

# **TALENT MANAGEMENT IN HEALTHCARE SECTOR: INSIGHT INTO THE CURRENT IMPLEMENTATION IN SLOVAK ORGANIZATIONS**

*Viktória Ali Taha, PhD., Ing.*

University of Presov in Presov, Faculty of Management, Slovak Republic

*Tomáš Gajdzik, PhD., MHA, MD*

*Júlia Abu Zaid, MD*

Pavol Jozef Šafárik University in Kosice,  
Faculty of Medicine, Slovak Republic

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## **Abstract**

In today's global highly competitive marketplace, the success of the organizations is largely determined by implementation of talent management encompassing wide range of processes designed to identify, attract, develop, retain and deploy talented people with required skills. The article seeks to provide analytical insight into the talent management processes in Slovak healthcare sector. The aim of this study is on the basis of analysis of primary data collected through the questionnaire survey to examine and assess selected practices/processes of talent management in Slovak health/healthcare organizations. Using methods of inductive statistics (non-parametric Kruskal-Wallis test) we examined the existence of statistically significant differences between organizations of different size.

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**Keywords:** Healthcare, talent management, organizations, practices

## **Introduction**

The local and global success of organizations is largely determined by the ability to employ talented people (best performers) and implement talent management processes encompassing the talent identification, selection, recruitment, retention, development, deployment and other. Employers are increasingly aware of the need for talents (i.e. people who are able to ensure long-term competitiveness, sustainable prosperity and continuous development) and interested in their management, as evidenced by the volume of recent researches.

The problem is that despite the masses of unemployed, employers are experiencing talent shortages and have difficulty finding and recruiting talented employees, especially for some specific positions. In addition to this mismatch between the demand for talents and their supply there also arises a problem in workforce planning – inability to correctly anticipate future talent needs consequently inducing an inability to find the applicants with the required and/or needed skills. This situation will probably be more critical in the coming years due to the unfavorable workforce demographics and retirement of so-called baby-boomers (people born after the World War II). In this context, Biswas and Suar (2013) point out that the demand for talents has increased more rapidly than the available supply of talents and therefore talent attraction and retention has become a hard hitting issue for many organizations. According Frank and Taylor (2004) the talent management can be seen as a response to many changes in the workplace such as industrial revolution, the rise of labour unions, globalization or outsourcing. Current practice confirms the views of the authors, who already in 2004 predicted that “the real battle to attract, develop, motivate, and retain talent is going to heat up considerably” and “demographic time bomb will make talent management a top priority for organisations” (Frank & Taylor, 2004, p. 33). Nilsson and Ellström (2012, p. 27) point to the „shift from job security and lifelong employment to lifelong learning, employability, and talent management“.

Vaiman, Scullion and Collings (2012) determine key factors influencing talent management decision making in the global context:

- *talent shortages,*
- *demographics and societal trends* – declining birth rates and increasing longevity,
- *Corporate social responsibility (CSR)* – perceived as a useful tool to attract high-quality international talent,
- *diversity* – a significant factor impacting the complexity of decision making in global talent management,
- *the increasing mobility* of people across geographical and cultural boundaries,
- *permanent shift to a knowledge based economy,*
- *growing importance of emerging markets.*

### **The concept of talent management - literature review**

Talented people are considered the strategic asset of the organizations and ability to identify, recruit, retain and deploy these employees is a prerequisite for sustainable competitive advantage and success.

Talent management can be defined as the “systematic attraction, identification, development, engagement, retention and deployment of those individuals who are of particular value to an organisation, either in view of their ‘high potential’ for the future or because they are fulfilling business/operation-critical roles” (Chartered Institute of Personnel and Development (CIPD), 2013). In the broadest possible view, talent management is the strategic management of the flow of talent through an organization (Duttagupta, 2005, as cited in Iles et al., 2010).

Talent management as a part of strategic human resource management practices contributes to improvement of organizational performance (Frank & Taylor, 2004).

Iles, Preece and Chuai (2010, p. 127) citing their previous study identify „three broad strands of thought regarding talent management”:

1. Talent management is not essentially different from Human Resource Development/Management, as “both involve getting the right people in the right job at the right time and managing the supply, demand, flow and development of people through the organization” while talent management can enhance the credibility, status or “fashionability” of Human Resource Development (Lewis & Heckman, 2006, as cited in Iles et al., 2010).

2. Talent management is integrated Human Resource Development (HRD) that can use the same tools with selective focus on a relatively small segment of the workforce (talented employees) by virtue of their current performance or future potential. In this strand attracting and retaining key individuals are in the spotlight.

3. Talent management “involves organizationally focussed competence development through managing and developing flows of talent through the organization. This strand is more closely related to succession planning and human resource planning”.

When comparing talent management and Human Resource Management (HRM) Iles et al. (2010, p. 128) state that talent management “seems to promise new and rather different approaches” to the HRM while maintaining continuity with HRM. HRM has a broader scope than talent management and emphasize egalitarianism in contrast to the talent management that essentially focuses on segmentation. Another difference is focus of HRM on management functions as opposed to the focus of talent management on the people involved i.e. on the attraction, retention and development of talents.

Although organizations “tend to recognize the importance of talent management, they often fail to manage it effectively” (Scullion et al., 2007; Schuler et al., 2011; Collings et al., 2011, as cited in Vaiman, 2012). Eric Jackson (2011) defines top ten reasons why large companies lose their top talents:

1. *Big company bureaucracy*: the author considers bureaucracy the most serious reason for disenchantment of employees.
2. *Failing to find a project for the talent that ignites their passion*: top talents are usually driven not by money and power, but by the opportunity to be a part of something huge and worthwhile, “that will change the world”. HR people and bosses are usually too busy to figure out for what talented employees are really passionate.
3. *Poor annual performance reviews*: the absence of annual performance reviews or inefficiency and inconsistency in their implementation raises concerns among staff (talents) of whether the bosses (and consequently the company) are really interested in their long-term future in the organization.
4. *No discussion around career development*: the absence of discussion between talents and their employers about their future and career development is one of the reasons why they leave the organizations.
5. *Shifting whims/strategic priorities*: talented employees appreciate if their employer give them new exciting projects to work on.

### **Talent management in healthcare context**

Talent management has a significant impact on the patient safety, timely access to care, and cost control which are considered the most critical operational issues in healthcare organizations (Ogden, 2010). According NHS Leadership Academy (the purpose of which is to develop leadership in health) “talent management should consider all individuals in an organisation. It should cover the development they require, the value they bring, and the position(s) that best suit their skills currently and into the future within an organisation and/or elsewhere in their career journey. Talent and career development and maximising their potential is necessary for the retention of employees no matter what their seniority and position within the organization” (NHS Leadership Academy, 2014, p. 5).

Ogden (2010, p. 80) claims that “talent management is in crisis at many hospitals” and “the need for strong healthcare leaders and an engaged workforce is greater than ever”. The greatest problems are: shortages in clinical and nursing leadership, high staff turnover rates, retirement of executives and growing difficulty in attracting cross-industry management talents. The author is convinced that despite the “shrunk” budget is necessary to invest in developing talent because “healthcare organizations without the right processes in place to identify and develop talent will struggle to perform and compete at a high level in the new healthcare economy” (Ogden, 2010).

Effective talent management program, including internal leadership development and internal and external succession planning, can – according

– Rice and Evans (2013, p. 66) provide organizations the ability to compete. Moreover, competition in healthcare for top leaders is “fierce and will only intensify during the next few years”.

The healthcare sector is facing major shortage of talents - whether it be leadership staff, physicians or nurses. For example, Brightman (2007) sees the problems of the shortage of “talented” physicians in limited career opportunities due to relatively flat medical career ladder in most healthcare organizations. It often results in intent or decision of many physicians (at some point in their careers) to transit from clinical medicine to another “areas” - within or outside the healthcare arena. Both the results of such choices (to stay as a clinician or to leave organization) entail problems – physicians leave causes an expensive talent drain, remaining in the organization creates crowds of “stalled professionals within the organization (with all the morale and performance problems that creates)”. The creation of a “more nuanced set of transition options for physicians by using a well-validated career model for the purposes of internal staffing/succession planning” could partially eliminate these problems (Brightman, 2007, p. 27).

Lee Hecht Harrison in publication by JC Heinen (n.d.) defines three key areas of focus to effectively assess the demands on healthcare organizations:

1. succession planning - shortage of critical talent ready for key leadership positions,
2. leadership and talent development - deficiency in leadership competencies and business acumen,
3. innovation initiatives - outdated technology’s inability to serve growing need for quality care at reasonable costs.

## **Survey on talent management in Slovak healthcare**

### **Methodology**

The primary data were collected through survey (conducted in spring 2015) in the form of questionnaires. The survey covers different areas of talent management such as attraction, retention, identification, succession planning, performance management, engagement, development, career planning, deployment (of talents). Data obtained were evaluated by methods of descriptive and inductive statistics using a statistical program Statistica 12 CZ.

Research sample consists of 154 employees working in different healthcare organizations - hospitals, clinics, laboratories, etc. geographically dispersed all across the country.

In addition to the first identification items (focused on type of organization - in terms of size, form of ownership and legal form and on the respondent position/function) all questions were closed in the form of

statements using Likert scale on which respondents indicated the level of agreement or disagreement on a five-point response scale (from 1 - strongly agree to 5 - strongly disagree).

Since the spectrum of talent management processes is broad, our attention is aimed at some talent management processes. Following questionnaire questions/items were evaluated in the analysis:

- My organization creates policies that encourage career growth and development opportunities.
- The organization introduced (in written form) career and development plans of employees.
- Competences/capabilities (i.e. knowledge, skills, abilities) of employees are continuously updated and developed through education and training.
- My organization places the right people in the right jobs.
- My organization conducts formal performance appraisals on a regular basis (quarterly, biannually, annually).

Using Kruskal-Wallis we detect whether talent management individual practice/process/activity differ based on size of the organization (“small”, “medium-sized” and “big”), i.e. whether the medians for practice/process/ activity differ among organizations of different size, where: H0: the population medians are all equal and H1: the medians are not all equal.

We have been using generally accepted classification of organizations, where small is organization with 0 - 50 employees, medium size organization with 51 – 250 employees, big is organization with 251 and more employees.

## Results and findings

Kruskal-Wallis test assess for significant differences on a dependent variable (support of career growth & development) by a grouping independent variable (size). The results shows Table 1.

Table 1 Kruskal-Wallis test – variable „Support of career growth & development“

Dependent: Support of career growth & development	Kruskal-Wallis ANOVA by Ranks.; Support of career growth & development (Hárok1 v TM - Statistica) Independent (grouping) variable : Size Kruskal-Wallis test: H ( 2, N= 150) =4,150176 p =,1255			
	Code	Valid N	Sum of Ranks	Mean of Ranks
1	1	15	1106,000	73,73333
2	2	40	2578,000	64,45000
3	3	95	7641,000	80,43158

Since  $p = 0.1255$  is greater than level of significance ( $\alpha = 0.05$ ), we fail to reject the null hypothesis. We can conclude that there are no statistically significant differences between organizations of different size in creation of policies that encourage career growth and development opportunities.

Table 2 Kruskal-Wallis test – variable „Existence of career & development plans“

Dependent: Existence of career & development plans	Kruskal-Wallis ANOVA by Ranks.; Existence of career & development plans (Hárok1 v TM - Statistica) Independent (grouping) variable : Size Kruskal-Wallis test: H ( 2, N= 147) =1,065873 p =,5869			
	Code	Valid N	Sum of Ranks	Mean of Ranks
1	1	15	1147,500	76,50000
2	2	40	2732,000	68,30000
3	3	92	6998,500	76,07065

The p-value is greater than  $\alpha (= 0.05)$  (Table 2) that is why we fail to reject null hypothesis and conclude that there are no differences in medians for “existence of career & development plans” among organizations of different size. It should be noted that only 15% of respondents (regardless of the size of the organization) confirmed the existence of career and development plans within their organization which is highly unfavourable.

Table 3 Kruskal-Wallis test – variable „Education and training“

Dependent: Education and training	Kruskal-Wallis ANOVA by Ranks.; Education and training (Hárok1 v TM - Statistica) Independent (grouping) variable : Size Kruskal-Wallis test: H ( 2, N= 150) =6,657834 p =,0358			
	Code	Valid N	Sum of Ranks	Mean of Ranks
1	1	15	1207,500	80,50000
2	2	40	2438,500	60,96250
3	3	95	7679,000	80,83158

Since the Kruskal-Wallis test results are significant (Table 3), post-hoc tests between pairs of samples was used to determine which pairs show significant differences (Table 4).

Table 4 Multiple Comparisons - variable „Education and training“

Dependent: Education and training	Multiple Comparisons z' values; Education and training (Hárok1 v TM - Statistica) Independent (grouping) variable : Size Kruskal-Wallis test: H ( 2, N= 150) =6,657834 p =,0358		
	1	2	3
	R:80,500	R:60,962	R:80,832
1		1,485319	0,027470
2	1,485319		<b>2,426382</b>
3	0,027470	<b>2,426382</b>	

  

Dependent: Education and training	Multiple Comparisons p values (2-tailed); Education and training (Hárok1 v TM - Statistica) Independent (grouping) variable : Size Kruskal-Wallis test: H ( 2, N= 150) =6,657834 p =,0358		
	1	2	3
	R:80,500	R:60,962	R:80,832
1		0,412378	1,000000
2	0,412378		<b>0,045751</b>
3	1,000000	<b>0,045751</b>	

The p-value smaller than 0.05 led us to the rejection of the null hypothesis. Multiple comparison revealed statistically significant differences in the variable “education and training for continuous update and development of employees' competences/capabilities” between medium-sized and big organizations.

Table 5 Kruskal-Wallis test – variable „Right people in the right jobs“

Dependent: Right people in the right jobs	Kruskal-Wallis ANOVA by Ranks.; Right people in the right jobs (Hárok1 v TM - Statistica) Independent (grouping) variable : Size Kruskal-Wallis test: H ( 2, N= 148) =9,725210 p =,0077			
	Code	Valid N	Sum of Ranks	Mean of Ranks
1	1	15	892,500	59,50000
2	2	40	2446,500	61,16250
3	3	93	7687,000	82,65591



Table 6 Multiple Comparisons - variable „Right people in the right jobs“

Multiple Comparisons z' values; Right people in the right jobs (Hárok1 v TM - Statistica) Independent (grouping) variable : Size Kruskal-Wallis test: H ( 2, N= 148) =9,725210 p =,0077			
Dependent: Right people in the right jobs	1	2	3
	R:59,500	R:61,163	R:82,656
1		0,128092	1,941350
2	0,128092		<b>2,651659</b>
3	1,941350	<b>2,651659</b>	
Multiple Comparisons p values (2-tailed); Right people in the right jobs (Hárok1 v TM - Statistica) Independent (grouping) variable : Size Kruskal-Wallis test: H ( 2, N= 148) =9,725210 p =,0077			
Dependent: Right people in the right jobs	1	2	3
	R:59,500	R:61,163	R:82,656
1		1,000000	0,156648
2	1,000000		<b>0,024029</b>
3	0,156648	<b>0,024029</b>	

Similar to the previous item in the variable „Right people in the right jobs“ have been revealed statistically significant differences between medium-sized and big organizations (Table 5 and Table 6).

Table 7 Kruskal-Wallis test – variable „Regular formal performance evaluation“

Kruskal-Wallis ANOVA by Ranks.; Regular formal performance evaluation (Hárok1 v TM - Statistica) Independent (grouping) variable : Size Kruskal-Wallis test: H ( 2, N= 149) =19,12245 p =,0001				
Dependent: Regular formal performance evaluation	Code	Valid N	Sum of Ranks	Mean of Ranks
1	1	15	897,000	59,80000
2	2	40	2159,000	53,97500
3	3	94	8119,000	86,37234

Table 8 Multiple Comparisons - variable „Regular formal performance evaluation“

Multiple Comparisons z' values; Regular formal performance evaluation (Hárok1 v TM - Statistica) Independent (grouping) variable : Size Kruskal-Wallis test: H ( 2, N= 149) =19,12245 p =,0001			
Dependent: Regular formal performance evaluation	1	2	3
	R:59,800	R:53,975	R:86,372
1		0,445802	2,214512
2	0,445802		<b>3,976516</b>
3	2,214512	<b>3,976516</b>	
Multiple Comparisons p values (2-tailed); Regular formal performance evaluation (Hárok1 v TM - Statistica) Independent (grouping) variable : Size Kruskal-Wallis test: H ( 2, N= 149) =19,12245 p =,0001			
Dependent: Regular formal performance evaluation	1	2	3
	R:59,800	R:53,975	R:86,372
1		1,000000	0,080381
2	1,000000		<b>0,000210</b>
3	0,080381	<b>0,000210</b>	

The Kruskal-Wallis test (p-value is less than  $\alpha = 0.05$  and subsequent post-hoc analysis revealed differences in medians between groups (specifically, medium-size and big organizations) (Tables 7 and 8). That is why we reject the null hypothesis and conclude the existence of statistically significant differences in carrying out formal performance appraisals on a regular basis (quarterly, biannually, annually) between organizations of different size.

## Conclusion

Through the analysis conducted, we found that the size of the organization has an impact on application of the processes and practices of talent management. Statistically significant differences were found in the area of (1) education and training for continuous update and development of employees' competences/capabilities, (2) deployment of staff (placing right people in the right jobs), and (3) execution of formal performance appraisals on a regular basis.

Apart from the size of the organization, the situation in healthcare is not ideal and may become critical. Healthcare employers pay very little attention to creation of policies that encourage career growth and development opportunities (confirmed by only 25% of affirmative answers in our survey), not to mention the career and development plans of employees where the situation is even worse. Regarding education and training, the situation is considerably better because 56% of respondents confirmed the implementation of training and development programs in their organizations. Filling key positions by highly qualified employees is not well controlled that indicates the prevalence of discordant responses (52%). Implementation of formal performance appraisals on a regular basis is greatly underestimated area since 59% of respondents disagreed with the statement. We think that without improvement of HRM and stepping up talent management implementation our hospitals and other healthcare organizations will struggle to keep valued employees. The massive outflow of skilled labor - especially physicians and nurses (to better paid positions in other countries), which we have witnessed in recent years, confirms our claim.

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