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APPLICATION OF TALENT AND KNOWLEDGE MANAGEMENT IN THE CZECH AND SLOVAK REPUBLICS: FIRST EMPIRICAL APPROACHES***

ABSTRACT: This paper endeavours to extend existing theories on talent and knowledge management by applying theoretical concepts on real management of organisations. The examination of different definitions of talent management and knowledge management is crucial for capturing their practical impact on central human resource development practices such as education, training, and development. The main aim of the paper is to identify key factors that describe the main approaches to talent management (TM) and ensuring knowledge continuity (EKC), based on analysis of current approaches of organisations in the Czech and Slovak Republics. The results reveal three possible approaches to employees and organisational development. The first type of organisation develops employees within their own organisational rules, the second type of organisation does not support development of employees in any way, and the third type of organisation does not affect employees’ development but the employees develop themselves - these can be characterized as ‘knowledge employees’. The paper identifies the practical benefits for organisations resulting from talent management and ensuring knowledge continuity. Knowledge continuity and its development guarantee that knowledge is retained within an organisation. Knowledge needs to be transferred to relevant successors who can participate in a talent management programme.

KEY WORDS: knowledge continuity, talent management, training, education, development, learning, organisation

JEL CLASSIFICATION: M12, J6

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1. INTRODUCTION

Talent and knowledge management is considered to be a method that allows organisations to meet the demands associated with increased competitiveness. Previous studies have often focused on the management of talent: this study focuses on the use of talent and knowledge management in Central Europe, specifically in the Czech and Slovak Republics. In this paper the authors focus on the use and importance of talent and knowledge, and shed light on the problems of identifying talent. The paper shows that the concept of talent and knowledge management is relevant to the creation of valid talent and knowledge management systems that aim to define and develop talent.

The labour market is not an unchanging environment that ignores social developments, the demographic situation, and business needs. Current working life is characterised by its complexity, unpredictability, and insecurity. There has been a shift to a knowledge-based economy in which an increasing proportion of organisational assets are intangible (Nilson and Ellström 2012). This knowledge-based economy is generating new structures as well as new and continuously changing demands and challenges in the world of work (Brown et al. 2003). These trends and tendencies deserve closer attention. Current burning issues such as talent management, ensuring knowledge continuity, and lack of people with relevant qualifications are presented in the latest surveys dealing with the lack of people possessing sufficient knowledge to carry out their functions. Key employees who hold organisations’ critical knowledge grow old, retire, or are hired by a competitor; therefore it is necessary to preserve knowledge in such an organisation (Wood and Reynolds 2013, Urbancová 2012b, Levy 2011).

The Czech and Slovak labour markets have a high unemployment rate and struggle with the worldwide phenomenon of a lack of talent (Bernat and Korpysa 2013). Organisations in these countries try to solve this problem by recruiting foreigners. Multiculturalism within an organisation supports diversity and contributes to increased competitiveness (Schauerová 2008, Keil 2007, Raghuram and Garud 1996), not only in the Czech and Slovak Republics but worldwide. However, another phenomenon has been identified in the Czech Republic: the departure of talented workers and key employees abroad. Research (HR forum 2012) shows that more than half of all organisations in the Czech Republic (55%) are unconcerned about this phenomenon. However, a survey conducted by Urbancová (2012) shows that 73.1% of organisations in the Czech Republic are concerned about key employees’ possible departure from their organisation, mainly because they fear that these workers might use their knowledge to benefit
competitors (33.5%). At the same time, 77% of employers believe that neither the government nor organisations make sufficient effort or take precautions to prevent key employees and talented people from going abroad, with no incentives to return.

Wang and Wang (2012) and Linhartová and Urbancová (2012) have shown that increasing competitiveness while simultaneously decreasing costs is currently considered the most burning issue in Czech and Slovak organisations. The desired outcome can be achieved only by having the right people in the right places; i.e., by hiring and retaining talented employees who will become potential successors to key employees (Levy 2011; Wong 2009; Beazley et al. 2002). Thus the area of talent management and knowledge continuity management is very important nowadays.

The main aim of this paper is to identify key factors that describe the main approaches to talent management (TM) and ensuring knowledge continuity (EKC) based on analysis of current approaches in Czech and Slovak organisations. The partial aims include evaluation of following points:

- employee education and approaches to employee development by both Czech organisations and employees themselves,
- analysis and evaluation of the organizational conditions for talent management and ensuring knowledge continuity, including their benefits for business goals in Czech and Slovak organizations, and
- identification of the factors which influence the benefits of applying talent management and ensuring knowledge continuity.

In the talent management area, the paper is concerned with the employee education and attitudes to employee development of both Czech organisations and employees themselves. Additionally, it analyses and evaluates organisational conditions for talent management and ensuring knowledge continuity and their benefits pertaining to business goals in Czech and Slovak organisations.

The paper is structured as follows: firstly, the theoretical background of the work is presented; this is followed by the methodology. Next, based on primary research, the respective concepts are evaluated and the current situation is analysed. The results in both countries are evaluated and recommendations for organisations suggested. Last but not least, the paper presents its own theoretical and practical suggestions and limitations.
2. THEORETICAL BACKGROUND

To keep and develop quality knowledge employees is the main goal of all organisations (Ahsan et al. 2013, Urbancová 2013, Bivainis and Morkvénas 2012). Human resources and their development are the crucial elements in the effort to upgrade organisations and the economy (McDonnell et al. 2014, Gururajan and Fink 2010, Kachaňáková 2013, Manning 2010). Therefore, organisations should focus on the education and learning of each individual. It is also necessary to educate and develop employees with regard to their work, social values, and behaviour – each employee is an individual with different perceptions and a different personality (Loke et al. 2012). Organisations should focus on their workers’ specifics in order to set effective goals for employee education, learning, and training (Li et al. 2009, Kachaňáková 2013). Employees who are being educated and developed are usually very interested in working towards organisational goals and following organisational strategy: they are communicative, cooperative, proactive, respectful, customer-friendly, willing and able to constantly learn (Li et al. 2009, Vnoučková 2013). As Mazouch and Fischer (2011) and Gururajan and Fink (2010) have stated, measuring the level of education in organisations is necessary for predicting future development.

2.1 Talent management

Talent management has become a central component of corporate human resource strategies and has recently gained increasing attention in human resource management / human resource development (HRM/HRD) research (Bowen and Ostroff 2004, Berger and Berger 2003, Burbach and Royle 2010, Capelli 2008). The notion of talent management has significantly increased in importance since 1997 when consultants from McKinsey suggested that the war for talent was becoming a critical driving force in corporate competitiveness and performance (Collings 2014, Claussen et al. 2014, Michaels et al. 2001). Talent management has spread from knowledge-intensive organisations to a wider area, encompassing almost all organisations and employees. Nevertheless, there is no consensus regarding the definition of talent (Collings and Mellahi 2009). Sullivan (2004) says that “Talent management is the integrated process of ensuring that an organization has a continuous supply of highly productive individuals in the right job, at the right time” and Königová et al. (2012) add that talented employees are characterised by the abilities of presentation and self-presentation, communication skills, the ability to resolve stressful situations, and empathy. Oosthuizen and Nienaber’s definition (2010) of talent management is
an integrated system of recruitment, development, and retention of the required human capital at all organisational levels.

When organisations refer to talent, they have in mind primarily young people at the beginning of their professional careers. However, another commonly mentioned group is employees who have been working in the organisation for some time: their superiors favour them based on their existing performance in order to encourage their further professional growth and promote them to more responsible managerial positions. Regarding such positions, it is again important to look for potential successors and to ensure knowledge continuity. Zíková (2012) adds that it is important to take care of these employees. Whether this group (approximately 15% of employees) is officially regarded as ‘key’ is a decision made by individual organisations and depends on the strategy they select.

De Luis Carnicer et al. (2004), Pearce and Randel (2004), Branham (2009), Vnoučková (2013), and Zeman (2009) also state that it is necessary to cater for employees’ educational and developmental needs, or risk losing them. The European Union has registered the necessity of retaining educated, trained, and skilled employees: (Straková, 2013) the priorities of knowledge society until the year 2020 are productivity, education, and employment, and their impact on the development of Europe. Mráček (2009) highlights the fact that the current economic crisis has reduced the amount of new products, services, and patents, and has decreased expenditure on research and development and education. However, lowering the research and development and education budgets decreases the amount of new products, services, and patents. If an organisation limits expenditure on education and learning, productivity and innovation - and thus the ability to attract customers - will also be lower. This phenomenon supports the need for education, learning, and taking appropriate care of knowledge and skilled employees. Mráček (2009) also notes that if organisations lower their expenditure on education and learning they are making a strategic mistake, because the best employees are no longer motivated to work in these organisations. This results in a weakening of the whole organisation, makes it unprepared for when the economy recovers, and puts its competitiveness at risk.

Talent management benefits organisations in the following ways:

- Talented employees are good at following organisation-wide strategies and achieving economic objectives (Urbancová 2012b, Levy 2011, Bureš 2007);
An organisation with talented employees enjoys reduced costs related to staff turnover and hiring new employees - talented employees remain in the organisation (Linhartová 2012b, Vnoučková 2013);

The company becomes an attractive employer for talented people since talent attracts talent (Zíková 2012, Mráček 2009);

Succession within an organisation is better planned (Linhartová and Urbancová 2012, Linhartová 2012b, Zíková 2012);

If a particular organisation has a sufficient number of talented workers and works with them it is possible to minimise losses resulting from unoccupied key positions where knowledge continuity is not guaranteed (Linhartová and Urbancová 2012).

2.2 Motivation and its influence on talent management

Motivation has been defined numerous times by many authors; despite this, according to Chwaszcz (2011) and de Luis Carnicer et al. (2004), it is still regarded simplistically. These authors state that reality brings many variables that cause deviation from theory, and employees are not always rational. Consequently, the global problem of a lack of talented workers, where on the one hand there is a high unemployment rate and on the other hand organisations cannot find an adequate labour force, has inspired a new approach to employees (Nilson and Ellström 2012, Vnoučková 2013). Those employees who are proactive and improve their education and skills in line with market demands enjoy the best prospects. The lack of experts in the market shows that it is not only necessary to ensure people’s in-company development but also to focus on various target groups (Straková et al. 2013), carriers of critical knowledge, and potential carriers of talent (Nilson and Ellström 2012, Levy 2011). Ramlall (2004) advises organisations to focus on increasing employees’ qualifications and competencies and to stress the importance of their work. Thus it is necessary to change the form of cooperation between employees and managers. Managers should turn their attention to new competencies and perceive the employee as a person, not just as a work unit (Druteikiene et al. 2013, Königová and Fejfar 2011, de Luis Carnicer et al. 2004). According to Peters (2011) and Vronský (2012), emphasis should be placed on managers who are able to work with employees. Colvin (2010) states that motivation for learning and education is crucial and managers should be able to raise their subordinates’ motivation. Colvin (2010), Knight (2011), Leary-Joyce (2011), de Luis Carnicer et al. (2004), and other authors have stated that tangible rewards are destroying the internal motivation to learn. According to these recommendations, Peters (2011) and Lin and Chang (2005) highlight soft factors in organisations. They state that intangible trivia determines final
employee motivation, the possibility of employees’ growth, and their willingness to learn and grow. Covey (2011) and Peters (2011) state that using sustainable values that will lead to sustainable development - cooperation, ethics, integrity (relationships), quality, and values for the next generation - is crucial for the future development of employees. Authors argue that big decisions that have proven correct and durable often do not result from economic, financial, or other analyses (which, according to Peters (2011), caused the current crisis): on the contrary, they are based on employees’ abilities, their character, relationships, and common values (cooperation, sacrifice, obedience, and orientation to goals, results, and needs).

2.3 Knowledge continuity management

Knowledge management (sharing knowledge between existing employees) and knowledge continuity management (sharing knowledge between generations of employees - those leaving and their successors) is, according to Cabrera and Cabrera (2002), Gupt (2011), and Beazley et al. (2002), one of the strategic management tools for gaining competitive advantage for organisations\(^1\). Since knowledge continuity supposes a systematic approach, it is necessary that each organisation desiring to ensure knowledge continuity follow specific steps (Urbancová 2012b; further elaborated by Beazley et al. 2002). Step 1 is to realise how important key employees are to an organisation - it is vital to identify them and to establish the extent and depth of implementation of the process; Step 2 entails preparing potential successors to these employees; Step 3 lies in ensuring knowledge transfer; and Step 4 lies in carrying out a check-up.

If a carrier of critical knowledge leaves a company it is necessary to ensure knowledge continuity sufficiently early and to select an appropriate successor, preferably a talented employee. If an organisation in this situation looks at all characteristics (Xiaohui et al. 2014, Manning 2010, Zíková 2012), e.g., age, race, various candidates’ profiles, in order to flexibly modify the required candidate profile, it significantly broadens the areas in which it may search for its potential talented employees. One possibility to prevent organisations from knowledge loss lies in elderly retired employees working as professional mentors or coaches to young talents in order to ensure knowledge continuity (Beazley et al. 2002, Manning 2010, Smedlund 2008, Zíková 2012, Urbancová 2012b).

\(^1\) Oosthuizen and Nienaber (2010) say the same about talent management.
Ensuring knowledge continuity brings benefits to all organisations. Each organisation, depending on its size and field of activity, enjoys different benefits. Current studies show that ensuring knowledge continuity undoubtedly generates benefits to organisations (Maruta 2012, Marešová 2010, Bureš 2007); nonetheless, different organisations are influenced by factors at both organisational and individual levels (Järveläinen 2013, Shamsie and Mannron 2013). According to Martín-De Castro et al. (2013), Järveläinen (2013), Cow (2012), and Lindner and Wald (2011), achieving organisational goals is primarily influenced by factors such as organisational culture, climate, and stimulation at the organisational level, and motivation, willingness to act, and trust at the individual level.

The factors at the organisational level (culture, structure, stimulation, climate) have been verified by Cow (2012), Wang and Wang (2012), Wong (2009), and Beazley et al. (2002), and those at the individual level (motivation, the willingness to share knowledge, trust) have been examined by Zíková (2012), Linhartová (2012b), Urbancová (2012a), Levy (2011), and Vnoučková and Klupáková (2013).

Thus the achieved benefits are dependent on the quality of the environment in which the policies are implemented. According to North and Hornung (2003) and the Nabla Per Partes (2003) as consultants in the area of knowledge management, the most conspicuous benefits from working with knowledge in organisations include 1) financial benefits based on systematic knowledge of customers, competition, and market; 2) the ability to prepare a good business strategy; 3) increased ability to make decisions within a short period of time; 4) an increase in the company’s value; 5) emergence of new business opportunities; 6) a growth of awareness and human resources potential; 7) reduction of recruitment costs; 8) increased flexibility and adaptability; 9) improved teamwork within an organisation; and 10) increased innovativeness. Bureš (2007) confirms similar benefits in organisational processes and business objectives in a particular organisation, as do Minister and Stevko (2010) and Wu et al. (2013).

In this paper, benefits gained from ensuring knowledge continuity and finding a talented successor will be classified into categories suggested by Bureš (2007): 1) increased performance of an organisation; 2) increased profit; 3) maximisation of revenues; 4) reduced costs; 5) introduction of new working methods; and 6) creation of new job opportunities in the market. According to Bureš (2007), further research could reduce the number of variables as well as produce new factors in the area of organisations’ performance and organisational processes.
3. MATERIALS AND METHODS

The paper is based on an analysis of secondary sources, synthesising the outcome and evaluating the results of international research. The first part of the paper focuses on theoretical approaches to knowledge continuity and talent management and their benefits to organisations. The second part analyses and evaluates the results of two primary surveys.

3.1 Data and Sample

The research focuses on two countries in the heart of Europe, the Czech and the Slovak Republics. As the Czech and Slovak Republics were united for decades (until 1993), these countries share a common history, geographical location, demographic development, culture, and similar languages and economies. However, the number of Slovaks who work in the Czech Republic has been on the increase (Czech Statistical Office 2011) and Slovak organisations are facing a loss of knowledge employees, which is why the paper compares the results of knowledge continuity and talent management in both countries.

The sample group contains 109 Czech organisations and 340 Slovak organisations. The research was conducted during the first year of cooperation with the Slovak Republic, 2013. The data was collected using an electronic questionnaire that automatically recorded and pre-categorised respondents’ answers (CAWI method).

The sample of organisations from Czech and Slovak Republic sectors was selected in accordance with statistical data from the Czech Statistical Office (CSO), taking into account the structure of the organisations according to the sector of the economy (primary, secondary, tertiary), the size of the organisation (small organisations of up to 50 employees, medium-sized organisations employing between 51 and 249 people, and large organisations with more than 250 employees), and, last but not least, the ownership of the organisation. Thus, respondent organisations in the Czech and Slovak Republics were selected to be comparable.

The respondents’ answers were classified according to identification questions that constituted the first part of the questionnaire. The measurement in the survey was derived from closed questions with several possible answers that had been selected based on the literature, documents, and other related surveys (i.e., Meyer and Allen 1991, Gosling, Rentfrow, and Swann 2003, John et al. 2008, Anderson...
A semantic differential was also applied; this permitted the identification of nuances in respondents’ attitudes throughout the questionnaire. A set of statements restricted the range of respondents’ reactions to target statements and their attitudes to the given matter (Hayes, 1998). The extremes of a 7-point scale represented bipolar concepts of the evaluation dimension. Using a scale of 1 to 7, respondents expressed their inclination towards one of the pre-set extreme statements or, if it was not possible to favour either of the sides, selected a median, neutral value (the median value was ascribed to number 4). The scale both specified respondents’ attitudes and indicated the intensity of their responses.

Only human resources specialists in the selected organisations were questioned (26.6% of the respondents worked as senior managers in the personnel department, 85% had been working as personnel specialists for 3 or more years, and 52.3% were university graduates in the human resources field).

The Czech organisations involved were mainly small (48.6%); 29.4% were medium sized, and large organisations (more than 250 employees) made up 22%. 8.2% of the examined organisations operate in the primary sector, 29.4% in the secondary sector, and 62.4% in the tertiary sector. 77% of organisations have mostly Czech ownership and 23% are owned by foreigners. A total of 189 organisations were contacted. The overall questionnaire return was 58%, i.e., 109 organisations completed and returned the questionnaire.

A total of 512 organisations were contacted in the Slovak Republic. The overall questionnaire return rate was 66.4%, i.e., 340 organisations. The Slovak organisations were mainly mid-sized, employing between 50 and 300 workers (72.6%); 20% consisted of companies employing between 301 and 1000 people; 6.2% were organisations with between 1001 and 5000 workers; and 1.2% of organisations employed 5,001 or more workers. 5.3% of organisations operated in the primary sector, 42.9% in the secondary sector and 51.8% in the tertiary sector. 56.2% of organisations had mostly Slovak ownership and 43.8% were mostly owned by foreigners.

3.2 Hypotheses of the research

The hypotheses stated below will be evaluated based on the results of a survey examining the attributes of organisational learning, development, and talent management:
H1: Internal motivation for learning and development is crucial for effective talent management.

H2: If organisations find a talented successor and ensure knowledge continuity, benefits related to business goals occur.

H3: Factors at the organisational level influence the achievement of knowledge management benefits more than those at the individual level.

3.3 Operationalization of variables

All the primary data were evaluated using the tools of descriptive statistics, and comparison, induction, deduction and synthesis were also applied. Within the frame of descriptive statistics the following tools were employed. A non-parametric Pearson Chi-square test was utilized for testing absolute and relative frequency, the analysis of correlation, association, and the results. The level of dependence was measured based on Cramer's V, using a scale from de Vaus (2002). Tests were used when statistical conditions complied with the rules for its application: no interval with zero frequency, and up to 20% confidence intervals at a frequency of less than 5 (Hendl 2012, Pecáková 2011). If the calculated p-value of the Chi-square test was lower than the significance level 0.05 (α), the null hypothesis was rejected and an alternative hypothesis assuming the feature’s existence was accepted instead (Hendl, 2012). The dependence of the qualitative characteristics was tested for verification of the obtained data and their further analyses (Pecáková, 2011).

Further analyses were based on the method of multidimensional statistics, factor analysis (Varimax rotation (Anderson 2009): the Kaiser-Guttman rule was applied to select a group of significant factors. Following the recommendations of Anderson (2009), only determinants with an absolute value of over 0.3 were selected as significant for factor development; positive and negative dependency was further analysed in relation to its final benefits.) SPSS 21 statistical software and MS Excel 2007 were used to evaluate the data.

During the research the procedures followed were in accordance with ethical standards and national law.

The following acronyms are used in the paper: Knowledge Continuity = KC; Talent Management = TM; Czech Statistical Office = CSO; CZ = Czech Republic; SK = Slovak Republic; H= hypothesis.
4. RESULTS

This section evaluates the outputs obtained in the primary survey, which focused on talent management, knowledge continuity, and its benefits for organisations in the Czech and Slovak Republics. The results of the quantitative research were statistically tested and recommendations formulated.

4.1. Education, development, and talent management in organisations

According to the results of the survey, 66.5% of organisations include education and training as a part of talent management at work; 73% of employees (together with their manager or supervisor) have set a specific goal that they want to achieve and which is relevant to the area of learning and growth. Organisational learning and education is a long-term process according to 63% of surveyed employees. Short-term goals and training or courses with a single purpose are to be found in 23% of organisations.

The results obtained regarding specific knowledge/skills training in organisations were quite positive. Almost 66% of employees stated that their education and learning in the organisation focused on specific skills related to their work. Moreover, the employees who took part in the survey think that their positions allow them to grow, and this possibility was a key factor in choosing that particular position in the first place (89%). For the most part employees selected positions in their area of interest (82%). Furthermore, the employees participating in the survey showed initiative in regard to learning and growing (95.5%), showing that they are motivated in terms of self-development, learning, and study. This is proved by the fact that 70% of employees even dedicate time to their personal development at home. However, 21% of employees are still de-motivated and unwilling to do more than is necessary and are unwilling to use any of their free time working or studying.

Nevertheless, only 37% of employees stated that their motivation for education and learning lies in long-term intangible rewards, and 44% of employees get no support from their organisation. Almost the same results were obtained when focusing on tangible rewards (money and benefits). 33% of organisations support education and learning in the above-mentioned way, while 56.5% of organisations do not reward their employees’ active participation in education at all.
4.2. Factors describing main approaches to talent management

Deeper analysis was used, based on the results that showed the requisite level of the association coefficient between the analysed variables. Factor analysis was chosen in order to decrease the amount of resulting outputs. The Varimax rotation method was used for the analysis. Characteristics that have already been described above in the methodology were used for the analysis. As shown in Table 1, the factor analysis revealed three statistically significant factors. To separate the final amount of output factors the Kaiser-Guttman rule was employed. Only factors with variance higher than 1.0 were utilized. This value was chosen rationally because the explanatory factor must have a value at least equal to the original standardised attribute. Attributes (statements) whose value was 0.3 and higher (Anderson 2009) were considered significant enough to create the resulting factor.

Table 1. Variance explained by factors

<table>
<thead>
<tr>
<th>Factor</th>
<th>Total Variance</th>
<th>Total % of Variance</th>
<th>Cumulative % of Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>3.926</td>
<td>32.714</td>
<td>32.714</td>
</tr>
<tr>
<td>2</td>
<td>1.771</td>
<td>14.759</td>
<td>47.474</td>
</tr>
<tr>
<td>3</td>
<td>1.215</td>
<td>10.121</td>
<td>57.595</td>
</tr>
</tbody>
</table>

Source: Authors

All factors explain 58% of employee behaviour and attitudes to talent management in organisations. Table 2 shows the results of analysis by the Varimax method.

Table 2. Resultant factors by Varimax method

<table>
<thead>
<tr>
<th>Variable</th>
<th>Factor 1</th>
<th>Factor 2</th>
<th>Factor 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee desires to learn and grow</td>
<td>0.051</td>
<td>0.160</td>
<td>0.771</td>
</tr>
<tr>
<td>Employee has chosen the position as a possibility to be developed</td>
<td>0.287</td>
<td>0.049</td>
<td>0.715</td>
</tr>
<tr>
<td>Learning &amp; development are supported by the organisation</td>
<td>0.773</td>
<td>-0.007</td>
<td>0.286</td>
</tr>
<tr>
<td>Learning &amp; development are focused on special skills</td>
<td>0.789</td>
<td>0.014</td>
<td>0.233</td>
</tr>
<tr>
<td>Employee is motivated by own initiative</td>
<td>0.166</td>
<td>0.691</td>
<td>0.361</td>
</tr>
<tr>
<td>Employee works in his/her area of interest</td>
<td>0.298</td>
<td>0.663</td>
<td>-0.005</td>
</tr>
</tbody>
</table>
The factor analysis revealed three approaches to organisational learning, education, and talent management in the examined organisations. The first factor, which characterises one third of respondents, can be described as learning and development, which is a part of organisational culture. In this case employees stated that learning and development is supported by the organisation and focuses on specific skills and knowledge; learning is acknowledged by rewards, tangible as well as intangible; there is a specific goal to learning and development, and it forms part of the employees’ jobs. Thus this kind of development and learning is strongly embedded in the organisational culture and employees have to follow organisational rules in order to fulfil the specific conditions pertaining to continuous learning. It is noticeable that employees whose motivation to learn and grow does not come from within the organisation and those who did not apply for their position with the possibility to learn and grow in mind are unwilling to exceed the necessary amount of work demanded and to spend their own free time at home practising or studying. Thus, it is primarily the organisation that focuses on learning and development.

The second revealed factor describes a completely different type of employee approach to education and learning. In this case, learning and development is neither supported nor organised by companies; rather, it is the internal motivation of employees themselves that motivates learning. Development is perceived as interesting and fulfilling because such employees work in their area...
of interest, and therefore they want to continue their learning and practise at home. Employees of this kind are very interested in their work. They are not so keen on learning and education per se, nor have they chosen their position in order to learn or focus on long-term or continuous learning. However, they are motivated by intangible rewards and a set of specific learning goals. Therefore we may conclude that the people in this group are involved in their work and want to perform their very best as an expression of their lifestyle.

The third factor is the case of extreme employees who are enthusiastic about learning, development, and growth. Such a group probably consists of key employees, knowledge employees, or talented employees. They are career-oriented and choose a job that offers the possibility of learning and growing; these employees are driven by their own initiative and work on their education constantly and on a long-term basis. To keep such employees is a crucial factor in organisations’ future development. Nevertheless, there is a high risk of losing these employees, as they know their value and can easily migrate (Linhartová 2012a, Linhartová 2012b). This is confirmed by their tendency to choose a job that provides the possibility of learning. It is noticeable that this third group of employees is not influenced by any kind of reward or organisational goals: they work on their own education and growth because they want to.

Thus, we can evaluate the first hypotheses stated in the methodology (H1): as has already been mentioned in the theoretical background of the paper, according to Colvin (2010) and other authors, tangible rewards destroy the internal motivation to learn. A confirmation of this can be seen in Table 2. Employees were not motivated when learning and development was a rule prescribed by organisations and was subsequently rewarded (see Factor 1). On the other hand, employees found in both Factor 2 and Factor 3 contradicted this. Their learning, development, and growth were not rewarded or remunerated in any way; however, they were still motivated to continue. In addition, they were willing to practise in their free time (see Factor 2), to work on their growth on a long-term basis, to choose specific job positions in order to learn and grow, and were very focused on their development and growth (see Factor 3).

4.3. Ensuring knowledge continuity in organisations

According to the specified characteristics of organisations, in the Czech Republic the largest benefits (described in part 1.3) from organisational processes are to be found in the following cases:
- Sector of economy: the biggest benefits occur in the tertiary sector (69.1%)
- Ownership of the organisations: the largest benefits appear in the private sector (67.3%)
- Size of organisations: the most significant benefits occur in small organisations (40%).

Based on the evaluation of results in accordance with the specified characteristics, improvements in the number and quality of innovations are most visible in the private sector (80.6%), in the tertiary sector (48.4%), and in small organisations (54.8%). Zhen et al. (2013) and Wu et al. (2013) have also confirmed benefits in the category of innovation. Benefits pertaining to the category of customers are mainly noticed by respondents in the private sector (80.9%), in tertiary sector organisations (70.2%), and in the secondary sector (25.5%), and, last but not least, again in small organisations (66%). The connection between benefits and the size of a particular organisation in the category of customers has been confirmed by Cramer’s V (p=0.004; Cramer’s V= 0.302; dependency - directly moderate). The situation is similar in the employee category: most of the benefits are perceived by organisations in the private sector (60%); these organisations are mainly active in the tertiary sector (68.6%), and in size they belong among small organisations (42.9%). When taking financial results into account, benefits also occur most frequently in the private sector (88.2%), in the tertiary sector (58.8%), and in small organisations (64.7%), followed by large organisations.

Regarding benefits related to business goals, the following have been identified as the most relevant in the Czech Republic: increased performance of organisations (62.4%), introduction of new working methods (49.5%), and reduced costs (38.5%). The comparison with Slovakia is shown in Figure 1.
Figure 1. Benefits of ensuring knowledge continuity in business goals in the Czech and Slovak Republics

As can be seen from this comparison, there is no statistical difference between the researched countries in the benefits associated with achieving organisational goals (the differences range between 0.1% and 12.6%; the average value of the difference is 7.65%).

After evaluating the results with respect to the identified variables it was found that, according to the respondents, ensuring knowledge continuity is not beneficial to a mere 8.3% of organisations in the Czech Republic and to 12.4% of organisations in Slovakia.

Most organisations in the Czech Republic (91.7%) do see benefits from ensuring knowledge continuity. In the business goals category these benefits are visible mainly in performance enhancement. An increase in profits is interpreted as the result of ensuring knowledge continuity by 92.6% of organisations in the private sector, 66.7% of organisations in the tertiary sector, and 63% of small organisations. Moreover, a correlation between benefits related to organisational goals concerning increased profits and the organisations’ field of business was
confirmed (p=0.005; Cramer’s V= 0.258; moderate dependency). A correlation between benefits in the customer category and the size of a given organisation was also proven (p=0.001; Cramer’s V = 0.315; moderate dependency); similarly, a correlation between benefits resulting from introducing new working methods and the organisations’ field of business was established (p=0.005; Cramer’s V = 0.261; moderate dependency). In addition, benefits resulting from introducing new working methods are also dependent on the size of a particular organisation.

Most organisations in Slovakia also perceive benefits from ensuring knowledge continuity (87.6%). In terms of achieving business goals, in Slovakia the benefits mainly translate into enhanced performance. An increase in profit is observable, especially in the tertiary sector (52%) and in medium-sized organisations predominantly operating in the private sector (84%). Maximisation of revenues is considered to be a benefit mostly by organisations active in the tertiary sector (81.8%), by medium-sized organisations, and by those operating in the private sector (81.8%). Cost efficiency has been univocally mentioned as a benefit by representatives of organisations in the secondary sector (59.1%), medium-sized organisations, and in those operating in the private sector (86.4%). A correlation between benefits pertaining to the organisational goal of cost efficiency related to ensuring knowledge continuity and the organisation’s field of business was confirmed (p=0.003; Cramer’s V = 0.160, low dependency); likewise, a correlation between introducing new working methods and the field of business was proven (p=0.033; Cramer’s V = 0.115; low dependency).

4.4. Factors describing benefits from ensuring knowledge continuity

The benefits of ensuring KC were subsequently subjected to a factor analysis with the expectation of finding a common denominator for the variables entering the analysis. The factor analysis used variables identified in the category of benefits mentioned in the Theoretical Background (H2). The values calculated by the factor analysis show the extent to which the newly created variables represent and consolidate the original variables. These are benefits resulting from ensuring knowledge continuity and talent management. Based on the evaluation of the data collected in the Czech Republic, three important factors meet the specified criteria. Table 3 shows the significance of the factors examined in the category of benefits from ensuring knowledge continuity and finding a suitable successor, as expressed in percentages in the previous chapter.
Table 3. Variance explained by factors in the Czech Republic

<table>
<thead>
<tr>
<th>Factor</th>
<th>Total Variance</th>
<th>Total % of Variance</th>
<th>Cumulative % of Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1.831</td>
<td>26.159</td>
<td>26.159</td>
</tr>
<tr>
<td>2</td>
<td>1.364</td>
<td>19.492</td>
<td>45.650</td>
</tr>
<tr>
<td>3</td>
<td>1.155</td>
<td>16.502</td>
<td>62.152</td>
</tr>
</tbody>
</table>

Source: Authors

The variance of Factor 1 is the most significant. In total, these three identified factors altogether account for 62% of the sample’s behaviour. The categories according to Bureš (2007) were used. The factor analysis identified combinations of factors that influence organisations’ performance; the latter is associated with key performance indicators monitored in a particular organisation (for example, finance, growth, and costs) and also processes within this organisation. The results of the factor analysis are presented in Table 4.

Table 4. Resultant factors by the Varimax method in the Czech Republic

<table>
<thead>
<tr>
<th>Variable</th>
<th>Factor 1</th>
<th>Factor 2</th>
<th>Factor 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased performance of organisation</td>
<td>0.703</td>
<td>0.190</td>
<td>-0.242</td>
</tr>
<tr>
<td>Increased profit</td>
<td>0.353</td>
<td>0.296</td>
<td>0.573</td>
</tr>
<tr>
<td>Maximisation of revenues</td>
<td>0.252</td>
<td>0.606</td>
<td>-0.066</td>
</tr>
<tr>
<td>Reduced costs</td>
<td>0.525</td>
<td>0.385</td>
<td>0.185</td>
</tr>
<tr>
<td>Introduction of new working methods</td>
<td>0.190</td>
<td>-0.852</td>
<td>-0.078</td>
</tr>
<tr>
<td>Creation of new job opportunities in the market</td>
<td>-0.137</td>
<td>-0.112</td>
<td>0.852</td>
</tr>
<tr>
<td>Total % of variance</td>
<td>26.152</td>
<td>19.492</td>
<td>16.502</td>
</tr>
<tr>
<td>Name of the factor</td>
<td>Low costs strategy</td>
<td>Development without changes</td>
<td>Marketing and Management</td>
</tr>
</tbody>
</table>

Source: Authors

According to the results of the analysis, ensuring language knowledge and finding a suitable successor improves the organisation’s output in three basic aspects. The results show that the first factor is related to increased profit and reduced costs: this supports the assumption that the organisation is attempting to enforce a low-cost strategy, focusing on increasing performance while simultaneously reducing costs by retaining key knowledge.
The second factor comprises maximisation of revenues and reduction of costs: however, this is not accompanied by the introduction of new working methods. Therefore, it may be assumed that such organisations are attempting to enhance the quality of their existing processes in order to satisfy their customers. This factor can be termed ‘development of an organisation without changes in its internal processes’. Having knowledge employees and working with them is a way to develop an organisation without making any other changes. Knowledge, if it is transferred, results in sustainable development and reduced costs; therefore, such an organisation does not feel the necessity to alter established working methods.

The third factor consists of increased profit and creation of new job opportunities in the market. This type of organisation sees benefits from knowledge continuity management in the organisation’s expansion into new markets and increased profits. These companies (unlike the two types of organisation identified in factors 1 and 2) do not retain knowledge in order to merely preserve the existing situation and ensure minor growth, but to promote progressive growth and development. This factor can be labelled ‘marketing and management’.

The coefficients of the identified factors range between 0.353 and 0.852, which are relatively high values.

The situation is slightly different in the Slovak Republic. In total, three factors were identified (accounting for approximately 60% of the sample’s behaviour, see Table 5). The results of the factor analysis of the questionnaire survey in Slovakia are shown in Table 6.

Table 5. Variance explained by factors in the Slovak Republic

<table>
<thead>
<tr>
<th>Factor</th>
<th>Total Variance</th>
<th>Total % of Variance</th>
<th>Cumulative % of Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1.298</td>
<td>21.629</td>
<td>21.629</td>
</tr>
<tr>
<td>2</td>
<td>1.169</td>
<td>19.481</td>
<td>41.110</td>
</tr>
<tr>
<td>3</td>
<td>1.116</td>
<td>18.599</td>
<td>59.709</td>
</tr>
</tbody>
</table>

Source: Authors

The analysis shows that ensuring knowledge continuity and finding a suitable successor improves the organisation’s financial situation in two basic aspects. The results show that the first factor is increased profit (improvement of the financial situation) and maximisation of revenues (0.756 and 0.766; a high quality of the identified coefficients): therefore it may be assumed that ensuring knowledge...
continuity and finding suitable successors allows these organisations to enhance their financial results without having to alter existing working methods or exploit new marketing opportunities.

The second factor consists of an organisation’s enhanced performance (0.774): however, this takes place without creating new opportunities in the market (0.678). These organisations are probably either uninterested in ensuring knowledge continuity in order to create new job opportunities in the market and/or do not see any benefits from it. Instead, their priority is to focus on existing markets. Furthermore, they promote their own development by making use of their key employees’ knowledge and by training suitable successors, which can be seen as an indicator of performance. This factor can be termed ‘development without new customers’.

The third factor lies in cost reduction and introduction of new working methods based on using knowledge: these organisations emphasize innovation and increased efficiency of processes and thus reduce costs and/or the end price for the customer. It is clear from the analysis that it is necessary to have the employees’ knowledge in order to secure growth and innovation; it is this knowledge that predominantly triggers changes in work procedures. Therefore it is essential to exploit this knowledge, to retain it within the organisation, and to promote employees’ creativity. Coefficients range between 0.678 and 0.766, which are fairly high quality coefficients.

Table 6. Resultant factors by the Varimax method in the Slovak Republic

<table>
<thead>
<tr>
<th>Variable</th>
<th>Factor 1</th>
<th>Factor 2</th>
<th>Factor 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased performance of organisation</td>
<td>-0.046</td>
<td>0.774</td>
<td>0.100</td>
</tr>
<tr>
<td>Increased profit</td>
<td>0.766</td>
<td>0.056</td>
<td>0.166</td>
</tr>
<tr>
<td>Maximisation of revenues</td>
<td>0.756</td>
<td>-0.081</td>
<td>-0.153</td>
</tr>
<tr>
<td>Reduced costs</td>
<td>0.205</td>
<td>0.268</td>
<td>0.734</td>
</tr>
<tr>
<td>Introduction of new working methods</td>
<td>-0.186</td>
<td>-0.272</td>
<td>0.723</td>
</tr>
<tr>
<td>Creation of new job opportunities market</td>
<td>-0.015</td>
<td>-0.678</td>
<td>0.089</td>
</tr>
<tr>
<td>Total % of variance</td>
<td>21.629</td>
<td>19.481</td>
<td>18.599</td>
</tr>
</tbody>
</table>

Name of the factor

<table>
<thead>
<tr>
<th></th>
<th>Improvement of the financial situation</th>
<th>Development without new customers</th>
<th>Innovation strategy</th>
</tr>
</thead>
</table>

Source: Authors
It is possible to classify the benefits into categories based on an evaluation of the results, from which organisations select convenient options that are more or less demanding and therefore more or less effective. Moreover, the survey shows that Czech and Slovak organisations are cautious in their use of the various benefits: generally they favour benefits that lead to increased turnover and profit and reduced costs, thanks to retaining knowledge within the organisation. The outcomes in both countries regarding benefits in organisational processes are in line with the results presented by Bureš (2007).

4.5. Factors influencing ensuring knowledge continuity and talent management

According to the hypotheses stated in the theoretical background (H3), willingness to share knowledge is the most significant benefit perceived by organisations (55%), followed by organisational climate (53%), trust (51%), motivation (50%), and organisational culture (50%). Organisational structure (26%) and stimulation (17%) were perceived as the least important.

While analysing the influence of factors affecting benefits from ensuring knowledge continuity and talent management in organisations in the Czech Republic, organisational culture emerges as the most influential in the private sector (64.9%), in the tertiary sector (64.8%), and predominantly in small organisations (37%). A correlation between the size of an organisation and the influence of organisational culture in ensuring knowledge continuity was confirmed (p=0.024; Cramer’s V = 0.253 moderate dependency). Organisational culture is predominantly influential in the private sector (53.6%) and a correlation between the size of an organisation and the influence of the organisational structure in ensuring knowledge continuity was proven (p=0.014; Cramer’s V = 0.228 – directly moderate dependency). Organisational structure has the biggest impact in the tertiary sector (89.3%) and in medium-sized organisations (46.4%). Organisational climate is a factor which is most influential in the private sector (74.1%), in the tertiary sector (62.1%), and in small organisations (48.3%). Stimulation promotes knowledge continuity mostly in the private sector (72.2%), in the tertiary sector (83.3%), and in small organisations (66.7%). The willingness to share knowledge is considered to be an important factor mainly in the private sector (65%), in the tertiary sector (65%), and then in small organisations (46.7%). It is similar in the case of motivation, which is most frequently mentioned to be a relevant factor in the private sector (65.5%), in the tertiary sector (63.6%), and in small organisations (41.8%). Trust comes across as the most influential in the private sector (69.6%), in the tertiary sector (60.7%), and, above all, in small organisations (55.4%).
Several conclusions may be drawn from the research illustrating the situation of organisations in Slovakia: organisational culture influences ensuring knowledge continuity mostly in the tertiary sector (56.9%) and in medium-sized organisations in the private sector (70.6%). Similarly, organisational structure is mentioned as the most influential in the private sector (75.7%), in medium-sized organisations, and in the secondary sector (48.6%). A correlation between the sector in which an organisation operates and the impact of organisational structure on ensuring knowledge continuity was also confirmed (p=0.000; Cramer’s V = 0.209; low dependency).

Organisational climate is a factor that is mostly influential in the private sector (71.4%), followed by the tertiary sector (56.3%) and medium-sized organisations. Stimulation encourages ensuring knowledge continuity mostly in the private sector (68.8%), in the tertiary sector (58.3%), and in medium-sized organisations. The willingness to share knowledge is considered to be relevant especially in the private sector (76.5%), in the tertiary sector (55.1%), and in medium-sized organisations. Then same applies to motivation, which is most often mentioned as a crucial factor in the private sector (79.8%), in the tertiary sector (48.1%), and in medium-sized organisations. Trust influences the private sector the most (69.6%), then the tertiary and the secondary sectors (48.5%), as well as medium-sized organisations.

All in all, the hypothesis that factors at the organisational level influence the achievement of benefits more significantly than individual factors (H3) has not been confirmed by the evaluation of the survey results. Furthermore, since ensuring knowledge continuity and talent management are both very closely connected with human individuals, individual factors pertaining to ensuring knowledge continuity are also considerably influenced by internal factors at the individual level: these include trust, willingness to act, and motivation.

5. DISCUSSION

Retention and development of employees is currently a key human resource issue. Employee retention plans, however, often fail, as they focus solely on financial evaluation, benefits, and short-term incentives. Exit interviews show that employees leave organisations because of differing expectations, insufficient feedback or coaching, limited career development opportunities, lack of balance between their private and professional life, or a lack of trust in their superiors (Branham 2009 and Vnoučková 2013). These departing employees are therefore
unwilling to share their knowledge and know-how with their successors, and so organisations lose critical knowledge together with their key employees. If an organisation has at its disposal talented employees (potential successors) they should be shadowing key employees in the organisation in order to try to absorb as much as possible from the key employees’ knowledge and experience, so that organisations can prevent knowledge loss due to personnel changes.

The outputs of the research revealed three possible talent management situations in organisations. First, learning organisations (as defined by Argyris (1999) and Senge (1990)) educate their employees according to practices and goals already existing inside the organisation. Thirty-three per cent of employees are continuously developed in accordance with organisational rules, regardless of whether they wish to grow or not. Second, some groups of employees choose to develop their area of interest and work on their own development independently and separately from their organisation, which does not support them in any way. The third situation is where there are what Colvin (2010), Linhartová (2012b), and Vnoučková (2013) have termed “knowledge employees”. These employees do everything they can in order to learn and grow. It is their career and their long-term goal, and they select job positions to enable their constant learning.

Therefore, Hypothesis 1 has been confirmed: The analysis has found that internal motivation is crucial for long-term learning and individual development.

Organisational rules relating to employee learning and development are also important to enhance organisational knowledge.

Furthermore, research has shown that ensuring knowledge continuity and working with talent in organisations creates benefits in the area of business goals. In Czech organisations these are reflected in performance, processes, and marketing, whereas in Slovak organisations they affect finances, productivity, and innovation.

Therefore, Hypothesis 2 has been confirmed: The analysis has found that organisations in the Czech and Slovak Republics achieve business goal-oriented benefits if they find talented successors and ensure knowledge continuity. These results are in line with those of Levy (2011) and North and Hornung (2003). North and Hornung (2003) found that certain benefits are only visible from a long-term perspective: thus it is vital to continue and extend the research.
Hypothesis 3 has also been confirmed: When factors at the organisational and individual levels are compared, ensuring vertical transfer of knowledge is determined mainly by internal factors at the individual level (52%) and then by factors at the organisational level (48%). However, the difference is very small, and similar research shows that all factors at the individual and organisational levels are very important in order to benefit from talent management and ensure knowledge continuity (Zíková 2012, Linhartová and Urbancová 2012, Levy 2011, Wong 2009, Beazley et al. 2002). The statistical tests showed that both factors are significant. Based on these results, in the current highly competitive environment organisations should:

- Enhance possibilities for hiring and retaining highly talented employees and incorporate this objective into the organisation’s strategic goals to support human resource branding;
- Search for and put to use every single individual’s special talents and make qualitative and quantitative yearly surveys to identify talented employees (through interviews, etc.) the responsibility of the HRM department and line managers;
- Enable employees to share knowledge through training, presentations, mentoring, and team assignments and add knowledge-sharing to the Key Performance Indicators in employee assessments;
- Improve existing employees’ motivation to share knowledge and monitor in periodic employee evaluations the trust between employees to share knowledge;
- Introduce a systematic process of knowledge transfer from departing employees to their successors (possibly applying Urbancová’s methodology (2013);
- Recognise good work and celebrate success using periodic employee evaluation;
- Encourage employees to do their best both at work and at home and support their social development by encouraging them to cultivate their interests, have a healthy lifestyle, etc.;
- Engage employees in the decision-making process and the future course of the organisation;
- Talk about goals, roles, and responsibilities so that employees are aware of what is expected from them and can feel part of the organisation;
- Offer the possibility of training and support the career development of talented employees using mentoring, coaching, etc.;
- Build a culture that encourages open communication, mutual respect, and constructiveness, and support employee identification with organisational goals using efficient communication.
6. CONCLUSION

The paper expands the understanding of the benefits of knowledge continuity and talent management, and shows how organisations should proceed in the current competitive environment. We researched the main approaches to learning, development, and knowledge-continuity management, as it is necessary to know the level of learning and development in organisations in order to predict future development. Maruta (2012), Marešová (2010), Bureš (2007), and other authors have claimed that applying talent management and knowledge-continuity management brings benefits, which was confirmed by the findings of this paper. The results show that there are no significant statistical differences between the Czech Republic and the Slovak Republic in the level of perceived benefits from ensuring knowledge continuity. In both countries the main benefits are the improvement of organisations’ performance.

The theoretical benefits of this paper lie in the verification of talent management and knowledge-continuity approaches and benefits indicated in the literature, and their relationship to the field of activity, size, and ownership of the examined Czech and Slovak businesses.

The practical contribution of the paper lies in the presentation of factors characterizing the approaches of Czech and Slovak organisations towards talent and knowledge management benefits and in providing recommendations in the area of knowledge and talent management. The paper has also shown which factors limit the achievement of benefits.

The limitation of this paper is the relatively low return on questionnaires; the research will be repeated and extended in order to include other countries, such as Poland. This will also promote the identification of the benefits of the talent management and knowledge continuity concepts, which, according to North and Hornung (2003), only become apparent in the long-term.

Follow-up research should focus on verifying the influence of different learning and teaching methods and on developing specific core competencies of knowledge employees or talented workers; furthermore, it could concentrate on identifying methods of optimizing allocated time and financial costs according to the identified and confirmed influences.
REFERENCES


APPLICATION OF TALENT AND KNOWLEDGE MANAGEMENT


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