Factors underlying strategic management and executive talent at universities in Hamedan Province

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ABSTRACT: The study aimed to identify underlying strategic factors in talent management. A questionnaire was designed to assess the impact of these factors on talent management and after confirming the validity and reliability of the instrument by exploratory and confirmatory factor analysis, the questionnaire distributed among a sample of 174 persons including directors of the universities and executive institutions of Hamedan province. The study can regarded novel and original of various aspects as the talent management concept is a new discussion and investigation of strategic factors underlying its implementation in organizations is rarely accomplished. This study is survey-correlation and specifically based on factor analysis. In this paper we define and assess the importance of the talent management in organizations. In this approach, a review of research literature on talent management revealed five strategic factors affecting talent management. Given that the current literature ignore talent management in government institutions the research considered talent management in government agencies. The results showed the undeniable role of organizational culture, human resource strategic management, and governmental laws and regulations.

Key words: strategic human resource management, management talent, talented individuals, government agencies.

INTRODUCTION

In early 1997, McKenzie and Partners introduced the term "the war for talent" to describe the challenges that employers encountered to find candidates with the high skills [22]. They believed that few managers are prepared to play a leadership role in organizations. So companies around the world, find themselves in competition with others for absorb talent. Therefore, businesses must have the ability to recognize talented persons, providing them with the necessary training and maintain and retention them for long term.

The economic benefits of talent management are enormous and this economic benefits are confirmed on corporate and individual level. Accordingly It should not be assumed that the talent management process completed within 3 months, or a year. But, it includes an integrated plan that many factors are involved in and the human resources department does not take its responsibility lonely that it make managing talents a difficult and time consuming, but very valuable task [16].

According to the resource-based approach (RBV) (Barney ,1998) organizations establish competitive advantages through methods that make mimic troublesome and difficult for other competitors. Traditional resource such as natural resources, technologies etc. became available readily and loss their value as a competitive advantage. But HR is a strategic asset that will produce added value, of course , when accomplished in an operating system through enhance the organization's ability to confront hazardous environment. In fact, today's complex and competitive environment, led to the alteration of HR's role(figure 1)[30].

________________________________________________________________________________________
What is talent and what is contribution of talent management to the organization?

Talent is estimated the relative level of individual development potential in an activity. If different persons stands in the same condition for acquiring skills, we see that different persons shows different performance. Some people shows better learning and efficiency in a field and grow faster in that field, while other people may show greater efficiency and skills in other areas. In fact, such differences are related to differences in talent. All people are gifted with talent; but only people who decide to invest in their development are talented. And this is in the job that people can demonstrate their competence to produce value [26].

How to do this is "talent management". Talent management is to describe the concept and integrating talent management and human resource management activities with the goals of attracting and retention of the right people for key positions at the right time. Securing and retaining the talent is more important than anything for the following reasons: 1) Knowledge based Economy 2) intense competition 3) relocation and transfer of staff. Organizations run by individuals, and it is the individual talent that determines the success of organizations. So talent management is the core of management [22].

**Strategic factors underlying talent management**

Revealing the talent management approach and special attention to individuals with regard to the key positions of the organization, we should focused on success factors of talent management in the organization. As strategic decision of an organization is focused talent management strategy, It is necessary to study the factors that lead to success or failure of the mission. In various models and literatures various dimensions introduced, that selectively investigated in this study, they are:


First four dimensions are according to various literature and models on talent management and strategic factors that underlie it and fifth dimension based on researchers perspective deals with adherence of organization to government regulation in the area of human resource management.
Strategy

The first step in successful talent management in organizations is that the design is based on organizational strategy.

Theorists such as Gandossy and Kao (2004) and Tuker et al. (2005) and Hartley (2004) emphasize in aligning talent management with organizational strategy [12, 29 and 15]. SHRM emphasized on implementation of integrated strategies or systems designed through focus on talent management [28].

Fegley (2005) and Bhatnagar (2007) have emphasized that the present and future needs for talent management must be synchronized with the organization's goals and strategy. McCauley and Wake Field (2006) also argue that the success of talent management from recruitment to retirement, is based on its association with the organization's strategy [9, 15, 21].

The role and support of managers

The key talent in the organization is that all managers at all levels play an important role in this context. Director as the official representative of organization is main leader for coordination and increasing productivity in the organization is. Success in achieving goals depends on the effective management and leadership styles. Director of Human Resources in leadership role for guiding the organization can choose different styles. Relevant behavioral standards for manager in each organization creates strong morale and motivation in staff and increases their satisfaction from their work. Managers using proper leadership style can enhance organizational commitment, job satisfaction and organizational productivity. Research shown that managers' leadership style correlated with effectiveness, efficiency and organizational productivity [6, 11].

As was discussed previously, successful organizations at talent management are organizations that their top management has relevant support in the discussed areas. This is a mutual support. As such, talent management by appointing the right people in key positions support decision making and thinking of managers. But to do so, what style managers should consider?

While some researchers like Blake and Moten and Mc Gregor believe that the best leadership style is a style that maximize productivity Satisfaction, growth and improvement in all situations, however, majority of research in the past few decades clearly supports the position that there is no best style. Successful and effective leaders can adapt their style to the demands of the situation [4].

Organizational Culture

Review of literature management experts, showed this fact that organizational culture shapes employee behavior in organizations. Because organizational culture, has significant influence on the behavior of managers and employees at all levels of the organization they can strongly influence ability of a company to change its strategic direction.

Culture is important because any action without knowledge of cultural forces (which are always at work) may be lead to unforeseen and unintended consequences [2]. Organizational culture is a system of values (what is important and what is not important) and beliefs that is in interaction with human resources, organizational structure and control systems and thus builds norms of behavior in organizations [3].

Cultural approach to talent management introduced by Kerlman (2004) in which talent management defined as a way of thinking (mindset) that believed that talent is the key determinant of success [22]. Thinking in talent management means a deep belief to consider the best talent for all levels for outperforming competitors.

Human Resources Management

Inclusion of the human factor as the most important power in production and service industry is considered one of the most important characteristics of the post-industrial society. Indeed, as humanity shows a need to handle new information against rapidly increased information, change, and developments, the resistance against the change has also increased. So, regardless the area of operation, the fact that the primary element determining the success of an entity is employees and the relations between them has lead to the development of policies, principles, and applications related to employees, and management of the employees has become an exclusive area of research and application. Human resources management covers all the regulations using human as the basis, making it more effective, useful, and productive, and on the other hand enable him to reach job satisfaction and happiness.

Human resources management considers management in general and management of employees specifically in a wide perspective and take human as the center. This is the result of the fact that information naming information society period and increasing with enormous speed is a product of human. Therefore, human is not a part of the production process rather he has been empowered as the power defining, directing and coordinating the processes of production and service. In this manner, the role of human in business sphere
has changed. All expenses made for human is no longer considered as an expense but an investment in human resources

Strategic Leadership
Strategic leadership is shaping the future through foreseeing and constituting the necessary strategic management approach. Accordingly it is needed to empower other manager and employees, direct them to the innovative and creative aims towards the vision of the organization, and provide the strategic change quickly when needed in this complex, global and competitive environment. Strategic leadership is to move an organization from one point to a further point and the ability to lead people to this direction.

Maybe, the most important and critical proficiency for strategic leaders is the ability to manage human resources effectively and efficiently. Intellectual property, containing innovative and creative product and service production with the use of knowledge management and adding value to the organization through these, will highly affect the success of the strategic leaders in 21st century too. Effective strategic leaders use their vision to improve their employees' motivation and performance which depends on it[26].

Questions, hypotheses and conceptual model
For this study, a preliminary conceptual model designed that is actually an innovative model in this research. This model, deals with the relationship and impact of factors underlying talent management on its implementation. These variables are based on initial findings and research questions, and based on this model, research direction is demonstrated. Since talent management play a critical role in human resources management system, main focus in talent management systems must be in improvement of substitution training in organization.

The main hypotheses
underlying strategic in the governmental organization has a positive and significant impact on talent management.

Secondary hypotheses
The objectives and strategy of the organization has a positive and significant impact on talent management.
The role of management in organization has a positive and significant impact on talent management.
Organizational culture and talent management has a positive and significant relationship.
Strategic human resource management in organizations has a positive and significant impact on talent management.
Regulatory Issues in Human Resource domain has a positive and significant impact on talent management.
Based upon the hypotheses of the research, the model will be evaluated as follows:
The study population included 256 persons of managers of the Universities and executive offices of Hamadan. Selection criteria was knowledge-based nature of this organizations and implementing of initial design of talent management; totally 256 managers selected that according to Cochran’s sampling formula, sample reduced to 154 persons.

\[
n = \frac{Nt^2p(1-p)}{Nd^2 + t^2 p(1-p)} = 154
\]

**RESEARCH METHODOLOGY**

Since the purpose of the research is to determining causal relationships between talent management variables and underlying factors of talent management, the study is of the applied method, with descriptive-correlation approach for data gathering and obviously based on structural equation (SEM). Structural equation model, is a comprehensive statistical approach to testing hypotheses for the relationships between observed variables and latent variables. Through this approach one can test acceptability of theoretical models in specific communities, and since most of the variables in management research is a latent or hidden, requirement of using this models increasingly become dominant[1].

To investigate the relationship between the variables and testing hypothesis, after data collection through questionnaires, Lisrel statistical software was used. The main tool for data gathering is a 32 item questionnaire. The questionnaire prepared by the researcher and after testing its validity, an initial sample of 70 pre-test questionnaire prepared and then using the obtained data, the Cronbach’s alpha(9%) coefficient calculated for reliability support. This figure confirms reliability of the questionnaire.

**Results**

**Descriptive statistics for the sample**

Of the 154 respondents, 82% were male and 18% were female. Of these 18 persons aged 20-30 years, 66 persons aged 30-40 years, 40 persons aged 40 to 50 and 24 persons belonged to the 50 to 60 years age group. The tenure duration for 52 persons was below 10 years, 70 were between 10-20 years and for 32 persons between 20-30 years and over 90 percent had a Bachelor’s degree or higher.

Structural model
After ensuring the correctness of measurement models via software, research hypotheses were tested. In this hypotheses contribution of independent variables in shaping of talent management are considered. Results of fitness indices investigation showed that this model which defined in second order factor analysis model has a relevant fitness.

As previously noted, prior to confirmatory factor analysis to identify underlying factors of research we use exploratory factor analysis. Therefore, for every studied variables that form latent attributes of research, exploratory factor analysis to identify factors within determined indices implemented to measurement of each latent attribute.

And then using confirmatory factor analysis, validation of specified indicators would implement to measure the latent attribute. At this stage, exploratory factor analysis is performed for the structure of the organizational questionnaire which measured using 32 items. According to Table 1 KMO and Bartlett's test for internal consistency of data shows that within the indicators or the questionnaire items, the data correlation in correlation matrix is such that some factors are identifiable. Because KMO values calculated greater than 7.0 and Bartlett's test is significant at the 1% level. The exploratory factor analysis for the underlying constructs or latent attributes that are predisposing factors and talent management organization is possible.

According to Table 1 common value of each variable with an initial value of correlation matrix is 4.0, which indicates the significance of all the indicators in the formation of factor structure of the organizational strategy.

Table 1. KMO and Bartlett tests to check the amount of data needed

<table>
<thead>
<tr>
<th>Index</th>
<th>Value reported</th>
<th>Desirable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean square residual RMR</td>
<td>Near zero</td>
<td>0.13</td>
</tr>
<tr>
<td>SRMR standardized mean square residual</td>
<td>Under0.08</td>
<td>0.72</td>
</tr>
<tr>
<td>GFI fitness index</td>
<td>0.9</td>
<td>0.92</td>
</tr>
<tr>
<td>Smooth fitness index (NFI)</td>
<td>0.9</td>
<td>0.94</td>
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<tr>
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<td>0.9</td>
<td>0.94</td>
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<tr>
<td>Comparative fitness index (CFI)</td>
<td>0.9</td>
<td>0.95</td>
</tr>
<tr>
<td>The square root of the estimated variance of the error of approximation, RMSEA</td>
<td>Under0.08</td>
<td>0.79</td>
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Table 2. fitness Parameters of the model

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</tbody>
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Table 3. Ranking of talent management structures, in the second order confirmatory factor analysis model

<table>
<thead>
<tr>
<th>Rank</th>
<th>Value of t</th>
<th>The effect of the independent variables in shaping talent management</th>
<th>Standard deviation</th>
<th>factor loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>9.30</td>
<td>Organizational Culture</td>
<td>0.08</td>
<td>0.98</td>
</tr>
<tr>
<td>2.</td>
<td>11.72</td>
<td>Strategic Human Resource Management</td>
<td>0.1</td>
<td>0.97000</td>
</tr>
<tr>
<td>3.</td>
<td>10.11</td>
<td>Goals and Strategies</td>
<td>0.09</td>
<td>0.94</td>
</tr>
<tr>
<td>4.</td>
<td>8.92</td>
<td>Management style</td>
<td>0.09</td>
<td>0.84</td>
</tr>
<tr>
<td>5.</td>
<td>10.78</td>
<td>State laws and procedures</td>
<td>0.07</td>
<td>0.83</td>
</tr>
</tbody>
</table>

**Significant at 99% confidence level or a percentage error (96/1>t)**

Evaluation of five first hypothesis based on the results of the second order confirmatory factor analysis model is desired in above Table.

**Conclusions and recommendations**

Questionnaire data confirmed all of research hypotheses, thus the main hypothesis supported based on findings. Based on this we can confirm conceptual model of research about existence of significant relationship between strategic underlying agents and talent management strategy in the following form.
Figure 4. The final model

Analysis shows that the mentioned factors play an important role in talent management within the organization. The role of strategic human resource management and extent of its influence is following organizational culture and influence of government regulation is supported too. In previous research he focus was on the culture of the organization and the organization's strategy and goals, and even in some popular models such as the DDI cultural preferences, business priorities and strategic priorities treated as a predisposing factor for the effectiveness of talent management, which also, confirmed in this study.

However, the effect of other variables should also be considered as confirmation of previous research. Accordingly some point in the implementation of talent management should be considered by managers:

- Organizations and managers should pay a strong attention to create and developing organizational culture based on the creation and implementation of talent management.
- Organization should pay a strong attention to talent management and wistful timing for that in their strategic approach, objectives and action plans.
- Managers should have a positive and operational orientation to implementing talent management and provide comprehensive support in this context.

It is also recommended that in the State Government level formal laws considered for implementation performance evaluation of organizations. So expected that, one of the performance evaluation indicators of government institutions become implementation of talent management.

REFERENCES


http://shrm.org/hrresources/hrglossary-published/t.asp