# Talent Management: Generalized Approach for IT Industry in Russia

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**Abstract.** This paper analyzes and develops the methods from *talent management* methodology in IT consulting in Russia. The study discusses relevant definitions of talent management concept and models. We address the gap between theoretical research in this field and the practical aspects of its implementation in various industries. Here, a generalized approach to talent management cycle and instruments is proposed based on the previous research. Taking into account the peculiarities of Russian IT consulting companies, we analyze modern tools to expand and structure the model. The level of compliance between the low and high levels in talent management systems is verified through a series of interviews and further analysis of collected data.

**Keywords:** intellectual capital, talent management, BPM, IT consulting management, strategic management.

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## 1 Introduction

The key term of the study is "talent management", which is widely applied nowadays. This term covers methods for recruitment, screening, training, development of the strategically valuable employee, assessment, reward, career development, and organizational culture development. Talent management is often considered in terms of human resource management or organization governance [1,2]. However, such problems as talent detection, performant 'headhunting', recruitment, development processes start to gather interest in current research [3].

Studies of the last decades [4,5,6,7], including most recent work [3,8], mainly focus on the theoretical framework for talent management systems. A significant body of literature proposing guidelines is dated before 2015. It is a common approach (e.g., [9,10]) to suggest general talent management models without taking into account the industry-specific features. Many popular and effective human management instruments, like gamification or retraining, were adopted in particular contexts [11] but should be considered as talent management system tools.

Modern demographic and economic globalization trends, when coupled with Industry 4.0, lead to the extremely high speed of new skills and specialities appearance. Nowadays, the probability of required expert deficiency is high [12]: the attempt to find a specialist in the market might end in failure because that specialist might do not exist yet. The growing trend of robotization and automation leads to new requirements for the labour market [13,14,15]. Qualities as cognitive flexibility, creativity, and emotional intelligence, become more significant as the routine workload being delegated to information systems. As a result, it is crucial

not only to hire and retain people on defined positions but motivate them for proactive work and development.

Another aspect of the mentioned works is a high level of generalization and broad audience targeting. Consequently, they do not reflect the specifics of the Russian business environment. Vice versa, Russian often go into details presenting their results in this field [16,17]. Thus, there is a lack of practical talent management studies with Russian economy traits consideration. Russia has excellent potential for the adoption of new management methodologies [18]. Among other industries, IT-consulting is suitable for advanced management techniques for many reasons [19]. For example, this industry is characterized by a modern management style and infrastructure and has a high competition level. Besides, the IT industry exhibits an intensive development of automation and higher organizational flexibility that often leads to the growth of the critical staff importance [20].

Throughout this study, we aim to identify a proper level of abstraction in the talent management theory. We analyze the techniques presented in a universal and cross-functional talent management framework [9,10,21,22]. To balance it out, we follow the trend to consider the unique features of certain field or organization and other conditions that may influence the talent definition and the set of potential human management tools [3,8]. From our perspective, the talent management system formalization for Russia IT consulting is not clearly established, which motivates the current paper.

## 1.1 Talent management concept

The idea that talent pool quality influences the organization's effectiveness was the first emerged in the seventies of the twentieth century [23]. Later, the rise of the need for human resource management has led to the birth of a new term for talent management based on the

mentioned idea [24,25]. In the 2000th, the term "war for talents" appeared [26]. It is usually referred to as it brings to light the shortage of experts and defines the rivalry on the market for the most qualified employees.

The popularity of the term caused the loss in its meaning and complication of talent management formalization. This problem was mentioned with the birth of the term [4,7,27] and remains valid to the modern days [28]. Another notable trend is the "focus transition" in talent management definition: from a description of a number of practices [4,5,6,7] to a definition of what the talent means for the system [3,8]. Besides, a common mistake is to use "talent management" as a synonym for "human resource management". However, the latter is aimed at all employees, whereas the former is about just strategic attractive people [3].

Practical study of the topic is reflected in the handbooks [9,10] completed with information of modern researches [11,21,22]. The most popular talent management system vision contains four steps: attract, retain, develop, reward [28]. Handbooks' models are usually more detailed and include explicit analysis steps [9,10].

In this study, we will not appropriate one definition of the talent management model but formalize the own one. Talent definition could be described as a tight definition for a particular field [3] or, in contrast, as a total human capital [3]. This study keeps to the intermediate version given in the "What is talent?: Leader to leader" study [29] that defines talent by the special model described in this study. To conclude, there is a great need for talent management systems for modern organizations. As it was discussed above, there is a gap in practical knowledge of these systems. Furthermore, there is a trend to formalize the talent management system in a nuanced way with the consideration of certain field features.

The present research aims to formalize the talent management model for Russian IT-consulting. In order to achieve the set goal, several tasks are made. First, the talent management system is formulated based on a literature study. Second, the analysis of human resource management and related areas tools expands the model. Third, the model is modified to meet the Russian IT-consulting features. Fourth, the match value of low and high levels of modern talent management models in Russian IT-consulting is studied.

## 2 Methods and results: advanced talent management

### 2.1 Model formalization

The current research applies a universal approach to model formalization because the analysis is taken not for a defined organization but the field in general [8]. Here, we investigate practical aspects of talent management, so model identification primarily based on the practical studies extending theoretical ones. In various handbooks, talent management is interpreted differently. Frequently, the object of control is one of the central differences. It could be the internal human resource management or HR activities.

As an example of internal talent management, the model from "The Talent Management Handbook" [9] is taken. The system proposed ensures continuity in human processes and provides an organization's strategic goals achievement. According to the mentioned book, in order to create a talent management model, four steps are needed. First, assessment tools and scales are developed for employees' categorization. Second, training tools for each category are developed. The third stage is the assessment of employees using the developed scale. The final step is a devised action report for human management.

The talent management system could be divided into two blocks [9]: design and realization. The last one contains six steps: preplanning is for determination pivotal characters,

employees' assessment, one-to-one discussions with employees, group meetings to consider passing results, assessment by CEO, and final overview of talent pool [30].

Even though the talent management system is a management tool, it is important to include HR processes here. They could be classified into two types: strategic HR and administrative HR [10]. The former influences business goals achievement, organization, and performance indicators growth. Therefore, strategic HR is one of the ways to provide a business advantage, which is the reason to include HR talent management in the study.

Together with an HR talent management, another model from the "Commonsense talent management" handbook was considered [10]. The given system includes two necessary steps: "balancing internal versus external hiring" and "workforce planning and job design".

In order to form the talent management system, the two systems mentioned above are used. This allows considering a wide object area, including HR processes and internal management. As a basis for modification, one of the most popular talent management models was taken, which includes four steps: attract, retain, develop, reward [28].

First, the planning step should be included in the system since it is mentioned in both HR and internal management models. Second, the assessment step is necessary to form a general overview of the existing talent pool. Third, retain step is not entirely correct in the study context, because this process represents administrative HR while developing talent management system considers strategic HR. Fourth, "reward" is better to use as an instrument instead of the system step, so it should be removed. Overall, the final talent management model contains four steps: planning, assessment, develop, attract (see **Fig. 1**).  It is essential to mention that the last two steps should not be linear: develop and attract steps could be started as parallel, not exclusive processes.

**Fig. 1.** Proposed talent management model: high level.

It is important to identify what is considered as a talent in the model. There is a lot of different views on this topic. Some authors claim that the talent term has lost its meaning [27]. As a solution to the problem, the authors propose to reject common words and describe talent through real designations. In this paper, talent-term is not refused but described with the concept from «The Meaning of Competence, Commitment, and Contribution in Talent Definition» article [8]. According to this work, a talented employee could be defined by three components: competence, contribution, commitment, taking into account the time aspect.

The main idea of talent management is a long-term human resource planning [23]. In addition, the last three model steps (assessment, develop, attract) could be considered as an applicative realization of tools developed at the planning step. Subsequently, the planning step is the foundation of the model.

Different variations of the planning are mentioned in both talent management models considered above. However, various planning tasks have different aim what forces to structure that step. Overall, planning tasks were grouped into the following steps: strategy, analysis, preparation (see

**Fig. 2**). Strategy step describes an organization's mission and goals. Analysis step includes HR actions: critical business-drivers execution and definition of the HR-strategy. The preparation step is a transition stage for the practical model steps. It includes the following tasks:

definition of necessary resources for HR-strategy, development of assessment scales, the definition of development and attraction tools, and determine responsible people for each model step.
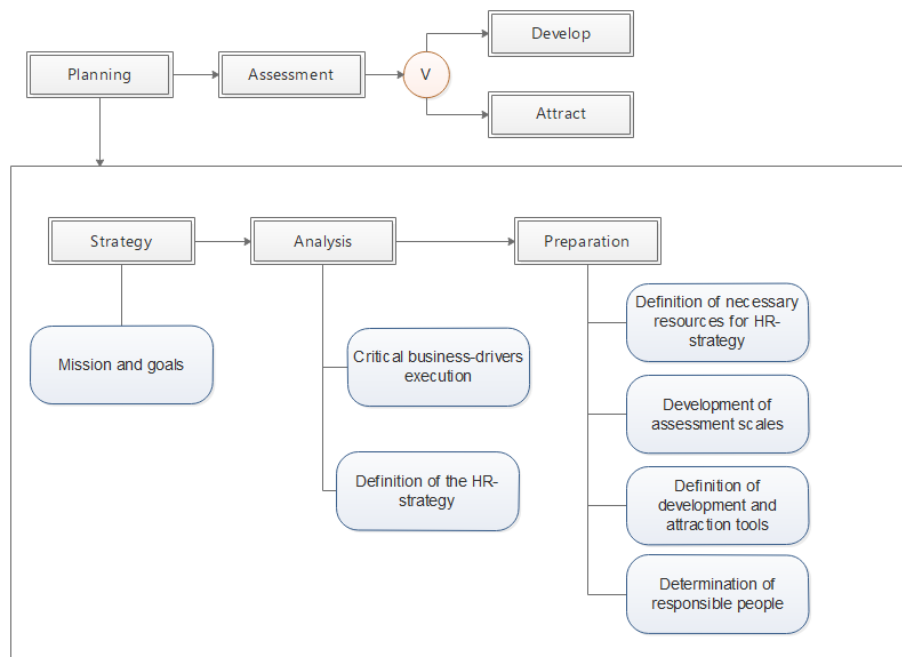


**Fig. 2.** Talent management model.

## 2.2 Model tools

Due to the fact that the last three model steps (assessment, develop, attract) are an applicative realization of tools developed at the planning step, it is enough to describe and image tools just for the planning step. The analysis step determines HR-strategy of the organization. The basis of the analysis step is the organizational strategy.

Depending on the strategy, the organization aims to complete different tasks and develop several fields. In order to describe the business status and identify the key fields to study, the model of six critical business-drivers is used [10]. HR methods could be classified in the 4Rs

model. Value of each of the four processes depends on which drivers are critical for the present situation. A tool for identification HR strategy by key business-drivers is given in the handbook [10].

Besides the strategy for key-drivers study, the level of maturity should be considered. Lifecycles of the organization are seen in terms of a person's ones [31]. For example, the "birth" stage has problems with the setting of the work, so the critical driver is "alignment". There is another way of organization maturity description [32], but the idea is rather similar. Complementing organization maturity, it is crucial to consider HR-processes maturity. For managing different HR-strategies from 4Rs model, there are many tools, so they should be classified. In order to determinate the HR-maturity level, the tool from handbook could be used [10].

Another significant factor for talent management is the analysis of the organizational structure [32]. In some books, that aspect is considered as an internal factor that influences the talent definition. However, on the analysis step of the talent management model, that factor should be studied for appropriate implementation of the talent management system. In this case, the tool of six integration points could be used [10].

The task of development of assessment scales based on previous analysis step and the organization's conception of the talent [31]. Multistep action system from the internal talent management assessment [9] could be used as a tool for this task. However, it should be complete with HR assessment tools such as candidate interviewing [10]. Another modern tool is the digital intelligence system [34] that could indicate the behavioural profile of the employee and correct the management instruments based on the outcome.

Development tools include the ones from both internal [9,22] and HR systems [21,22]. Overall, the tools could be grouped by the type of resources required for their realization: internal learning, external learning, training between employees, unsociable hours development, online-learning, comfort business environment, employee motivation. Attraction tools include HR instruments [10]. They should be completed with gamification [11] and digital intelligence [34] tools from other tasks.

The definition of necessary resources for HR-strategy task is based on the strategy and analysis steps results [10]. Also, the organizations should consider the organizational environment to estimate what extent talent management system is needed and how much resources should be committed. Also, the organization should analyze its financial health to understand the size of possible resources cost. In this task, the economic tools for assessing the cost of work and tools for analyzing the strategic benefits of the system are used. The final model with tools description is given in the Fig. 3.

## 3 Case study: Russian IT consulting industry

### 3.1 Model modification in the context of Russian IT-consulting

The central aspect of the talent management system is the way of determining talent. Since there is no universal definition of talent in Russian IT consulting, organizations determine the talent based on their strategy and corporate vision [19]. The consideration of different talent definitions given in various organizations [19] find out the typical talent management problem of mistaken substitution of the talent management system term for human resource management. In some organizations, the talent definition is blurred, or the talent management tools are used for all human resource capital [19].

Furthermore, in most cases, IT-environment influences talent determination. That fact makes a change in the analysis step of the model. HR-strategy is based on critical business-drivers.

Another modification of the model refers to attract task of the preparation step. Lots of IT-organizations believe the tool of attracting young talents (students or new grades) is one of the most effective. Therefore, that tool should be included in the tools block of the attract task of the preparation step. Furthermore, some tools are added in the development of assessment scales task.

In addition, there is one non-graphical but still substantial modification. The block of motivation instruments for the development task of the preparation step could be updated with some popular in IT area tools such as grades system or capability to manage the project. The final model for Russian IT-consulting is given in **Fig. 4**.

## 3.2 Matching between low and high levels of modern talent management models in Russian IT-consulting

While the IT-area studying, one aspect was noticed. Most organizations do not assess the effectiveness of their talent management model [19]. Within the framework of formalized in this study model, the most problematic stage is the development task of the preparation step. There is a risk of people's dissatisfaction of using tools, which reduce the effectiveness of these tools. As a result, the effectiveness of the talented employees' group could reduce, which consequently reduces the employees' department effectiveness and influence the general system. Thus, the absence of the assessment of the talent management system's effectiveness could lead to unmatching between low and high system's levels.

A hypothesis of the research is whether the actual employees' attitude to development tools matching organizational strategy vector and tasks.

Four different stages of talent management maturity through the four organizations were considered. For each company, the analysis of the internal documents identified the strategic tasks. Employees attitude was studied by questionnaire survey. Categorical variables are studied by graphical analysis. The collected data is statistically significant.

As a result, in two organizations with mature talent management systems, the low and high levels are matching, whereas, in the other two immature systems, the levels are not matching. Consequently, the hypothesis is denied. However, another valuable conclusion could be made. There is a correlation between levels matching and system's maturity. It is hard to value which of the factors that influence another. That fact accentuates the importance of feedback from employees about using development tools.
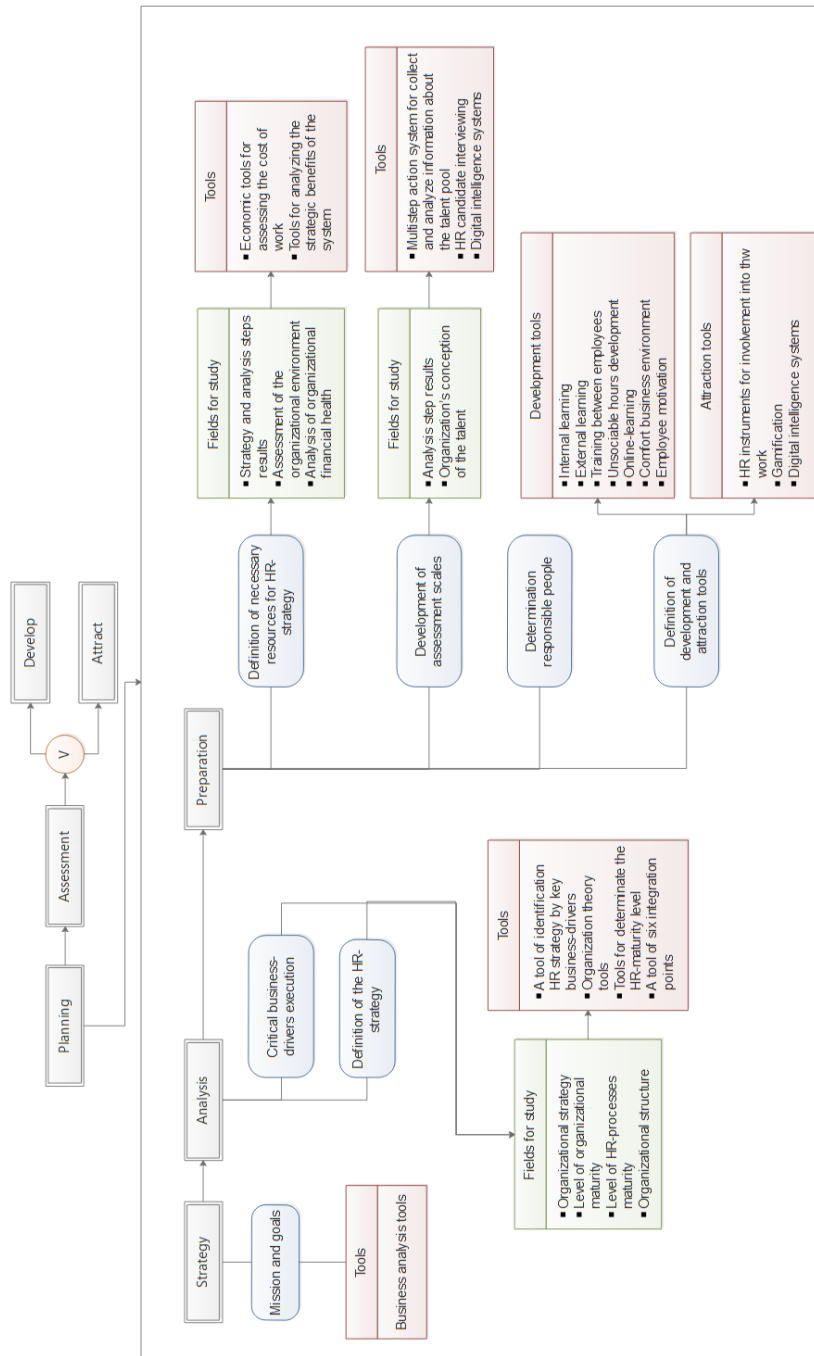
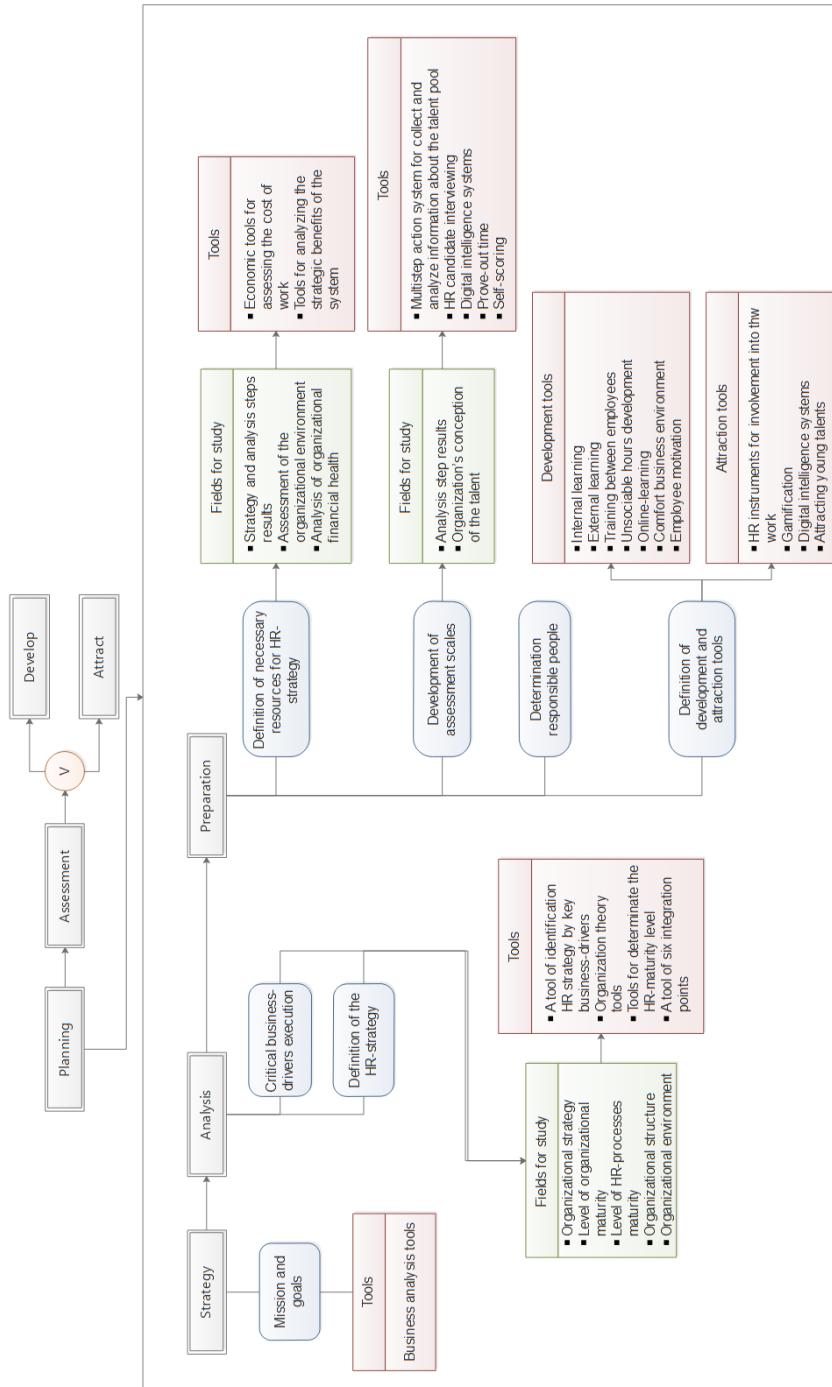**Fig. 3.** Talent management system with tools description

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**Fig. 4.** Talent management system for Russian IT-consulting

**4    Conclusion**

There is an extremely high speed of new skills and specialities appearance nowadays [35]. Current world conditions make organizations focus not just on hiring people but on the managing and developing processes. There are lots of research papers studying the talent management concept. Most of them consider it from a theoretical point [3,4,5,6,7,8]. Practical studies usually describe talent management systems in general without taking into account industry features [9,10]. However, the trend is to formalize the talent management models for a specific industry or organization [3,8]. On the other hand, the components of efficiency and KPI-es are different for various organizations, so the over-structured model wouldn't be usable for the industry.

The model proposed in this study has, from our perspective, an appropriate level of abstraction. On the one hand, the given talent management system considers Russian IT industry features such as appropriate management tools or industry factors influence the model steps. On the other hand, model steps allow modifying a final set of actions with the organization's strategy and status.

The model of talent management was formalized based on the theoretical and handbook literature review and case studies. The model steps and tasks are extended with the analysis of talent management tools. IT area study reveals a set of problems and features. Final talent management model includes IT features what allows to use in practice. The problem of modern IT area was considered and analyzed. Unfortunately, the stated hypothesis was denied. Anyway, the study of the problem affords to make another value conclusion.

As a future reference, the Russian case analysis could be augmented. This study considers just four organizations due to resources limitations. The expanded analysis could facilitate finding new IT industry features and include them in the model.

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