2: Improving Business Results with People (IBR) Model

Source: Gubman, Edward. p.33.

Business results and strategies describe the outcomes the company is trying to achieve and the strategies used by the company to get there. Business performance measurement is how the company expresses the results it wants. Strategic style is the context for alignment.

Business capabilities refer to the distinctive abilities of a company as an organization to use money, technology, information, people and other resources to create a competitive advantage. The successful organization knows its capabilities in the context of its strategy and continually exploits them in its marketplaces.

People requirements are the things the company demands from people to exercise its capabilities-what the organization needs from its people to be successful. These requirements can be listed as the culture-the shared norms and values the company wants to shape behavior and decision-making; competencies- individual and collective employee talents of the company; and contact-the psychological and social

agreements the company needs from its employees about how hard they should work, how long they can expect to work for the company, work/life balance issues, and so forth.

Employee priorities are the bottom-up of the education. These are what employees want today, what keeps them awake at night about their work lives and careers, and what they want for their lives and careers for the long term.

Workforce strategies are the distinctive plans the company has for acquiring, developing, deploying and retaining its people for competitive advantage.

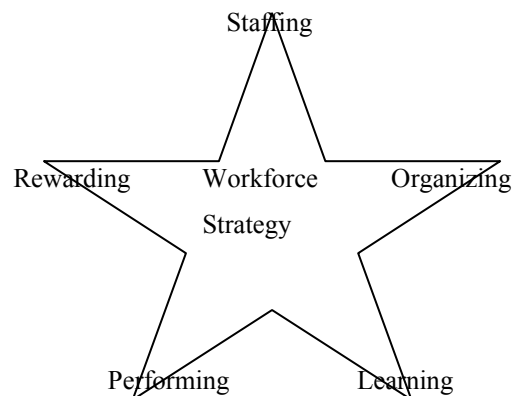


Figure 3: Talent Management Practices

Source: Gubman, Edward. p.106.

Management practices describe the ways you enact your workforce strategies. There are five main talent management practices: staffing, organizing, learning, performing and rewarding. These need to be aligned with the workforce strategies of the company and integrated with each other to make alignment work and shape the kinds of business interactions the company wants.

Business interactions is where all business results occur. Interactions describe how employees deal with customers, with each other, and with leadership. Interactions involve serving customers, teaming, taking direction, leading, developing products, marketing, selling, reducing costs- all the things that make business happen.

Balanced measurements are both the business and individual measurements that gauge how well the company and its employees are doing. Measures need to balance the objectives of shareholders, customers, and employees because this equilibrium is what enables the company to succeed for the long-term.⁴⁶

- **Engage your people in what you are trying to achieve:** Aligning them tells them what to do and enables them to understand the reasons why they should do it. It helps them experience their jobs or assignments with more commitment and emotion. Excited employees should be a business result you try to achieve because even if the work is repetitive, enthusiastic employees give you extra effort and help customers feel like they are buying from the right company. They also create a great work environment that is the key to attracting and retaining other talented people.

Long-term engagement is more difficult, but the underlying principles are the same: explain, ask, involve. Command-and-control companies have a hard time getting and keeping creative people, since employees want a boss not to tell them what to do all the time. A certain level of autonomy and involvement is always needed in order to engage employees.

According to Towers Perin, engagement is “bringing discretionary effort to work, in the form of extra time, brain power and energy”. Engagement is a mutual contract between the employee and the employer. Employers have a responsibility to train leaders and build a meaningful workplace, and employees have a responsibility to contribute to an engaging workplace.⁴⁷ As Gubman⁴⁸ says, the content of employment relationship depends on what companies expect from their employees and what employees expect from them. He summarizes the mutual expectations of companies and employees as follows:

⁴⁶ Gubman, pp.33-34.

⁴⁷ cf. Frank, Frederic D., Richard P. Finnegan and Craig R. Taylor. “The Race for Talent: Retaining and Engaging Workers in the 21st Century”. *Human Resource Planning* 27 no: 3. 2004. p.15.

⁴⁸ Gubman. p.176.

Table 2

Mutual Responsibilities

<p>What companies need from their employees</p> <ul style="list-style-type: none">• A sense of urgency• Results• Learning• Collaboration <p>What employees need from their companies</p> <ul style="list-style-type: none">• Freedom from worry• Freedom to focus• Freedom to learn• Freedom to try new things, take risks and make mistakes

Source: Gubman, Edward. p.176.

Other definitions of engagement include cognitive, affective and behavioral components. For example, emotional components of beliefs-how employees “feel” about their employer, its leaders, working conditions- and behavioral components-measures of intent to act in certain ways, skills they choose to bring to bear, to go the “extra mile”- are often included in measures of employee engagement.

Employee engagement has its roots in classic work done in employee motivation, in the form of intrinsic motivation.⁴⁹ Intrinsic motivation is said to exist when behavior is performed for its own sake rather than to obtain material and social reinforcers, as stated by Bateman and Crant. According to Bates, the engagement challenge has a lot to do with how an employee feels about the work experience, how he or she is treated. Engagement ultimately comes down to people’s desire and willingness to give discretionary effort in their jobs. Employees are reminding us that the heart is a tougher battlefield than the mind.⁵⁰

⁴⁹ Frank, Frederic D., Richard P. Finnegan and Craig R. Taylor. “The Race for Talent: Retaining and Engaging Workers in the 21st Century”. *Human Resource Planning* 27 no: 3. 2004. p.15.

⁵⁰ cf. Frank, Finnegan&Taylor.

- **Measure what your workforce is trying to do and give them feedback about it:** Since people want to know how they are doing, they get frustrated, discouraged or just do not improve otherwise. Measurement helps them understand their level of contribution and how to get better. This will be defined in detail in the “Performance Appraisal” part of our study.

At this very point, it is important to note that talent management does not start with aligning the talent to an existing business strategy. Attracting talent is the lowest level of Maslow’s hierarchy pyramid. As Loftus points out, today’s well educated, highly skilled young people no longer expect lifetime employment, but they do want to tailor their careers to their evolving needs and expectations. They favor employers who will allow them to make decisions, and they want the chance to move sideways, as well as upward, in the corporate hierarchy or to change jobs at key points in their careers.⁵¹

Organizations are operating in increasingly dynamic environments. According to Hay Group Working Paper on Talent Management and What the Best Organizations Actually Do⁵², to be truly successful they need to stay one step ahead of the game and predict who will be the key drivers of their future success. In such a context, the approach taken on talent is the closest an organization gets to a crystal ball. It can enable them to identify the leadership DNA that will drive their performance in the future, what the predictor genes look like, how to measure them in identifying high potentials and how to develop those genes through the learning environment. In addition, according to the five-point plan suggested by Marcus Powell and Guy Lubitsh from Ashridge Consulting, four things done by the world’s best organizations have been displayed on the figure below:

⁵¹ Loftus, Paul. “Tackle Talent Management to Achieve High Performance”. *Plant Engineering* 61 no:6 29-30 Je 2007. Available at: <http://firstsearch.oclc.org/images/WSPL/wsppdf1> (Date of Access: 25.09.2007).

⁵² Author N.A. “Talent Management: What the Best Organizations Actually Do”. Hay Group Working Paper. Available at: http://www.haygroup.com/downloads/ie/Talent_Management_working_paper.pdf (Date of Access: 24.06.2008).

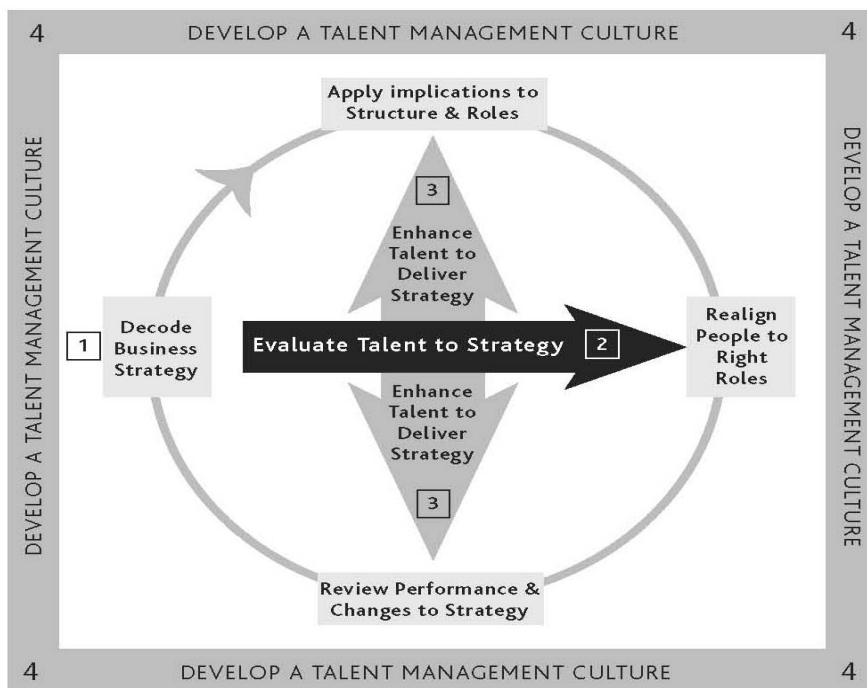


Figure 4: Four Things World’s Best Organizations Focus on Doing

Source: “Talent Management: What the Best Organizations Actually Do”.Hay Group Working Paper.

The best organizations decode strategy and define the predictors of success by translating strategy into critical talent management factors-what it means in terms of roles and accountabilities, predictive leadership styles and behaviors that are future focused, creating a winning ethos in terms of climate and culture, and alignment across work architecture, performance management and reward.

While average organizations tend to use tools that enable them to measure the potential and performance of their best people as an end point to evaluate their talent, the best organizations use this more as a starting point. They also understand the specific demands of roles and their operating environments. As a result, they know what they've got, what it's good for, what it's not and how to best use it. It can be seen that they incorporate internal and external benchmarks to keep the bar raised, ensure no 'slippage' in thinking average is excellent, benchmark against external world-class

standards, review talent with rigour against the predictions of success, follow through on the implications of talent reviews.

The best organizations work hard at growing talent and in coaching leaders through role transitions. They have a better understanding of how the role and behavioral predictors of success change across roles and hierarchy. They focus on mapping ‘workable’ career paths, understanding what matters and changes across work levels and types of leadership roles, recognition that sideways moves often present bigger challenges than moves up the hierarchy, application of this understanding in talent decision forums, enhancing the success of role transitions through coaching and world-class leadership development anchored to strategic intent.

Finally, in accordance with this Working Paper by Hay Group, in the best organizations talent processes are owned by the organization with the help of HR, talent review is not enough, talent is mapped against role demands to determine gaps and successors, talent is re-aligned to its best fit with organization need and role demands and talent processes are implemented that 'force' better decision making and realignment.⁵³

In addition to the research above, which reflects much more theoretical and strategical point of view, the ways of managing talent can be organized in a following manner in practice:

1-Develop a culture that encourages feedback: We noticed another important leadership dilemma/conflict in relation to the “clever people”. Managers often find it difficult to give feedback to extraordinary talented individuals. They are often feared, with issues of poor behavior, side-stepped or overlooked, and yet paradoxically they need this feedback to grow. Sometimes their unpredictability can manifest itself in highly emotional reactions. As a result, “talented individuals” might feel lost, unnoticed and

⁵³ Author N.A. “Talent Management: What the Best Organizations Actually Do”.Hay Group Working Paper. Available at: http://www.haygroup.com/downloads/ie/Talent_Management_working_paper.pdf (Date of Access: 24.06.2008).

demotivated. Giving feedback to these individuals requires courage and good intent, but done well it will contribute to them feeling nurtured and developed. It is also important to pay attention to who gives the feedback. The most talented individuals often connect into a relatively small group of people that they regard as having the right to give them feedback.

2- Coach your cleverest people to appreciate the impact they have on those around them: Clever people have the capacity to create enormous opportunity for any organization, yet at the same time they have the capacity to be destructive to those people around them. In their relentless pursuit of achievement, they are in danger of attaining success without full regard to the way in which they go about it. A central theme in developing this talent, which is linked to giving feedback, is to increase their reflexivity and self-awareness. Investing in coaching for these people seems the most powerful way of evoking a positive response for both the individual and the organization.

3-Maximize the flexibility of talent management systems and processes: Recognize the dilemma you face in trying to respond to those people that flourish under a structured approach to talent management, and those that positively reject the notion of being managed. Ensure that you are able to respond quickly to the needs of the most talented individuals while at the same time providing a level of transparency so that you do not alienate the rest of the population to what may be perceived as “special” treatment.

4-Develop your capacity to spot emerging talent: The cleverest and most prodigious talent does not always emerge from formal talent management processes, but this is the talent that all organizations need to grow and flourish. It is essential that in the process of working within formal systems, we also have enough capacity to spot the talent that falls outside our field of view and are able to respond with sufficient speed and flexibility that these individuals feel nurtured and supported.

5-Take a choiceful approach to developing your perspective to talent: The approach to talent management, whether designed or emergent, is subject to choice. The strategic

role for anyone involved in talent management is to raise the awareness of what is going on in the organization, at the formal as well as the informal level. Creating the right response from individuals with very different needs requires an approach that is considered and acknowledges the inherent dilemmas in dealing with this diversity.⁵⁴

This plan seems to be more comprehensive than the plan offered by Gubman. However, it can easily be discerned that the focus of both plans is on the feedback which has a *sine qua non* value for the talent management systems. The key is to manage talent according to the strategic style of the company under scope. Strategic styles have been shown on the figure below:

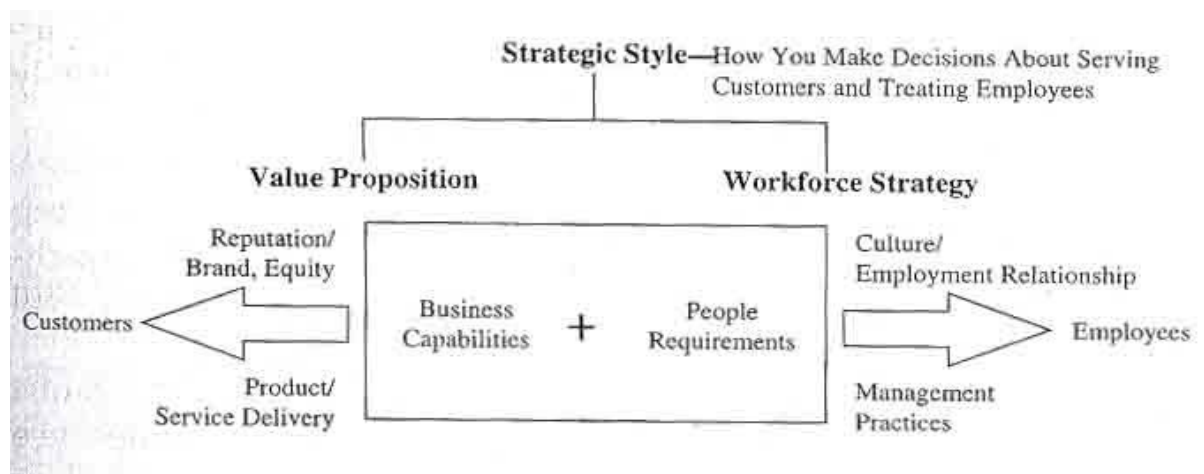


Figure 5: Strategic Styles

Source: Gubman, Edward L. "Align". *Talent Solution: Aligning Strategy&People to Achieve Extraordinary Results*. Blacklick, OH, USA: McGraw Hill Professional Book Group. 1998. p.25.

If the basis for competing and winning is cost and value, the company hires a particular kind of people and one set of things with the existing workforce is performed. If the basis is products, the things are managed in a different manner. If it is service, it is done in a different way. Once the strategic style of the company is identified, the company can enter the cycle of aligning, engaging and measuring. This will lead in the identification of the specific business capabilities that make the most sense for the company strategy and detail the cultural values, employee competencies and

⁵⁴ Powell, Marcus&Guy Lubitsh. "Courage in the Face of Extraordinary Talent". *Strategic Human Resources Review*. Vol.6 Issue 5 July/August 2007. pp.26-27.

employment conditions the company needs to have. A workforce strategy can be created about how the company should acquire, use and develop talent.⁵⁵

Chowdhury suggests a similar, but more dynamic plan on how the talent is best leveraged. This seven-point plan includes formation of teams, which consist of putting the top talent with other top talent in teams and giving them challenging and meaningful work to do. Second item in the list includes special projects, which are “mission-impossible” or “high-priority projects”, in order to bring out the best talent. Pouring top talent into products that can be replicated and widely distributed is another way, through which the talented people may take the opportunity to create new products and improve existing ones. Moreover, promoting and distributing the world-class work of the top talent will leverage the talent. Leveraging of talent is also possible through marketing and sales events. This may mean featuring talents in advertisements or involving them in sales in some way. Making the top talents bigger than life, that is to say creating an image and identifying for them, investing wisely in advertising to make a brand of the talents’ names, is a crucial factor in this plan. As stressed out by both Gubman, Powell and Lubitsh, Chowdhury refers to the importance of coaching and engaging the talent in his seven-point plan.⁵⁶

1. Imperatives of Talent Management:

The imperatives have been listed as follows in the report of McKinsey&Co. in April 2001:

1. Instill a talent mindset at all levels of the organization beginning with senior management – A talent mindset is the deeply held belief that building a strong management talent pool is critical to achieving the aspirations of the company. Leaders with a talent mindset roll up their sleeves and make talent their job; they continuously create, champion, and drive new ways to bolster talent. They ensure that the link between business strategy and talent requirements is forged. They hold themselves and leaders at all levels of the organization accountable for the strength of the talent pool.

⁵⁵ Gubman. p.28.

⁵⁶ Chowdhury. 2002.

2. Create a winning Employee Value Proposition (EVP) that brings scarce talent through the doors, and keeps them there – Just as a company carefully shapes its value proposition to customers, it should also deliberately craft the value proposition to its people. The EVP answers the question, “Why would a talented person want to work here?” Although winning EVPs are designed to appeal to the needs of specific talent segments, they share the following elements:

- *Exciting work* – quite simply, people want interesting, challenging jobs and they want to feel passionate about their work. A great job is demanding and stretching and full of requirements that the individual finds interesting and worthwhile.
- *Great company* – managers want to work for companies that are well-managed, that have admirable corporate cultures and values, and great leaders. Two aspects of culture are critical: a strong emphasis on performance and an environment that is open and trusting.
- *Wealth and reward* – people want to make money that is commensurate with the value they create and with their other options. This is about more than the tangible value of the money; people want to feel recognized and valued for their individual contributions.
- *Growth and development* – managers want the company to help them develop their skills. This is particularly important today, when people realize that their only real security in the job market is the collection of skills they possess.

3. Recruit great talent continuously – Companies must always be on the prowl for top talent. They need to have a keen sense of who they are looking for, and do their looking in new ways and in new places. They must bring in talent at all levels of the organization, even at senior levels. Successful companies understand that in today’s economy, recruiting must be approached more like marketing and sales than purchasing; the recruit is the customer and the company must sell its jobs in an

increasingly competitive marketplace. And these companies measure their recruiting success with the same rigor that they apply to growth targets or market share.

4. Grow great leaders – Most companies leave a tremendous amount of human potential unrealized because their people are inadequately developed. Talented people crave the opportunity to grow, and without it they'll leave. Growing great leaders means deliberately giving them job challenges that push the bounds of what they thought themselves capable of. At the same time, it means providing the life preservers for succeeding at “stretch” opportunities. It means giving people the candid feedback they need to grow, without the sweaty palms that often characterize these infrequent exchanges. It means weaving mentoring into the fabric of the organization – so that it is *in* the institution, not an appendage.

5. Differentiate and affirm – Companies too often give in to the temptation to treat all their people the same. The leading companies conduct clear-eyed assessments of their talent; they differentiate in how they invest in their top performers and low performers. They shower top performers with job opportunities that excite and challenge them, and pay them for the value they create. Furthermore, they recognize that poor performers are not only failing in their own jobs, but are also bringing down everyone around them. These companies realize that moving on under-performers, whether to a different position or out of the company, is both a difficult task and an obligation of leaders. At the same time, they do not overlook the development of the large number of solid performers throughout the organization who are neither superstars nor blockers. They raise the performance and job satisfaction of these people to a higher level through development and affirmation, improving the odds that these workers feel vital to the future of the business.

On paper these imperatives may sound simple, even simplistic. But in companies that put them to practice, they fundamentally shift the way that people think about talent management.⁵⁷

Table 3 Thinking About Talent Management

	The old way	The new way
Talent mindset	Having good people is one of many important performance levers HR is responsible for people management including recruiting, compensation, performance reviews, and succession planning	Having the right talent throughout the organization is a critical source of competitive advantage. Every manager-starting with the CEO- is responsible for attracting, developing, exciting, and retaining talented people; indeed every manager is explicitly accountable for the strength of the talent pool s/he builds
Employee Value Proposition	We expect people to pay their dues and work their way up the line before they get the top jobs and big bucks We have strong value proposition that attracts customers	We think of our people as volunteers and know we have to try to deliver on their dreams now if we are to keep them We also have a distinctive employee value proposition that attracts and retains talented people
Recruiting	Recruiting is like purchasing; it's about picking the best from a long line of candidates We hire at entry levels only, primarily from the same 6 or 7 schools	Recruiting is more like marketing and selling; it's a key responsibility of all managers We hire at all levels-entry, mid, and top- and look for talent in every conceivable field
Growing leaders	Development is training Development happens when you are fortunate enough to get a really good boss	Development happens through a series of challenging job experiences and candid, helpful coaching Development is crucial to performance and retention, it can be institutionalized
Differentiation	Differentiation undermines teamwork	We shower our top performers with opportunities and recognition. We develop and nurture mid-performers. We help our lower performers raise their game or we move them out or aside

Source: Author N.A. "The War for Talent". Organization and Leadership Practice. McKinsey&Company. April 2001. p.7.

⁵⁷Author N.A. "The War for Talent". Organization and Leadership Practice. McKinsey&Company. April 2001.

As previously indicated by Chambers et al., [one] can win the war for talent, but [s/he] must elevate talent management to a burning corporate priority. Then, to attract and retain the people needed, one must create and perpetually refine an employee value proposition: senior management’s answer to why a smart, energetic, ambitious individual would want to come and work with one rather than with the other team next door. That done, one must turn his/her attention to how to recruit great talent and finally develop, develop, develop.⁵⁸

Talent management starts with the business strategy and what it signifies in terms of the talented people required by the organization. Ultimately, its aim is to develop and maintain a talent pool consisting of a skilled, engaged and committed workforce. Its elements are described below:

2. The Elements of Talent Management:

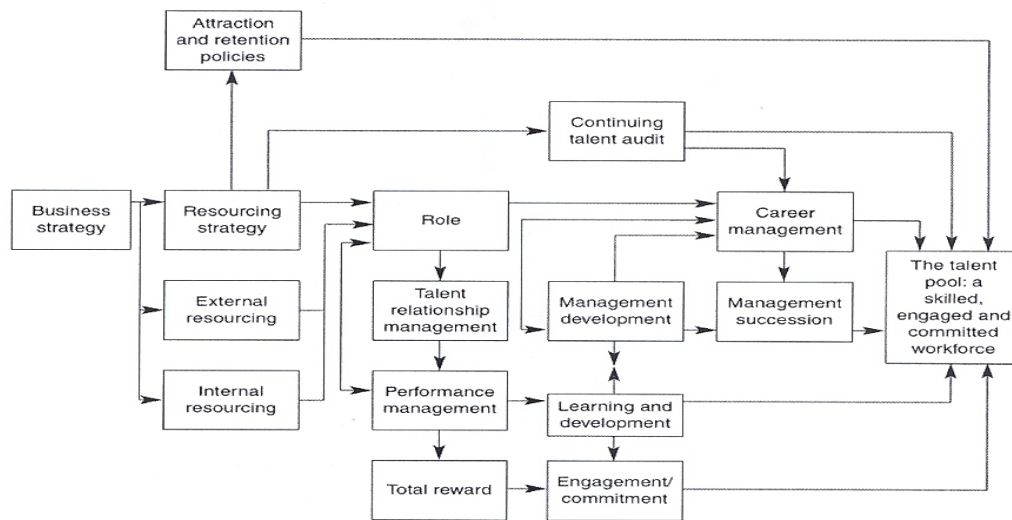


Figure 6: The Elements of Talent Management

Source: Armstrong, Michael. *Handbook of Human Resource Practice*. 10th ed. London, GBR: Kogan Page Ltd. 2006. p. 391.

⁵⁸ Chambers, Elizabeth G., Mark Foulon, Helen Handfield-Jones, Steven M. Hankin and Edward G. Michaels III. “The War for Talent”. *The McKinsey Quarterly*. No:3. 1998. p.46.

a. Resourcing Strategy: The business plan provides the basis for human resource planning, which defines human capital requirements and leads to attraction and retention policies and programs for internal resourcing (identifying talent within the organization and developing and promoting it).

b. Retention and Recruitment (Attraction): As Michaels et al. summarized in their article “The War for Talent”, for generations, recruiting worked in a way that candidates line up at the gates of a workplace. The hiring department would put out the word, and people hungry for work flocked to the gates. The company had the power and made the selection. The employees had precious little power. However, the power has shifted to talented people today. The tipping point came a few years ago when the economic expansion absorbed all the available talent. [...]. Companies jumped to pursue a host of aggressive hiring tactics: bounties or tropical vacations for employees who suggested the most new hires, ‘flipping’ company websites to get access to other companies’ employees directories, and so on, but these hiring tactics, regardless of how good they are are not enough to win the war for talent.

New recruiting strategies are required to keep up with the competition for talent and pump talent in at all levels. In the early 1990s, when companies realized that they did not have enough talented managers, it appeared that it was simply not possible to fill all those positions from within. [...] Regularly bringing new people in is a good way to constantly calibrate- and even raise- the company’s standards for talent. New people also bring fresh attitudes, new perspectives, and new ideas to the company. Because they are committed to providing and promotion opportunities for their own people, some companies have been reluctant to hire outsiders. It is true that filling some part of vacancies with outsiders will decrease the advancement opportunities for insiders a little bit, but not substantially. In fact, bringing first-rate leaders into midlevel and senior positions can provide admired role models for the more junior people.

Hiring at all levels also include entry-level as well as mid-and senior-level employees. Bringing a strong pipeline of young talent into the company fuels the system for the years to come. It also allows the company to instill, early on, the culture, values

and skills of the organization, while orientation to the formal aspects of the company as well as the insights on the informal aspects is needed for the new senior hire.

It is also crucial to hunt for talent all the time, not only when there are vacant positions, unlike in the past when companies recruited people to fill vacant positions. Companies need this so as to capture people when they are ready to make a move. The companies, having this opportunistic hiring system, identify the kind of a job a candidate would fit and court that person until one of those jobs becomes available. Secondly, they hire the people with a specific position in mind, even though the slot is not currently open.

Furthermore, it is vital tap many diverse pools of talent, as it is unlikely that companies will find enough great talent in the same few places. They are being forced to hire people who do not have the traditional background. They increasingly recognize the need to build a more diverse talent pool. This does not just mean more women or more visible minorities. It also means people with different experiences, different education, different ways of thinking, and different problem-solving styles. Diversity of this kind builds the strength of an organization.

Creative new channels, such as web-based recruiting and database recruiting, also facilitates attraction of candidates. However, despite the newness of these techniques, the most effective means of finding recruits is still probably the oldest: personal referrals.

In today's talent market, where the company's job is to sell itself to the candidate, companies need to pay what it takes to get great candidates, which means the necessity to break the compensation rules to get who they want.⁵⁹

⁵⁹ Michaels Ed, Helen Handfield-Jones and Beth Axelrod. "The War for Talent". Excerpt from *The War for Talent*. Available at: http://www.businessweek.com/careers/content/dec2001/ca20011212_2256.htm (Date of Access: 27.06.2008).

These policies and programs describe the approach to ensuring that the organization both gets and keeps the talent it needs. Attraction policies lead to programs for external resourcing (recruitment and selection of people from outside the organization). Retention policies are designed to ensure that people remain as committed members of the organization. The outcome of these policies of talent flow that creates and maintains the talent pool. Both attraction and retention policies [...] are also among the steps required to make the organization ‘a great place to work’.⁶⁰

In an interview as an answer to the question regarding the types of recruitment campaigns that attract the most talented people, Ed Michaels, a McKinsey director, says:

There are four kinds of messages that the best people respond to. The first one is ‘Go with the winner.’ It’s for people who want a high-performing company, a company where they’re going to get lots of advancement opportunities. A second message is ‘Big risk, big reward.’ The people who respond to it want an environment where they’re challenged either to do exceptionally well or to leave-where there’s considerable risk but good compensation, and where they can advance their career rapidly. A third message is ‘Save the world’. It attracts people who want a company with an inspiring mission and an exciting challenge. The last group is drawn to a ‘lifestyles’ message. These people seek companies that offer them more flexibility and better lifestyle benefits- such as a good location.⁶¹

Employee retention can be defined as the effort by an employer to keep desirable workers in order to meet business objectives.⁶² Rousseau and Wade-Benzoni suggest that “retention is the core promotes organizational stability as well as continuity and learning”. A rapid turnover of staff lends an air of chaos to an organization. Customers lose their points of contact, as do those in the supply chain. People within the organization continually find gaps in their networks. Turnover can beget further turnover as the norm among staff swings towards leaving.”⁶³

⁶⁰ Frank et al. p.13.

⁶¹ Fisherman, Charles. “The War for Talent”. Available at: <http://searchwarp.com/swa97723.htm> (Date of Access: 27.06.2008).

⁶² Frank et al. p.13.

⁶³ Woodruffe. p.30.

Key employee retention is critical to the long term health and success of any business. Organizational issues such as training time and investment; lost knowledge; mourning, insecure coworkers and a costly candidate search aside, failing to retain a key employee is costly. Various estimates suggest that losing a middle manager costs an organization up to 100 percent of his salary. The loss of a senior executive is even more costly. Employee retention is one of the primary measures of the health of your organization. If you are losing critical staff members, you can safely bet that the people in their departments are looking as well.

Retention is not just retaining a single or few employees but it's the future of retaining competitive sustainability of most effective manpower-key asset of any organization. In most organizations retention strategies are paper struck but not applicable in the purview of employee desk. The retention strategies should be designed such that the retentive forces are maximized and the debilitating forces minimized. Retention strategies should not be orchestrated in **isolation** but must form part of the overall strategies for strengthening the pull on the talent, which in fact include sourcing, staffing and development strategies in addition. Retention policies should be highlighted on par with other policies; this gives employee a perception that they are highly valued.⁶⁴

(1) Retention Strategies

The turnover of key employees can have a disproportionate impact on the business and the people organizations wish to retain are probably the ones most likely to leave. Concerted action is required to retain talented people, but there are limits to what any organization can do. It is also necessary to encourage the greatest contribution from existing talent and to value them accordingly.

(a) Factors Affecting Retention

Retention strategies should be based on an understanding of the factors that affect them. For early career employees (30 years and under) career advancement is significant. For

⁶⁴ Isukapally, Mythri. "Employee Retention-Talent Management". November 2006. Available at: <http://ssrn.com/abstract=948142> (Date of Access: 05.04.2008).

mid-career employees (aged 31-50) the ability to manage their careers and satisfaction from their work are important. Late career employees (over 50) will be interested in security. It is also the case that a younger workforce will change jobs and employers more often than an older workforce, and workforces with a lot of part-timers are less stable than those with predominately full-time staff. The specific factors that affect retention are:

- Company image
- Recruitment, selection and deployment
- Leadership- employees join companies and leave managers
- Learning opportunities
- Performance recognition and rewards

A study of high flyers by Holbeche found that the factors that aided the retention and motivation of high performers included providing challenge and achievement opportunities (eg. assignments), mentors, realistic self-assessment and feedback processes.

(b) Risk Analysis

Risk analysis can be carried out initially by identifying potential risk areas-the key people who may leave and, for each of them as individuals or groups, estimating:

- Likelihood of this occurring
- How serious the effects of a loss would be on the business
- The ease with which a replacement could be made and the replacement costs.

Each of the estimates could be expressed on a scale, say: very high, high, medium, low, very low. An overview of the ratings under each heading could then indicate where action may need to be taken to retain key people or groups of people.

(c) Analysis of Reasons for Leaving

Leaving (turnover) is most often used to describe the unplanned loss of workers who voluntarily leave and whom employers prefer to keep. Companies initiate “involuntary turnover” of employees who are poor performers, violate company policies, participate in illegal activities, and the like, but it is the unplanned, voluntary turnover that companies strive to control. Unplanned, voluntary turnover is most often associated with high labor costs, defeat of skills and company knowledge, low morale, poor customer satisfaction, and financial losses.

Risk analysis provides specific information on areas for concern. More generally, some indication of the reasons for leaving and therefore where action needs to be take may be provided by exit interviews, but they are fallible. More reliance can be placed on the results of attitude or opinion surveys to identify any areas of dissatisfaction. The retention plan should propose actions that would focus on each of the areas in which lack of commitment and dissatisfaction can arise.

(d) Areas for Action

Depending on the outcome of the risk analysis and the overall assessment of reasons for leaving, the possible actions, which may be defined as the talent-proactive approach of the organization to retain its manpower, that can be taken are as follows:

- Deal with uncompetitive , inequitable or unfair pay systems.
- Design jobs to maximize skill variety, task significance, autonomy, control over their work and feedback, and ensure that they provide opportunities for learning and growth. Some roles can be ‘customized’ to meet the needs of particular individuals.
- Develop commitment to the work (job engagement) not only through job design but also by organizing work around projects with which people can identify more readily than the company as a whole.
- Encourage the development of social ties within the company (among colleagues).

- Ensure that selection and promotion procedures match the capacities of individuals to the demands of the work they have to do. Rapid turnover can result simply from poor selection or promotion decisions.
- Reduce the losses of people who cannot adjust to their new job- the ‘induction crisis’- by giving them proper training and support when they join the organization.
- Take steps to improve work-life balance by developing policies including flexible working that recognize the needs of employees outside work.
- Eliminate as far as possible unpleasant working conditions or the imposition of too much stress on employees.
- Select, brief and train managers and team leaders so that they appreciate the positive contribution they can make to improving retention by the ways in which they lead their teams. ⁶⁵

It concludes that when an organization’s talent management process evolves in the manner described in this briefing, organizations will be reluctant to go back to the stop-gap measures of recruiting and **retention**. Managers may be amazed by how often the talent they need resides right under their noses - or the noses of colleagues in a different part of the organization.

Culture of retention should prioritize the following :

- Introduce your employees that your organization holds high degree of attachment towards them.
- Inculcate the culture in your employees saying-Retention of employee is not a segregated task anymore-not only HR task its part of the whole family.
- Involve employee more in planning retention strategies as coworkers understand better than supervisors.

⁶⁵ Armstrong. pp.397-399.

(e) Developing Retention Strategy:

Organizations should have a proactive retention strategy which helps in reducing employee turnover. Retention strategy should focus on the following:

It is desirable to plan employee retention strategy by an organization, which should cover following aspects

- Reciprocity is the key. Employees are investors in the company and expect a return on investment.
- Retention must be part of the organization's DNA. Successful organizations have woven retention and engagement deeply into their structure.
- Loyalty is never a given. Loyalty must be earned; even satisfied employees sometimes leave.
- Organizations must be seen as employers of choice. You have to compete on compensation and benefits, but win on culture, learning and development.
- Mergers, downsizing and bankruptcies require leaders to re-motivate employees, both during and after the crisis.
- Stars include more than just the top 10% or 1% Stars are people at any level who bring value to the organization.
- High-potentials must be carefully managed. It's not uncommon to watch high flyers become willing victims of talent theft.
- A recovering economy spells choice. As the economy recovers, talented people will be even more in demand and will have greater choices. Talent will become harder to find, and even harder to engage.
- Each generation has different reasons for staying. Generational differences continue to pose new challenges to today's employers.
- Make diversity an engagement and retention opportunity.
- Mentor widely and in both directions. Build learning relationships in all directions and hold all partners responsible for the success.
- Train intelligently. Provide on-going retention training in manageable bites – make it a continuous effort and find ways to size the retention plan to the specific demographics of the organization.

- Create a development culture. “Career development is the right thing for the organization (identifying and developing future leaders), the right thing for the employee (creating a development environment), and a key retention component.”
- Recognize managers who keep employees. Meaningful recognition remains a potent energizer for employees and managers alike.
- Create the internal headhunter profile. When employers integrate retention efforts into the culture, headhunters have a difficult time prying talent out of the organization.

List of priorities where employee concerns to work in an organization are as follows. Employers became dominant and committed on organizations motivating factors such as:

- Good working environment
- Feeling of achievement
- Recognition
- Challenging work itself
- Career advancement
- Increased responsibility
- Opportunity for growth as a person
- Improvement in quality of work life.

The primary concerns sometimes go unnoticed in many organizations. Exit interviews are only finding reasons but not the means to retain their best talent. Organizations need to understand the above do not apply to all levels of employees-for instance. If one examines the entire life cycle of an employee within an organization, starting from recruitment till superannuation through phases of induction, settling down, contribution, growth, maturity and rise to top levels, the retention strategies have to be selectively and appropriately applied to the phase to which the employee belongs. While transformational strategies like mentoring, coaching, training, etc. are eminently suitable for people in induction, settling down and growth phases, fulfilling the higher

order needs, ego gratification, etc. should be predominantly successful for senior positions. Cultural strategies, however, are over pervasive across all phases.⁶⁶

As Studer points out, retention strategies start with selecting the right employee to reduce turnover. According to his four-step process to increase the level of retention, the path to reducing turnover begins by ensuring that candidates to a post are willing to support and model the organizational values. Skills can be taught, but attitudes are hard to change if they do not fit the culture or standards of an organization. Using behavioral-based interviews to ensure job and skill set fit is another way by the help of which all department leaders base their hiring decisions on behavioral questions such as ‘Give me an example of time when you are able to motivate a group’ to find out whether the person in question is a great fit for the organization. The third process according to Studer is to involve employees in the selection process, which increases ownership in the organization and creates a sense of investment on the part of the candidate’s personality. They are more likely to support the new hire’s success when they make the recommendation to hire. New employee turnover can be reduced by the facilitation of retention through 30- and 90-day conversations, which include structured questions addressed to the new hire by direct supervisors. These questions may include the following:

-How do we compare with what we said we would be like? (opens dialogue to clarify the new hire’s expectations and whether they are being met)

-Tell me what you like. What is going well? (directs the new hire to focus on the positive aspects of the job)

-Which employees have been helpful to you in your 30 days? (helps to capture the names of the individuals to be rewarded and recognized for doing this)

-I noticed that you came us from _____. Are there things you did there that might be helpful to us? (helps to develop new ideas for progress and makes the employee feel he made a valuable contribution).

⁶⁶ Isukapally, Mythri.

-Is there anyone you know who might be a valuable addition to our team? (finds out whether the new hire is still in touch with former coworkers and he is willing to recruit them)⁶⁷

[Though all of the above-mentioned information may contribute to the increasing of retention in an organization,] in order to be able to orchestrate and implement effective retention strategies, the first step should be to understand the scope of the retention problem that is unique to one's organization. The target group, which is crucial to the company's operations and success, should be identified and the strategies are directed appropriately. It is a paradox that the companies which invest heavily in recruitment and development and make a good job at that, are prone to more risk of poaching. A sound sensing and tracking system to assess the volume and causes of attrition by performance level could be useful. The ability to identify good performers, who are prone to leave for any job or management, related issues and timely intervention to address these issues, could be effective.

Some working strategies are as follows:

- Form Employee retention committee to motivate & inculcate spirit of belongingness
- Reward the employees who have longevity in your organization
- Succession planning
- Make the employees aware of their career tree
- Celebration of the performance
- Turning exit interviews to recruiting interviews
- Family orientation

This would encompass building and sustaining a compelling brand image with an appealing culture and inspiring values, tailored to the talent segment that one seeks to attract and retain, offering great jobs and career opportunities, building an effective learning framework, investing in work place infrastructure, moving on poor

⁶⁷ Studer, Quint. "Selecting and Retaining Talent: Tools for the Bottom Line." *Healthcare Financial Management*. July 2006. pp.88-89.

performers, instituting effective reward and recognition programs, putting in place innovative compensation schemes. But most importantly, when the organization is successfully able to convey the message that it cares for employees, retention works best. There is no reason that companies cannot retain and/or rebuild favor among employees.

Finally, organizations need to be **possessive** about the employees-The stronger **organization's possessiveness** –the longer are the **employees are retained**.⁶⁸

(2) Attraction strategies

(a) Employer branding:

Creating a “most desirable work environment” corporate image through branding is viewed by more and more companies as the “ideal” means for attracting and retaining superkeepers. Companies are realizing that, to stay competitive, comparable marketing and branding practices used to market products and/or services must be applied to recruitment and retention programs. The labor market's perception of the employment value proposition of the company-the impression made on employees and labor market-is as vital as its view of service or product integrity. Human resources departments will increasingly treat employees like customers who can spread the word about a company's positive attributes throughout the marketplace.⁶⁹

Employer branding is the creation of a brand image of the organization for prospective employees. It will be influenced by the reputation of the organization as a business or provider of services as well as its reputation as an employer. Employer branding is the concept of applying to the recruitment process the same marketing coherence used in the management of customers. Approaches required to develop an employer brand are:

⁶⁸ Isukapally, Mythri.

⁶⁹ Berger, Dorothy R. “The Journey to Organization Excellence: Navigating the Forces Impacting Talent Management”. in Berger&Berger. p.42.

- Analyse what ideal candidates need and want and take this into account in deciding what should be offered and how it should be offered;
- Establish how far the core values of the organization support the creation of an attractive brand and ensure that these are incorporated in the presentation of brand as long as they are “value in use” (lived by members of the organization) rather than simply espoused;
- Define the features of the brand on the basis of an examination and review of each of the areas that affect the perceptions of people about the organization as ‘a great place to work’ – the way people are treated, the provision of a fair deal, opportunities for growth, work-life balance, leadership, the quality of management, involvement with colleagues and how and why the organization is successful;
- Benchmark the approaches of other organizations to obtain ideas about what can be done to enhance the brand;
- Be honest and realistic.⁷⁰

(b) Employer of choice

The aim is to become an ‘employer of choice’, a place where people prefer to work. This means developing ‘value proposition’, which communicates what the organization can offer its employees as a ‘great place to work’. The factors that contribute to being an employer of choice are the provisions of:

- Interesting and rewarding work;
- Opportunities for learning, development and career progression;
- A reasonable degree of security;
- Enhanced future employability because of the reputation of the organization as one that employs and develops high quality people, as well as the learning opportunities it provides;
- Better facilities and scope for knowledge workers, eg. research and development scientists or engineers and IT specialists;
- Employment conditions that satisfy work-life balance needs;

⁷⁰ Armstrong, pp.395-396.

- A reward system that recognizes and values contribution and provides competitive pay and benefits.⁷¹

(c) Targetted recruitment and selection

The first step is to identify what sort of people the organization needs with regard to their qualifications and experience and the extent to which they are likely to fit the culture of the organization- its values and norms. This involves analysing and assessing work requirements and defining what cultural fit means. The most important characteristics of those who are already thriving- what separates succesful from unsuccessful employees- should be determined so that others like them can be recruited. Attitudes to work, careers and the company are important; behavior can be influenced later as people become familiar with the culture so long as their attitudes are right.⁷²

c. Talent Audit: A talent audit identifies those with potential and provides the basis for career planning and development-ensuring that talented people have the sequence of experience supplemented by coaching and learning programs that will fit them to carry out more demanding roles in the future. Talent audits can also be used to indicate the possible danger of talented people leaving (risk analysis) and what action may need to be taken to retain them.⁷³

d. Role Development: Talent management is concerned with the roles people carry out. This involves role development- ensuring that roles provide the responsibility, challenge and autonomy required to create role engagement and motivation. It also involves taking steps to ensure that people have the opportunity and are given the encouragement to learn and develop in their roles. Talent management policies also focus on role flexibility- giving people the chance to develop their roles by making better and extended use of their talents.⁷⁴

⁷¹ Armstrong. p.396.

⁷² Armstrong. p.396.

⁷³ Armstrong. p.392.

⁷⁴ Armstrong. p.392.

e. Talent Relationship Management: Talent relationship management is the process of building effective relationships with people in their roles. It is concerned generally with creating a great place to work, but particularly it is about treating individual employees fairly, recognizing their value, giving them a voice and providing opportunities for growth. The aim is to achieve ‘talent engagement’, ensuring that people are committed to their work and the organization.⁷⁵

f. Performance Management/Appraisal: Performance management processes provide a means of building relationships with people, identifying talent and potential, planning learning and development activities and making the most of the talent possessed by the organization. Properly carried out, performance management is a means of increasing engagement and motivation of people by providing positive feedback and recognition. This is a part of a total reward system.⁷⁶

g. Total Reward: An organization is formed to accomplish a specific mission. To do this, it must attract and hire people who have certain knowledge, skills, aptitudes and attitudes. To attract and retain such people, the organization provides rewards. An organization designs and implements a reward system to focus worker attention on the specific behaviors the organization considers necessary to achieve its desired objectives and goals. The behaviors range from simply arriving at work at the scheduled time to meeting specified performance standards and providing innovative contributions that lead to improved productivity.

The reward system of an organization includes anything that an employee may value and desire and that the employer is able or willing to offer in exchange for employee contributions. A rather broad classification scheme that facilitates the identification of the various kinds and qualities of rewards provided by employers is to separate the compensation components from the noncompensation components. That is to say, all rewards that can be classified as monetary payments and in-kind payments constitute constitute compensation system of an organization. Monetary payments can

⁷⁵ Armstrong. p.392.

⁷⁶ Armstrong. pp.392-393.

be in the form of coins or paper money, or in the less tangible form of checks or credit cards. They have value in use and they simplify exchange transactions. In-kind payments are goods or services that are used in lieu of money and that provide an equivalent value for what has been offered or received. All other rewards constitute the noncompensation system.⁷⁷ Compensation is also referred to as financial, whereas noncompensation is referred to as nonfinancial.

Dimensions of compensation (financial) and noncompensation (nonfinancial) systems have been modeled below:

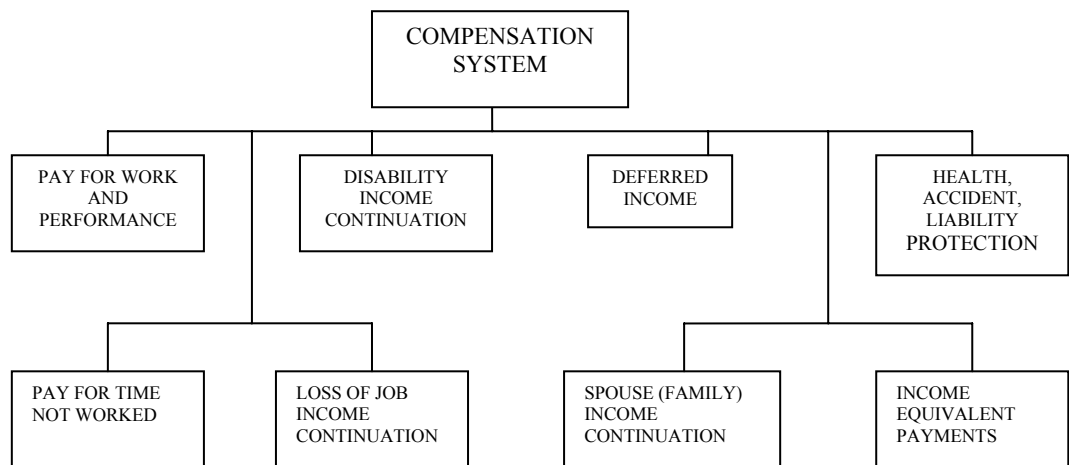


Figure 7: Dimensions of a Compensation System

Source: Henderson Richard. "The Reward System: Compensation and Noncompensation Dimensions". *Compensation Management/Rewarding Performance*. 5th ed. New Jersey: Prentice Hall. p.3.

⁷⁷ Henderson, Richard. *Compensation Management/Rewarding Performance*. 5th ed. New Jersey: Prentice Hall. pp.1-2.

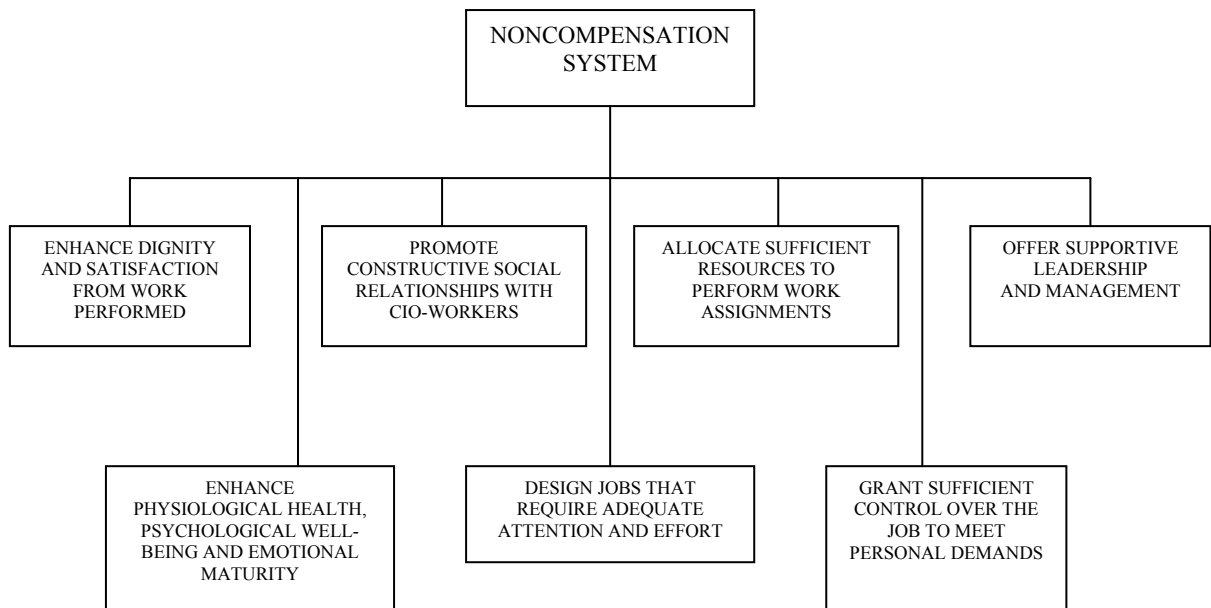


Figure 8: Dimensions of Noncompensation System

Source: Henderson. p.8.

Paying according to work system as it has still been used today by some companies needs to undergo a change as far as talent management is concerned. Superkeepers expect an economic gain in the rate of their contributions to the firm and their success. This leads HR to regulate its pay system according to performance and to provide subsidiary rewards (car, training abroad, coaching opportunities) for their employees.⁷⁸

Total reward strategies, which provide for both financial and non-financial rewards, can contribute to the engagement and commitment of talented people by demonstrating that they are valued for their contribution and by operating fairly and consistently. Paying competitive rates will affect the ability of organizations to attract and retain people, but there is a limit to the extent to which companies can compete with ‘the pull of the market’ Retention or loyalty bonuses (golden handcuffs) are used by

⁷⁸ Sözübir, Meltem. “Yetenek Yönetimi”. *Academie Bülten*. 2005.

some companies, but again, there is a limit to their effectiveness as bribes. If talented people want to go, they will go.⁷⁹

h. Training (Learning) and Development: Learning and development policies and programs are essential components in the process of developing talent-ensuring that people acquire and enhance the skills and competencies they need. Policies should be formulated by reference to ‘employee success profiles’, which are described in terms of competencies and define the qualities that need to be developed. [...]. Learning and development activities are also important means of developing managers and gaining the engagement and commitment of talented staff by giving them opportunities to grow in their present roles and to progress to higher-level roles.⁸⁰

The activity of vocational training, oriented to developing teaching and learning processes so as to provide qualified workers who can meet the human resources requirements of business, has recently been oriented to the incorporation of a labor competency focus. Normally, training based on work competency is oriented to developing knowledge, skills, capacities and attitudes through the training process, so as to complete a series of stages which are described below:

⁷⁹ Armstrong. p.393.

⁸⁰ Armstrong. p.393.

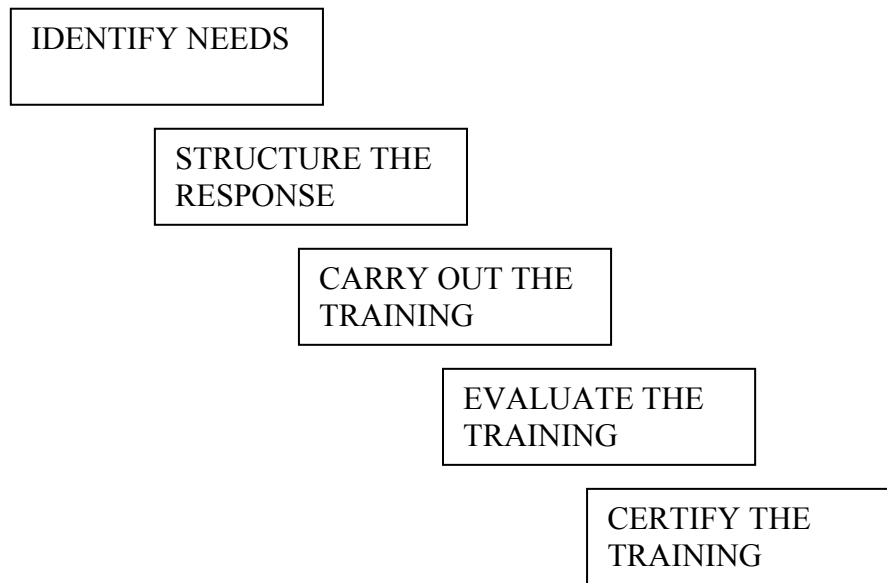


Figure 9: Work Cycle of Vocational Training

Source: Zuniga, Fernando Vangas. “Competencies in Training and Competencies in Human Talent Management: Convergences and Challenges”. August 2002. Available at: www.ilo.org/public/english/region/ampro/cinterfor/pub/sala/vangas/com_hum/index.htm (Date of Access: 07.04.2008).

To maintain employees’ proficiencies, organizations must encourage and support basic “refresher courses” as well as continuing education programs that provide employees with new information.⁸¹ The reason for this is that ensuring future retention necessitates retention in the present as a pre-condition. It is most unlikely that good people will simply wait until they become outdated through lack of development. They will leave well before that happens.⁸²

As well indicated by Woodruffe, if a long-term relationship [between the employee and the organization] is wanted, it is bound to involve a commitment by the organization to people’s development.⁸³

Another important point is that training programs does not only aim at today, but tomorrow. Astute organizations are focusing on development that prepares employees

⁸¹ Riggio, Ronald R. “Employee Training and Development”. *Introduction to Industrial and Organizational Psychology*. 4th ed. USA: Prentice Hall. 2003. p.154.

⁸² Woodruffe, Charles. “Development: Making the most of people”. *Winning the talent war*. Chichester: John Wiley&Sons. 1999. p.128.

⁸³ Woodruffe. p.127.

with skills that have been identified as necessary in the future- not necessarily presently needed. De Geus describes how in companies bound by mutual trust, “individuals understand that in exchange for their effort and commitment, the company will help them develop their potential”. He says that “managers who want to build an organization that can survive many generations pay attention to the development of employees above all other considerations”.⁸⁴

Training and development is an investment in employees. Even more, it is an investment in the future of the organization. It is an opportunity to leverage the talent of their workforce since this talent may very well be the basis of the organization’s competitive advantage. In preparing for future staffing needs, companies must think about the individual, the job and the organization.

The main objective of development activities is to help people develop within the organization, not outside of it. According to Charles Woodruffe, the idea of development is to convert people’s potential into an actual capability to behave in line with the competencies. The competencies should be the behaviors that will enable the person to meet the future challenges, even when the challenges faced are different from those expected. This answer to the question what we are trying to develop at the development activities of high-potential staff is one of the 3 key elements defining the success in development programs.⁸⁵

Second question needing an answer is the way the development takes place, the stages of which can be listed as awareness and planning, and implementation. Development starts with the person’s awareness of the thing(s) he or she needs to develop. Following the awareness, development process which is seen as a continuous process today, should involve “assesing of the organization’s future requirements and its employees’ capability of meeting them. On the individual level, training and development should focus specifically on the areas of improvement identified in the performance appraisal process. Each person’s development plan should be based around

⁸⁴ De Geus, Arie. “The Living Company”. *Harvard Business Review*. March-April 1997. pp.57-58.

⁸⁵ Woodruffe. p.128.

their own particular needs and it is important to provide the employees with feedback on their display of the competencies.⁸⁶

Third question waiting for an answer is the responsible party for the reinforcement of development plans. As Kidd points out, many organizations have been trying to place more responsibility on the individual for development.⁸⁷ However, the difficulty with a total handover is that people need help and support with their development. Employee development activity was consistently related to the perception of supportive rules, policies, guidelines and regulations. This intends to mean that development is a shared responsibility of both the organization and the employee resulting in a win-win situation.

All in all, is the organization is to implement a strategy of gaining people's commitment by being committed to them, learning and development activities have to be a priority. Whatever the development opportunities are, organizations need to ensure people gain the most benefit from them. To make it long-term, learning and development need to be within culture and fabric of the organization.⁸⁸

i. Career Development: Organizations are becoming more and more aware of the need for greater attention to the development and planning of employees' careers. Helping workers plan their careers can help lead to a more productive, more satisfied, and more loyal workforce⁸⁹.

To define in clear terms, career management is concerned with providing opportunities for people to progress and develop their careers and ensuring that the organization has the flow of talent it needs. The elements of career management are the provision of learning and development opportunities, career planning and management succession planning.

⁸⁶ Woodruffe. p.128.

⁸⁷ Kidd, Jenifer M. Assessment for Self-Managed Career Development (Chapter 30). in *International Handbook of Selection and Assessment*, ed. by Anderson Neil and Peter Herriot. Chichester: John Wiley&Sons. 1997.

⁸⁸ Woodruffe. p.139.

⁸⁹ cf. Riggio. p.154

The responsibilities of the organization and individual in career planning have been listed detailed in the Table 4:

Table 4

Responsibilities of the Organization and the Individual in Career Planning

<i>Responsibilities of Organization</i>	<i>Responsibilities of Individual</i>
Detecting the professional needs of the employees	Active participation in career planning
Harmonizing the opportunities provided by the organization to be in line with the professional needs	Playing a certain role in professional development activities
Providing promotion in-house	Determining the needs, values and individual goals
Hiring the right person for the right task	Utilizing the tools provided by the organization
Service provision in professional consultancy	Searching through all the alternatives
Preparation of support and appraisal programs, application of rotation and job enriching programs	Having a full understanding of changes in personal life affecting the professional needs of the individual
Providing training opportunities and giving support to the endeavours towards this end	

Source: cf. Saynur Yazıcıoğlu. “Yetenek Yönetiminde Bir Uygulama: Üst Düzey Yönetici Yedekleme Amaçlı Geliştirme Programı”. Yayınlanmamış Yüksek Lisans Tezi. Marmara Üniversitesi. 2006. p.62. from Margaret Palmer. *Performans Değerlendirmeleri*. İstanbul: Rota Yayıncılık. 1995. p.89.

For employees, the aims of career management policies are first, to give individuals the guidance, support and encouragement they need if they are to fulfill their potential and achieve a successful career with the organization in tune with their talents and aspirations. Secondly, the aim is to provide men and women of promise with a sequence of learning activities and experience that will equip them for whatever level of responsibility they have the ability to reach.

For the organization, the aim of career management is to meet the objectives of its talent management policies, which are to ensure that there is a talent flow that creates and maintains the required talent pool.⁹⁰

This presents a win-win for the organization. Taking a proactive approach to the firm’s employees enables the company to ensure that the ‘right’ skills are being developed. Employees win with training and development opportunities since they are

⁹⁰ Armstrong. pp.399-400.

provided assistance in gaining valuable, marketable skills. Furthermore, they believe they are valued and appreciated when the company invests in their development. The organization wins as they utilize the new skill sets of the developed employees.

It is the responsibility of each organization to develop a climate where every individual can thrive and meet his or her own career agenda.⁹¹

This win-win situation has been summarized below in Table 5. As can be easily seen from the table, this win-win situation is even tripled with the addition of managers/supervisors being the beneficiaries in the career development system.

Table 5
Benefits of a Career Development System

<i>For Managers/Supervisors</i>	<i>For Employees</i>	<i>For the Organization</i>
Increased skill in managing own careers	Helpful assistance with career decisions and changes	Better use of employee skills
Greater retention of valued employees	Enrichment of present job and increased job satisfaction	Increased loyalty
Better communication between manager and employee	Better communication between employee and manager	Dissemination of information at all organizational levels
More realistic staff and development planning	More realistic goals and expectations	Better communication within organization as a whole
Productive performance appraisal discussions	Better feedback on performance	Greater retention of valued employees
Increased understanding of the organization	Current information about the organization and future trends	Expanded public image as a people-developing organization
Enhanced reputation as a people developer	Greater sense of personal responsibility for managing career	Increased effectiveness of personnel systems and procedures
Employee motivation for accepting new responsibilities		Clarification of organization goals
Build talent inventory for special projects		
Clarification of fit between organizationla and individual goals		

Source: Leibowitz, Zandy B. Caela Farren & Beverly L. Kaye. *Designing Career Development Systems*. San Francisco: Jossey-Bass. 1986. p.7.

Career management calls for an approach that explicitly takes into account both organizational needs and employee interests.

⁹¹ Buhler, Patricia M. "Managing in the New Millennium: Developing the Talent Within". *Supervision* 68 No: 5 May 2007. p.20.

The organization needs to decide on the extent to which it ‘makes or buys’ talented people. It should decide either to grow its own talent (a promotion from within policy) or to rely on external recruitment (bringing fresh blood into the organization). The policy may be to recruit potentially high performers who will be good at their present job and are rewarded accordingly. If they are really good, they will be promoted and the enterprise will get what it wants. Deliberately to train managers for a future that may never happen is considered a waste of time. In contrast and less frequently, employers who believe in long-term career planning develop structured approaches to career management. These include elaborate reviews of performance and potential, assessment centres to identify talent or confirm that it is there, ‘high-flyer’ schemes, and planned job moves in line with a predetermined program.

There may also be policies for dealing with the ‘plateaued’ manager who has got so far but will get no further. Some managers in this position may be reconciled to reaching the end of the rat race, but continue to work efficiently. Others will become bored, frustrated and unproductive, especially rising stars on the wane. The policy may be to provide for steps to be taken to reshape their careers so that they still have challenging work at the same level, even if this does not involve promotion up the hierarchy. Alternatively, the policy may need to recognize that some managers will have to be encouraged to start new careers elsewhere. In the latter case, career counseling advice should be provided, possibly through ‘outplacement’ consultants who provide such a service.

Talent audits review the stocks of talent available and the flows required by reference to demand and supply forecast and performance and potential assessments. They provide the basis for succession and career planning. The aim of performance and potential assessment is to identify training and development needs, provide guidance on possible directions in which an individual’s career might go, and indicate who has potential for promotion. (The details of performance assessment will be discussed in Part II of our study, which will be dedicated to Performance Management Processes.)

Assessment of potential can be carried out formally by managers following a performance review. They may be asked to identify people who have very high potential, some potential, or no potential at all. They may also be asked to indicate when individuals be ready for promotion and how far they are likely to get. The problem with this sort of assessment is that managers find it difficult to forecast the future for the people they are reviewing-good performance in the current job does not guarantee that individuals will be able to cope with wider responsibilities, especially if this involves moving into management. Furthermore, managers may not necessarily be aware of the qualities required for longer-term promotion. However, the organization does need information on those with potential and assessors should be encouraged in their comments section at least to indicate that this is someone who is not only performing well in the present job, but may well perform well in higher-level jobs.⁹²

Career development is an application where the succession planning of the talented employees are managed taking their readiness for an upper level into consideration. Succession planning is the process of assessing and auditing the talent in the organization in order to answer three fundamental questions:

- 1- Are there enough potential successors available- a supply of people coming through who can take key roles in the longer term?
- 2- Are they good enough?
- 3- Do they have the right skills and attributes for the future?

Succession planning is based on the information supplied by talent audits, supply/demand forecasts and performance and potential reviews in some large organizations in which demand and supply forecasts can be made accurately.⁹³

However, Hirsh points out that the focus of succession planning has shifted from identifying successors for posts towards providing for the development of those successors by creating talent pools. Organizations use succession planning to achieve a

⁹² Armstrong. p.400.

⁹³ Armstrong. p.403.

number of objectives including improved job filling for key positions through broader candidate search, and faster decisions active development of longer-term successors through ensuring their careers progress, and engineering the range of work experiences they need for the future, auditing the ‘talent pool’ of the organization and thereby influencing resourcing and development strategies, fostering a corporate culture through developing a group of people who are seen as a ‘corporate resource’ and who share key skills, experiences and values seen as important to the future of the organization. Of these, it is the active development of a strong ‘talent pool’ for the future which is now seen as the most important. Increasingly, this is also seen as vital to the attraction and retention of the ‘best’ people.⁹⁴

Succession planning is crucial to organization viability even without the deaths of key leaders. In a survey of 150 *Fortune* 500 companies, a majority of the companies expect at least 33% turnover at the executive level in the next five years and one-third of the companies felt that they would not be able to find suitable replacements. Three-quarters of corporate officers surveyed for a study by McKinsey said their companies had insufficient talent to fill crucial positions. [...]. Succession planning processes that include individualized prescriptions for mentoring, training and coaching are mandatory preventatives for key position gaps and ensuring that superkeepers realize their career mobility.⁹⁵

3. Measuring the Success of Talent Management

Talent management programs will almost inevitably face the question whether they are successful or not. Measuring performance management programs is an important signal to the rest of the organization, is valuable as a discipline and may be essential to get continuing support.

It is essential to have consistent information on those covered by a talent management program over an extended period, including leavers and the employees not

⁹⁴ Hirsh, Waldman. “Succession Planning Demystified”. Report 372. Institute for Employment Studies. October 2000. Available at: <http://www.employment-studies.co.uk> (Date of Access: 23.04.2008).

⁹⁵ Berger, Dorothy R. in Berger&Berger. p.41.

covered by the program. It is also important to try to identify indirect effects too, such as on employees not covered by the program.

The measures have to link HR objectives to those of the organization as a whole. A danger is to focus on activity and process- for example, numbers of people covered, numbers of interviews and turnover before and after- rather than on what is being achieved. These are interesting for HR, but not for others, and are of little use in measuring success. However, trying to link changes in profitability to talent management is equally dangerous, as the changes of making a credible link are slim. Finding appropriate comparisons is also an issue. To start with, it is not easy to get information needed about other organizations. It is even more difficult to compare a program with what would happen to the time and money if it is spent on something else. These problems can be tackled by the actions outlined in the following steps.

The differences between talent management and that HR need to defined and ‘talent management’ needs to be broken down into its constituent parts (proportion of posts covered by the program, choices available for vacant posts, etc.). This will not only help understanding outside HR, but also provide a basis for better measures. Then there need to be consultation with senior and line managers to shape their expectations. They will want to know what is involved, what will change, trade-offs and risks, as well as links to other programs and to their own agenda.

Improvement of data is another step, which starts with ensuring that your database provides the right variables in the right timescale, ‘right’ being what HR and line management need to link to the organization’s strategy. It could be that new measures (from surveys or exit interviews) will require more data. The danger is overambition in scope, volume or speed. However, while data does not need to be perfect, it does need to be good enough, fast enough and targeted. It also needs to be at the relevant level of detail to ensure that effort and resources have been properly focused.

Making better comparisons is also important. If the organization has a number of similar divisions, comparisons can start internally. To avoid complacency, one should focus on external comparisons wherever possible. These could be through data swaps with other talent management programs or with elements of programs such as selection criteria and the definition of high potential. A set of monitorable milestones should be set up to show comparisons with the original plans. These provide essential shorter-term indicators of progress and help to answer questions from colleagues about progress. It is important to bear in mind that ‘monitorable’ does not mean ‘quantitative’. It is better to have relevant words than dubious figures.

The focus should be on outputs and outcomes, not on the activity itself. Output measures will generally be interview-based and could include the views of employees and their line managers and the results of their exit interviews. They could also come from regular reporting and feedback on issues such as retention and engagement of those in the program compared with the peer group. Indicative outcome measures include how easy it is to make appointments to identified key posts, the numbers of candidates available and the proportion of vacancies earmarked for promotion that have been filled internally. On the other hand, ‘gold standard’ outcome measure is how the program contributes to organizational success compared with relevant competitors over a period of time. This is, after all, what a talent management program is designed to achieve. There will be no definitive answer but measurement should go as far as possible, with a good commentary to explain the gap between aspiration and performance.

Improving measures as indicated above will provide better answers, but the remaining limitations of performance measurement will need to be acknowledged. That is why a lucid, focused, balanced, concise and jargon-free commentary is as essential as the numbers. Explanations will need to take account of external factors, such as the

competitive environment, to separate the contribution of the program from fluctuations in the employment market.⁹⁶

C. THE CONCEPT OF PERFORMANCE APPRAISAL/MANAGEMENT

1. Definition and Categories of Performance Appraisal/Management:

Performance appraisal (PA) was a term once associated with a rather basic process involving a line manager completing an annual report on a subordinate's performance and (usually, but not always) discussing it with him or her in appraisal interview. Whilst this description still applies in a number of organizations, it does not in many others. PA has become a general heading for a variety of activities through which organizations seek to assess employees and develop their competence, enhance performance and distribute rewards. It sometimes becomes a part of a wider approach to integrating HRM Strategies known as performance management. As Williams points out, there are at least three different models of performance management (PM); PM as a system for managing organizational performance; PM as a system for managing employee performance; PM as a system for integrating the management of organizational and employee performance. PA plays important, if varying, role in all of them. The potentially relevant research for this expanded domain is very broad, including topics such as performance-related pay, assessment and development centers, job analysis and competencies, organizational communication strategies, and much more besides.⁹⁷

Employees job performance is an important issue for all employers. However, satisfactory performance does not happen automatically; therefore, it is more likely with a good performance management system. A performance management system consists of the processes used to identify, encourage, measure, evaluate, improve, and reward employee performance at work.⁹⁸ PA means evaluating an employee's current and/or

⁹⁶ Likierman, Andrew. "How to measure the success of talent management". *People Management* 13. No 4 F 22. 2007. pp.46-47.

⁹⁷ Fletcher, Clive. "Performance Appraisal and Management: The Developing Research Agenda". *Journal of Occupational and Organizational Psychology*. 74. 2001. p.473.

⁹⁸ Mathis&Jackson. p.380.

past performance relative to his or her performance standards. It is also assumed that the employee understood what his or her performance standards were, and that the supervisor also provides the employee with the feedback, development and incentives required to help the person eliminate performance deficiencies or to continue to perform above par. The aim should be to improve performance.⁹⁹

As clearly stated by Riggio, performance appraisals measure worker performance in comparison to certain predetermined standards. They serve many purposes for the individual worker, for the worker's supervisor and for the organization as a whole.¹⁰⁰

Performance management [or appraisal] processes provide a means of building relationships with people, identifying talent and potential, planning learning and development activities and making the most of the talent possessed by the organization. [...]. Properly carried out, performance management is a means of increasing the engagement and motivation of people by providing positive feedback and recognition.¹⁰¹

As also stated by Henderson, performance appraisal data and information are used for making decisions in organizational and human resource planning, employee training and development, compensation administration, employee movement (lateral transfer, demotion, promotion, layoffs and termination), and validation of selection procedures.¹⁰²

Effective performance management embraces *analysis* of the mission, strategies and objectives of the business which constitute the reference for company performance; *identification*, preferably by the individual, of the ways he can contribute to company performance, contracting between manager and management, an agreement as to the setting of the individual's objectives; *appraising*, continuously, effectively and jointly,

⁹⁹ Dessler, Gary. *Human Resources Management*. 10th ed. New Jersey: Prentice Hall. 2005.p. 310.

¹⁰⁰ Riggio. p.124.

¹⁰¹ Armstrong. pp.391-392.

¹⁰² Henderson. p.301.

the individual's achievement of agreed objectives and **rewarding** the achievement of these objectives in such a way as to give recognition and to motivate, without distorting the focus of effort.¹⁰³

The Office of Personnel Management of the US Department of Interior supports what is suggested by Hewitt Associates above, since it also defines performance management as the systematic process of **planning** work and setting expectations, continually **monitoring** performance, **developing** the capacity to perform, periodically **rating** performance in a summary fashion; and **rewarding** good performance.

In an effective organization, work is **planned** in advance. This includes setting performance expectations and goals for individuals in order to channel efforts toward achieving organizational objectives. Involving employees in the planning process is essential to their understanding of the goals of the organization, what needs to be done, why it needs to be done, and expectations for accomplishing goals. The regulatory requirements for planning an employee's performance include establishing the elements and standards in their Employee Performance Appraisal Plan (EPAP). An EPAP outlines the specific elements and standards that the employee is expected to accomplish during the rating cycle. Performance elements and standards should be measurable, understandable, verifiable, equitable, and achievable.

Monitoring well means consistently measuring performance and providing ongoing feedback to employees and work groups on their progress toward reaching their goals. The regulatory requirements for monitoring performance include conducting progress reviews with employees where their performance is compared against their elements and standards.

Developing employees is more than just training employees. Developing employees covers all efforts to foster learning, which happens on the job every day. When organizations focus on developing their employees' capacity to perform rather than just training them, employees will be able to adapt to a variety of situations, which

¹⁰³ Author N.A. Hewitt Associates. "Performance Management". *Total Compensation Management*. UK: Blackwell Business. 1991. p. 97.

is vital for the survival, well-being, and goal achievement of individuals as well as organizations.

Within the context of formal performance appraisal requirements, **rating** means evaluating employee performance against the elements and standards in an employee's performance appraisal plan and assigning a rating of record. The rating of record is based on work performed during the entire appraisal period. The rating assigned reflects the level of the employee's performance as compared to the standards established.

Rewarding performance means providing incentives to, and recognition of, employees for their performance and acknowledging their contributions to the agency's mission. Recognition is an ongoing, natural part of day-to-day experience. Good performance should be recognized without waiting for nominations for formal awards to be solicited. Awards may come in many forms, including cash, time off, non-monetary items, honor awards, etc.¹⁰⁴

The goal of a performance management system is to propel business by growing market share, reducing costs, increasing top-line sales, and helping companies become more competitive. To make that happen, the strategies for managing performance must be focused on the fundamentals of what people need to do differently, and where they need to raise the bar for their performance.

There's a vital need to connect individual performance with organizational business objectives. Achieving this critical alignment means driving the right behaviors to ensure success.¹⁰⁵

Performance management is a vital element- a building block- of talent management systems. Measurement is important since it determines the way people in organizations behave. It is important to recognize that a performance management

¹⁰⁴ Author N.A. "Performance Appraisal Handbook" by US Department of Interior. Available at: <http://www.doi.gov/hrm/guidance/370dm430hndbk.pdf> (Date of Access: 09.06.2008).

¹⁰⁵ Author N.A. "Talent and Career Management". Available at: <http://www.arclead.com/talentmanagement/> (Date of Access: 12.05.2008).

system has two primary parts: performance appraisal, which is the process of measuring performance, and performance review (the process of communicating the results of the performance appraisal to the person whose performance was measured).

Appraisal systems can be categorized by what they assume and on what they focus measurement. According to Martin G. Wolf¹⁰⁶, those include:

- Trait-based- Assumption that certain traits drive performance, measures personal characteristics of the position incumbent. It is simple to conduct. Characteristics of trait-based assumption are as follows:
 - Emphasis is on personality, style and values.
 - Traits are generic and may apply to all employees
 - Evaluation is based on perception
 - Rating is tied to degree/frequency trait is exhibited.

- Behavior-based-Assumption that certain behaviors drive performance; measures what the position incumbent does. Though it is tailored for specific job, it is time-consuming to develop and evaluate. Its characteristics are as follows:
 - Behaviors are specific to the work environment.
 - It is tailored to different jobs/groups
 - Evaluation is based on demonstrated actions
 - Rating is tied to degree/frequency behavior is exhibited.

- Knowledge/skill-based-Assumption that certain knowledge/skills drive performance ; measures what the position incumbent knows/applies. It has a direct link to pay system. However, employee may not use certain knowledge or skills for some types of work and it is sometimes difficult to measure diverse skills. Its characteristics are as follows:

¹⁰⁶ Wolf, Martin G. "Selecting the Right Performance Management System" in *The Talent Management Handbook*. ed. by. Lance A. Berger&Dorothy R. Berger. 2004. pp. 85-88.

- Emphasis is on employee capabilities
 - It is tailored to each knowledge/skill area
 - Evaluation is based on acquisition of knowledge and skills
 - Rating tied to degree/diversity of knowledge/skill achieved
 - Knowledge/skill tied to organizational objectives
- Results-based- Assumption that achievement of objectives equals performance; measures what the position incumbent achieves. It emphasizes results, but time consuming to develop and evaluate and limited to work where specific objectives can be established and measured. Its characteristics are as follows:
 - Objectives are tied to job or organization goals
 - Develop objectives specific to individual/group by which performance is measured
 - Evaluation is based on results achieved
 - Rating is tied to degree of achievement

Determining which type of appraisal system best fits an organizational and business needs depends primarily on the objectives of that organization. What is the organization trying to accomplish with the system? Is its priority increased job understanding on the part of the incumbent, individual growth and development, or performance planning and control?

Other factors to be controlled are:

- Business environment
- Strategy and objectives of the business
- Organization size and the management levels considered
- Corporate climate
- Values and style of the senior management group
- Available resources

Not all appraisal systems can be utilized effectively with all types of employees. Appraisal systems are best suited to employee types as follows: *trait based*-all employees; *behavior-based*-supervisors and below; *knowledge/skill based*-production workers, clerical workers, and some professionals; *results-based*-administrators/managers, most professionals and executives.

Five elements have been defined to be common to almost all performance appraisal systems: 1) the performance, behaviors or traits of individuals (not teams, groups or departments) are rated or judged by someone else; 2) these ratings/judgments are scheduled (usually annually or quarterly) as opposed to being tied to completion of particular tasks or projects; 3) such ratings and judgments are not applied to selected individuals, but rather are systematically undertaken with all employees of a particular department or organizational unit; 4) the process is either strictly mandatory or tied to some reward system (such as pay raises or promotions); 5) information is recorded and kept in the employee's file by the employer.¹⁰⁷

2. Reasons for Appraising Performance:

Companies appraise staff for a variety of reasons. The four main reasons that companies review performance are;

- to review past performance
- to help improve current performance
- to set performance objectives
- to assess training and development needs

3. Uses of Performance Appraisal: Development and Administrative Uses:

According to Patricia M. Buhler, performance appraisal serves two primary functions in organizations- developmental purposes and administrative purposes. More progressive organizations today are utilizing the performance appraisal primarily as a developmental tool and are separating the process from the compensation and the employment decision

¹⁰⁷ Law, David. R. "Appraising Performance Appraisals: A Critical Look at an External Control Management Technique". *International Journal of Reality Therapy*. Spring 2007. Vol. XXVI. No:2. p.18.

processes. This enables the firm to better use it as an opportunity to identify areas for each employee that are in need of development or improvement.

During the performance appraisal process, the strengths and weaknesses of employees should be identified, and a development program should be outlined on this basis. Pairing this development on the individual level with the skill sets needed on the organizational level can prepare the firm to better meet their future human resource staffing needs.

For example, if the organization's strategic human resource planning process has identified that ten additional mid-level managers will be needed in the IT department in the next five years, ten individuals can be identified for the pipeline to be placed in management development programs.

It is essential that the performance evaluation be future directed. Setting specific, challenging and measurable goals and clear communication of these goals to the employee is very critical for the success of performance management. The individual's goals must also be tied directly to the organizations objectives. If both objectives are in line with each other, this can result in higher engagement levels as employees experience more enriched jobs.

Managers are responsible for the continuous follow-up, continual feedback to keep employees informed and management support. When managers provide support, employees are motivated. It is more than just a slap on the back. Offering company financial resources for workshops or time off for pursuing a college degree in the evenings is critical, tangible support that the manager (and the organization) is behind the employee's development.¹⁰⁸

¹⁰⁸ Buhler. pp.18-19.

Table 6

Guidelines for Effective Performance Feedback

- 1-Feedback should be descriptive rather than evaluative.
- 2-Feedback should be specific rather than general.
- 3-Feedback should be appropriate, taking into account the needs of the employer, the worker and the situation.
- 4-Feedback should be directed toward behavior that the worker can do something about or is able to change.
- 5-Feedback should be well-timed. More immediate feedback is usually more effective.
- 6-Feedback should be honest rather than manipulative or self-serving.
- 7-Feedback should be understood by both parties. If necessary, additional input should be sought to enhance and clarify the feedback process.
- 8-Feedback should be proactive and coactive. When change in past behavior is required, specific directions for change should be provided. Both parties should agree on the need for the change and the remedy.
- 9-Feedback should not be used as an opportunity to criticize or to find fault with the worker. It should be a natural process in the ongoing superior-subordinate relationship.

Source: Harris, Thomas E. *Applied Organizational Communication: Perspectives, Principles and Pragmatics*. Hillsdale, New Jersey: Lawrence Erlbaum Associates. 1993. p.23

This positive feedback and support (both financial and non-financial) is a part of total reward system, which shall be discussed within the administrative uses of performance appraisal. According to Mathis and Jackson a performance appraisal system is often the link between the reward employees hope to receive and their productivity. The linkage can be thought of as follows:

Productivity → performance appraisal → rewards

Compensation based on performance appraisal is at the heart of the idea that raises should be given for performance accomplishments rather than for seniority. Under performance-oriented systems, employees receive raises based on how well they perform their jobs.

Other administrative uses of performance appraisal are the decisions on promotion, termination, layoff and transfer assignments. Performance appraisals are essential when organizations terminate, promote, or pay people differently, because they are a crucial defense if employees sue over such decisions.

4.Sources of Performance Appraisal:

Performance appraisals can be done by anyone familiar with the performance of the individual employees. Possibilities include supervisors who rate their their employees (supervisor appraisal), employees who rate their superiors (subordinate appraisals), team members who rate each other (peer appraisals), outside sources (customer appraisals), employee self-appraisal and 360° appraisal.

Supervisor appraisals are very common because supervisors are usually quite knowledgeable about the job requirements, are often in a position to provide rewards for effective performance (and suggestions for improvement for substandard performance) and typically have a great deal of contact with supervisees. However, supervisors may have a limited perspective on employee performance, so in addition to supervisor appraisals other organizational member appraisals are also important such as **self-appraisal**, which is used in conjunction with supervisor appraisals. Self-appraisals are more effort-focused rather than performance focused. Another source is **peer appraisal**, which is quite rare in actual use, but still reliable since good agreement between performance ratings made by the supervisors and by the peers can be observed. This makes sense as both supervisors and peers have the opportunity to directly observe workers on the job. One problem with peer ratings occur when the conflict of interest rises among the peers regarding scarce job rewards. A fourth way is to use subordinate appraisals, which are commonly used to assess the effectiveness of persons in supervisory or leadership positions. Research on **subordinate appraisals** indicates considerable agreement with supervisor ratings. Another form of performance rating for employees working in customer service positions is ratings made by customers. Although **customer ratings** are not usually considered as a method of performance

appraisal, they can offer an interesting perspective on whether certain types of workers (salespersons, telephone operators, etc.) are doing a good job.¹⁰⁹

The latest attempt to improve performance appraisal is **360° performance appraisal**, which is a multisource assessment having found favor with a growing number of organizations. Unlike traditional performance appraisals, which typically come from superiors, 360° appraisal uses feedback from “all around” the appraisee. Supervisors, subordinates, peers, customers-and perhaps a self-appraisal as well- provide input for the performance appraisal process.¹¹⁰ 360° assessment may also be referred to as multi-rater appraisal. Changes in organizational structures and the limitations of traditional top-down appraisal have combined to create conditions where other sources of performance feedback have become not only more acceptable but more necessary. [...]. Initially, it tended to be used purely for development purposes, but increasingly it is becoming part of the formal, annual appraisal process. [...]. It represents more than one viewpoint on an individual’s performance, and it does provide a more rounded picture. [...]. Given that most 360° feedback systems have been used with a developmental emphasis so far, one important criterion of their effectiveness is the extent to which they generate development plans and action on the part of the feedback recipients.¹¹¹

¹⁰⁹ Riggio, Ronald R. “Evaluating Employee Performance”. *Introduction to Industrial and Organizational Psychology*. 4th ed. USA: Prentice Hall. 2003. pp.129-131.

¹¹⁰ Mathis & Jackson. p.379.

¹¹¹ Fletcher. pp.478-480.

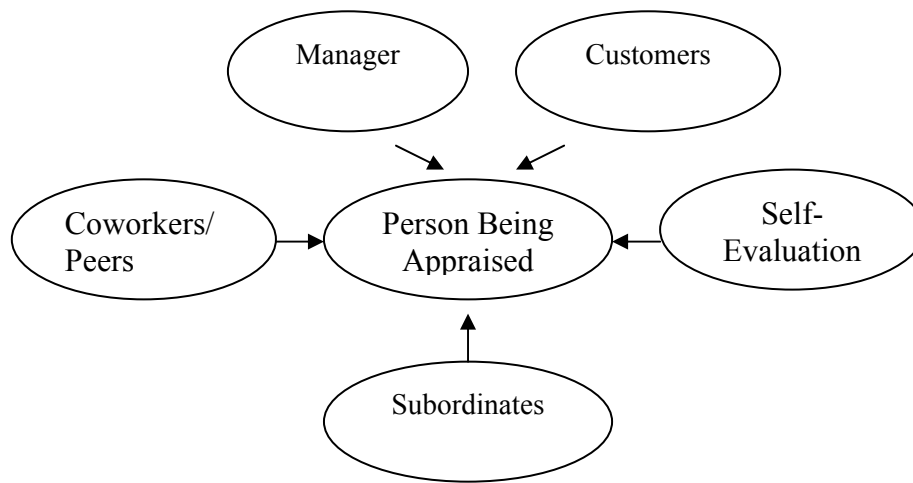


Figure 10: Multisource Appraisal

Source: Mathis Robert L.&John H. Jackson. “Performance Management and Appraisal”. *Human Resource Management*. 9th ed. 2000. p.392.

5. Methods of Performance Appraisal

Methods of performance appraisal will be defined from the perspective of Riggio¹¹², Mathis and Jackson¹¹³ in this part:

a. Comparative Methods:

Comparative methods of performance appraisal involve some form of comparison of one worker’s performance with the performance of others. These procedures include rankings, paired comparisons and forced distribution.

Ranking requires supervisors to rank their direct reports from best to worst on specific performance dimensions, or to give an overall comparative ranking on job performance. The primary drawback of ranking is that the size of the differences among individuals is not well defined. For example, there may be little difference in performance between individuals ranked second and third, but a big difference in performance between those ranked third and fourth. Ranking also means that someone must be last. It is possible that the last ranked individual in one group would be the top employee in a different group.

¹¹² Riggio. pp.131-139.

¹¹³ Mathis&Jackson. pp.393-402.

Paired comparison is a method in which the rater compares each worker with every other worker in the group and then has to decide which is the better performer. Each person's final rank consists of the number of times that individual was chosen as the better of a pair.

Forced distribution is a technique for distributing ratings that can be generated with any of the other methods. However, it does require a comparison among people in the work group under consideration. The rater assigns workers to established categories ranging from poor to outstanding on the basis of comparison with all other workers in the group. The ratings of employees' performance are distributed along a bell-shaped curve. This technique is similar to the procedure used by an instructor who grades on a normal curve. One possible problem with the forced distribution occurs when there is an abundance of either very good or very poor workers in a supervisor's work group. This can create a situation where a supervisor might artificially raise or lower some employees' evaluations to fit them into the predetermined distribution.

While comparative methods may sometimes yield misleading results, the use of comparative information may increase the accuracy and quality of self-appraisals of performance.

b. Individual Methods:

Individual methods involve evaluating an employee by himself/herself.

Graphic rating scales, which is an individual method used by the vast majority of performance appraisals, offer predetermined scales to rate the worker on a number of important aspects of the job, such as quality of work, dependability, and ability to go along with coworkers. A graphic rating scale typically has a number of points with either numerical or verbal labels, or both. The verbal labels can be simple, one-word descriptors (e.g. poor, below average, average, above average, excellent) or they can be quite lengthy and specific (e.g. rejects and errors consistently rare, work usually OK error seldom made, work passable needs to be checked often, etc.). Some graphic rating

scales use only verbal end points, or anchors, with numbered rating points between the two anchors. When graphic rating scales are used in performance assessment, appraisals are usually made on anywhere from seven to twelve key job dimensions, which are derived from the job analysis.

Behaviorally anchored rating scales (BARS) define the scale labels rather than having scale labels such as poor, average or good. They have examples of behavioral incidents that reflect poor, average and good performance in relation to a specific dimension. The development of BARS is a lengthy and tedious process. The result, however, is a rating instrument that focuses clearly on performance behaviors relevant to a particular job. An appraiser is focused to spend a great deal of time to make out what adequate or inadequate performance of a certain job dimension entails. This increased attention to job behaviors helps to overcome some of the general biases and stereotyping that may occur in other performance ratings, for a worker cannot be summarily judged without consideration of how the person's past behavior supports the rating.

A performance assessment technique related to the BARS is **behavioral observation scales (BOS)**. With this method, raters indicate how often the worker has been observed performing key work-related behaviors. BOS concentrate on critical behaviors that were actually performed.

Another individual method of performance appraisal is the use of **checklists**, which consist of a series of statements about performance in a particular job. The statements are derived from a job analysis and can reflect either positive or negative aspects of performance. The rater's task is to check off the statements that apply to the worker being evaluated. Each of the statements is given a numerical value reflecting the degree of effective performance associated with it. The numerical values assigned to the checked items are then summed to give an overall appraisal of the worker's performance.

A relatively simple form of individual performance evaluation is the use of **narratives**, which are open-ended, written accounts of the worker's performance or listings of specific examples of performance strengths and weaknesses. The advantage of narratives is that appraisers have the freedom to describe performance in their own words and important elements are emphasized. The major drawback is that they offer no qualification of performance, which makes it very difficult to compare workers' performance. Moreover, narratives may be misinterpreted by the worker. For example, an appraiser may write that the worker is doing a 'fair job', meaning that some improvement is needed, but the worker may interpret the word 'fair' to mean 'adequate' or 'good', and may thus believe that no improvement is necessary.

There is no one best appraisal method. A performance measurement system that uses the combination of the preceding methods is possible and may be sensible in certain circumstances. Category rating methods are easy to develop, but they usually do little to measure strategic accomplishments. Furthermore, they may make inter-rater reliability problems worse. Comparative approaches help reduce leniency, central tendency and strictness errors, which makes them useful for administrative decisions such as pay raises. However, comparative approaches do a poor job of linking performance to organizational goals, and they do not provide feedback for improvement. Narrative methods work best for development because they potentially generate more feedback information, provided that they consist of good definitions of criteria or standards. These methods are poor for administrative uses. The behavioral approaches work well to link performance to organizational goals, but they can require much more effort and time to define expectations and explain the process to employees.

When managers can articulate what they want a performance appraisal system to accomplish, they can choose and/or mix the methods to get the combinations of advantages they want.

6. Problems and Pitfalls in Performance Appraisal:

The problems and pitfalls in performance appraisals is summarized below:¹¹⁴

- Halo effect – rating employees “excellent” in many categories when they excel only in one.
- Leniency/strictness (severity)– very low or high ratings instead of finding any category in which the employee is average.
- Contrast effect – evaluating an individual in relation to other employees’ performance instead of on job requirements.
- Similar-to-me effect – rating employees favorably because they mirror the rater’s self-image.
- Central tendency error – putting every employee’s performance in the middle of the rating scale.
- First impression – letting initial evaluations of employees overshadow actual performance during the rating period.

Halo effect occurs when appraisers make overall positive appraisals of workers on the basis of one known positive characteristic or action. If a particular worker did an outstanding job on a particular task, the supervisor assumes that all of this person’s work is also outstanding.

Another potential error in performance appraisal is **leniency errors**, which occur when an appraiser tends to judge all workers leniently, routinely giving them very positive appraisals. A severity error, on the other hand, is the exact opposite and arises when an appraiser tends to rate employees on the low end of performance scales, giving generally negative appraisals.

There is also a **central tendency error**, whereby the appraiser tends always to use the midpoint of the rating scale.¹¹⁵

¹¹⁴ Murphy, Terrence H. & Joyce Margulies. “Performance Appraisal”. ABA Labor and Employment Section Equal Employment Opportunity Committee 2004 Mid-Winter Meeting Report. Available at: <http://scholar.google.com.tr> (Date of Access: 07.05.2008).

¹¹⁵ Riggio, Ronald.

The **contrast error** is the tendency to rate people relative to other people rather than to performance standards. For example, if everyone else in the group is doing a mediocre job, a person performing somewhat better may be rated as excellent because of the contrast effect.

Similar-to-me effect may also be referred to as the **rater bias**, which occurs when a rater's values or prejudices distort the rating. The most common personal biases are those based on the worker's sex, race, age and physical characteristics, including disabilities. It refers to the tendency on the part of raters to judge favorably employees whom they perceive as similar to themselves. Supervisors biased by this effect rate more favorably employees whose attitudes, values, backgrounds or interests are similar to their own. Employees whose children attend the same school as their manager's children receive higher performance appraisal ratings than employees who do not have children.¹¹⁶

First impression is also a rater bias which distorts the rating, since its focus is not mainly on the performance as a process, but rather on what is thought on first sight. Having the first impression rule overall performance appraisal, the rater involved in the appraisal process is unable to have a mature evaluation.

¹¹⁶ Martocchio, Joseph J. *Strategic Compensation: A Human Resource Management Approach*. N.J.:Prentice Hall. 1998. p. 93.

III. THE RELATIONSHIP BETWEEN TALENT MANAGEMENT AND PERFORMANCE MANAGEMENT

As detailed above in the first part of our study, talent management is not restricted to only one HR function, but is comprehensive since it embraces a multiple set of HR functions such as recruitment, succession planning, career development, training and development, performance management, etc. in order to ensure that the organization attracts, recruits, retains and engages its talented employees. Due to the fact that people constitute the core of each corporate structure as well as the most vital tool for gaining competitive advantage in a business environment, management of talent, which refers to the people in this context, is crucial in order to make the most of the talent possessed by the organization.

However, it should never be ignored that talent management cannot be restricted to a one-way relationship where the only beneficiary is the organization. It is rather a two-way relationship where both the employee and the organization as the employer should benefit from the outcomes. Talented people do not sit back and watch their potential goes away if they do not gain anything from the outcome they produce. As Woodruffe points out, if the people are the basis of business strategy, then their retention is a must. The real tragedy is that organizations often do not realize the value of what is walking out of the door, until it is too late.¹¹⁷ It is not enough merely hang on to talented workers; [we] also need to seize the advantage of the unique knowledge, ideas and skills they bring to the workplace. When people see their talents being put to use in their organization, they feel appreciated. That in turn engenders commitment to the organization.¹¹⁸

Because retention strategies have already been described above, we will not go into detail. However, it is important to note that talented people, no matter which title they have in an organizational structure would like to be realized and appreciated. They

¹¹⁷ Woodruffe. p.26.

¹¹⁸ Author N.A. *Retaining Your Best People*. Boston: Harvard Business School Press. 2006.pp.15-16.

would like to have their performance measured and get feedback on what they are doing good and what sides they should work on developing. They expect the organization to appraise their performance regularly either through supervisor appraisals, customer appraisals, subordinate or self-appraisals, etc. No matter what type of appraisal is used in order to measure their performance, talented employees pay attention to the fact that they are not ignored or left aside, or have the feeling that what they do does not remain unnoticed. Following a full-fledged performance appraisal, the employer gives feedback, offers development programs or financial and non-financial rewards which contributed to the increase in the performance of the employees.

If we accept that alignment and engagement take the first and second row in the list of processes, performance measurement is the third process an organization needs to connect talent to strategy to deliver outstanding results. Effective measurement will make alignment and engagement real for people and ensure a business is pursuing the right outcomes. Measurement ties everything together. All elements of alignment and engagement become more urgent and useful when you start to measure their outcomes. If the outcomes are not measured, the results achieved will remain unknown. Measurement changes everything. It has the potential to transform. The purpose of aligning and engaging is to improve the way you deliver value so you can change your results. Without measurement, behavior tends to be undirected. Without numbers, a goal is just a dream.¹¹⁹

It may be true to suggest that being an element of talent management systems, performance appraisal is a circular process, which has no end. Starting with a formal appraisal process followed by feedback, training and development opportunities and various rewards (such as compensation, promotion, recognition, appreciation, etc.) offered to the talented employee, whose performance will be given a pace as a result of these motivating tools. As suggested by Hay Group, one of the traps to be avoided in talent management concerning performance appraisal is that measuring performance against potential are mistakenly used as the end point for evaluating talent rather than as

¹¹⁹ Gubman. p.225.

the start point of a broader realignment process.¹²⁰ In other words, performance appraisal is not a point to reach at, but a direction to go. Like many processes involving people, no single silver bullet or best practice has emerged that truly makes a difference. [...] improving the effectiveness of performance management can feel like running a never-ending medieval gauntlet, full of risk and danger.¹²¹ As already mentioned above in the second part, a performance management system has two primary parts: performance appraisal, which is the process of measuring performance, and performance review which is the process of communicating the results of the performance appraisal to the person whose performance was measured. According to Woodruffe, the appraisal should culminate in a development plan. Seeing that it is the plan rather than the appraisal that really is crucial, organizations have looked for ways of arriving at a plan. One possibility is 360-degree feedback. Another is to use a development centre where people get feedback on their display of competencies.¹²² In other words, it can be suggested that performance appraisal is a complex system leading to feedback and development in order to make the best of people in an organization.

Taking a critical look at performance management begins with the most fundamental question regarding its purpose. [...]. A strong performance management process is designed to achieve three basic objectives. First one is to drive results. A performance management process intended to drive the achievement of key business results is typically designed to ensure that individual group and enterprise goals and expectations are clearly defined, focused on key priorities, and well-connected to the drivers of results. Organizations that explicitly define this alternative as the primary purpose have identified their human capital as a key lever for executing business strategy and achieving competitive advantage. There are several characteristics of performance management processes that are intended to drive performance, the most important of which are the mechanisms and tools in place that help employees understand how they can affect drivers of business success in their daily work.

¹²⁰ Author N.A. "Talent Management: What the Best Organizations Actually Do". Hay Group Working Paper. Available at: http://www.haygroup.com/downloads/ie/Talent_Management_working_paper.pdf (Date of Access: 24.06.2008).

¹²¹ Ellis, Christian M. & Anne M. Saunier. in Berger & Berger. p.104.

¹²² Woodruffe. p. 129.

Second objective is building capability. A performance management process intended to drive capability development is typically designed to help employees understand what they need to learn and how they need to learn it. Organizations that explicitly define this alternative as the primary purpose have determined that learning and development play a critical role in building needed organization capability. These processes involve constructive conversations between managers and employees in order to establish a culture of dialogue, performance feedback which is a primary tool for development since it provides a holistic picture of an individual's strengths and opportunities for improvement, as well as coaching and mentoring programs.

Third objective is to carve up consequences. A performance management process intended to carve up consequences is typically designed to yield a performance assessment that can easily be used to make decisions involving compensation, work assignments, career advancement and/or recognition. Organizations that explicitly define this alternative as the primary purpose often have determined that rewards are a critical lever of performance, requiring a highly effective process for differentiating performance and distributing awards.¹²³

Last but not least, having the human being as their core element, performance management and talent management are mutually-inclusive processes, where the aim is to achieve development both for the employee and the organization and to obtain improved business results.

¹²³ Woodruffe. pp.105-110.

IV. THE EFFECT OF TALENT MANAGEMENT ON THE PERFORMANCE OF THE EMPLOYEES: AN APPLICATION IN A MULTINATIONAL METAL PACKAGING COMPANY OPERATING IN TURKEY

In this part of our study, research methodology including the goal, scope, restrictions, scaling and data analysis used for this application will be discussed. As we have focused on in the previous chapters, the use of talent management systems is one of the factors contributing to the increased productivity of the employees through the enhancement of their interest and eagerness towards work. Therefore, employees in the relevant sectors should identify and apply required methods in order to motivate employees towards the achievement of higher level of interest and eagerness, which are the prerequisites of higher performance.

Being one of the most effective tools for increasing employer's interest and eagerness, talent management is increasingly being used mostly in corporate organizations, already having realized the need for a full-fledged talent management system including succession planning, career management, performance appraisal, training and development, retention and attraction strategies, talent audits, etc.

In today's organizations, it is required for the employees to be analyzed by their managers. Moreover, it is also vital to identify the talent management tool(s) to be utilized in different groups of employees to increase their performance. Demographics such as gender, age, marital status, level of education and even the title at work have an effect on the variety, frequency, type and time of use as far as talent management tools are concerned. Due to this very reason, it is crucial to whom, how often, to which extent and when these talent management tools will be used. Taking all these factors into consideration, it can be inferred that if a talent management system that is considered to be effective on the performance of the employees in a workplace is formed, employees in that workplace can be motivated towards the demanded direction.

In this part of our study, research methodology including the goal, scope, restrictions, scaling and data analysis used for this application will be discussed. Our analysis will be focused on the findings of an application in a multinational metal packaging company operating in Turkey.

A. GOAL AND SCOPE OF THE RESEARCH

The goal of this study is to explore the effect of talent management and its tools on the performance of the employees working for an American multinational company operating in metal packaging sector in Turkey (herein after will be referred to as Company X) and to determine which tools are more effective on the performance of the above-mentioned employees.

B. THE STATEMENT OF THE PROBLEM

“Do talent management tools have an effect on employee performance in multinational companies in manufacturing sector, if so, which tools are more effective on the employees?” makes up the statement of the problem in our study.

C. RESTRICTIONS OF THE RESEARCH

As talent management is a newly-emerging phenomenon, its application is not prevalent in the multinationals operating in Turkey unlike many operating especially in the USA, since the use of talent management systems are detected mostly in American companies. In our investigation to find a sample set to conduct our application, we have consulted with 6 multinational manufacturing companies, all of which having their production facilities and offices in Turkey. However, 5 companies have not provided us with a positive response, while only the last firm, a multinational metal-packaging firm in manufacturing sector in Turkey, forming the sample of our research permitted for the conduct of such an application on their firm. Therefore, this restricted us to one firm only, total population of which took part in our research. Our study has experienced

some restrictions since the number of the above-mentioned firm is low and we could make the application in just one firm and one firm in manufacturing sector. The fact that the research was made on a limited number of employees, in only one firm in manufacturing sector constitutes the restriction of our study. That leads to a low level of validity in terms of generalization, which poses a restriction for our study.

D. MODEL OF THE RESEARCH

As the model of our research, general scanning model, one of the scanning models, was used in order to collect and analyze data economically and in line with the goal of the research.

General scanning models are scanning regulations on complete universe or on a sample group derived from universe in order to reach a general assumption of that universe, which consists of many elements. Singular and correlational scanings can be realized via general scanning methods. In singular scanning models, variables such as relevant individuals, items, events, corporations, etc. are tried to be described one by one.¹²⁴ Correlational scanning model aims at identifying the existence and/or level of a mutual change between two or among more than two variables.¹²⁵

Singular scanning model was used in order to specify the formation of variables (in terms of type and quantity) which are within the scope of our research one by one. Moreover, correlational scanning model was also utilized. In correlational scanning model, the variables among which a relation will be pursued were symbolized one by one as it happened in singular scanning model. However, this symbolization (rating and measurement) was transformed to facilitate a correlational analysis. Following this transformation, comparison was preferred as a correlational analysis process. This approach enabled both a separate and a correlational description of the distribution of

¹²⁴ Ay, Alparslan, "Araştırma Modelleri". Trans by. Ece Basmacı. Available at: <http://www2.aku.edu.tr/~gocak/Arastirmayontem/sosyal2007/Alpaslanmodeller.pdf> (Date of Access: 30.06.2008).

¹²⁵ Karasar, Niyazi. *Bilimsel Araştırma Yönetimi*. 9th ed. Ankara: Nobel Yayınları. 1999.p.81.

the responses to the statements regarding the gender, age, marital status, level of education, seniority and title along with those to the scale statements.

Having this approach, the model of the research is descriptive since it aims at describing the current status. We tried to describe the distribution between gender, age, marital status, level of education, seniority and title of the employees who are under the scope of our study, and their responses to the scale statements one by one besides the relation between variables.

E. DATA COLLECTING METHOD

Questionnaire, developed in line with the goal of our research, was used to collect data (Appendix 1).

Questionnaires are an inexpensive way to gather data from a potentially large number of respondents. Often they are the only feasible way to reach a number of reviewers large enough to allow statistically analysis of the results. A well-designed questionnaire that is used effectively can gather information on both the overall performance of the test system as well as information on specific components of the system. If the questionnaire includes demographic questions on the participants, they can be used to correlate performance and satisfaction with the test system among different groups of users.

The questionnaire is composed of 3 parts. In the first part, there are 6 questions regarding socio-demographic characteristics of the employees (gender, age, marital status, level of education, seniority and title).

In the second part, there are 16 statements, which define talent management preferences of the employees. These statements were graded using a 5-point Likert scale. These points in the scale are “Strongly Agree” (5), “Agree” (4), “Uncertain” (3), “Disagree” (2) and “Strongly Disagree” (1).¹²⁶ As noted by Fişek, it should be clear for the description of the coding scheme for Likert scales that the resulting number can only be claimed to be an interval number if the distances between the response alternatives are all equal. That is the difference in attitude between “strong agreement” and “agreement” should be equal to difference between “agreement” and “uncertainty” and so on down the sequence of alternatives.¹²⁷

The questions in this Part are all close-ended questions, since our questionnaire was aimed at specific rather than general questions. By restricting the answer set, it is

¹²⁶ Tezbaşaran, Ata A. *Likert Tipi Ölçek Geliştirme Kılavuzu*. 2nd ed. Ankara: Türk Psikologlar Derneği Yayınları. 1997. pp.21-22.

¹²⁷ Fişek, Hamit. M. “Fundamental Concepts of Measurement”. *Elementary Methods of Research in the Social/Behavioral Sciences*. Vol.1. Istanbul: Boğaziçi University Press. 2003. p.256.

easy to calculate percentages and other hard statistical data over the whole group or over any subgroup of participants.¹²⁸

It is common in questionnaires that the respondents usually prefer “Uncertain (3)” which leads to a difficulty in identifying the actual preferences of the population. Having this in mind, we moved this point to the last column keeping its numbering constant.

In the third and last part of the questionnaire, a list of 12 talent management tools was given. The audience were asked to give a number to each item according to the degree of importance of each item in terms of their effect on performance ranging from 12 (most effective) to 1 (least effective).

F. QUESTIONNAIRE DEVELOPMENT AND SCALING

A self-administered questionnaire was used for this research. The statements regarding the effect of reward tools on performance of the employees were adapted from a graduate study dissertation conducted by Tuba Nas.¹²⁹ Other items constituting close-ended questions in the questionnaire had already been justified by the resources used in the theoretical part of our study. Data were collected by nominal scale, whereas categorical ordinal scale was administered for the Likert-scale in second part. In order for the data to be derived from the numbering of the audience on the list of talent management tools, ordinal scale was also used in the third part..

When numbers are used merely to identify individuals or classes they constitute a nominal scale.¹³⁰ Nominal scale is a measurement scale in which numbers are assigned to attributes of objects or classes of objects solely for the purpose of

¹²⁸ Author N.A. “Questionnaire Design”. Available at: http://www.cc.gatech.edu/classes/cs6751_97_winter/Topics/quest-design/ (Date of access: 30.06.2008).

¹²⁹ Nas, Tuba. “Sağlık Örgütlerinde Ödüllendirme Sistemlerinin Performans Üzerine Etkisi ve Bir Uygulama”. Yayınlanmamış Yüksek Lisans Tezi. Gazi Üniversitesi. Tez Danışmanı: Doç. Dr. Tengiz Üçok. 2006.

¹³⁰ Author N.A. Available at: <http://www.britannica.com/EBchecked/topic/481664/psychological-testing/23846/Types-of-measurement-scales#>

identifying the objects. According to a definition by Fişek, nominal scales are classification systems, and numbers are used as category or class names.¹³¹ For example, “marital status” demographic used in the first part of our questionnaire was defined as 1=married, 2=single. However, these numbers do not have any numerical value, but they necessary since it enables our statistical analysis of these data on SPSS.

When a set of numbers reflects only the relative order of things it constitutes an ordinal scale.¹³² An ordinal scale is a measurement scale that assigns values to objects based on their ranking with respect to one another.¹³³ Ordinal scales are obtained through ranking the objects to be measured, as the name implies. [...]. A ranking of objects can allow for ties, that is two objects may be seen as having equal amounts of property being measured. An ordinal scale provides all the information that a nominal scale does, that is ordinal scales also induce an equality relation among the measured objects.¹³⁴

Likert-type scales which are frequently used in social sciences collect data ranking the responses. For example, in our research “strongly agree, agree, uncertain, disagree and strongly disagree” type of ranking system confirms the theoretical knowledge concerning ordinal scales.

The audience was asked to rank the talent management tools from most effective to least effective, which displays the use of ordinal scales in the third part, as well.

No hypotheses have been formed in this study, since verification is not the point at issue. The reason for this is that the model of the research is descriptive because it aims at describing the current status and at revealing the results as they are. The data in questionnaires are not distributed proportionally, which makes it impossible to reach a conclusion as only ‘Yes’ or ‘No’.

¹³¹ Fişek. p.226.

¹³² Fişek. p.226.

¹³³ Author N.A. Available at: <http://www.statistics.com/resources/glossary/o/ordscale.php>

¹³⁴ Fişek, pp.228-229.

G. THE UNIVERSE AND THE SAMPLE

In this study where the effects of talent management and its tools on the performance of the employees in multinational manufacturing sector are searched, the universe consists of employees having one of these titles: officer/technician, executive, specialist, assistant specialist, manager, high-level manager.

The sampling of our study consists of the total population of the Turkish branch of a multinational packaging company. 62 people working for the above-mentioned company were asked to fill out the questionnaire. Questionnaires were collected two days after they were distributed.

Required information and restrictions of this sample group were detailed under “The Restrictions of The Research”.

H. ANALYSIS OF THE DATA

Data collected via questionnaires were analyzed using Statistical Package for the Social Sciences (SPSS) for Windows 15.0 version. Gender, age, marital status, level of education, seniority in the company and title at workplace variables were analyzed using crosstab and chi-square test statistics while rating the level of effect the demographical features of the sample had on their responses and their distribution. Chi-square results interpreted by looking at the significance of the results were given as Asym. Sig. in the relevant charts.

As chi-square significance level which is frequently used in questionnaires, 0.05 value was determined. To say it in a different way, it was analyzed whether there is a significant relationship or difference between variables in 0.05 significance level.

Factor analysis is a multivariate statistics aiming at exploring and finding new unrelated factors, which are conceptually meaningful, by bringing together the variables which are in relation with each other. Through the use of this method, the “adequacy of

the sampling” was tested by using the results of Kaiser-Meyer-Olkin analysis, a measure of sampling adequacy, which should be greater than 0.5.¹³⁵

I. PILOT TEST

After the formation of our questionnaire, a pilot test was applied on a group of 10 employees, all of whom were selected taking their socio-demographical characteristics into consideration to ensure whether the questions were understandable for the employees. The open-ended questions “What do you think the most crucial factors having an effect on your performance are?”, “How do you understand that your talents are recognized?” were addressed to the population to whom this pre-test was employed. The talent management tools were derived from the responses to these questions and it was converted to be a close-ended question in the form of “You are requested to rank below-listed talent management tools from most effective (12) to least effective (1) in terms of their effect on your performance”, which makes up the third and last part of our questionnaire.

J. RELIABILITY AND VALIDITY

The term reliability refers to the stability of the measurements produced by an instrument.[...]. Clearly reliability is not an all or nothing idea. We really do not want to think of an instrument as being reliable or unreliable, rather we want to assess its degree of reliability. It is customary to talk about a reliability coefficient, usually symbolized by r , which takes on the value 1 for a perfectly reliable instrument, and the value 0 for a perfectly unreliable instrument. [...] Reliability is not an absolute property of an instrument of measurement, but rather is a property of an instrument and the population to be measured together. An instrument can be quite reliable for one population, but very unreliable for another.¹³⁶ As Altunışık et al. put it, reliability refers to the consistent and stable extent of measurement produced by a test or a scale. A reliable test

¹³⁵ Author N.A. Available at: <http://www.uregina.ca/arts/NSI/forms/brfnsi31.pdf> (Date of access: 01.07.2008).

¹³⁶ Fişek. pp. 234-237.

or a scale gives similar results if it is applied under similar conditions. The more reliable a test or a scale is, the more reliable the data derived from it will be. Cronbach Alpha coefficient, the most commonly used method in internal consistency analysis, was utilized in our Likert-type questionnaire. Alpha is required to be min. 0.70, in order to reach a conclusion that a scale is internally consistent, thus reliable.¹³⁷ Overall Alpha of our study will be indicated under “Findings” title.

The term validity, on the other hand, refers to the extent and instrument of measurement measures what it was intended to measure. That is, a valid instrument is one that measures the variable it was designed to measure, an invalid instrument is one that measures something else. [...]. The most commonly used method for demonstrating the validity of an instrument of measurement is basically an appeal to common sense, and is usually called face validity or validity by fiat. The researcher who wants to establish the validity of an instrument s/he is using asks, usually implicitly, the consumers of research to examine the instrument and see for themselves that the instrument measures indeed what it is supposed to measure. Another method of demonstrating validity is called criterion validity. This method requires that there be an alternative instrument of measurement whose validity has already been established and the validity of the new instrument is demonstrated by showing that it agrees with the first.¹³⁸ Both face validity and criterion validity were observed in our study, the former through the use of pretest where the audience were asked to give feedback to the open-ended questions stated above and the latter through the adoption of question items that had already been used by another research by Tuba Nas.

In our study, it was analyzed whether the significance is at <0.05 level or not through the utilization of Barlett’s Test derived from factor analysis. It was tested whether the statements were discriminated to significant factors or not. It was examined whether the factors emerged formed a significant integrity, which led us to test whether

¹³⁷ Altunışık, Remzi, Recai Coşkun, Serkan Bayraktaroğlu and Engin Yıldırım. *Sosyal Bilimlerde Araştırma Yöntemleri SPSS Uygulamalı*, 4th ed. Sakarya: Sakarya Kitabevi, 2005 , pp .114-116.

¹³⁸ Fişek.pp.234-237.

the questionnaire used had construct validity. By this way, required information was obtained regarding whether the scale what it was intended to measure.

K. FINDINGS OF THE RESEARCH AND INTERPRETATION OF THE FINDINGS

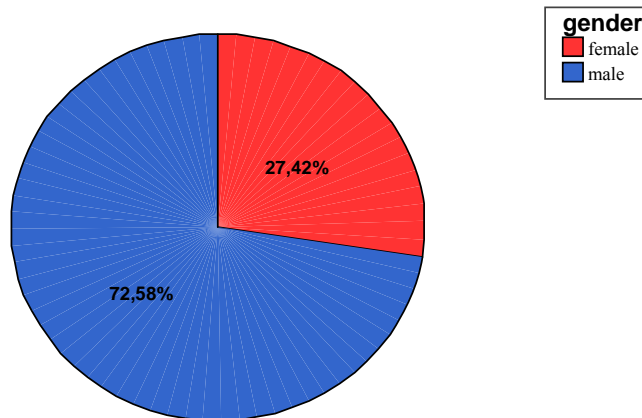
While analyzing the findings of the research, socio-demographical characteristics of the employees were deduced first of all. Following this, the effects of talent management on the performance of the employees were investigated and interpreted.

Findings regarding the distribution of the demographics were given both in tables displaying frequencies as well as percentage of the variables (descriptive statistics), and in pie charts displaying percentages of the variables.

The variables in demographics were represented by numbers starting from 1 and goes until the last item in the list of choices to the multi-choice questions. For example, for age variable these numbers goes until 5 since there are 5 choices to this question, while only 1 or 2 represents the marital status variable since the only alternatives are either married or single, which means married was represented by 1 and single was represented by 2. As we have mentioned under “Questionnaire Development and Scaling” title, these numbers do not have a numerical value. They only enable a statistical analysis on SPSS.

Table 7: Gender Distribution of the Employees

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid female	17	27,4	27,4	27,4
male	45	72,6	72,6	100,0
Total	62	100,0	100,0	

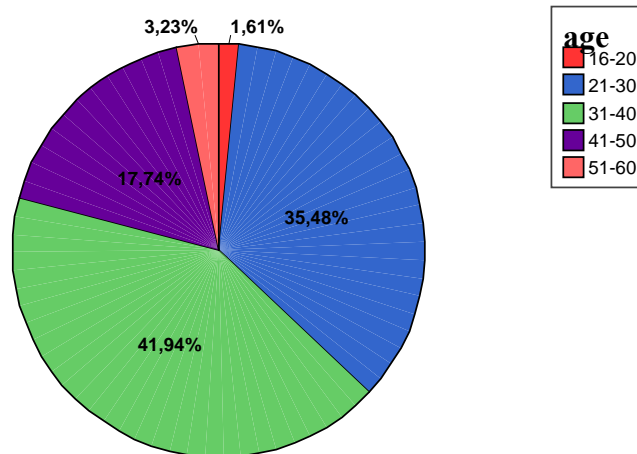


Graphic 1: Gender Distribution of the Employees

As can be seen from the distribution of participating employees according to their gender in Table 7 and Graphic 1, 27.42% of the participants are female, whereas 72.58% of them are male, which proves a male majority in the population of the research. While observing the fact that frequency of male participants is higher, it should not be ignored that the employees in the company which is representative of the sector are mostly male.

Table 8: Age Distribution of the Employees

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 16-20	1	1,6	1,6	1,6
21-30	22	35,5	35,5	37,1
31-40	26	41,9	41,9	79,0
41-50	11	17,7	17,7	96,8
51-60	2	3,2	3,2	100,0
Total	62	100,0	100,0	

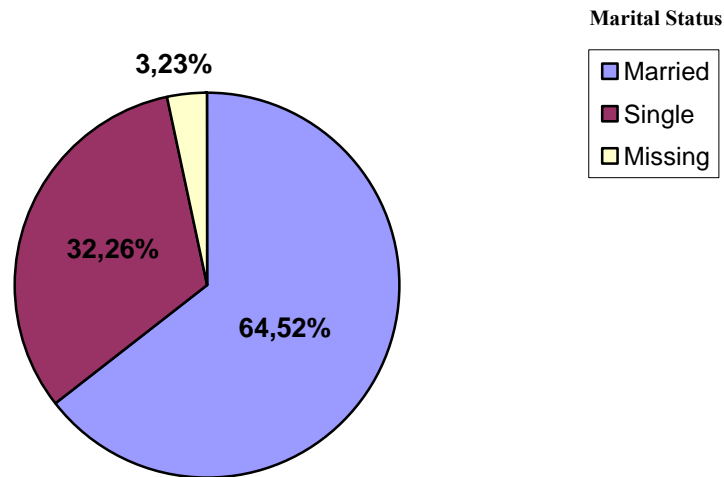


Graphic 2: Age Distribution of the Employees

When age distribution of the participants (Table 8, Graphic 2) was analyzed, it was detected that 41.94% of the participants are between 31-40 years of age. This percentage is followed by 35.48%, which is composed of the participants between 21-30 years of age. The lowest percentage belongs to the participants between 16-20, with 1.61%.

Table 9: Distribution of the Employees According to Their Marital Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	married	40	64,5	66,7	66,7
	single	20	32,3	33,3	100,0
	Total	60	96,8	100,0	
Missing	System	2	3,2		
Total		62	100,0		

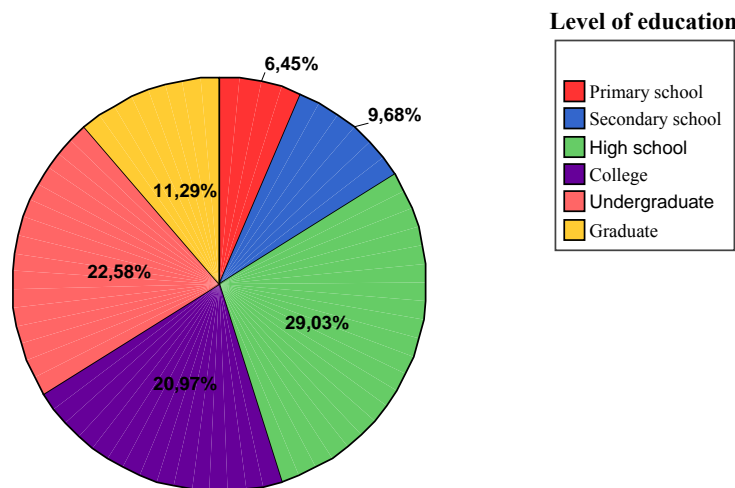


Graphic 3: Distribution of the Employees According to Their Marital Status

When the distribution of the participants according to their marital status (Table 9, Graphic 3) was analyzed, it was found out that 32.26% of them are single, while 64.52 of them are married. 3.23% of the sampling group did not respond to this question.

Table 10: Distribution of the Employees According to Their Level of Education

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Primary school	4	6,5	6,5	6,5
Secondary school	6	9,7	9,7	16,1
High school	18	29,0	29,0	45,2
College	13	21,0	21,0	66,1
Undergraduate	14	22,6	22,6	88,7
Graduate	7	11,3	11,3	100,0
Total	62	100,0	100,0	

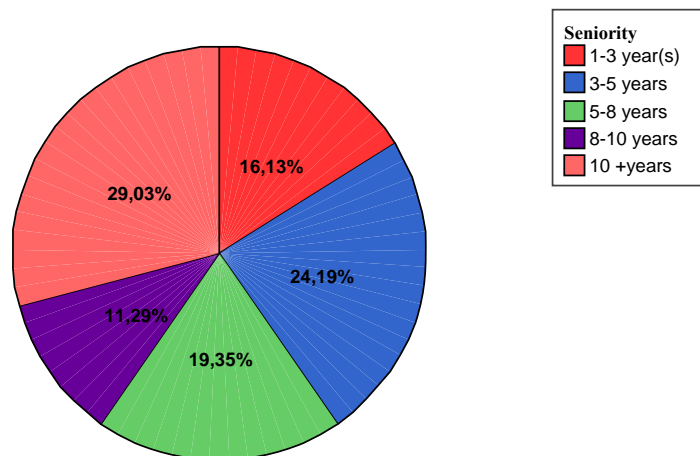


Graphic 4: Distribution of the Employees According to Their Level of Education

As far as the distribution of the participants according to their level of education is concerned (Table 10, Graphic 4), it was seen that 29.03% of the employees had graduated from high school. The ones having graduate degree follows them with 22.58%. 20.97% of the participants graduated from college, while 11.29% of them have graduate degrees. The ones having graduated from primary school was observed to be 6.45% of the total sampling group. Since no one declared to have postgraduate degree, the frequency and percentage of people having postgraduate degree equals to 0. That is the reason why this alternative does not appear neither in Table 10 nor in Graphic 4.

Table 11: Distribution of Employees According to Their Seniority in Company X

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1-3year(s)	10	16,1	16,1	16,1
3-5 years	15	24,2	24,2	40,3
5-8 years	12	19,4	19,4	59,7
8-10 years	7	11,3	11,3	71,0
10 + years	18	29,0	29,0	100,0
Total	62	100,0	100,0	

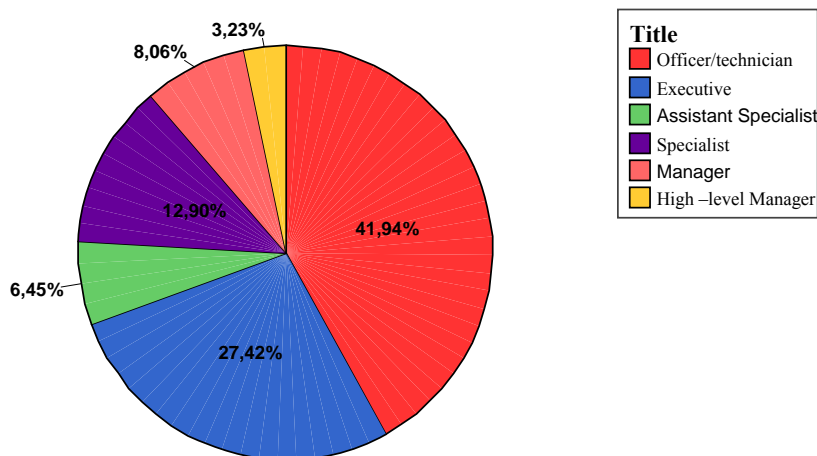


Graphic 5: Distribution of Employees According to Their Seniority in Company X

Having analyzed the seniority distribution of the employees in Company X (Table 11, Graphic 5), we found out that the largest slice in the pie chart belongs to the employees whose seniority in Company X is over 10 years with 29,03%. The second highest frequency belongs the employees working for Company X for a time period between 3 to 5 years with 24.19%. 19.35% of the participants have been working for Company X for 5 to 8 years, whereas 16.13% of them have been working there for 1 to 3 years. The employees who have been working there for 8 to 10 years make up 11.29% of the population and this group has the lowest frequency as shown in Table 11.

Table 12: Distribution of the Employees According to Their Title

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Officer/technician	26	41,9	41,9	41,9
Executive	17	27,4	27,4	69,4
Assistant Specialist	4	6,5	6,5	75,8
Specialist	8	12,9	12,9	88,7
Manager	5	8,1	8,1	96,8
High-level manager	2	3,2	3,2	100,0
Total	62	100,0	100,0	



Graphic 6: Distribution of the Employees According to Their Title

As it was displayed in Table 12 and Graphic 6 on the distribution of employees according to their titles, the highest percentage of the employees are officer or technician with 41.94%. 27.42% of the participants said they are executive, while 12.90% indicated that they are specialist. Managers form 8.06% of the population and high-level managers make up 3.23% of the population..

Table 13: Frequency and Percentages of the Responses Given by the Employees to the Questions in the Part 2 of the Questionnaire

2nd Part No of statement	Strongly agree		agree		uncertain		disagree		Strongly disagree		Missing data	
	f	%	f	%	f	%	f	%	f	%	f	%
1. Financial rewards (wage, premium, and bonus) are very important for the employees.	39	62,9	19	30,6	1	1,6	3	4,8	0	0	0	0
2. If the individual goals are in line with the corporate goals, this will increase the productivity of the employees.	18	29,0	27	43,5	9	14,5	5	8,1	3	4,8	0	0
3. Measurement of employee performance and facilitation of feedback regarding its results are effective on the increase of performance.	18	29,0	32	51,6	4	6,5	6	9,7	1	1,6	1	1,6
4. An increase in employee performance will be observed if managers recognize the talents of the employees and direct them to the right tasks.	20	32,3	37	59,7	1	1,6	3	4,8	1	1,6	0	0
5. Overlapping corporate culture and values, and individual ones lead to higher motivation of the employee.	17	27,4	28	45,2	9	14,5	8	12,9	0	0	0	0
6. Performance enhancement should be achieved through giving opportunity to promote to the talented employees.	29	46,8	30	48,4	1	1,6	0	0	1	3,2	0	0
7. Appreciation of the successful employees by their managers increases their performance.	36	58,1	23	37,1	0	0	3	4,8	0	0	0	0
8. Giving authority and responsibility to a talented employee, and providing him with flexibility and autonomy have positive effects on employee performance.	21	33,9	31	50,0	4	6,5	6	9,7	0	0	0	0
9. In order to ensure high level of performance of the employees, it is important for them to be able to have a voice in corporate decision-making process.	12	19,4	25	40,3	14	22,6	10	16,1	1	1,6	0	0
10. Assistance of the managers to the employees in their career planning gives rise to employee performance.	13	21,0	38	61,3	9	14,5	1	1,6	0	0	1	1,6
11. Providing development of the employees for the future staffing needs, corporate succession planning leads to higher level of employee productivity	6	9,7	27	43,5	22	35,5	6	9,7	1	1,6	0	0
12. Recognition of talents is important in order to provide an increase in employee performance.	20	32,3	35	56,5	2	3,2	4	6,5	0	0	1	1,6
13. If the employees are given the opportunity to develop their talents, their productivity will increase.	26	41,9	33	53,2	1	1,6	2	3,2	0	0	0	0
14. Working for a well-positioned company in the relevant sector leads to an increase in employee performance.	18	29,0	30	48,4	4	6,5	8	12,9	2	3,2	0	0
15. Difficult tasks intended to develop talents of the employees have a positive effect on employee performance.	9	14,5	27	43,5	10	16,1	14	22,6	2	3,2	0	0
16. The awareness of the employees regarding their contribution to the company increases their motivation.	18	29,0	38	61,3	3	4,8	3	4,8	0	0	0	0
AVERAGE	20	32,26	30	48,39	6	9,48	5	8,27	1	1,35		0,26

When Table 13 was analyzed, it was seen that questions 3, 10 and 12 remained unanswered, each by one person (1.6%). The representativeness of the data derived is high since the number of questions having remained unanswered and the number of participants having left these questions unanswered are both low. As the total of frequencies and percentages do not appear as respectively 62 and 100% on the lines belonging to these questions, these individuals having left the questions unanswered should also be taken into consideration in calculating the total. In Table 13, it can be observed that the percentages of employees' agreement with the relevant talent management tools (strongly agree and agree) are high. Especially Statement no. 1 which is **“Financial rewards (wage, premium, bonus) are very important for the employees”** took the highest percentage of “Strongly agree” response, with 62.9% which is the highest percentage among the others. “Strongly agree” response given to statement no. 7 which is **“Appreciation of the successful employees by their managers increases their performance.”** is the second highest percentage with 58.1% as far as “Strongly agree” response is concerned. The third most preferred “Strongly agree” response is given to statement no. 6 which is **“Performance enhancement should be achieved through giving opportunity to promote to the talented employees.”** with 46.8%. Statement no. 13 which is the fourth in getting “Strongly agree” response with 41.9%. Statements no. 4, 8 and 12 were strongly agreed respectively by 32.3 %, 33.9% and 32.3% of the respondents, which means they were responded as such by one third of the total population participating in this research.

In order to find out whether there is a significant difference statistically in 95% reliability between the individuals belonging to the groups derived from socio-demographical variables that are gender, age, marital status, level of education, seniority and title of the respondents, and their responses to their responses to the questions in the 2nd part of the questionnaire, crosstab and chi-square analysis were commenced for each article of the Likert-type scale in Part 2. The results were displayed in Table 14, Table 15, Table 16, Table 17, Table 18, Table 19 and Table 20.

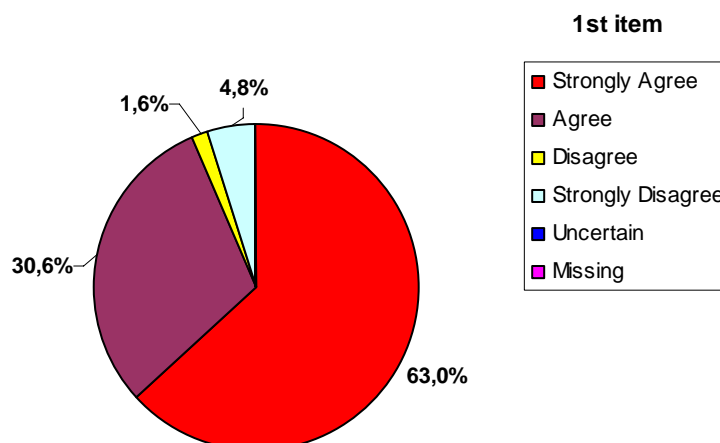
No significant difference was observed after the analysis of crosstab and chi-square results according to the gender variable as far as the employees' responses to the questions in 2nd part are concerned (see Table 14). It was identified that talent management statements have parallel effects both on the performance of male and that of female. These can apparently be discerned from the participation percentages in Table 15.

In order to see the ratio of responses to each statement in the questionnaire separately, the graphics below have been formed and the results have been interpreted.

1. Interpretation of the Items (Statements) Used in the Questionnaire

In this part of the study, the items, which are the statements used in the second part of our questionnaire formed using a 5-point Likert-type scale will be interpreted in terms of the percentages of respondents rating these items. The articles will either be referred to as "statement" or "item" throughout our analysis and findings.

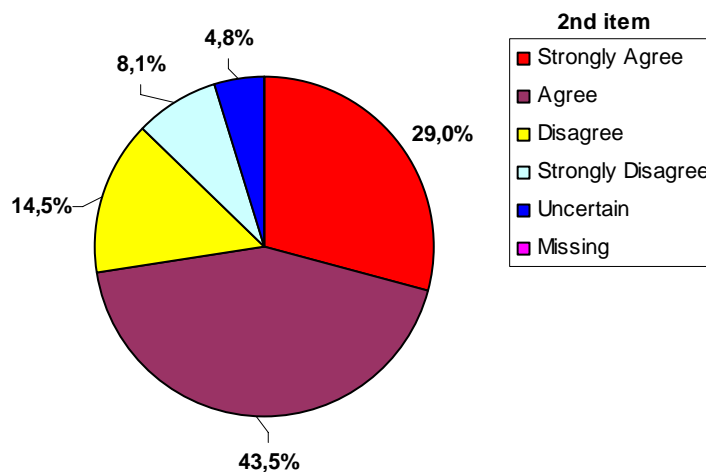
Statement 1: Financial rewards (wage, premium, and bonus) are very important for the employees.



Graphic 7: Percentage distribution of the employees' responses to Statement 1

93.6% of the respondents believe that financial rewards are very important. Only 1.6% of them disagree with the importance of financial rewards, while 4.8% strongly disagree with the same item, which equals to 6.4% as far as the respondents having responded to this item negatively.

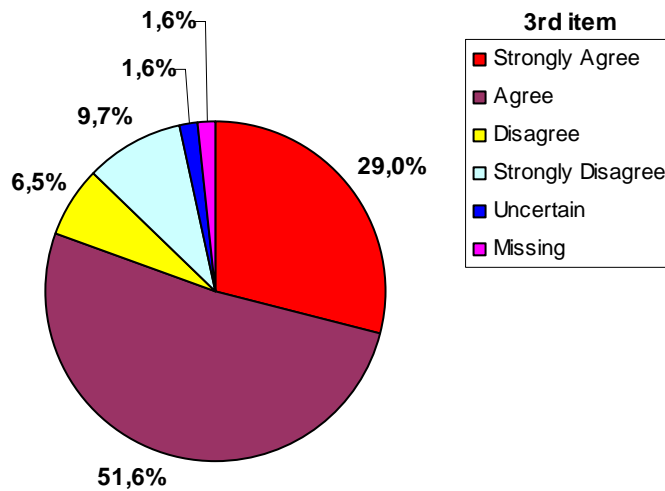
Statement 2: If the individual goals are in line with the corporate goals, this will increase the productivity of the employees.



Graphic 8: Percentage distribution of the employees' responses to Statement 2

72.5% of the respondents believe that consistent individual and corporate goals will increase the productivity of the employees. According to the results, 14.5% of those who joined the survey disagree and 8.1% of them strongly disagree with this item. To draw a conclusion on the negative responses, a total of 22.6% of the respondents does not believe that if the individual goals are in line with the corporate goals, this will increase the productivity of the employees.

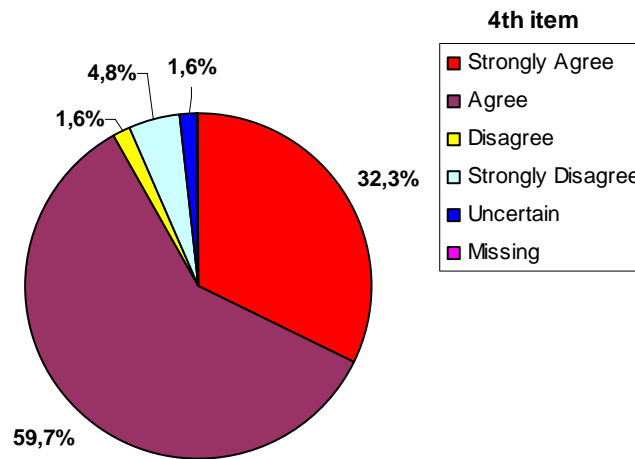
Statement 3: Measurement of employee performance and facilitation of feedback regarding its results are effective on the increase of performance.



Graphic 9: Percentage distribution of the employees' responses to Statement 3

80.6% of the respondents (29.0% of which selecting “strongly agree” alternative and 51.6% selecting “agree” alternative) believe that measurement of employee performance and facilitation of feedback regarding its results are effective on the increase of performance. %6,5 of those who joined the survey disagree, 9.7% of them strongly disagree with this item (total of 16.2% negative response), while, on the other hand, 29% of them strongly agree with this item. 51.6% of the population has stated that they agree with this item. The ones who are uncertain on this item make up 1.6% of the total sampling group, which is the same percentage as far as those who has not responded to this question. This was displayed as the missing data on the pie chart.

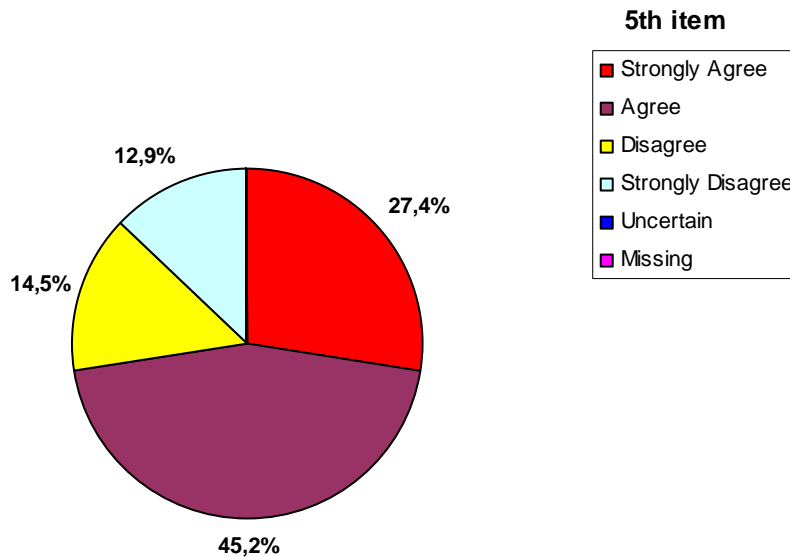
Statement 4: An increase in employee performance will be observed if managers recognize the talents of the employees and direct them to the right tasks.



Graphic 10: Percentage distribution of the employees' responses to Statement 4

92% of the respondents agree with the statement that an increase in employee performance will be observed if managers recognize the talents of the employees and direct them to the right tasks. 1,6% disagree and 4,8% strongly disagree with this item. Both of these negative responses make up 6,4% of the pie chart above, which is quite low. 1,6% of the total sampling group is uncertain regarding this item.

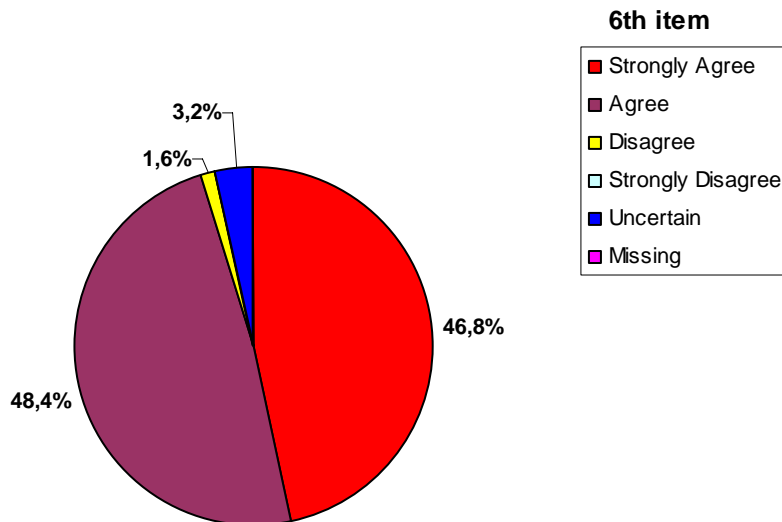
Statement 5: Overlapping corporate culture and values, and individual ones lead to higher motivation of the employee.



Graphic 11: Percentage distribution of the employees' responses to Statement 5

72.6% of the respondents (45.2% of which selecting “agree” alternative and 27.4% selecting “strongly agree” alternative) agrees with the statement that overlapping corporate culture and values, and individual ones lead to higher motivation of the employee. However, this statement has been responded as “disagree” by 14.5% of those who took part in the survey. In addition, 12.9% strongly disagrees with this item. There exists no missing data or uncertain response to this question.

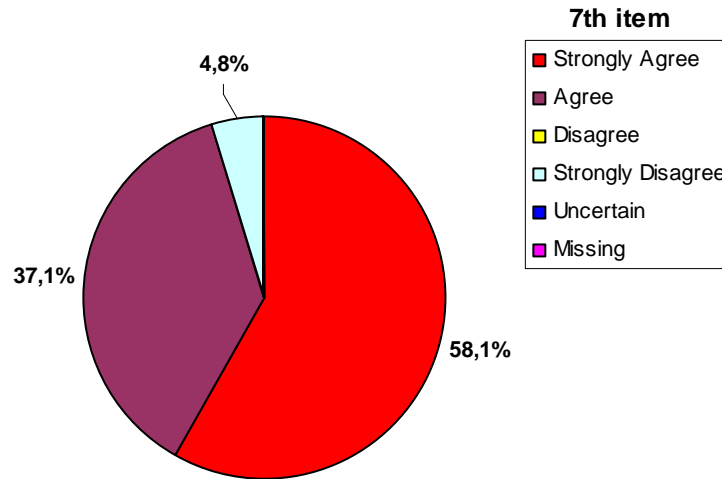
Statement 6: Performance enhancement should be achieved through giving opportunity to promote to the talented employees.



Graphic 12: Percentage distribution of the employees' responses to Statement 6

95.2% of the respondents (46.8% of which selecting “strongly agree” alternative and 48.4% selecting “agree” alternative) believe that performance enhancement should be achieved through giving opportunity to promote to the talented employees. “Disagree” Alternative has been selected by 1.6% and “Strongly Disagree” has been selected by 3.2% of the total sampling group. 3.2% of those who were asked to respond on this item are uncertain on it.

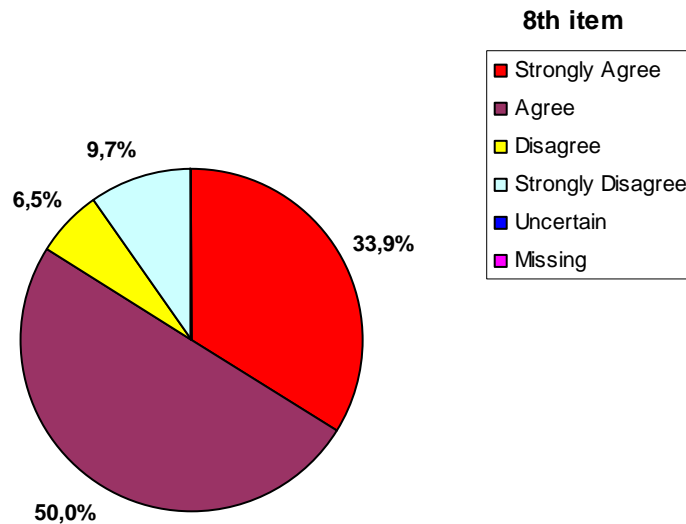
Statement 7: Appreciation of the successful employees by their managers increases their performance.



Graphic 13: Percentage distribution of the employees' responses to Statement 7

95.2% of the respondents (58.1% of which selecting “strongly agree” alternative and 37.1% selecting “agree” alternative) believe that appreciation of the successful employees by their managers increases their performance. 4.8% of those who joined the survey strongly disagree with this item. “Uncertain” alternative has not been selected as a response to this question. There is no missing data among the responses.

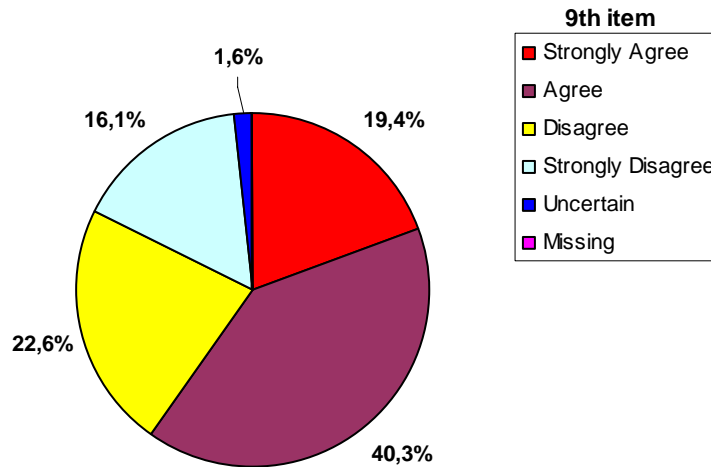
Statement 8: Giving authority and responsibility to a talented employee, and providing him with flexibility and autonomy have positive effects on employee performance.



Graphic 14: Percentage distribution of the employees' responses to Statement 8

83.9% of the respondents (33.9% of which selecting “strongly agree” alternative and 50.0% selecting “agree” alternative) believe that giving authority and responsibility to a talented employee, and providing him with flexibility and autonomy have positive effects on employee performance. 6.5 % of those who joined the survey disagree with this item and 9.7 % of them strongly disagree with it. “Uncertain” alternative has not been selected as a response to this question. There is no missing data among the responses.

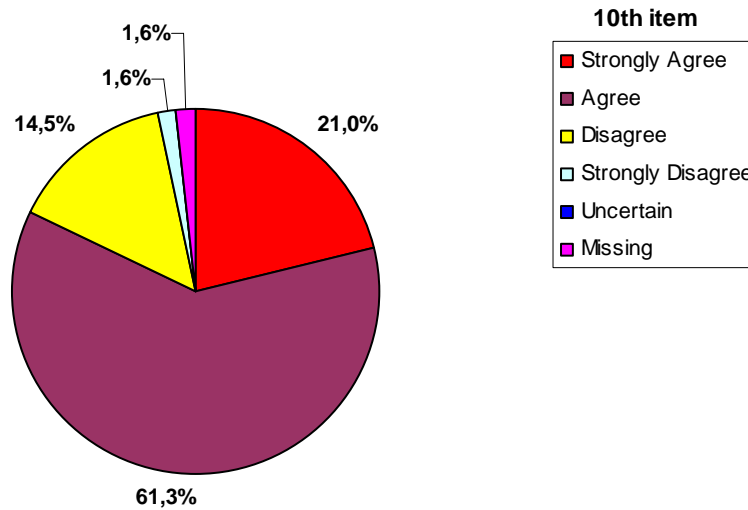
Statement 9: In order to ensure high level of performance of the employees, it is important for them to be able to have a voice in corporate decision-making process.



Graphic 15: Percentage distribution of the employees' responses to Statement 9

59.7% of the respondents (19.4% of which selecting “strongly agree” alternative and 40.3% selecting “agree” alternative) believe that In order to ensure high level of performance of the employees, it is important for them to be able to have a voice in corporate decision-making process. 22.6 % of those who joined the survey disagree with this item and 16.1 % of them strongly disagree with it. “Uncertain” alternative has been selected by 1.6% of the total sampling group. There is no missing data among the responses.

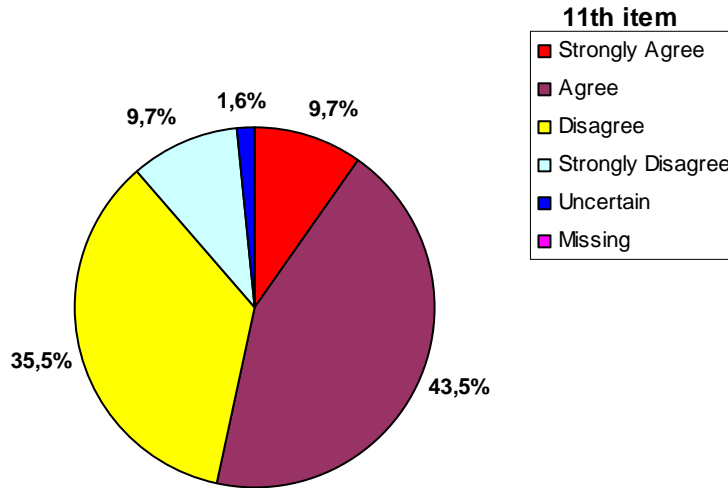
Statement 10: Assistance of the managers to the employees in their career planning gives rise to employee performance.



Graphic 16: Percentage distribution of the employees' responses to Statement 10

82.3% of the respondents (21.0% of which selecting “strongly agree” alternative and 61.3% selecting “agree” alternative) believe that assistance of the managers to the employees in their career planning gives rise to employee performance. 14.5 % of those who joined the survey disagree with this item and 1.6 % of them strongly disagree with it. This means that the total percentage of negative responses to this item equals to 16.1. “Uncertain” alternative has not been selected . 1.6% has left this question unanswered, which was shown as missing data on the pie chart above.

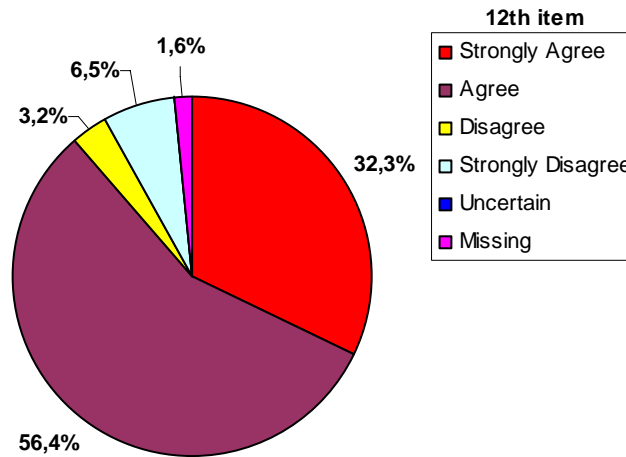
Statement 11: Providing development of the employees for the future staffing needs, corporate succession planning leads to higher level of employee productivity



Graphic 17: Percentage distribution of the employees' responses to Statement 11

53.2% of the respondents (9.7% of which selecting “strongly agree” alternative and 43.5% selecting “agree” alternative) believe that providing development of the employees for the future staffing needs, corporate succession planning leads to higher level of employee productivity. 35.5 % of those who joined the survey disagree with this item and 9.7 % of them strongly disagree with it, which means 45.2% of the total sampling group disagrees with this item. “Uncertain” alternative has been selected by 1.6% of the respondents.

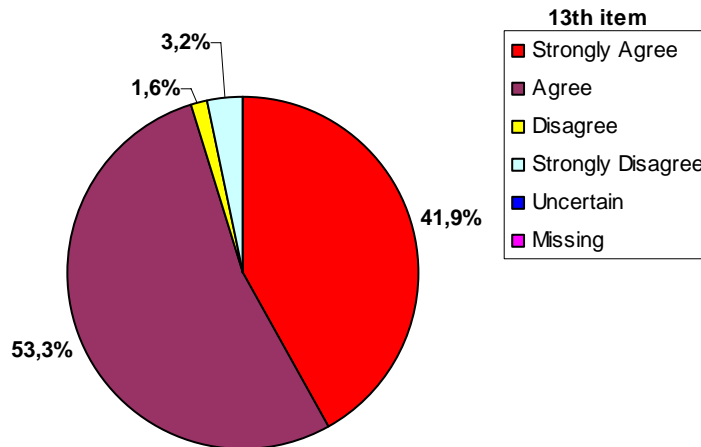
Statement 12: Recognition of talents is important in order to provide an increase in employee performance.



Graphic 18: Percentage distribution of the employees' responses to Statement 12

88.7% of the respondents (32.3% of which selecting “strongly agree” alternative and 56.4% selecting “agree” alternative) believe that recognition of talents is important in order to provide an increase in employee performance. 3.2% of those who joined the survey disagree with this item and 6.5% of them strongly disagree with it, which means 9.7% of the total sampling group disagrees with this item. “Uncertain” alternative has not been selected by any of the respondents. 1.6% of the employees who have been respondents in this survey have left this item unanswered.

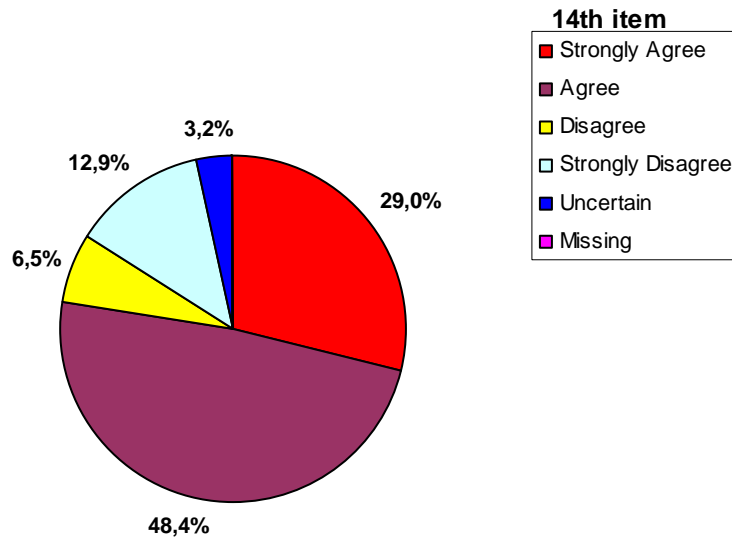
Statement 13: If the employees are given the opportunity to develop their talents, their productivity will increase



Graphic 19: Percentage distribution of the employees' responses to Statement 13

95.2% of the respondents (41.9% of which selecting “strongly agree” alternative and 53.3% selecting “agree” alternative) believe that if the employees are given the opportunity to develop their talents, their productivity will increase. 1.6% of those who joined the survey disagree with this item and 3.2% of them strongly disagree with it, which means 4.8% of the total sampling group disagrees with this item. “Uncertain” alternative has not been selected by any of the respondents. It was responded by all of the participants to the survey.

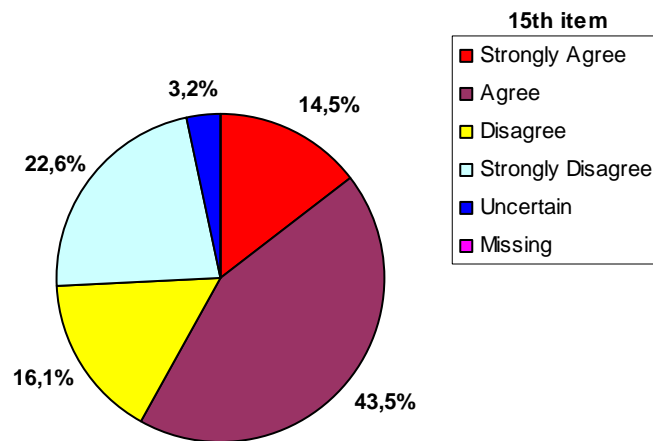
Statement 14: Working for a well-positioned company in the relevant sector leads to an increase in employee performance.



Graphic 20: Percentage distribution of the employees' responses to Statement 14

77.4% of the respondents (29.0% of which selecting “strongly agree” alternative and 48.4% selecting “agree” alternative) believe that working for a well-positioned company in the relevant sector leads to an increase in employee performance. 6.5% of those who joined the survey disagree with this item and 12.9% of them strongly disagree with it, which means 19.4% of the total sampling group disagrees with this item. “Uncertain” alternative has been selected by 3.2% of the respondents. It was responded by all of the participants to the survey.

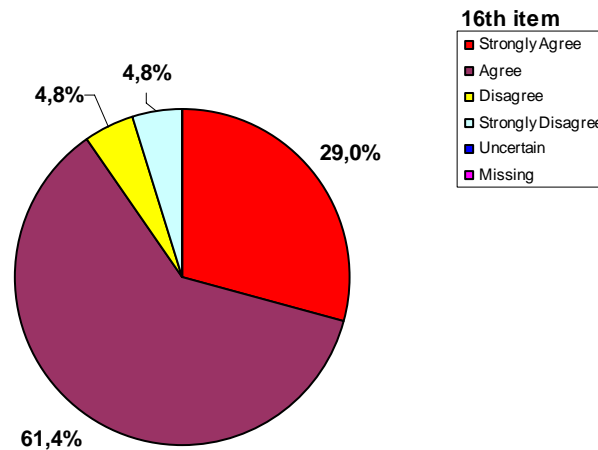
Statement 15: Difficult tasks intended to develop talents of the employees have a positive effect on employee performance.



Graphic 21: Percentage distribution of the employees' responses to Statement 15

58 % of the respondents (14.5% of which selecting “strongly agree” alternative and 43.5% selecting “agree” alternative) believe that difficult tasks intended to develop talents of the employees have a positive effect on employee performance. 16.1% of those who joined the survey disagree with this item and 22.6% of them strongly disagree with it, which means 38.7% of the total sampling group disagrees with this item. “Uncertain” alternative has been selected by 3.2% of the respondents. It was responded by all of the participants to the survey.

Statement 16: The awareness of the employees regarding their contribution to the company increases their motivation..



Graphic 22: Percentage distribution of the employees' responses to Statement 16

90.4% of the respondents (29.0% of which selecting “strongly agree” alternative and 61.4% selecting “agree” alternative) believe that the awareness of the employees regarding their contribution to the company increases their motivation. 4.8% of those who joined the survey disagree with this item and another 4.8% of the group strongly disagrees with it, which means 9.6% of the total sampling group disagrees with this item. “Uncertain” alternative has not been selected by any of the respondents. It was responded by all of the participants to the survey.

2. Analysis of Likert-Scale Responses in Terms of Socio-Demographical Characteristics and Crosstab and Chi-Square Analysis

When the results of crosstab and chi-square analysis of the employees' responses according to gender variable were searched through, no significant difference was observed statistically in 95% reliability (see Table 14). It was detected that talent management statements have parallel effects on the performance of both men and women.

Table 14 : Results of Crosstab and Chi-Square Analysis of the Employees' Responses to the Questions According to the Gender Variable (Percentage and Frequency Table)

Statement	Alternatives*	Female	Male	Chi-square	P (Asym.Sig.)	Interpretation
1	1	0	0	4,48	0,21	No difference
	2	12	2			
	3	0	2			
	4	41	27			
	5	47	69			
2	1	6	4	2,61	0,62	No difference
	2	6	9			
	3	24	11			
	4	47	42			
	5	18	33			
3	1	6	0	5,66	0,23	No difference
	2	18	7			
	3	6	7			
	4	35	59			
	5	35	27			
4	1	6	0	5,58	0,23	No difference
	2	6	4			
	3	6	0			
	4	53	62			
	5	29	33			
5	1	0	0	0,68	0,88	No difference
	2	18	11			
	3	12	16			
	4	47	44			
	5	24	29			
6	1	6	2	3,41	0,33	No difference
	2	0	0			
	3	6	0			
	4	41	51			
	5	47	47			
7	1	0	0	3,66	0,16	No difference
	2	12	2			
	3	0	0			
	4	24	42			
	5	65	56			
8	1	0	0	0,85	0,84	No difference
	2	12	9			
	3	6	7			
	4	41	53			
	5	41	31			
9	1	6	0	5,27	0,26	No difference
	2	18	16			
	3	12	27			
	4	35	42			
	5	29	16			
10	1	0	0	2,00	0,57	No difference
	2	0	2			
	3	24	11			
	4	53	66			
	5	24	20			
11	1	6	0	4,81	0,31	No difference
	2	18	7			
	3	29	38			
	4	41	44			
	5	6	11			
12	1	0	0	0,61	0,90	No difference
	2	6	7			
	3	6	2			
	4	56	58			
	5	31	33			
13	1	0	0	1,20	0,75	No difference
	2	6	2			
	3	0	2			
	4	47	56			
	5	47	40			
14	1	0	4	3,00	0,56	No difference
	2	18	11			
	3	0	9			
	4	47	49			
	5	35	27			
15	1	6	2	1,80	0,77	No difference
	2	29	20			
	3	12	18			
	4	35	47			
	5	18	13			
16	1	0	0	3,47	0,33	No difference
	2	12	2			
	3	6	4			
	4	47	67			
	5	35	27			

* (5) Strongly Agree
(4) Agree
(3) Uncertain

(2) Disagree
(1) Strongly Disagree

When the results of crosstab and chi-square analysis of the employees' responses according to age variable were searched through, no significant difference was observed statistically in 95% reliability except for Statement no. 1 which is "**Financial rewards (wage, premium, and bonus) are very important for the employees.**" (see Table 15). A significant difference ($p: 0,047 < 0.05$) was analyzed between the level of responses to Statement no. 1 and age variable. It was identified that talent management statements (except for Statement no. 1) have a parallel effect on all age groups. These differences and parallelisms can be clearly seen in Table 15.

Table 15 : Results of Crosstab and Chi-Square Analysis of the Employees' Responses to the Questions According to Age Variable (Percentage Frequency Table)

Statement	Alternatives*	16-20	21-30	31-40	41-50	51-60	Chi-square	P (Asym.Sig.)	Interpretation
1	1	0	0	0	0	0	21,21	0,047	Difference
	2	0	5	0	9	50			
	3	0	0	0	9	0			
	4	0	45	19	36	0			
	5	100	50	81	45	50			
2	1	0	5	4	9	0	19,24	0,257	No difference
	2	100	5	12	0	0			
	3	0	14	8	27	50			
	4	0	45	50	36	0			
	5	0	32	27	27	50			
3	1	0	5	0	0	0	22,58	0,126	No difference
	2	100	0	12	9	50			
	3	0	0	12	9	0			
	4	0	68	48	36	50			
	5	0	27	28	45	0			
4	1	0	5	0	0	0	6,76	0,978	No difference
	2	0	5	4	9	0			
	3	0	5	0	0	0			
	4	100	50	65	55	100			
	5	0	36	31	36	0			
5	1	0	0	0	0	0	13,18	0,356	No difference
	2	100	9	12	18	0			
	3	0	14	12	27	0			
	4	0	59	38	36	50			
	5	0	18	38	18	50			
6	1	0	5	0	9	0	5,53	0,938	No difference
	2	0	0	0	0	0			
	3	0	0	4	0	0			
	4	100	41	50	55	50			
	5	0	55	46	36	50			
7	1	0	0	0	0	0	3,26	0,917	No difference
	2	0	5	4	9	0			
	3	0	0	0	0	0			
	4	100	32	35	45	50			
	5	0	64	62	45	50			
8	1	0	0	0	0	0	9,19	0,687	No difference
	2	0	9	8	18	0			
	3	0	14	4	0	0			
	4	100	36	50	64	100			
	5	0	41	38	18	0			
9	1	0	0	0	9	0	15,38	0,497	No difference
	2	0	18	19	9	0			
	3	0	27	23	18	0			
	4	100	32	31	64	100			
	5	0	23	27	0	0			
10	1	0	0	0	0	0	5,06	0,956	No difference
	2	0	0	4	0	0			
	3	0	19	12	9	50			
	4	100	62	62	64	50			
	5	0	19	23	27	0			
11	1	0	5	0	0	0	17,95	0,327	No difference
	2	100	9	12	0	0			
	3	0	32	35	45	50			
	4	0	55	38	36	50			
	5	0	0	15	18	0			
12	1	0	0	0	0	0	8,71	0,728	No difference
	2	0	14	0	9	0			
	3	0	5	0	9	0			
	4	100	52	58	64	50			
	5	0	29	42	18	50			
13	1	0	0	0	0	0	5,33	0,946	No difference
	2	0	5	0	9	0			
	3	0	0	4	0	0			
	4	100	45	58	55	50			
	5	0	50	38	36	50			
14	1	0	5	0	9	0	14,82	0,538	No difference
	2	100	9	15	9	0			
	3	0	9	8	0	0			
	4	0	36	54	55	100			
	5	0	41	23	27	0			
15	1	0	3	0	9	0	14,18	0,840	No difference
	2	100	13	19	27	50			
	3	0	16	12	18	0			
	4	0	31	46	36	50			
	5	0	38	23	9	0			
16	1	0	0	0	0	0	12,69	0,392	No difference
	2	0	5	4	0	50			
	3	0	0	8	9	0			
	4	100	64	62	55	50			
	5	0	32	27	36	0			

* (5) Strongly Agree
(4) Agree
(3) Uncertain

(2) Disagree
(1) Strongly Disagree

When the results of crosstab and chi-square analysis of the employees' responses according to marital status variable were searched through, no significant difference was observed statistically in 95% reliability. It was detected that talent management statements have a parallel effect on the performance of both males and females. This parallelism was well-indicated in Table 16.

Table 16 : Results of Crosstab and Chi-Square Analysis of the Employees' Responses According to Marital Status Variable (Percentage Frequency Table)

Statement	*Alternatives	Married	Single	Chi-	P (Asym.Sig.)	Interpretation
1	1	0	0	0,51	0,916	No difference
	2	5	5			
	3	3	0			
	4	30	30			
	5	63	65			
2	1	3	10	5,96	0,202	No difference
	2	5	15			
	3	13	20			
	4	53	25			
	5	28	30			
3	1	0	5	4,09	0,395	No difference
	2	10	11			
	3	10	0			
	4	53	58			
	5	28	26			
4	1	0	5	5,02	0,286	No difference
	2	3	5			
	3	0	5			
	4	68	50			
	5	30	35			
5	1	0	0	1,07	0,784	No difference
	2	10	15			
	3	13	20			
	4	48	40			
	5	30	25			
6	1	3	0	2,74	0,433	No difference
	2	0	0			
	3	3	0			
	4	55	40			
	5	40	60			
7	1	0	0	0,15	0,930	No difference
	2	5	5			
	3	0	0			
	4	40	35			
	5	55	60			
8	1	0	0	3,38	0,337	No difference
	2	10	10			
	3	3	15			
	4	53	45			
	5	35	30			
9	1	0	5	4,23	0,375	No difference
	2	13	20			
	3	20	30			
	4	48	30			
	5	20	15			
10	1	0	0	3,11	0,375	No difference
	2	0	5			
	3	13	21			
	4	65	58			
	5	23	16			
11	1	0	0	5,52	0,137	No difference
	2	5	20			
	3	38	35			
	4	45	45			
	5	13	0			
12	1	0	0	3,67	0,299	No difference
	2	3	15			
	3	3	0			
	4	62	55			
	5	33	30			
13	1	0	0	1,07	0,783	No difference
	2	3	5			
	3	3	0			
	4	53	60			
	5	43	35			
14	1	3	5	2,98	0,561	No difference
	2	13	15			
	3	8	5			
	4	55	35			
	5	23	40			
15	1	3	5	2,32	0,678	No difference
	2	20	30			
	3	15	20			
	4	50	30			
	5	13	15			
16	1	0	0	2,33	0,506	No difference
	2	5	5			
	3	8	0			
	4	65	60			
	5	23	35			

* (5) Strongly Agree
(4) Agree
(3) Uncertain

(2) Disagree
(1) Strongly Disagree

When the results of crosstab and chi-square analysis of the employees' responses according to educational level variable were searched through, no significant difference was observed statistically in 95% reliability except for Statements no. 4, 8, 9 and 10 (see Table 17).

A significant difference for educational level variable ($p: 0,041 < 0.05$) was observed among the level of responses to Statement no. 4, which is **“An increase in employee performance will be observed if managers recognize the talents of the employees and direct them to the right tasks”**.

A significant difference for educational level variable ($p: 0,020 < 0.05$) was observed among the level of responses to Statement no. 8, which is **“Giving authority and responsibility to a talented employee, and providing him with flexibility and autonomy have positive effects on employee performance”**.

A significant difference for educational level variable ($p: 0,001 < 0.05$) was observed among the level of responses to Statement no. 9, which is **“In order to ensure high level of performance of the employees, it is important for them to be able to have a voice in corporate decision-making process”**.

A significant difference for educational level variable ($p: 0,013 < 0.05$) was observed among the level of responses to Statement no. 10, which is **“Assistance of the managers to the employees in their career planning gives rise to employee performance”**.

It was identified that rest of the statements had a parallel effect on the performance of the groups belonging to one of the five groups each of which representing a separate level of education.

Differences and parallelism can be seen in the percentages given in Table 17.

Table 17 : Results of Crosstab and Chi-Square Analysis of Employees' Responses to the Questions According to Their Level of Education (Percentage Frequency Table)

Statemen	*Alternatives								Chi-	P	Internretation
1	1	0	0	0	0	0	0	0	20,34	0,159	No difference
	2	0	0	11	0	0	14	0			
	3	0	17	0	0	0	0	0			
	4	25	17	39	15	29	57	0			
	5	75	67	50	85	71	29	0			
2	1	0	0	6	8	0	14	0	28,79	0,092	No difference
	2	25	0	6	15	7	0	0			
	3	75	17	22	0	7	0	0			
	4	0	83	39	46	43	43	0			
	5	0	0	28	31	43	43	0			
3	1	0	0	6	0	0	0	0	19,32	0,501	No difference
	2	25	0	11	15	7	0	0			
	3	25	40	6	0	0	0	0			
	4	25	40	44	54	71	57	0			
	5	25	20	33	31	21	43	0			
4	1	0	0	6	0	0	0	0	32,20	0,041	Difference
	2	25	17	6	0	0	0	0			
	3	25	0	0	0	0	0	0			
	4	50	83	56	77	43	57	0			
	5	0	0	33	23	57	43	0			
5	1	0	0	0	0	0	0	0	11,61	0,708	No difference
	2	0	0	11	23	14	14	0			
	3	50	17	22	8	7	0	0			
	4	50	67	39	38	50	43	0			
	5	0	17	28	31	29	43	0			
6	1	0	17	6	0	0	0	0	21,94	0,109	No difference
	2	0	0	0	0	0	0	0			
	3	25	0	0	0	0	0	0			
	4	25	50	50	54	57	29	0			
	5	50	33	44	46	43	71	0			
7	1	0	0	0	0	0	0	0	5,25	0,874	No difference
	2	0	17	6	8	0	0	0			
	3	0	0	0	0	0	0	0			
	4	50	17	39	46	36	29	0			
	5	50	67	56	46	64	71	0			
8	1	0	0	0	0	0	0	0	28,33	0,020	Difference
	2	25	17	17	0	0	14	0			
	3	50	0	0	8	0	14	0			
	4	0	67	61	62	50	14	0			
	5	25	17	22	31	50	57	0			
9	1	0	0	6	0	0	0	0	45,09	0,001	Difference
	2	50	17	22	8	7	14	0			
	3	50	83	28	8	7	0	0			
	4	0	0	39	77	43	29	0			
	5	0	0	6	8	43	57	0			
10	1	0	0	0	0	0	0	0	29,74	0,013	Difference
	2	0	0	0	8	0	0	0			
	3	75	0	22	8	0	14	0			
	4	0	83	78	46	77	43	0			
	5	25	17	0	38	23	43	0			
11	1	0	0	6	0	0	0	0	22,42	0,318	No difference
	2	0	0	11	15	14	0	0			
	3	75	67	39	31	21	14	0			
	4	25	33	44	38	57	43	0			
	5	0	0	0	15	7	43	0			
12	1	0	0	0	0	0	0	0	10,16	0,809	No difference
	2	0	17	6	8	0	17	0			
	3	0	0	11	0	0	0	0			
	4	75	50	50	62	71	33	0			
	5	25	33	33	31	29	50	0			
13	1	0	0	0	0	0	0	0	13,52	0,562	No difference
	2	0	17	6	0	0	0	0			
	3	0	0	0	8	0	0	0			
	4	75	67	50	62	50	29	0			
	5	25	17	44	31	50	71	0			
14	1	0	0	0	0	0	29	0	20,49	0,427	No difference
	2	25	0	17	15	14	0	0			
	3	0	0	11	8	7	0	0			
	4	50	67	44	46	50	43	0			
	5	25	33	28	31	29	29	0			
15	1	0	0	11	0	0	0	0	16,40	0,692	No difference
	2	50	17	28	31	7	14	0			
	3	25	33	17	15	7	14	0			
	4	0	50	33	38	64	57	0			
	5	25	0	11	15	21	14	0			
16	1	0	0	0	0	0	0	0	13,36	0,574	No difference
	2	0	0	6	8	0	14	0			
	3	25	17	6	0	0	0	0			
	4	50	83	56	69	64	43	0			
	5	25	0	33	23	36	43	0			

* (5) Strongly Agree
(4) Agree
(3) Uncertain

(2) Disagree
(1) Strongly Disagree

When the results of crosstab and chi-square analysis of the employees' responses according to seniority variable were searched through, no significant difference was observed statistically in 95% reliability except for the Statement no.3, which is **“Measurement of employee performance and facilitation of feedback regarding its results are effective on the increase of performance”** (see Table 18). A significant difference among the level of responses to the Statement no.3 ($p: 0,001 < 0.05$) was identified as far as seniority variable is concerned. It was identified that rest of the statements had a parallel effect on the performance of the groups having been formed in accordance with their seniority. These differences and parallelism have been displayed in Table 18 through the use of their percentages.

Table 18 : Results of Crosstab and Chi-Square Analysis of Employees' Responses to the Questions According to Their Seniority in Company X (Percentage Frequency Table)

Statement	Alternatives*	1-3	3-5	5-8	8-10	10+	Chi-	P (Asym.Sig.)	Interpretation
1	1	0	0	0	0	0	6,72	0,875	No difference
	2	10	0	8	0	6			
	3	0	0	0	0	6			
	4	40	27	33	14	33			
	5	50	73	58	86	56			
2	1	10	7	8	0	0	20,35	0,205	No difference
	2	30	0	0	14	6			
	3	20	7	17	14	17			
	4	10	67	25	57	50			
	5	30	20	50	14	28			
3	1	0	0	0	0	0	38,12	0,001	Difference
	2	20	0	0	29	12			
	3	0	0	8	43	0			
	4	70	67	42	29	47			
	5	0	33	50	0	41			
4	1	0	0	0	0	0	18,85	0,277	No difference
	2	0	0	8	0	11			
	3	0	0	8	0	0			
	4	40	67	50	100	56			
	5	50	33	33	0	33			
5	1	0	0	0	0	0	12,33	0,420	No difference
	2	20	7	25	29	0			
	3	20	7	8	0	28			
	4	50	53	33	43	44			
	5	10	33	33	29	28			
6	1	0	0	8	0	6	19,43	0,079	No difference
	2	0	0	0	0	0			
	3	0	0	0	14	0			
	4	80	27	33	57	56			
	5	20	73	58	29	39			
7	1	0	0	0	0	0	8,94	0,348	No difference
	2	10	0	0	14	6			
	3	0	0	0	0	0			
	4	60	20	33	43	39			
	5	30	80	67	43	56			
8	1	0	0	0	0	0	18,45	0,103	No difference
	2	20	0	8	14	11			
	3	10	13	0	14	0			
	4	70	27	42	43	67			
	5	0	60	50	29	22			
9	1	0	0	0	0	6	11,90	0,751	No difference
	2	20	27	8	14	11			
	3	20	13	17	29	33			
	4	50	27	50	29	44			
	5	10	33	25	29	6			
10	1	0	0	0	0	0	9,83	0,631	No difference
	2	0	7	0	0	0			
	3	11	20	17	29	6			
	4	89	47	58	57	67			
	5	0	27	25	14	28			
11	1	0	0	8	0	0	21,50	0,160	No difference
	2	30	7	0	29	0			
	3	20	33	42	29	44			
	4	50	53	25	43	44			
	5	0	7	25	0	11			
12	1	0	0	0	0	0	4,09	0,982	No difference
	2	10	7	8	0	6			
	3	0	0	8	0	6			
	4	60	50	58	71	56			
	5	30	43	25	29	33			
13	1	0	0	0	0	0	10,76	0,549	No difference
	2	10	0	0	0	6			
	3	0	0	8	0	0			
	4	40	53	42	86	56			
	5	50	47	50	14	39			
14	1	0	7	8	0	0	8,09	0,946	No difference
	2	10	13	8	14	17			
	3	10	13	8	0	0			
	4	50	33	42	57	61			
	5	30	33	33	29	22			
15	1	10	0	8	0	0	11,36	0,787	No difference
	2	20	27	17	14	28			
	3	30	20	0	29	11			
	4	30	47	58	43	39			
	5	10	7	17	14	22			
16	1	0	0	0	0	0	10,40	0,581	No difference
	2	0	7	0	14	6			
	3	0	7	0	14	6			
	4	90	60	50	57	56			
	5	10	27	50	14	33			

* (5) Strongly Agree (4) Agree (3) Uncertain (2) Disagree (1) Strongly Disagree

When the results of crosstab and chi-square analysis of the employees' responses according to title variable were searched through, no significant difference was observed statistically in 95% reliability except for the Statement no. 9, which is **“In order to ensure high level of performance of the employees, it is important for them to be able to have a voice in corporate decision-making process”** (see Table 19). A significant difference among the level of responses to the Statement no.9 ($p: 0,045 < 0.05$) was identified as far as title variable is concerned. It was identified that rest of the statements had a parallel effect on the performance of the groups having been formed in accordance with their titles at the workplace. These differences and parallelism have been displayed in Table 19 through the use of their percentages.

Table 19 : Results of Crosstab and Chi-Square Analysis of the Employees' Responses to the Questions According to Their Title at Workplace (Percentage Frequency Table)

Statement	*Alternatives							Chi-	P (Asym.Sig.)	Interpretation
1	1	0	0	0	0	0	0	11,78	0,696	No difference
	2	8	0	0	0	20	0			
	3	4	0	0	0	0	0			
	4	19	41	0	50	40	50			
	5	69	59	100	50	40	50			
2	1	8	0	0	0	20	0	20,66	0,418	No difference
	2	15	0	0	13	0	0			
	3	23	12	25	0	0	0			
	4	42	41	50	38	40	100			
	5	12	47	25	50	40	0			
3	1	4	0	0	0	0	0	14,56	0,801	No difference
	2	20	0	0	13	0	0			
	3	12	6	0	0	0	0			
	4	44	47	75	63	60	100			
	5	20	47	25	25	40	0			
4	1	4	0	0	0	0	0	18,48	0,556	No difference
	2	12	0	0	0	0	0			
	3	4	0	0	0	0	0			
	4	69	59	25	38	60	100			
	5	12	41	75	63	40	0			
5	1	0	0	0	0	0	0	5,67	0,985	No difference
	2	8	12	25	13	20	0			
	3	20	12	25	13	0	0			
	4	48	41	25	63	40	50			
	5	24	35	25	13	40	50			
6	1	8	0	0	0	0	0	5,19	0,990	No difference
	2	0	0	0	0	0	0			
	3	4	0	0	0	0	0			
	4	46	47	50	63	40	50			
	5	42	53	50	38	60	50			
7	1	0	0	0	0	0	0	2,01	0,996	No difference
	2	8	6	0	0	0	0			
	3	0	0	0	0	0	0			
	4	38	35	25	38	40	50			
	5	54	59	75	63	60	50			
8	1	0	0	0	0	0	0	19,89	0,176	No difference
	2	19	0	0	0	20	0			
	3	8	12	0	0	0	0			
	4	54	53	25	63	0	100			
	5	19	35	75	38	80	0			
9	1	0	6	0	0	0	0	31,87	0,045	Difference
	2	31	6	0	0	0	50			
	3	38	18	25	0	0	0			
	4	27	53	50	50	40	50			
	5	4	18	25	50	60	0			
10	1	0	0	0	0	0	0	13,32	0,577	No difference
	2	4	0	0	0	0	0			
	3	23	18	0	0	0	0			
	4	62	59	100	71	40	50			
	5	12	24	0	29	60	50			
11	1	4	0	0	0	0	0	30,24	0,066	No difference
	2	15	0	25	13	0	0			
	3	42	47	50	0	0	50			
	4	38	41	25	75	40	50			
	5	0	12	0	13	60	0			
12	1	0	0	0	0	0	0	7,42	0,945	No difference
	2	8	12	0	0	0	0			
	3	4	6	0	0	0	0			
	4	46	65	75	57	60	100			
	5	42	18	25	43	40	0			
13	1	0	0	0	0	0	0	11,69	0,702	No difference
	2	8	0	0	0	0	0			
	3	0	6	0	0	0	0			
	4	58	59	50	25	40	100			
	5	35	35	50	75	60	0			
14	1	0	6	0	0	20	0	16,73	0,670	No difference
	2	12	18	25	0	0	50			
	3	8	6	0	13	0	0			
	4	54	35	25	75	40	50			
	5	27	35	50	13	40	0			
15	1	4	6	0	0	0	0	14,62	0,798	No difference
	2	35	24	0	0	0	50			
	3	19	18	0	25	0	0			
	4	31	41	75	50	80	50			
	5	12	12	25	25	20	0			
16	1	0	0	0	0	0	0	14,91	0,458	No difference
	2	4	12	0	0	0	0			
	3	12	0	0	0	0	0			
	4	65	59	25	75	40	100			
	5	19	29	75	25	60	0			

* (5) Strongly Agree (4) Agree (3) Uncertain (2) Disagree (1) Strongly Disagree

When we look at the socio-demographical variables, it can be inferred that Statement no. 9, which is **“In order to ensure high level of performance of the employees, it is important for them to be able to have a voice in corporate decision-making process.”** has displayed a significant difference with 95% probability both for “title” and “level of education”.

3. Frequency and Percentage Tables of the talent management tools listed in Part 3 of the Questionnaire

Table 20: The distribution of the most preferred talent management tools which were given 12 points

Talent management tools		Frequency	Percentage
a	Performance Appraisal	2	3,2
b	Succession Planning	1	1,6
c	Feedback	1	1,6
d	Flexibility and Autonomy	1	1,6
e	Financial Reward	27	43,5
f	Career Planning	3	4,8
g	Training and Development Opportunities	2	3,2
h	Authority and Responsibility	3	4,8
i	Recognition	4	6,5
j	Overlapping individual and corporate cultures	10	16,1
k	Career Development	5	8,1
l	Appreciation	3	4,8
TOTAL		62	100

When Table 20 was analyzed in order to see the distribution of talent management tools which were most preferred by the respondents having graded these items with 12 points, it was observed that **“Financial Rewards”** are the most preferred talent management tool with 43.5%, while **“Succession Planning”**, **“Feedback”**, **“Flexibility and Autonomy”** are the least preferred tools all with 1.6%.

Table 21: The distribution of the second most preferred talent management tools which were given 11 points

Talent management tools		Frequency	Percentage
a	Performance Appraisal	3	4,8
b	Succession Planning	2	3,2
c	Feedback	4	6,5
d	Flexibility and Autonomy	3	4,8
e	Financial Reward	9	14,5
f	Career Planning	3	4,8
g	Training and Development Opportunities	6	9,7
h	Authority and Responsibility	8	12,9
i	Recognition	1	1,6
j	Overlapping individual and corporate cultures	3	4,8
k	Career Development	4	6,5
l	Appreciation	15	24,2
TOTAL		61	98,4

When Table 21 was analyzed in order to see the distribution of talent management tools which were the second most preferred by the respondents having graded these items with 11 points, it can be observed that “**Recognition**” comes out to be the most-preferred tool with 24.2%, whereas “Recognition” and “Succession Planning” tools are the least-preferred tools, respectively with 1.6% and 3.2%.

Table 22: The distribution of talent management tools preferred at the third rank with 10 points

Talent management tools		Frequency	Percentage
a	Performance Appraisal	15	24,2
b	Succession Planning	1	1,6
c	Feedback	2	3,2
d	Flexibility and Autonomy	3	4,8
e	Financial Reward	4	6,5
f	Career Planning	1	1,6
g	Training and Development Opportunities	5	8,1
h	Authority and Responsibility	7	11,3
i	Recognition	7	11,3
j	Overlapping individual and corporate cultures	1	1,6
k	Career Development	6	9,7
l	Appreciation	10	16,1
TOTAL		62	100

When Table 22 was analyzed in order to see the distribution of talent management tools which were preferred at the third rank by the respondents having graded these items with 10 points, it was observed that **“Performance appraisal”** constitutes the most preferred tool with 24.2%, while **“Succession Planning”**, **“Career Planning”** and **“Overlapping Individual and Corporate Culture”** are the least preferred tools with 1.6%.

Table 23: Frequency and percentage analysis tables of the talent management tools under Part 3

a

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	5	8,1	8,1	8,1
	2	4	6,5	6,5	14,5
	3	9	14,5	14,5	29,0
	4	6	9,7	9,7	38,7
	5	6	9,7	9,7	48,4
	6	2	3,2	3,2	51,6
	7	2	3,2	3,2	54,8
	8	3	4,8	4,8	59,7
	9	5	8,1	8,1	67,7
	10	15	24,2	24,2	91,9
	11	3	4,8	4,8	96,8
	12	2	3,2	3,2	100,0
	Total	62	100,0	100,0	

b

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	17	27,4	27,4	27,4
	2	11	17,7	17,7	45,2
	3	9	14,5	14,5	59,7
	4	7	11,3	11,3	71,0
	5	5	8,1	8,1	79,0
	6	4	6,5	6,5	85,5
	7	1	1,6	1,6	87,1
	8	1	1,6	1,6	88,7
	9	3	4,8	4,8	93,5
	10	1	1,6	1,6	95,2
	11	2	3,2	3,2	98,4
	12	1	1,6	1,6	100,0
	Total	62	100,0	100,0	

c

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	9	14,5	14,5	14,5
	2	12	19,4	19,4	33,9
	3	6	9,7	9,7	43,5
	4	7	11,3	11,3	54,8
	5	6	9,7	9,7	64,5
	6	3	4,8	4,8	69,4
	7	1	1,6	1,6	71,0
	8	3	4,8	4,8	75,8
	9	8	12,9	12,9	88,7
	10	2	3,2	3,2	91,9
	11	4	6,5	6,5	98,4
	12	1	1,6	1,6	100,0
	Total	62	100,0	100,0	

d

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	4	6,5	6,5	6,5
	2	2	3,2	3,2	9,7
	3	4	6,5	6,5	16,1
	4	8	12,9	12,9	29,0
	5	8	12,9	12,9	41,9
	6	8	12,9	12,9	54,8
	7	6	9,7	9,7	64,5
	8	10	16,1	16,1	80,6
	9	5	8,1	8,1	88,7
	10	3	4,8	4,8	93,5
	11	3	4,8	4,8	98,4
	12	1	1,6	1,6	100,0
	Total	62	100,0	100,0	

e

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	3	4,8	4,8	4,8
	2	3	4,8	4,8	9,7
	3	3	4,8	4,8	14,5
	4	1	1,6	1,6	16,1
	6	2	3,2	3,2	19,4
	7	2	3,2	3,2	22,6
	8	4	6,5	6,5	29,0
	9	4	6,5	6,5	35,5
	10	4	6,5	6,5	41,9
	11	9	14,5	14,5	56,5
	12	27	43,5	43,5	100,0
	Total	62	100,0	100,0	

f

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	4	6,5	6,5	6,5
	2	6	9,7	9,7	16,1
	3	4	6,5	6,5	22,6
	4	5	8,1	8,1	30,6
	5	8	12,9	12,9	43,5
	6	4	6,5	6,5	50,0
	7	11	17,7	17,7	67,7
	8	7	11,3	11,3	79,0
	9	6	9,7	9,7	88,7
	10	1	1,6	1,6	90,3
	11	3	4,8	4,8	95,2
	12	3	4,8	4,8	100,0
	Total	62	100,0	100,0	

g

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	3	4,8	4,8	4,8
	2	3	4,8	4,8	9,7
	3	4	6,5	6,5	16,1
	4	4	6,5	6,5	22,6
	5	7	11,3	11,3	33,9
	6	8	12,9	12,9	46,8
	7	8	12,9	12,9	59,7
	8	4	6,5	6,5	66,1
	9	8	12,9	12,9	79,0
	10	5	8,1	8,1	87,1
	11	6	9,7	9,7	96,8
	12	2	3,2	3,2	100,0
	Total	62	100,0	100,0	

h

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	4	6,5	6,5	6,5
	2	5	8,1	8,1	14,5
	3	7	11,3	11,3	25,8
	4	3	4,8	4,8	30,6
	5	3	4,8	4,8	35,5
	6	7	11,3	11,3	46,8
	7	6	9,7	9,7	56,5
	8	4	6,5	6,5	62,9
	9	5	8,1	8,1	71,0
	10	7	11,3	11,3	82,3
	11	8	12,9	12,9	95,2
	12	3	4,8	4,8	100,0
	Total	62	100,0	100,0	

i

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	1	1,6	1,6	1,6
	2	4	6,5	6,5	8,1
	3	5	8,1	8,1	16,1
	4	7	11,3	11,3	27,4
	5	4	6,5	6,5	33,9
	6	5	8,1	8,1	41,9
	7	8	12,9	12,9	54,8
	8	11	17,7	17,7	72,6
	9	5	8,1	8,1	80,6
	10	7	11,3	11,3	91,9
	11	1	1,6	1,6	93,5
	12	4	6,5	6,5	100,0
	Total	62	100,0	100,0	

j

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	8	12,9	12,9	12,9
	2	6	9,7	9,7	22,6
	3	5	8,1	8,1	30,6
	4	7	11,3	11,3	41,9
	5	6	9,7	9,7	51,6
	6	6	9,7	9,7	61,3
	7	5	8,1	8,1	69,4
	8	2	3,2	3,2	72,6
	9	3	4,8	4,8	77,4
	10	1	1,6	1,6	79,0
	11	3	4,8	4,8	83,9
	12	10	16,1	16,1	100,0
	Total	62	100,0	100,0	

k

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	3	4,8	4,8	4,8
	2	5	8,1	8,1	12,9
	3	3	4,8	4,8	17,7
	4	4	6,5	6,5	24,2
	5	6	9,7	9,7	33,9
	6	9	14,5	14,5	48,4
	7	6	9,7	9,7	58,1
	8	7	11,3	11,3	69,4
	9	4	6,5	6,5	75,8
	10	6	9,7	9,7	85,5
	11	4	6,5	6,5	91,9
	12	5	8,1	8,1	100,0
	Total	62	100,0	100,0	

l

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	2	3,2	3,2	3,2
	2	1	1,6	1,6	4,8
	3	3	4,8	4,8	9,7
	4	3	4,8	4,8	14,5
	5	3	4,8	4,8	19,4
	6	4	6,5	6,5	25,8
	7	6	9,7	9,7	35,5
	8	6	9,7	9,7	45,2
	9	6	9,7	9,7	54,8
	10	10	16,1	16,1	71,0
	11	15	24,2	24,2	95,2
	12	3	4,8	4,8	100,0
	Total	62	100,0	100,0	

Reliability of our questionnaire was tested using Cronbach Alpha and the following tables were formed.

Table 24: Case Processing Summary

		N	%
Cases	Valid	59	95,2
	Excluded(a)	3	4,8
	Total	62	100,0

a Listwise deletion based on all variables in the procedure.

Table-25: Reliability Statistics

Cronbach's Alpha	N of Items
,846	16

As already mentioned above, Cronbach Alpha can take a value between 0 and 1. It is required that Alpha value is higher than 70 (70% or 0.7) in order to assess an instrument as reliable.

As can be inferred from Table 25, Cronbach Alpha coefficient is 0.846, a value which is bigger than 0.7. It was identified that our data collecting instrument is reliable.

Construct (criterion) validity of our data collecting instrument was investigated through the utilization of factor analysis, as mentioned earlier in this paper. The tables and analysis derived from factor analysis have been laid down below:

Table 26: Descriptive Statistics concerning the Likert-Type Scale used in Part 2

	Mean	Std. Deviation
S1	4,53	,774
S2	3,85	1,080
S3	3,97	,964
S4	4,17	,769
S5	3,86	,991
S6	4,34	,822
S7	4,47	,751
S8	4,10	,865
S9	3,58	1,004
S10	4,00	,643
S11	3,47	,878
S12	4,15	,784
S13	4,32	,681
S14	3,92	1,071
S15	3,41	1,100
S16	4,12	,721

Mean and standard deviation of each of 16 items used in the questionnaire can be observed in the table above.

Table 27: Kaiser-Meyer-Olkin (KMO) and Bartlett's Test Concerning the Likert-Type Scale used in Part 2

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		,690
Bartlett's Test of Sphericity	Approx. Chi-Square	412,011
	df	120
	Sig.	,000

Kaiser-Meyer-Olkin analysis displayed in Table 27 shows the adequacy of the sampling. Maximum value of KMO is 1. The following labels are given to different ranges of KMO values: 0.9-1.0 – marvellous, 0.8-0.89 meritorious, 0.7-0.79 middling, 0.6-0.69 mediocre, 0.5-0.59-miserable and 0-0.49-unacceptable. KMO value in our research is 0.690, which suggests a sampling adequacy at “mediocre” level.

On the other hand, what should be investigated in Bartlett's Test is the significance level. Significance should be smaller than 0.05. As can be deduced from

the Table above (see Table 27), significance is equal to 0.000, which proves that the significance level is high. That is to say, significance level which is =0.000 shows that the statements used in our questionnaire can be separated into significant factors. The factors (dimensions) derived elicits a significant integrity. Moreover, the questionnaire has “construct validity”.

Table 28: Communalities

Statement No	Initial	Extraction
1	1,000	,653
2	1,000	,849
3	1,000	,768
4	1,000	,711
5	1,000	,888
6	1,000	,749
7	1,000	,687
8	1,000	,771
9	1,000	,761
10	1,000	,831
11	1,000	,829
12	1,000	,784
13	1,000	,708
14	1,000	,757
15	1,000	,637
16	1,000	,628

Extraction Method: Principal Component Analysis.

Communalities Table given above has been utilized to identify which variables explain which variable to what extent. Statement 5 was explained by the other statements in the ratio of 88.8%. This is followed by Statement no. 2 (84.9%), Statement no. 10 (83.1%) and Statement no.11 (82.9%), which are among the mostly-explained statements by another statement in the questionnaire. Statement no. 16, on the other hand, is the least explained variable (62.8%) by the other statements.

“Total Variance Explained” has been given in Table 29. This table displays how many factors have been formed and how representative these factors are. .

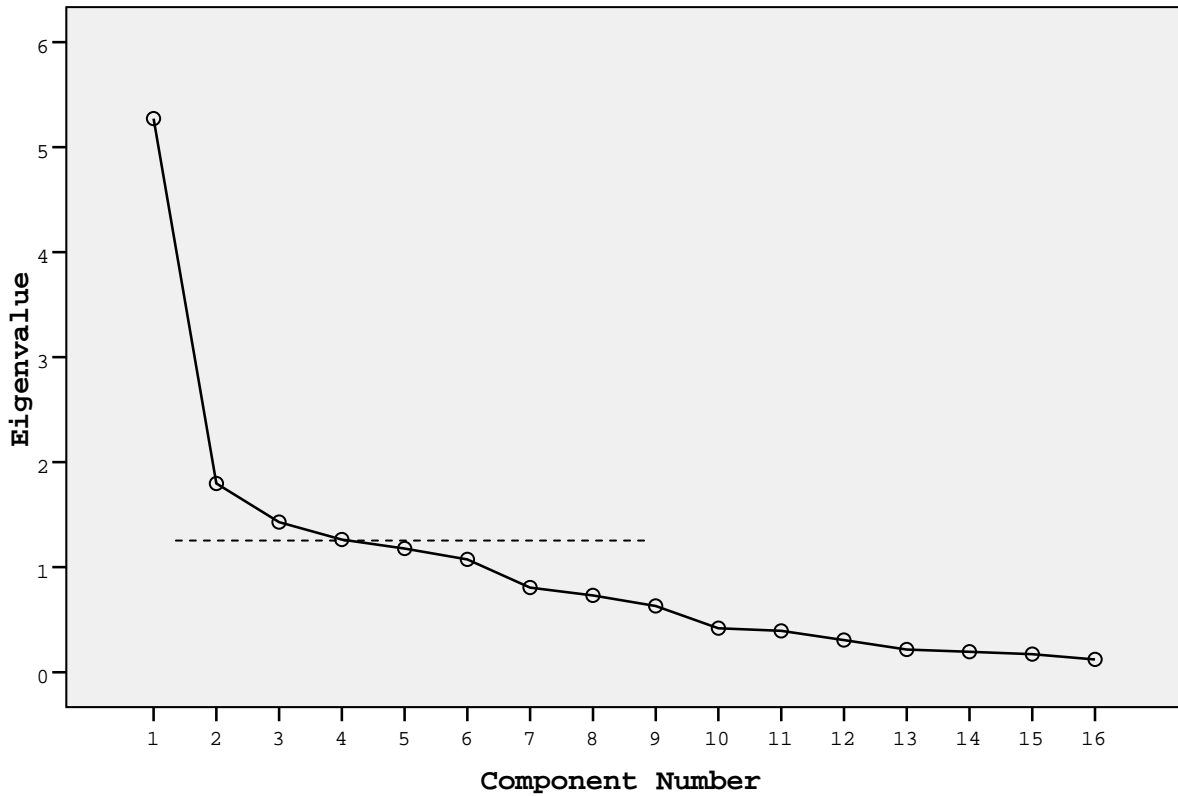
When we look at Total Variance Explained Table, we can see that the items in the second part of our questionnaire were gathered under 6 factors the eigenvalue of which are bigger than 1. The variance they have displayed concerning the scale is 75.072. As far as this fact is concerned, it can be seen that 6 factors which have appeared as important factors in the analysis explain together the total variance in the items as well as the majority of the variance concerning the scale.

Table 29: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5,271	32,946	32,946	5,271	32,946	32,946	3,165	19,784	19,784
2	1,797	11,230	44,175	1,797	11,230	44,175	2,480	15,503	35,287
3	1,429	8,932	53,107	1,429	8,932	53,107	1,839	11,495	46,782
4	1,263	7,896	61,003	1,263	7,896	61,003	1,625	10,157	56,939
5	1,177	7,359	68,362	1,177	7,359	68,362	1,578	9,864	66,802
6	1,073	6,709	75,072	1,073	6,709	75,072	1,323	8,269	75,072
7	,806	5,039	80,111						
8	,731	4,570	84,681						
9	,630	3,937	88,618						
10	,419	2,617	91,235						
11	,394	2,460	93,695						
12	,306	1,912	95,607						
13	,216	1,348	96,955						
14	,194	1,213	98,168						
15	,172	1,074	99,242						
16	,121	,758	100,000						

Extraction Method: Principal Component Analysis.

Scree Plot



Graphic 23: Scree Plot

When Scree Plot is observed, it can be seen that breakpoint is on 6 components the eigenvalue of which are above 1.

In order to understand which variables are more related to which factors, **Rotated Component Matrix(a)** given in should be evaluated. An item is listed under the factor in which this very item takes the biggest value.

When the table in which these factors have been analyzed is investigated, it can be seen that statements 12, 4, 11, 13, 3 and 15 measure the same characteristic under the first factor, while statements 7, 8 and 1 do the same under the second factor. Statements

10 and 9 measure the same thing under the third factor, whereas statements 5 and 2 measure the same characteristic under the fourth factor. The last two factors measure statements 14 and 16, and statements 6 and 9 (though its value is low), respectively. Rotated Component Matrix(a) has been prepared in Table 30 in order to see which variable is related to which factor. When factors have been analyzed, it was detected that:

3. Measurement of employee performance and facilitation of feedback regarding its results are effective on the increase of performance.
4. An increase in employee performance will be observed if managers recognize the talents of the employees and direct them to the right tasks.
11. Providing development of the employees for the future staffing needs, corporate succession planning leads to higher level of employee productivity
12. Recognition of talents is important in order to provide an increase in employee performance.
13. If the employees are giving the opportunity to develop their talents, their productivity will increase.
15. Difficult tasks intended to develop talents of the employees have a positive effect on employee performance.

These articles above support each other and compose factor 1 together.

1. Financial rewards (wage, premium, and bonus) are very important for the employees.
7. Appreciation of the successful employees by their managers increases their performance.
8. Giving authority and responsibility to a talented employee, and providing him with flexibility and autonomy have positive effects on employee performance.

These articles above support each other and compose factor 2 together.

9. In order to ensure high level of performance of the employees, it is important for them to be able to have a voice in corporate decision-making process.
10. Assistance of the managers to the employees in their career planning gives rise to employee performance.

These articles above support each other and compose factor 3 together.

2. If the individual goals are in line with the corporate goals, this will increase the productivity of the employees.

5. Overlapping corporate culture and values, and individual ones lead to higher motivation of the employee.

These articles above support each other and compose factor 4 together.

14. Working for a well-positioned company in the relevant sector leads to an increase in employee performance.

16. The awareness of the employees regarding their contribution to the company increases their motivation..

These articles above support each other and compose factor 5 together.

6. Performance enhancement should be achieved through giving opportunity to promote to the talented employees.

9. In order to ensure high level of performance of the employees, it is important for them to be able to have a voice in corporate decision-making process.

These articles above support each other and compose factor 6 together.

Table 30: Rotated Component Matrix(a)

Item	Component					
	1	2	3	4	5	6
12	,791					
4	,729	,368				
11	,727		,334	,370		
13	,727	,380				
3	,578	,414		,356		-,352
15	,557				,460	
7		,739				
8		,736	,389			
1		,735				
10			,870			
9			,694			,397
5				,904		
2		,449	,413	,618		
14					,846	
16					,670	
6						,771

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a Rotation converged in 8 iterations.

V. CONCLUSION AND SUGGESTIONS

As defined earlier in the literature review, talent management is a complex system including the functions of attraction, selection, recruitment, retention, learning and development, performance management, career development, succession planning. It is increasing being used by the corporate organizations having realized the fact that competitive advantage can only be attained through human capital. Being able to keep talented people appears to be as important as attracting and recruiting them, which displays the importance of talent management processes.

The first part of our study provides a detailed insight of the talent management tools and their effects on employee performance. Following the theoretical information, it has been investigated to what extent talent management tools have effect on employee performance, and whether there exist significant differences between the demographics of the sampling group and their responses to the statements in the questionnaire developed.

According to the findings derived as a result of the research conducted regarding the effect of talent management and its tools on the performance of the employees working for an American multinational company in metal packaging sector which also has its operations in Turkey:

It was found out that the questionnaire on “The Effect of Talent Management on the Performance of the Employees”, which was used as the data collecting instrument in our research has been proven to be both valid and reliable according to validity and reliability analysis. The fact that this questionnaire is valid and reliable serves as an evidence to draw conclusion that the data derived are free from random mistakes. Because its Cronbach Alpha coefficient is $0.70 > 0.846$, the questionnaire has proved itself to be reliable. Therefore, random mistakes which destroy the stability of our scale have very few reflections on the data derived.

Validity of the scale was investigated in order to see the level of its capability to measure the thing what it is intended to measure. It was observed that the questionnaire used can identify real differences. The level of significance was observed to be =0.000, which shows that the items used in the survey was separated into significant factors. In other words, the factors (dimensions) have formed a significant unity, which means that the questionnaire has “construct validity”.

The more the sampling group’s representative power considering the total population is, the more the interpretation stemming from the data derived can be generalized. It is required for the data derived in a survey to have the characteristic to be generalized. Therefore, it is a requirement for the sampling group joining the survey to have a high representative power. Kaiser-Meyer-Olkin analysis given in Table 22 shows the adequacy of the sampling. According to the analysis commenced, it was found out that KMO=0.690 and this value shows that our sampling is adequate at ‘mediocre’ level.

When the most preferred talent management tools were listed, it was seen that financial rewards outstands. It can be inferred that the value attributed to this tool by the employees is meaningful. While “Financial Rewards” takes the first rank in the list by 12 points, “Appreciation”, “Overlapping corporate and individual goals”, “Performance Management”, “Authority and Responsibility” and “Recognition” follows this tool. In addition to these tools mentioned, “career development” and “training and development facilities” have been detected to appear as subsidiary tools supporting the primary ones above and their usage in talent management has appeared to be a must.

As displayed by the results, it can be seen that talent management tools such as “succession planning”, “feedback”, “flexibility and autonomy” and “career planning” have not been much preferred.

To look at the overall picture, as a result of the analysis, it was observed that the ratio of the employees who believes that the talent management tools have a positive effect on their performance is 80.65%, whereas the ratio is 9.62% for those who do not

believe in the effect of talent management tools on performance. 9.48% of those who took part in the survey are not certain on whether this effect exists or not (see Table13).

The effect of talent management tools on the performance of the employees were analyzed according to the socio-demographical characteristics, which are gender, age, marital status, level of education, seniority and title. The following findings have been observed:

No significant difference was observed in the effect of talent management tools on the employee performance in terms of gender and marital status variables. It was detected that the statements used in the questionnaire have a parallel effect on employee performance (see Table 14 and Table 16).

When the results of crosstab and chi-square analysis were searched through, it was detected that there is a significant difference ($p:0.047 < 0.05$) with 95% reliability among the levels of responses to Statement no.1 which is “Financial rewards (wage, premium, bonus) are very important for the employees.” according to age variable (see Table 15). The respondents from each interval of age responded differently to this question. For example, all of the employees whose ages are between 16-20 strongly agree with this statement. While 50% of the employees between 51-60 agree with it, the other half strongly agrees with it. 9% of the personnel who are between 41-50 disagree, %36 of the same age group agrees and %45 of them strongly agrees with this very item.

As we read thoroughly in Table 17 where the results of crosstab and chi-square analysis of the employees’ responses according to educational level variable are displayed, there exists a significant difference with 95% reliability for statements 4, 8, 9 and 10.

It was recognized that there is a significant difference ($p:0.041 < 0.05$) among the levels of responses to Statement no. 4 which is “An increase in employee performance will be observed if managers recognize the talents of the employees and direct them to the right tasks.” for level of education variable. The employees who have college,

undergraduate and graduate degrees responded to this question as “agree” and “strongly agree”. %25 of primary school graduates disagree, 25% of them are uncertain and 50% of the same group agrees with this item. In terms of the secondary school graduates, on the other hand, the ratio for “uncertain” response is 17%, whereas 83% of them agree with this item. 6% of the high school graduates strongly disagree and the same percent of them disagree with it. %56 of high school graduates agree with this, while 33% strongly agree.

It was recognized that there is a significant difference ($p:0.020 < 0.05$) among the levels of responses to Statement no. 8 which is “Giving authority and responsibility to a talented employee, and providing him with flexibility and autonomy have positive effects on employee performance.” an increase in employee performance will be observed for level of education variable. This signifies that the point of views of the employees change according to which degree they have. We can see that none of the employees who are primary school graduates responded as “agree” to this item. Disagree, uncertain and agree responses were given by 42% (14% for each response level) of the employees having graduate degrees. 57% of the respondents in this group of educational level strongly agree with this statement. 50% of the respondents having bachelor’s degree, on the other hand, agree with this item, while the other half strongly agree with it.

When the results of crosstab and chi-square analysis were searched through, it was detected that there is a significant difference ($p:0.001 < 0.05$) with 95% reliability among the levels of responses to Statement no.9 which is “In order to ensure high level of performance of the employees, it is important for them to be able to have a voice in corporate decision-making process.” according to educational level variable. 50% of primary school graduates disagree with this statement, while the other half is uncertain about it. 17% of the ones who have secondary school degree disagree with this item whereas 83% of them are uncertain about it. It was observed that the responses of high school graduates were distributed in five levels as follows: 6% strongly disagrees, 22% disagrees, 28% are uncertain, 39% agrees and 6% strongly agrees with this item. The differences observed in the responses of the employees having college, undergraduate

and graduate degrees are as follows: 77% of the college graduates agree with the item, whereas 43% of university graduates strongly agree with it. 43% of the latter group strongly agrees with this very item. 29% of the respondents who have graduate agree and 57% of them strongly agree.

When the results of crosstab and chi-square analysis were searched through, it was detected that there is a significant difference ($p:0.013 < 0.05$) among the levels of responses to Statement no.10 which is “Assistance of the managers to the employees in their career planning gives rise to employee performance.” according to educational level variable. When these differences are observed, 75% of the primary school graduates are clustered in “uncertain” level. When the secondary school graduates are taken into consideration, we can see that 83% of them agree with this item. We can observe that the decisions of high school graduates have been distributed into each of the five levels of responses in certain levels (8 % disagree, 8% are uncertain, 46% agree, 38% strongly agree).

When the results of crosstab and chi-square analysis of the employees’ responses to Statement no. 3 “Measurement of employee performance and facilitation of feedback regarding its results are effective on the increase of performance.” according to seniority variable were observed, a significant difference ($p:0.001 < 0.05$) statistically in 95% reliability was detected (see Table 11). 10% of the employees having worked for 1 to 3 years strongly disagree, 20% of them disagree and 70% of them agree with this item. As the employees having worked for 3 to 5 years are concerned, we can see that 67% of them agree and 33% strongly agree with it. 29% of the respondents whose seniority is between 8-10 years agree with the statement, while 43% of them are uncertain about it. 29% of this group agrees with this item.

When the results of crosstab and chi-square analysis of the employees’ responses to Statement no. 9 “In order to ensure high level of performance of the employees, it is important for them to be able to have a voice in corporate decision-making process.” according to title variable were observed, a significant difference ($p:0.045 < 0.05$) statistically in 95% reliability was detected (see Table 19). The responses of the

executives were distributed into each level in certain levels, whereas the responses of the high-level managers are distributed into two responses (disagree and agree) on a fifty-fifty basis. The employees who have the titles “specialist” and “manager” responded as either “agree” or “disagree”.

As the findings refer, it may be suggested that organizations should have talent management systems in order to have an increase in employee performance. The tools of talent management include “Financial Rewards”, “Appreciation”, “Overlapping corporate and individual goals”, “Performance Management”, “Authority and Responsibility”, “Recognition” “Succession planning”, “Feedback”, “Flexibility and autonomy” and “Career planning” as suggested by the employees and supported by the literature review. Following the ratios derived from the data, it is clearly seen that financial rewards are the much-preferred tools of talent management according to the employees, while appreciation and overlapping corporate and individual goals takes the second and third rank, respectively. This may be due to the economical situation in Turkey, and more specifically in Istanbul, which is a cosmopolitan city. Since Turkey is still a developing country, income per capita is not very high, which means living standards are not in an advanced level. This may well be the reason why financial rewards have highly been rated for the majority in the sampling group. Another reason for this may be the fact that our sampling group consists of the employees at all levels in Company X. Though the wages have not been asked in demographics part of our questionnaire, it is an evident fact that technicians/officers consisting 41.9% of the total sampling group get less than specialist, managers, etc. which results in a response, from their side, in favor of the importance of financial rewards in performance enhancement. This has been indicated in Table 19, where we can see 69% of the technicians/officers strongly agree with Statement 1 regarding the importance of financial rewards, while this percentage falls down to 40% as far as “strongly agree” responses of the managers are concerned. However, when we look at the analysis of Statement 9 according to title variable, we observe that 60% of the managers strongly agree with the positive effect of involvement in decision-making on employee performance process whereas the ratio falls down to 4% as far as “strongly agree” responses of the technicians/officers are

taken into consideration, which shows that it may be reinforcer for a manager, but not for a technician or officer very much.

On the other hand, it can be seen that flexibility and autonomy have not been highly rated by the respondents, which may be the result of the fact that Turkey has a collectivist culture, unlike individualist cultures, whose people cherish autonomy and flexibility. Although Company X is an American Company, the employees are Turkish citizens belonging to the very collectivist culture.

Due to the cultural differences within a company and an organization, due to the segmental differences among the employees, these differences should be taken into consideration while establishing a talent management system in an organization.

Though talent management tools have proved themselves to be effective on employee performance as our study shows, it is vital to remind that the research was conducted in only one company and in only one type of manufacturing sector, which may decrease our ability to draw generalization on the mentioned issue for the complete population, since the sampling may not have represented the whole population. As the limitations are considered, the other issues at stake are that the results may subject to change if the questionnaire is applied on other employees in other cultures. For example, if our sampling group had been consisted of the employees of the same company, but this time its branch in France, a country with individualist culture and higher life standards leading to high level of prosperity may have been the case that recognition, autonomy, succession planning, etc. may have been highly rated, since the people in individualist cultures attribute a great importance to those kind of talent management tools involving self-realization and self-actualization motives. Therefore, it may be suggested that future studies could enlarge the scope of the study by covering more companies from the same segment (other metal-packing companies or other companies operating in manufacturing sector) or sectors (i.e. service sector) as well as the variety of the sampling group in order to avoid overgeneralization errors.

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VII. APPENDIX :

APPENDIX I : YETENEK YÖNETİMİ’NİN ÇALIŞAN PERFORMANSI ÜZERİNDEKİ ETKİSİNE İLİŞKİN ANKET ÇALIŞMASI

Bu çalışma T.C. Marmara Üniversitesi Sosyal Bilimler Enstitüsü “Human Resources Management and Development” Bilim Dalı yüksek lisans öğrencisi tarafından yürütülen bir çalışmadır.

Ankete dayalı araştırmada “Yetenek Yönetimi’nin Çalışan Performansı Üzerindeki Etkisi”nin tespiti amaçlanmaktadır. Anket 3 bölümden oluşmaktadır. Bölüm I’de size ait demografik özellikler, Bölüm II’de inceleme konusuna ait 16 ifade, Bölüm II’te ise yetenek yönetimi araçlarına ait tablo yer almaktadır.

Anketin 2.bölümünde yer alan ifadelerin doğru ya da yanlış cevabı yoktur. Sizden istenen, bu ifadeleri dikkatlice okuduktan sonra ne ölçüde katıldığınızı (Kesinlikle Katılıyorum, Katılıyorum, Katılmıyorum, Hiç Katılmıyorum, Kararsızım) ilgili sütuna “X” işareti koyarak belirtmenizdir. İfadelere içtenlikle yanıt verilmesi düşüncelerinizin tam olarak yansımaları açısından çok önemlidir.

Yanıtlarınız, bilimsel ahlaka uygun olarak gizlilik ve güven ilkelerine bağlı kalınarak sadece araştırmacı tarafından değerlendirilecektir.

Verilerin doğru toplanması ve yapılacak istatistiksel analizlerin anlamlı çıkması için anketteki soruların tümünün cevaplanması ve aynı maddeye birden çok cevap verilmemesini önemle rica ederiz. Katılımınız için teşekkür ederiz.

Ece Basmacı Karalar

Yrd. Doç. Dr. Salim Atay

1. BÖLÜM

1. Cinsiyetiniz:

() Kadın () Erkek

2. Yaşınız:

() 16-20 () 21-30 () 31-40 () 41-50 () 51-60

3. Medeni durumunuz:

() Evli () Bekar

4. Öğrenim Durumunuz:

() İlkokul () İlköğretim () Lise () Yüksekokul () Lisans
() Yüksek Lisans () Doktora

5. Şirketteki çalışma süreniz:

() 1-3 yıl () 3-5 yıl () 5-8 yıl () 8-10 yıl () 10 yıl ve üzeri

6. Şirketteki ünvanınız:

() Memur/Teknisyen () Sorumlu () Uzman Yardımcısı
() Uzman () Yönetici () Üst düzey yönetici

2. BÖLÜM

İfadeleri dikkatlice okuduktan sonra ne ölçüde katıldığınızı (Kesinlikle Katılıyorum, Katılıyorum, Katılmıyorum, Hiç Katılmıyorum, Kararsızım) ilgili sütuna “X” işareti koyarak belirtiniz.

No	İfadeler	Kesinlikle Katılıyorum	Katılıyorum	Katılmıyorum	Hiç Katılmıyorum	Kararsızım
1	Çalışanlar için parasal nitelikli (ücret, prim, ikramiye) ödüller çok önemlidir.					
2	Çalışanın hedefleri ile şirket hedeflerinin aynı doğrultuda olması çalışan verimliliğini artırır.					
3	Çalışan performansının ölçülmesi ve sonuçların çalışana geri bildirim yoluyla açıklanması performansın artmasında etkilidir.					
4	Yönetici çalışanın yeteneklerinin farkına vararak kişiyi doğru işe yönlendirir ise çalışan performansında artış görülecektir.					
5	Kurumsal kültür ve değerlerin bireyin kültür ve değerleri ile örtüşürmesi çalışanın motivasyonunu artırır.					
6	Başarılı olan çalışanlara terfi etme imkanı verilerek performansının artması sağlanmalıdır.					
7	Başarılı olan çalışanların yöneticileri tarafından takdir edilmesi performansı artırır.					
8	Yetenekli çalışana yetki ve sorumluluk verilmesi, çalışmalarında esneklik ve özerklik sağlanması çalışan performansı üzerinde olumlu etkiye sahiptir.					

No	İfadeler	Kesinlikle Katılıyorum	Katılıyorum	Katılmıyorum	Hiç Katılmıyorum	Kararsızım
9	Çalışanların performanslarının yüksek olması için işyerlerinde alınacak kararlarda söz sahibi olmaları önemlidir.					
10	Yöneticilerin çalışanlara kariyer planlamalarında destek olması performansı artırır.					
11	Örgütsel yedekleme planlaması gelecek dönemde oluşacak kadrolama ihtiyaçları için çalışanların yetiştirilmesini sağlayarak çalışan verimliliğini artırır.					
12	Yeteneklerinin tanınması çalışan performansının artması için önemlidir.					
13	Çalışanlara yeteneklerini geliştirme imkanı verilir ise üretkenliklerinde artış olur.					
14	Sektörde iyi konumda bulunan bir firmada çalışmak çalışan performansını artırır.					
15	Çalışanın yeteneklerini geliştirmeye yönelik zorlayıcı görevler çalışan performansını artırmada olumlu etkiye sahiptir.					
16	Yetenekli çalışanların şirkete ne tür bir katkı sağlayacaklarını bilmeleri motivasyonlarını artırır.					

3. BÖLÜM

Aşağıda verilen yetenek yönetimi araçlarını, performansınıza etkisi açısından en etkiliden en az etkiliye doğru, 12'den 1'e kadar numaralandırarak sıralamanız istenmektedir.

Yetenek Yönetimi Araçları	Sıra No
a. Performans Değerleme	
b. Örgütsel Yedekleme Planı	
c. Geribildirim	

d. Esneklik ve Özerklik	
e. Finansal Nitelikli Ödül Sistemleri	
f. Kariyer Planlama	
g. Eğitim ve Geliştirme Faaliyetleri	
h. Yetki ve sorumluluk	
i. Tanınma	
j. Çalışan ve kurum hedeflerinin örtüşmesi	
k. Kariyer gelişimi	
l. Takdir	