

The evaluation of the link between talent and potential of human resources

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Abstract

The term “talent”, assigned to distinctive employees was certainly the past years leitmotif. Nowadays, the organizations need performance and for this reason they turn their attention towards the instruments which help them discover and explore the potential in people. In a context in which the crisis affects directly the labor market and the employees are more and more afraid of the possibility of losing their jobs, the incertitude and the insecurity appear more often. Especially, in these times, the need for continuous feedback, particularly connected to the decisions taken by the management, to the results of the company, to the adopted strategy and the way in which it reflects itself in the employees’ activity, is felt by all employees, no matter their role or their position. In this article, I presented the personal profile of the successful manager and the execution stages with the related conclusions in an evaluation program for the potential of the human resources in a sales company.

Keywords

Human resources, potential analysis, leadership, feedback, performance evaluation

JEL Codes: M 12, M 51

Introduction

The economical context has lead to a significant decline of the positions opened on the labor market, in parallel with the reorganization which a lot of organizations were forced to do. The consequences never stopped to appear, in the way that, at the present time, there are a lot of experienced candidates, who worked in managerial positions and who are searching for jobs. Some organizations froze the hiring, and the ones with positions opened for recruitment, concentrate on abilities, multiple competences and expertise proven in a certain field. On the labor market, this fact means that those candidates who possess abilities and proven expertise are the most wanted. In what regards me, because of the field I work in, that is to say University education but also because of the numerous collaborations with companies from the financial-banking field, what I did, do and probably will do in the future is to study people’s behavior that are successful, and also people’s behavior that haven’t reached success yet. An important element in such research process is to highlight the undertaken actions, the path taken by the successful employees. This kind of information can be considered as a reference point to success for the employees less successful. The potential can be regarded in this way: it starts from the premise that each person has potential.¹ Somehow, during life, some individuals succeed to develop it, and some do not. If a person is labeled as a potential possessor, a company can easily realize if it is necessary and

¹ Jeffrey, A.M. (2008) *Strategic Human Resources Management*, Publishing House South-Western, College, p 81

especially useful to invest in him. Having this information about an employee, an organization knows on what position to promote him, how it can help him develop himself and what is the apogee for him to reach. Moving from “potential” to “talent”, I would like to make some specifications concerning this term, too. There are people, for example, sportsmen or artists that possess some developed abilities and can reach performance in a field, about who, we say they have talent. Personally, I don’t believe we are all “talents”. It is for this reason I don’t believe in the phrase “the war for talents”.² I’d rather consider that the great companies which respect themselves need efficient managers, well trained and qualified specialists. To continue this idea I will add a specification regarding the behavior of employees considered talents. There are companies, known on the market as being competitive, that form inside a centre of ambitious employees. The ones who wish to work in this kind of organizations are guided by the wish of building a successful career, a social status and earning a lot of money. This type of employees shows in some cases a special behavior, adequate to stars and makes difficult the managers’ activity. Although, it is not the attitude that confirms their performance, but the fact that those employees are competitive and well trained. If an employee wishes to have success in what he does, he must know that this objective can not be accomplished only on what he does in the company. It requires the effort of those with who he interacts, leadership abilities for a project and the capacity to motivate the ones around him. There is also a trap in which the employees with special results can fall, the moment when they announce their results bragging. On other side, there is no rule that the most ambitious employees to have the highest potential degree.

The manager’s personal profile

The department of human resources in a company, generally tends, to balance as a role between two extremes very often met and namely: operational role and strategic role. But the financial crisis which takes place in this moment globally and which expresses in Romania too, makes that this the perfect moment for the role of the department of human resources to grow, becoming a strategic partner in solving problems connected to the crisis and in planning objectives at an organization level.

The least cited concept in the national management of the human resources, the inside communication, is in fact one of the most important and defines the sum of all means and ways of communication used in a company. Even though a lot of people consider it as single directed, the inside communication presents in fact two types of orientations: vertically between top management and the great mass of employees and horizontally between departments or entities in collaboration and not in subordination. In this context of development of inside communication in a company which should stimulate development of the potential of human resources, in agreement with Rosemary Harrison³ (2009), I suggest the development of programs for the employees and their families, which should emphasize on the encouragement of the “open doors” politics, the constant feedback, at any organizational level in order to create efficient communication paths leading to a relaxed atmosphere at work.

2010 will be the year when the management of employees’ performance will be done progressively, and the mechanisms of compensation according to performances have a strategic importance. On their basis, the organizational structure will be remodeled to range the best the business needs. Therefore, the compensation plan and the financial results that are deeply connected to the manager’s personal profile will stand as a foundation for the

² Effron, M., Gandossy, R., Goldsmith M. (2009), *Human Resources in the 21-st Century*, Publishing House Wiley, New York, p 25

³ Harrison, R. (2009), *Learning and Development*, Publishing house CIPD, Fifth Edition, Edinburgh, p.76

performance analysis of the employees, being the key-indicator for the succeeding development in the company.

Through the manager's personal profile we understand a complex preparation and theoretical-professional forming process performed by him beforehand in his pre-managerial life. The theoretical training and the educational forming include four general action fields, more exactly: educational-social training, general-cultural training, special professional training and additional professional training. Not only is the theoretical training important in the formation of the manager's final profile but also the practical-applicative. That social environment at the begging of the managerial activity and the professional practice fulfilled by the manager, completes his leader personality. This accomplishment of the manager's professional profile by practical-applicative training can be achieved through: companies, for which the manager has worked, projects drawn by the manager, following the execution of the works designed personally or by others and the various experiences of chief-manager (project manager, lecturer, head office, departmental head, etc). A good superior manager can only be the professional-specialist, possessing managerial knowledge, acquired or innate, as shown also in Figure 1. The two sides have to coexist, and as the company develops or the manager's position increases the managerial ladder, the use of professional knowledge leaves space for the managerial one.

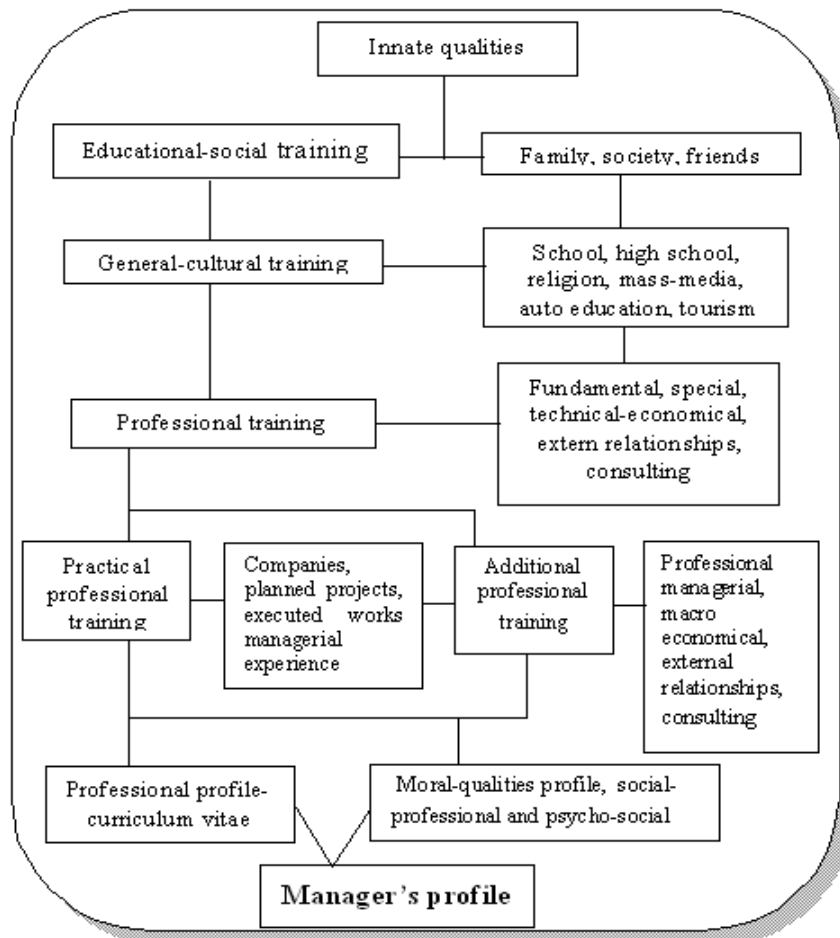


Figure. 1. The manager's professional profile

Source: N. Postavaru, C. Andrei (2006) The Management of Human Resources, Publishing House Matrix Rom, Bucharest, p. 60

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The professional profile of a manager is a complex notion, resulted from the symbiosis of the professional and practical training with its moral-psychological characteristics (which appear mostly, as a result of the education received in family, school, society, friends, media factors), as well as self-training and innate features of the individual. It follows that the successful manager has a specific profile, which, in order to be known, has to be extensively studied, and in order to be formed, it has to be well polished on each side, sides that are plenty and about which, it's hard to tell when they got clean and polished enough.

Generally, it's hard to know when managerial training finishes, but when it starts, namely and the most receptive age - the childhood - because then, all the information is new. That's why, throughout his forming and affirmation, the manager has to prove that he has a certain "spine", meaning he can handle problems that can appear within the company or during life. These are the ideal managers, that any field of activity needs, which can create or organize stable companies, solid, viable on long term, companies that have to have as purpose the quality, the efficiency and the profit. These objectives can be realized only by theoretically and practically well trained managers, with professional experience, and superior moral-psychic characteristics. So, the manager's professional profile has to be looked at in every aspect, because he is not only a professional, but also a very good organizer, leader, economist grounded in social-economical realities of the present economical life.

Execution stages of evaluation program of human resources potential

A first condition in evaluating the potential of an employee is that that he has to accomplish his task successfully. On the other side, it is also important how he does it, namely: relaxed, without a high stress level, surpassing his objectives on a longer period of time. Evaluating the potential of human resources is an important stage in performance management, which has to represent a priority for any successful organization. Implementing a performance management system with a constant support from the top management has to include several stages⁴, namely: setting goals- where we want to get to and what instruments are necessary; checking the implications of this kind of system upon the processes carried out in the company, but also upon the employees; establishing a communication and acceptance plan of the new concept by those upon whom the impact is direct; effective implementation. Developing a performance evaluating system has as principal purpose obtaining a unitary system in which the performance and the achievement of every employee have to be periodically evaluated.

In the following I will present a sustainable sales counseling draft where I participated and that I have recently implemented. The proposed innovative concept consisted of three basic

⁴ Marchington M., Wilkinson A, (2009), Human Resource Management at Work, Publishing House CIPD, Edinburgh, p. 121

overlapping elements: estimating the potential by online surveys, individual coaching and training. The client for whom we realized this program was a sales company from Germany. At the bottom of the proposed solution was an ethical concept of the sustainable sales advising, namely: a long term relationship with the client, with gaining opportunities for both parties. The project has taken place during three months, between July-August, 2009. First, the company's administrators have selected the groups of sales employees, according to their professional knowledge (new hired sales agents and experimented sales agents); 12 in each group. Later, a potential analysis with PC PEP⁵ support of the IMDE Company from Switzerland was realized. Evaluation software of potential PEP is an instrument which helped us to make the difference between efficient employees and the less efficient ones. One of the persons responsible for the program has individual discussed and supported coaching sessions with each of the selected employees. The groups' evaluation has taken place and the results have been discussed with the sales managers and with the company's administrators. According to drawn profiles (strengths and weaknesses), a sales training with specialists from a profile company from Stuttgart was conceived and later executed (4-5 days with each group). Next step was the participants neutral and anonymous questioning about the quality of the coaching and training. Following data collection, the following information was highlighted: 80% of the participants agreed with coaching; 90% began to have different attitudes in clients' relationship; the training quality was positively evaluated by 95% of the participants.

In order to measure the ability of attracting, developing and keeping exceptional perfectionists within the company, as to orient it towards results with strong brands and motivated employees, the next program stage was implemented, namely a survey designed to assess whether the employees are satisfied with the various dimensions underlying organizational culture: communication, job& carrier, manager's quality, working environment, remuneration and benefits' system. To each dimension has corresponded a question set and each employee received a copy to fill in -having the possibility to remain anonymous, exactly for encouraging feedback providing, uninfluenced by any kind of pressures or external factors. The results were collected from all employees and an analysis upon every aspect corresponding to the organization's culture was made through the employees' point of view. General analysis has enabled the provision of detailed reports, be it deducted on departments, be it on the type of position occupied within the organization. Compiled feedback at the end of the survey was shared to the employees, who were invited to participate to free discussions within focus-groups through which they have once again the possibility to express their opinion towards the actions that the company has to perform in order to increase the competitiveness and productivity corroborated with the employees' satisfaction increasing level, referring to dimensions evaluated through survey. With the employees' help and as a result of these discussions within the focus-groups, action plans which especially concerned the aspects with a lower satisfaction level were created. The plans were later communicated to the entire organization, following that the organization to periodically use all available communication channels in order to present the stage of their implementation.

Conclusions

After a period of three months, the success factors were measured again through the help of the potential analysis with PC PEP support. Among the changes observed inside the company at the end of the past year and the begging of this year, there can be mentioned:

⁵ PC PEP is an evaluating software program of human resources' potential created by IMDE company from Switzerland

- The significant improvement of values in all main dimensions (resilience, motivation, work organization, behavior in relation with clients, leading the discussion concerning sale, training), two points on average on a basic scale of six points.
 - Compared to the results of the first analysis of potential, when 10 employees were “low performer” and two were top sales consultants, the result of the second one, made at the end of the last year, after the sales agents received individual coaching and training, was one “low performer” and 11 top sellers.
 - Regarding the participants’ sales figures, they have increased in the second half of the year 2009 with about 5% compared to the average of other sales agents from similar companies.
- In future, a real battle on the corporate battle field is expected. The stake will be to attract and maintain the new generation. For the new companies, it becomes increasingly challenging to succeed to keep up with the needs and expectations of potential employees’ generation, born after 1978, the Y Generation or the “Millenials”. Precisely why, organizational culture has to be seen as a part of the business success, its efficient management being able to quickly impel business results. In the current context and in accordance with the scenario imposed by those who are to become employees in the near future, the human resources department within the companies has to become more flexible in addressing the various needs of a multi-generational workforce.

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