

## **TALENT MANAGEMENT POLICIES IN ORGANIZATIONS - A REQUIREMENT TO ENSURE THE COMPETITIVENESS OF THE LABOUR MARKET**

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### ***Abstract***

*This paper presents the opportunity to investigate more views on talent management policies, as well as the prospects for their development on the labor market in the Republic of Moldova. With the aim of carrying out the respective research, the specialized literature was analyzed, regarding the definition and classification of talent management policies. At the same time, in order to identify the existence / non-existence of policies on the labor market, some normative acts were analyzed, as well as policies and practices at the level of organizations. The results of the study show that on the labor market in the Republic of Moldova are not developed public policies in the field of talent management, and the solution would be to legislate them, with subsequent transposition at the level of organizations, both public and private.*

**Keywords:** *talent management, policies, talent management policies, labor market.*

**Clasificare JEL:** *M12*

### **1. Introduction and context of the study**

Problems related to the implementation and development of efficient human resources management, namely that the HR function, responsible for developing and implementing effective personnel strategies and policies, performs only some operational activities related to human resources management, as well as large-scale international migration of the local workforce that has led to a shortage of human resources by different occupations and / or skill levels, which raises even more problems that HR specialists and, obviously, organizations will face [5, p. 12], are, in our opinion, just as stringent at the moment.

According to the study “Labor market forecast for 2021 from the perspective of employers” prepared by the Labor Market Observatory of the Republic of Moldova, more than a quarter of employers (respondents) reported employment difficulties, and the vast majority of these difficulties were due to lack labor force, which is an obstacle to their work. The main reasons mentioned by the employers behind the labor shortage are the lack of experienced qualified staff, the low number of applicants and the impossibility of providing a necessary salary. [15, p.19].

At the same time, according to that forecast, the economic shock caused by the COVID-19 virus will have a negative impact on the labor market and will continue to lead to a medium-term increase in the economically inactive population, which will exacerbate the labor shortage problem after the period of economic recovery.

In this conjuncture, the development of efficient and active labor market policies is a priority for the Republic of Moldova.

In the context of labor market policy development, one of the directions in the "Roadmap" for the Republic of Moldova is the development of talent management policies, and talent management, globally, being considered the key to business success [19] and applies at organizations through effective selection policies, strategies and programs, increasing the level of employee engagement through the evaluation and development of team members. [6, p. 110]

Thus, the purpose of this research is to make an analysis and evaluation of the current situation regarding talent management policies in the Republic of Moldova, as well as to submit proposals for their development, both at the level of public policies and at the organizational level.

In order to accomplish the present research, a multitude of qualitative and quantitative methods have been used, such as: documentary analysis; induction and deduction; systemic analysis, historiographic method; comparative method and statistical analysis.

## **2. Talent management policies**

If initially it were talking about the war for talent between organizations, which has been much researched and written about, today we see countries, not just companies, involved in this competition. This statement was mentioned in The Global Talent Competitiveness Index 2013, according to which, in an attempt to stop the flow of talent, due to the growing demand for talent, together with a global connectivity and a mobility of much increased talent, highly mobile workforce looking for employment opportunities outside their home country, there were more and more countries that took action, be it regulations, policy changes or incentives, to better attract and retain talent in-country. [10, p. 9]

Thus, starting from the above, we can mention that in the context of a global war for talent, which initially existed between companies, some countries reacted positively and took action to develop effective policies in the field of talent management, stimulating respectively, developing talent management policies at the organizational level.

So, in our opinion, the problem of developing talent management policies can be treated under two aspects, namely:

- development of policies at the level of organizations;
- development of policies at state level (public policies).

According to the authors Profiroiu M., Iorga E., a public policy would represent a set of measures taken by a legal and responsible authority aimed at improving the living conditions of citizens or designing measures to stimulate economic growth [13, p. 17]. By analogy, we can mention that the policy at the organizational level would also represent a set of measures, but taken by its governing body aimed at improving conditions or designing measures to stimulate economic growth at the organizational level.

The development of public policies in the field of talent management involves the respective state authorities with responsibilities for policy development, and their impact is one at the national level going down to the level of organizations. While, the development of talent management policies in organizations takes place, however, at the decision of its governing body, having applicability only within that organization.

At the same time, those policies are not independent, and the development of some can lead to the development of others.

It should be noted that if in the private sector any organization can develop and implement any kind of personnel policies, including talent management policies, and they are in accordance with the legislation in force, then in the public domain (eg. in the field of

public administration) that freedom is more restricted, because there are normative acts that emphasize uniformity rather than flexibility.

In an attempt to define the policy of talent management, by analogy with the policy of human resource management, defined and described by Armstrong M. [1, p. 264], we can mention that talent management policies represent and incorporate the principles that a particular organization intends to apply in the process of talent management. This policy defines the organization's philosophy in relation to employees, especially talent, and, based on it, forms the methods that managers must use when dealing with talent management issues. Therefore, talent management policy is a key factor in developing practical methods of talent management and talent decision-making, helping to define "how it is done here".

Talent management policies, along with those in the field of human resources, represent a current and particularly important key issue, necessary to ensure the competitiveness and success of any organization, and the lack of such policies with clear, concrete objectives, with a basis legal and real or the promotion of false, inadequate and uncovered policies in the results obtained, cannot be prerequisites for ensuring the competitiveness and success of an organization.

The policies adopted by an organization are general statements or agreements that guide thinking and action in decision making specific to different areas of its activity. This fact starts from the concern of the organization's management regarding the talents that require the specification of some basic rules, of some attitudes towards these talents on the basis of which the decisions are made. This set of rules and attitudes is the organization's policy in the field of talent management.

The talent management policy ensures the application of a consistent approach that aligns with corporate values throughout the organization when addressing issues related to talent management. It creates structures in which consistent decisions are made and maintains equality in the treatment of talent. Because it determines the order of managers' actions in specific circumstances, it promotes decentralization and delegation of authority. It not only has to fit in with the corporate culture, but it can shape it.

Thus, in order to optimize an organization's ability to achieve sustained excellence, it must recognize the need for proactive talent management and have a systematic way of doing business. However, before embarking on a systematic approach to talent management, it is important to understand the objectives of proactive talent management. And once an organization is committed to excellence, it will need a carefully constructed human resources process that makes a connection to the basics of human resource planning and then joins them in strategies, policies and action plans. In addition, the process must be easy to understand, credible, cost-effective and efficient over time. [4, p.3-4]

In the context of assessing the current situation regarding the public policies for talent management on the labor market, initially, reference was made to the aspects found in the 2018 study. [6]

In this regard, we mention that the content of the National Development Strategy "Moldova 2030", which in 2018 is being developed, has not undergone any changes regarding policy proposals with an impact on "talent" or "talent management". Moreover, the National Development Strategy "Moldova 2030" has so far not been adopted at the level of law, being approved by the Government of the Republic of Moldova and submitted to the Parliament for approval and adoption. [8]

As the National Development Strategy "Moldova 2030" is a strategic vision document, which indicates the direction of development of the country and society for the next decade, it is, in our opinion, absolutely necessary that it contain the full range of elements that define talent management, or at least: Attracting, Developing and Retaining "talents".

Thus, the Strategy will serve as the legal basis for talent management policies that will later be developed in public policy documents, subsequently transposed at the level of organizations, both public and private. Also, being possible, a premise for the elaboration of a “Talent Management Strategy 2021-2025”.

At the same time, in the absence of an evaluation based on a directly addressed questionnaire on the existence and application of talent management policies at the level of organizations, was made an analysis of open and existing sources on the Internet.

Thus, analyzing certain sources, it was found that despite the existence and application of personnel policies or human resources policies, so named depending on the organizations that approved them, at the level of these organizations do not have a separate talent management policy, there are no talent management policies in human resources (or personnel) policies, moreover, in these policies has not been identified the word “talent” or, “talent” is the key word in the implementation of talent management.

For example, can serve: The human resources policy of the State University of Medicine and Pharmacy "Nicolae Testemitanu" in the period 2020-2025 [16]; Personnel policy strategy at the State University of Moldova [18]; The strategy on public administration reform for the years 2016-2020 [9] which is focused on 5 components, one of which is - human resources management.

However, some proposals have also been identified which, in our opinion, would later serve as a basis for the development of talent management policies, such as:

- maintaining a "talent bank" [17] and
- the implementation in the public authorities of some programs of development of talents / managerial succession in order to prepare the civil servants with potential to be promoted in position.[12]

At the same time, in order to propose and develop talent management policies, were analyzed the trends and practices of some countries that are in the top 10 regarding talent management, thus identifying the fact of legislating talent management development policies, which include key priority areas to promote a more reasonable talent structure, the cultivation of certain major categories of talent, inclusion, diversity, etc.

For example, in 2017 the European Union's Directorate-General for Human Resources and Security implemented the strategic framework established for 2017-2020 in order to strengthen the Commission's performance through its people, thus developing the “HR performance framework for talent management and organizational development”. [7]

By implementing the new Talent Management Strategy, the aim was to create an informed, qualified, flexible and networked organization through:

- focus on managerial excellence;
- favoring staff development;
- consolidating staff performance;
- managing career expectations;
- contributing to the strengthening of collaboration skills.

As well, the Plan as having to ensure the best possible match between staff skills and service needs in order to have the "right person, in the right job at the right time" or, it probably characterizes the "talent".

Subsequently, these pillars, which in our opinion can also be considered directions for the development of talent management policies, were subjected to reformulations, being finally the following:

- Managerial excellence;
- Recruitment & Performance;
- Learning & Development;
- Careers;
- Diversity & Inclusion.[11, p.7-11]

The development of the policy of managerial excellence results from the main role that managers play when it comes to the effective realization of the political priorities of the organization. They ensure the delivery of results by translating the political vision into concrete, operational objectives. It is necessary to provide them with additional tools and feedback mechanisms to excel and to continue to grow in their role as effective, mobile and balanced managers. In addition to a very diverse offer of management courses, a specific external management development programme and dedicated conferences, presentations and similar events, coaching is part of the management development tools used at all levels [11, p.7].

According to Armstrong M. attraction policies lead to programmes for external resourcing (recruitment and selection of people from outside the organization), and retention policies are designed to ensure that people remain as committed members of the organization. The outcome of these policies is a talent flow which creates and maintains the talent pool [2, p.206].

At the same time, he mentions that learning and development policies are key components of talent management. They aim to ensure that talent 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.[3, p.267] But, career policies is about providing opportunities for people to develop their abilities and their careers in order to ensure that the organization has the flow of talent it needs and to satisfy their own aspirations. They integrates the needs of the organization with the needs of the individual [3, p.270].

In the development of Talent Management, it is necessary to include diversity policies as a key principle throughout the human resource management cycle, especially in terms of gender and with a special emphasis on gender balance for leadership positions. Diversity is a key factor in performance. Diversity and inclusion in the workforce (gender, disabilities ...) is a strategic tool to stimulate talent, flexibility, organizational efficiency and success. In addition to gender diversity, one of the key objectives of diversity policy is also to attract and retain colleagues with disabilities by ensuring equal access to the rights and obligations under the UN Convention on the Rights of Persons with Disabilities. This must be done in particular by providing reasonable accommodation and accessibility of premises [7, p.16].

In the context of the development of talent management policies, it is proposed to take into account the Global Talent Competitiveness Index, in particular the titles they hold for each year. As mentioned in GTCI 2013, based on rigorous measurement and analysis, it seeks to inform policy and business decision-makers on the relative strengths of different countries across a host of talent-related factors. This index and its associated scores can hopefully help identify critical issues and prioritise actions. Countries can best increase talent competitiveness when the different constituents work together to attract, grow and retain talent. These constituents may include multiple players in the ecosystem: business, government, academia, consulting, and thought leaders. [10, p.9]

### 3. Conclusions

Taking into account the lack or non-existence of talent management policies, detected during the research, in our opinion, in order to establish and regulate at the level of normative acts, as well as the application at the level of organizations, both public and private, the following measures are proposed:

- regulation in the National Development Strategy "Moldova 2030" of the entire range of policies related to talent management, or at least policies on: Attracting, Developing and Retaining "talents";
- elaboration and development of talent management policies in certain fields;
- elaboration and development of policies regarding the cultivation of certain major categories of talents, inclusion, diversity, etc.

In particular, it is proposed to develop the "Talent Management Strategy 2021-2025", which would include talent management policies.

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