

UNIVERSITY OF LJUBLJANA  
FACULTY OF ECONOMICS

MASTER'S THESIS

**TALENT MANAGEMENT AND EMPLOYEE ENGAGEMENT IN  
SLOVENIA**

Ljubljana, 25<sup>th</sup> of September 2018

KRISTINA VODIČAR

## **AUTHORSHIP STATEMENT**

The undersigned Kristina Vodičar, a student at the University of Ljubljana, Faculty of Economics, (hereafter: FELU), author of this written final work of studies with the title Talent Management and Employee Engagement in Slovenia, prepared under supervision of Matej Černe, PhD

### D E C L A R E

1. this written final work of studies to be based on the results of my own research;
2. the printed form of this written final work of studies to be identical to its electronic form;
3. the text of this written final work of studies to be language-edited and technically in adherence with the FELU's Technical Guidelines for Written Works, which means that I cited and / or quoted works and opinions of other authors in this written final work of studies in accordance with the FELU's Technical Guidelines for Written Works;
4. to be aware of the fact that plagiarism (in written or graphical form) is a criminal offence and can be prosecuted in accordance with the Criminal Code of the Republic of Slovenia;
5. to be aware of the consequences a proven plagiarism charge based on the this written final work could have for my status at the FELU in accordance with the relevant FELU Rules;
6. to have obtained all the necessary permits to use the data and works of other authors which are (in written or graphical form) referred to in this written final work of studies and to have clearly marked them;
7. to have acted in accordance with ethical principles during the preparation of this written final work of studies and to have, where necessary, obtained permission of the Ethics Committee;
8. my consent to use the electronic form of this written final work of studies for the detection of content similarity with other written works, using similarity detection software that is connected with the FELU Study Information System;
9. to transfer to the University of Ljubljana free of charge, non-exclusively, geographically and time-wise unlimited the right of saving this written final work of studies in the electronic form, the right of its reproduction, as well as the right of making this written final work of studies available to the public on the World Wide Web via the Repository of the University of Ljubljana;
10. my consent to publication of my personal data that are included in this written final work of studies and in this declaration, when this written final work of studies is published.

Ljubljana, September 25<sup>th</sup>, 2018

Author's signature: \_\_\_\_\_

# TABLE OF CONTENTS

<b>INTRODUCTION .....</b>	<b>1</b>
<b>1 TALENT MANAGEMENT .....</b>	<b>3</b>
<b>1.1 Talent management definition .....</b>	<b>3</b>
<b>1.2 Talent management through the years .....</b>	<b>5</b>
<b>1.3 Threats of poor talent management or lack thereof .....</b>	<b>6</b>
<b>1.4 Overview of the talent management process .....</b>	<b>7</b>
1.4.1 Manpower planning .....	9
1.4.2 Talent acquisition .....	9
1.4.3 Talent development .....	9
1.4.4 Performance management .....	10
1.4.5 Succession planning .....	10
<b>1.5 Benefits of talent management.....</b>	<b>11</b>
<b>1.6 Talent management in Slovenia.....</b>	<b>11</b>
<b>2 EMPLOYEE ENGAGEMENT .....</b>	<b>12</b>
<b>2.1 Employee engagement definition.....</b>	<b>12</b>
<b>2.2 Key elements of employee engagement .....</b>	<b>13</b>
<b>2.3 Drivers of employee engagement .....</b>	<b>14</b>
<b>2.4 Effects of employee engagement .....</b>	<b>15</b>
<b>2.5 Employee engagement strategies .....</b>	<b>15</b>
<b>2.6 Reasons for disengagement .....</b>	<b>18</b>
<b>2.7 Employee engagement in Slovenia .....</b>	<b>20</b>
<b>3 TALENT MANAGEMENT AND EMPLOYEE ENGAGEMENT .....</b>	<b>21</b>
<b>3.1 Talent management affecting employee engagement .....</b>	<b>22</b>
3.1.1 Talent development .....	22
3.1.2 Talent recognition.....	23
3.1.3 Culture conducive to talent development .....	23
3.1.4 Management support .....	23
<b>4 EMPIRICAL RESEARCH .....</b>	<b>24</b>

<b>4.1</b>	<b>Purpose and goals of the research</b> .....	<b>25</b>
<b>4.2</b>	<b>Research question and hypothesis</b> .....	<b>25</b>
<b>4.3</b>	<b>Research approach and methodology</b> .....	<b>26</b>
4.3.1	Survey presentation .....	26
4.3.2	Analytical methods.....	27
<b>4.4</b>	<b>Results of the research</b> .....	<b>27</b>
4.4.1	Descriptive statistics.....	28
4.4.2	Reliability statistics .....	31
4.4.3	Verification of hypotheses .....	33
<b>5</b>	<b>DISCUSSION</b> .....	<b>38</b>
<b>5.1</b>	<b>Theoretical contributions</b> .....	<b>39</b>
5.1.1	Talent management affects employee engagement.....	40
5.1.2	Talent development affects employee engagement .....	40
5.1.3	Talent recognition affects employee engagement .....	41
5.1.4	Talent culture affects employee engagement .....	41
5.1.5	Talent support affects employee engagement .....	42
<b>5.2</b>	<b>Practical implications</b> .....	<b>43</b>
5.2.1	Talent development for stimulating employee engagement .....	43
5.2.2	Talent recognition for stimulating employee engagement.....	44
5.2.3	Culture conducive for talent development and fostering employee engagement.....	44
5.2.4	Management support to stimulate employee engagement .....	44
<b>5.3</b>	<b>Limitations</b> .....	<b>45</b>
<b>CONCLUSION</b> .....		<b>47</b>
<b>REFERENCE LIST</b> .....		<b>48</b>
<b>APPENDICES</b> .....		<b>53</b>

## **LIST OF FIGURES**

Figure 1: Strategic talent management model.....	4
Figure 2: Time framework of talent management development .....	6
Figure 3: The elements of talent management .....	7

Figure 4: Job demands-resources model .....	13
Figure 5: Worldwide employee engagement in 2008–2009 and 2011–2012.....	20
Figure 6: The conceptual model of the connection between employee engagement and talent management factors .....	25
Figure 7: Gender of the respondents.....	28
Figure 8: Education of the respondents .....	29
Figure 9: Age groups of respondents.....	30
Figure 10: Number of years in the current organization .....	30

## **LIST OF TABLES**

Table 1: Overview of employee engagement in Western Europe .....	21
Table 2: Clarification of concepts .....	24
Table 3: Questionnaire items grouped into factors.....	27
Table 4: Gender of the respondents .....	28
Table 5: Education of the respondents .....	28
Table 6: Age groups of respondents .....	29
Table 7: Number of years in the current organization.....	30
Table 8: Reliability test of the study responses .....	31
Table 9: A correlation analysis .....	32
Table 10: Test for relationship between talent management and employee engagement ...	33
Table 11: Test for relationship between talent development and employee engagement ...	34
Table 12: Test for relationship between talent recognition and employee engagement .....	36
Table 13: Test for relationship between talent culture and employee engagement.....	37
Table 14: Test for relationship between management support and employee engagement	38

## **LIST OF APPENDICES**

Appendix 1: Povzetek (Summary in Slovene language) .....	1
Appendix 2: Survey (Anketa).....	2
Appendix 3: Statistics.....	6



## INTRODUCTION

The concepts of talent management and employee engagement have been broadly studied in the past ten years in different literature by various authors; some of which are listed in the brackets (Lewis & Heckman, 2006; Scullion, Collings & Caligiuri, 2010, Saks & Gruman, 2014). Both concepts have been researched among academics and practitioners.

Lewis and Heckman (2006) consider talent management with its practices focused on talented employees as a new term for human resource management practices. However, an important difference exists between two concepts, since human resource management focuses on all employees, while talent management focuses only on a group of employees with essential skills for the organization (Collings & Mellahi, 2009). Nevertheless, it is sometimes still difficult to differentiate between talent management and human resource management since both practices focus on managing employees (Collings & Mellahi, 2009).

When talent management practices are implemented accordingly, one can expect that the outcome shall result in higher levels of employee engagement, which shall consequently derive a better organizational outcome. A definition of employees' engagement is a positive and fulfilling outlook on one's performance at work (Sarkisian et al., 2011). When employees are engaged, they deal excellently with job demands, have a positive outlook on the future of their work and consider their workload manageable. The Gallup Research Report (2013) assess that poorer performance and lower output are consequences of disengaged employees, which costs many businesses large sums of money every year.

Talent management and employee engagement are in strong correlation with high-performance human resource management (Becker, Ulrich & Huselid, 2001). This indicates that strategic talent management activities resulting in higher employee engagement need to have a solid foundation on effective human resource management approaches. Moreover, it is important for organizations to keep their employees engaged and motivated as these as well as the possibility to learn and develop oneself are usually the factors that influence their decision whether to stay with the organization or not (Gebauer, 2006).

Vazirani (2007) established that organizations carrying out talent management activities, such as developing their abilities, learning new skills and gaining new knowledge, have a higher level of engagement than the ones that do not. Work objectives are met more easily when employees have a high level of engagement than when their engagement level is low (Bhatnagar, 2007). From this we can assume that companies which invest in talent management also invest in greater employee engagement.

Furthermore, organizations express their commitment towards human capital when they execute talent management processes professionally and effectively, resulting in greater engagement and lower turnover of employees (Bhatnagar, 2007). Based on the abovementioned statements, it can be claimed that employee engagement has a significant effect on productivity and talent retention of employees.

Many studies have been written on behalf of talent management and employee engagement influencing organizational performance and competitive advantages (Collings & Mellahi, 2009; Saks & Gruman, 2014). Despite that, most of the studies were written by foreign authors researching particular countries or even organizations. From the literature review in the theoretical part we can conclude that most studies regarding the topic of talent management in connection to employee engagement were created with the focus on countries of Western Europe (Gallup, 2013) and they were mostly based on the correlation between employee engagement and overall organizational performance.

This thesis shall therefore focus on talent management and employee engagement situation in Slovenia. The purpose of this thesis shall be to provide an understanding of the relationship between the concepts of talent management and employee engagement and to help human resource management design talent management policies and practices, which could lead to higher levels of employee engagement in Slovenia.

The aim of this thesis is to first review secondary literature and previous research on the topics of talent management and employee engagement, and elaborate on the concepts and their implementation in practice, as identified by researchers from various parts of the world. Additionally, the purpose of this research is that the majority of the research in relation to this subject has studied the relationship between employee engagement and overall organizational performance, while neglecting its micro-foundations with regards to employee engagement. Therefore, the empirical part shall analyze the connection between talent management and employee engagement based on previous findings. Whereas the empirical part shall analyze the situation of talent management and employee engagement with reference to the country of Slovenia and further elaborate whether and to what extent this connection is present in its companies and organizations. To examine this concept in Slovenia, a research question: “Is there a relationship between talent management and employee engagement?” was formed.

This master’s thesis shall be comprised of seven chapters including the introductory chapter and the conclusion. In this chapter we outlined the background, the purpose and the objectives of the study. The first three chapters shall feature the review of the literature, which shall discuss the previous works of literature in relation to the main concepts of talent management and employee engagement.

The first chapter shall be dedicated to the concept of talent management, the second chapter shall deal with the concept of employee engagement, and the third shall focus on the relationship between both concepts. The empirical part of the thesis, including a description of the methodology used and the analysis of collected data, shall be presented in the fourth chapter. Our methodology was a quantitative research method using data collected from primary sources via a survey. The survey was designed primarily with closed-ended questions with a five-point Likert scale. A discussion of the outcome in relation to the relevant literature and further recommendations shall be described in the fifth chapter, followed by the conclusion of the thesis.



# **1 TALENT MANAGEMENT**

Knowledge is one of the most important resources in modern business. It is crucial for organizations to dedicate a lot of attention to acquiring and preserving modern knowledge in order to stay competitive in the long term in the field of their business. The last decade (2008–2018) has been one of the most studied periods for understanding how important talent management is and how big of an impact it can have on the performance within an organization. Employees with a high level of engagement can bring a lot of added value to the organization and this perspective should not be ignored. There are different views and approaches towards the definition of talent management and the tasks needed for the implementation in the organization itself.

Cheese, Thomas and Craig (2008) describe that major changes accrued as businesses moved their productions from developed to developing countries and lowered their expenses and caused a new era of globalization where talent and brainpower represent the main competitive advantage. Some authors, including Lewis and Heckman (2006), consider talent management with its practices focused on talented employees as a new term for human resource management practices.

However, Collings and Mellahi (2009) disagree and argue that there is an important difference since human resource management focuses on all employees and talent management just on a group with rear and crucial skills for the organization. Furthermore, they emphasize that strategic talent management focuses on employees that are or are meant for focal positions in the organization, but still state that it is sometimes difficult to differentiate between talent management and human resource management since both practices focus on managing employees, apart from talent management primarily focusing on talented employees (Collings & Mellahi, 2009).

A smart way for utilizing the organization's resources is focusing talent management practices on strategic positions and key talents of selected employees (Collings & Mellahi, 2009). Nevertheless, it is crucial to obtain effective human resource processes in order to have effective and sustainable outcomes of talent management approaches. Effective human resource processes include planning, selection of competent potential talent, career management, performance management and succession planning (McDonnell & Collings, 2011).

## **1.1 Talent management definition**

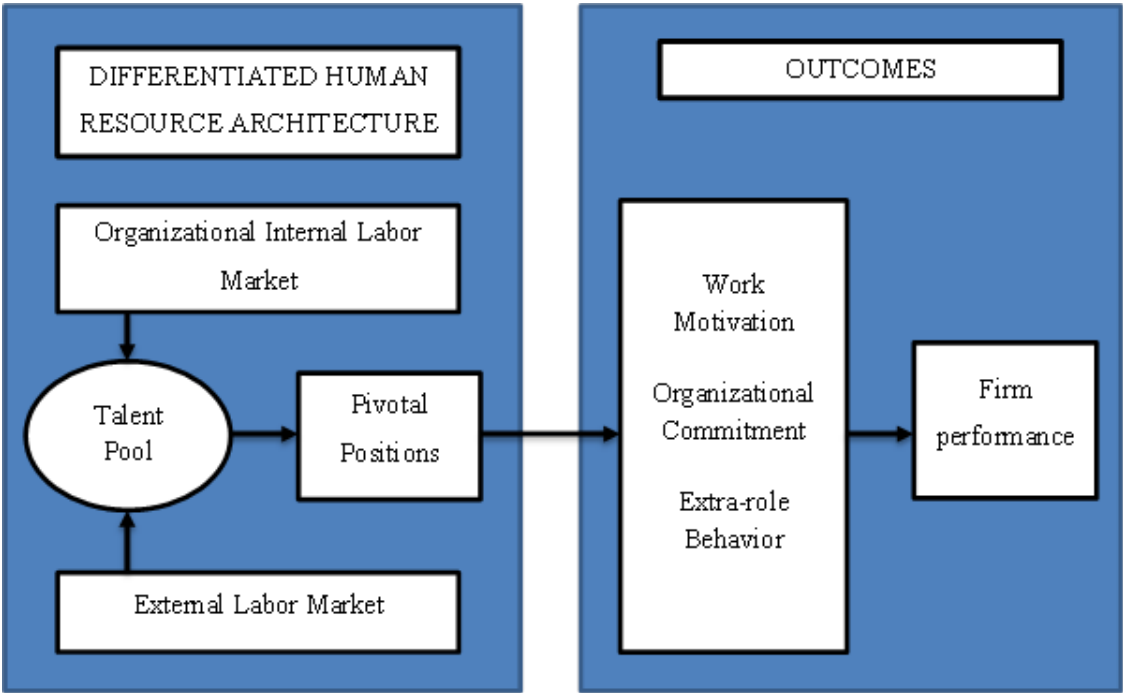
Human resource managers and consulting companies have been dedicating their attention to talent management field for many years. Nevertheless, many researchers and experts gained significant interest in the topic in recent years and jointly came to an agreement there is no single definition of talent management.

Furthermore, they stress there is an inconsistency in talent management definitions as they usually do not stem from theoretical frameworks (Scullion, Collings & Caligiuri, 2010). According to Lewis and Heckman (2006), talent management is focused on management of talented employees and is commonly interpreted as a new term for human resource management practices. That is not a coincidence as the term talent management derives from human resource activity focused on high management positions – attracting and recruiting highly talented individuals and as well evaluating and rewarding them for their success (Miner, 1973).

The main theme in talent management are the employees of particular importance to the company that need to be identified, attracted, developed, maintained, and deployed within the organization (Davis & Davis, 2011, p. 4). Talent management is a tool that enables an organization to successfully achieve short-term and long-term goals by creating work culture, engagement, competence, development, and arrangement processes that are aligned to business goals (Paradise, 2011).

To better understand the strategic importance of talent management, Collings and Mellahi (2009) designed a strategic talent management model (Figure 1), which explains how a systematic identification of key positions that fundamentally contribute to the organizations’ sustainable competitive advantage, the development of highly competent talent pool for crucial working positions, and activities that help maintain loyalty and commitment to the organization influence and benefit the overall organizational outcome. Figure 1 below graphically demonstrates the strategic talent management model.

*Figure 1: Strategic talent management model*



*Source: Adapted from Collings & Mellahi (2009).*

Some authors, including Collings and Mellahi (2009), are convinced that strategic talent management must start by identifying the most critical roles and encourage organizations to create a work atmosphere which promotes motivation, organizational commitment and greater employee performance for maximization of the companies' outcome.

## **1.2 Talent management through the years**

Talent management has not always been understood and got the deserved credit. As mentioned before, organizations have begun implementing it as a part of business strategy with its strategic importance only in the last decade (2008–2018). Years ago, organizations performed day-to-day operations and hired new employees when needed.

In this chapter we shall elaborate on the so-called evolution of talent management throughout the years. A graphical scheme of major steps in talent management development is presented in the figure 2 on the second page. The scheme shall also highlight the background of the steps in talent management history.

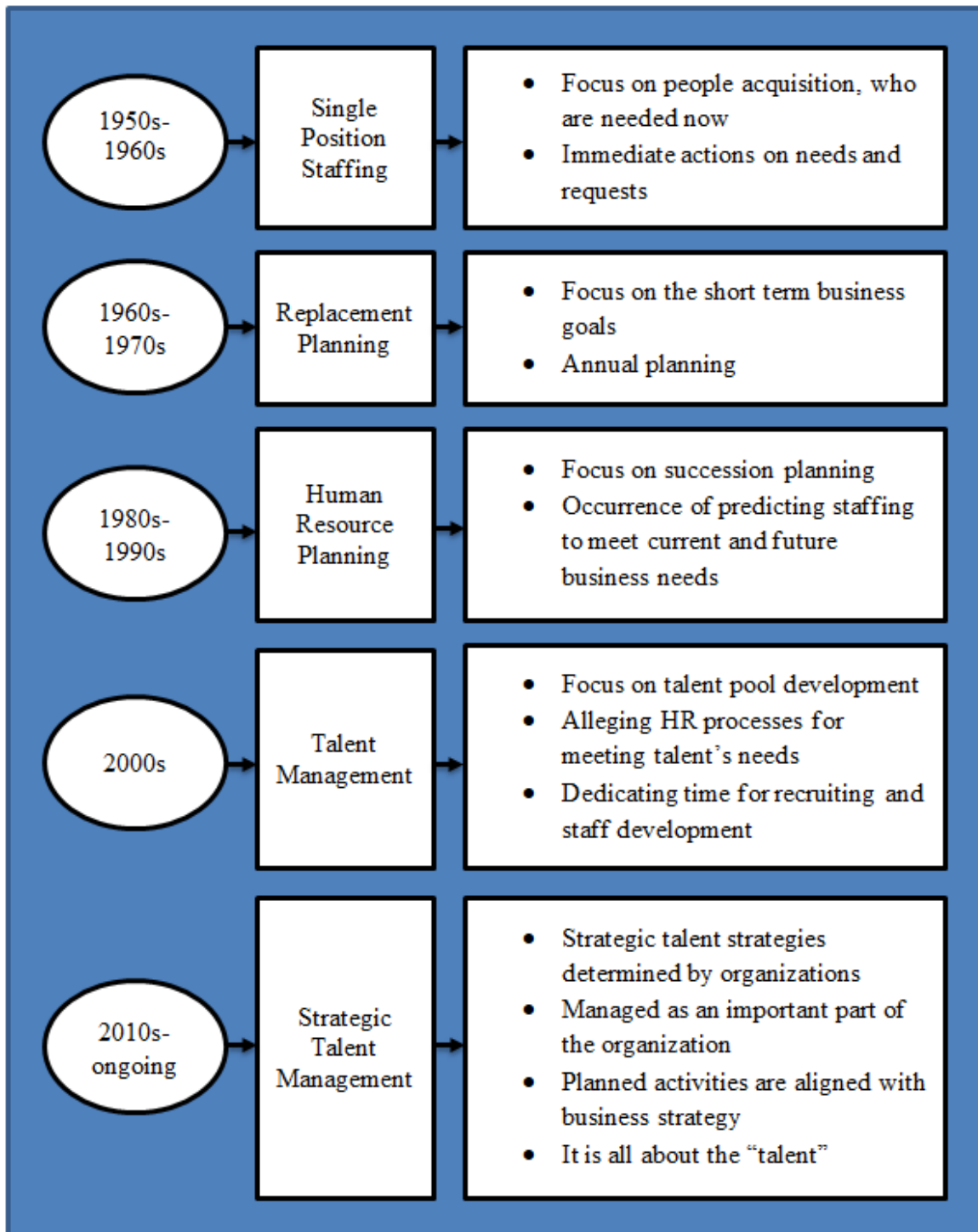
According to Silzer and Dowel (2010), back in 1950s and 1960s companies did not have talent management activities imbedded in their operational procedures and simply held monthly meetings where they established which employees shall be retiring soon or could possibly be replaced. Based on that, they employed workers to fill in the currently vacant positions.

In the following two decades companies slowly started paying attention and oriented on long term human resource planning when employing new staff. Long-term planning meant that they established clear replacement processes in combination with succession plans with intention of finding suitable individuals that are appropriate or can be developed in candidates for future leadership positions.

But then in the 1990s and 2000s, talent management emerged and included succession planning, possible career promotions in the following years and, most importantly, activities for aligning human resource processes with companies' long-term objectives, with the intention to attract specialized talent and leadership talent.

Nowadays, many organizations think of talent management as a business priority but still fail to implement it as an integrated continuous process, because they have a mindset and techniques of the past (Deb, 2005). In addition, it is not enough to just have plenty of great talent in the company, what truly matters for employees are the appreciation and the sense of being valued. That is when their talents can be used in alignment with the organizational goals to their greatest potential (Thorne & Pellant, 2007).

Figure 2: Time framework of talent management development



Source: Adapted from Silzer & Dowel (2010); Deb (2005); Thorne & Pellant (2007).

### 1.3 Threats of poor talent management or lack thereof

As mentioned above, succession planning is one of the main pillars in strategic talent management. According to Schiemann (2009), only a few organizations thoroughly

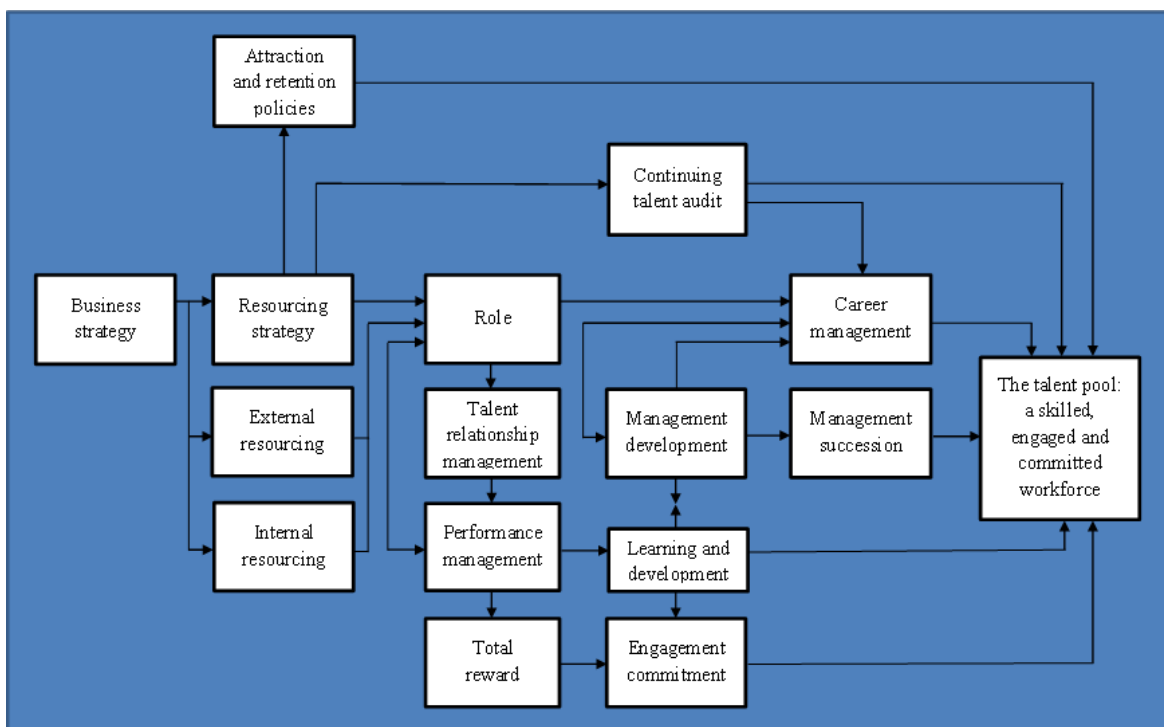
investigate their human resource department and attentively research which positions are critical, for example, due to retirement, excessive work tasks or development and growth of a company, and deliberately hire or start looking for missing talents.

A small number of organizations truly understands the abundance of talent change or is even prepared for them with proper strategic plans to achieve higher goals. The lack of talent management and therefore the scarce vacancies in Slovenian companies caused one of the country's greatest problems – brain drain. But on the other hand of this issue, young people entering the work force tend to expect too much from the employers and the positions they occupy. According to Guthridge, McPherson and Wolf (2009), the reason for that lies in their mindset that is shaped by Internet and bombarding information.

#### 1.4 Overview of the talent management process

Talent management and strategic planning together shall always determine the journey, procedures, and the final result of organizations' outcome in the future (Shukla, 2009). Nevertheless, talent management must be executed strategically in order to achieve desired results and to be successful and effective (Silzer & Dowell, 2010).

Figure 3: The elements of talent management



Source: Adapted from Armstrong (2009).

Some of the leading companies are believed to put equal importance to strategic talent review, strategic planning process and regular performance review. As stressed once more by Deb (2005), an organization should be strategically planning talent management with the

aim of attracting and assimilating the required talents. When doing so, companies have greater chances to retain the talent in the future. These actions consequently lead to overall higher loyalty, commitment, productivity and turnover.

To better understand the connection between talent management elements, Armstrong (2009) designed a figure, which displays the strong connection among them, which is also shown in figure 3 on the previous page.

The first step in the talent management process is creating a business strategy and simultaneously searching for the suitable and required talent. The business strategy is the foundation of resource planning, which can be external or internal, focusing on developing policies for attracting, maintaining and developing talents within an organization.

To sustain the talent flow attraction and retention, certain policies should be implemented. Activities for attracting talent are external and are meant to attract talent from outside of an organization, whereas retention activities focus on keeping the existing employees committed. Meanwhile, talent audits ensure that employees have their own career plans clearly set out and are constantly faced with learning experience for developing their potential. At this point, one of the goals of the organization is also to think about how to retain the learning talent by focusing on the possible risk of the talent quitting and leaving the organization, and try to avoid it.

A very important step is the step of role design, where an organization tries to fill each position with the right people using talent management approaches. Role design contributes to the clarification of the responsibilities; it ensures autonomy and challenging work tasks. Consequently, an environment of engagement is created which enables the talent to enhance and improve their role. This stage shall also give certain flexibility to the talent for them to enhance and further develop their skills and create better work.

Furthermore, talent relationship management encourages employees and increases their engagement by treating them fairly, valuing them and giving them the opportunity to develop themselves. What follows is that the employees exhibit more commitment and much better engagement. Employees tend to react better and are more productive when they feel valued and know their work has a significant impact on success of the organization. Performance management ensures that employees are regularly evaluated, get feedback, recognition and rewards. It is crucial for an employee to know they have done significant work and get rewarded for that, or that they have done an average job and know they can do better. Learning and development management is dedicated towards improving the skills and capabilities of the talent based on their needs.

Management succession planning plays an important role for the whole organization and ensures that a management team is available for the organization. Furthermore, career management gives the talent the opportunities for career progress and assures the flow of talents required by the organization.

#### 1.4.1 Manpower planning

Manpower planning is a process that management uses to ensure that the organization has a clear goal in terms of manpower. Predicting who shall be the main participants of the organizations' future success is called workforce planning. Organizations must be one step ahead of the competition in the fast-moving and developing environment (Hay Group, 2005). Therefore, it is crucial for organizations to establish workforce planning and prepare for an uncertain future that can easily affect the plans and goals of the organization. Despite the importance of manpower planning, it is still an undeveloped process in most companies as they only exploit currently available information for planning purposes (Shukla, 2009). If manpower planning and its potential are used to a higher level, there is a bigger likelihood for the success of the companies.

#### 1.4.2 Talent acquisition

Until the 1990s the supply of talented workforce workers was relatively large, which meant that HR departments did not have to develop the practices of searching, selecting, developing and retaining employees. High-skilled workers with talents were easy to find. When the labor market experienced major changes, for example the aging of the population, human resource departments experienced an awakening and realized it was necessary to develop the competences of talent management. One of the issues that can cause many changes and that human resource department needs to consider is the increase in the number of educated people. Additionally, in developed countries the elderly population has grown immensely, causing issues with the acquisition of young talent. But regardless of the economic growth and well-prepared HR departments, the major problem shall be the outgoing of talented workforce or brain drain and increased external employment. It is therefore necessary to develop the competences of HR professionals regarding the practices of search, selection, efficiency, and employee retention (Cappelli, 2003). It is also crucial to emphasize the importance of internal recruitment through which we can find a higher potential among internal employees, and the role of assessment centers, informing employees of the effectiveness of work, succession planning and the implementation of internal selection procedures (Holbeche, 2005).

#### 1.4.3 Talent development

The concept of talent development can be defined as organized and planned education of employees executed by the employer. DeSimone and Harris (1994) explain talent development as a set of systematic and planned activities of the organization, whose purpose is for the employees to acquire the appropriate skills in accordance with current and future needs at work.

Talent development can be divided into three main fields of activities. Beginning with training, which is usually linked to the current performance of an employee and is usually

carried out directly by the superior, who is also the evaluator of the achieved results. Common reasons for training are changes in the work process, introduction of new technologies and development. The second step is education, which is linked to the performance in the future. One of the purposes of education is also promotion; therefore, it is important to carefully select the candidates for that step. Education can also be interpreted as the added value to the career development system and is usually carried out by middle management. The final step is development, which is not directly related to present or future work.

Development activities in this field are defined as support for the overall development of employees. Involving employees in various development programs maintains their educational condition, as they are employees whose potential can still be developed. Responsibility for this level lies at the highest leadership level, as these activities are linked to the organization's policies and organizational culture.

#### 1.4.4 Performance management

In addition to setting goals and evaluating their achievements, a comprehensive performance management system also includes monitoring the way the results are achieved. In this way the results can be further improved, thus contributing to a greater efficiency of individuals' work and the performance of the organization. Within the framework of annual interviews, which are key for this system, it is possible to set future goals and to identify activities for the future.

Based on this information, further personnel decisions on remuneration, career development or education shall be adopted (Zupan, 1999). Systematic monitoring of talented staff should be performed within the performance management system (Collings & Mellahi, 2009). Highly effective organizations are tracking employees in the field of their performance and evaluate jointly set goals and motivate them with this approach (Holbeche, 2005).

#### 1.4.5 Succession planning

The process of ensuring adequate "supply" of successors for current and future key positions within the company is called succession planning (Dessler, 2003). It includes proactive identification of potential employees who shall fill the available critical positions in the future (Collings & Mellahi, 2009). It is a strategic plan for the availability of potential internal staff, which would replace outgoing talent employees and thus mitigate the consequences of the change (Huang, 2001). It is very important for the company to plan this ahead to avoid searching for appropriate candidates too late or even having to develop or train new talent for the required position. It usually incurs new costs and causes the loss of precious competitive time that is needed for recruiting a new talent too late.



## **1.5 Benefits of talent management**

Reduced costs, better productivity, and reduced risks are just some of the benefits for organizations when they integrate talent management in their strategic planning processes. Finding the right person for the job can be crucial for the success of the company and a good talent management system can help them find the people they need for a certain task or position. Additionally, retaining the talent within the company, and making people feel valued shall bring you very faithful and loyal employees that shall increase the value of the organization as whole and shall also bring bigger profit. One of the competences of good talent management is also better hiring of people that shall add to the quality of the organization – the quality of an organization is the quality of workforce it possesses. If an organization implements a good talent management system, it can understand their employees better – by constantly assessing them the organization obtains a very good insight into their work, their strengths and weaknesses as well as abilities that can give them an edge in performing. If employees who show great talent receive new and extra development, this means that the company made much better professional development decisions. Employees are also the ones to experience talent management benefits, such as greater motivation and engagement, which have a positive effect on their performance and therefore impact their commitment to the organization. Employees that perform highly and are a vital resource of knowledge are an important part of sustainable competitive advantage.

According to Baublyte (2010) organizations with sustainable talent management activities are able to effectively and efficiently plan recruitment, training, education, development, succession and retention. In addition, companies that practice talent management tend to achieve greater financial results (Baublyte, 2010).

## **1.6 Talent management in Slovenia**

Planet GV and company Energos have conducted a survey that covered the topic of talent management in Slovenia (“Upravljanje in razvoj ključnih kadrov v slovenskih organizacijah”). According to the survey, which involved 116 organizations and interviewed employees with a human resource department in the company, two-thirds (63 percent) of the companies have determined which are the key positions in their company that require key talent. As many as 33 percent of the organizations did not elaborate the key competences expected from their employees. The surveyed organizations focus more on the internal talent management (identification and development of existing talent) than external (acquiring new and retention of existing talent) management methods (Žezlina, 2010).

The results of the survey show that on average, this field is still poorly developed in Slovenia. Organizations are not systematically involved in the management and development of competences of their key talents (Žezlina 2010). Only a half of the organizations or 46 percent are systematically involved, and 59 percent of organizations do not have proper initiatives set up to develop the key competences of their talent. In Slovenia, a lot of effort

is put in the selection of the most suitable candidate and after hiring him or her no one deals with the talent effectively (Žezlina, 2010).

The surveyed organizations dedicate up to 30 percent of the total funds allocated for education to the programs for the development of key talent. A more detailed analysis shows a correlation between the size of the organization and the share of funds they invest in the development of talents (Žezlina, 2010). The survey by Planet GV and Energos showed that smaller organizations dedicate less resources (less than 10 percent of the funds for education purposes) to the development of their key talent (Žezlina, 2010), whereby large companies usually invest more resources to the development of talent management systems.

If the implemented system is good, companies can easily recognize more talented individuals, hire them and provide them with opportunities for learning and developing. But if the system is not working, organizations can face the danger of many talented employees leaving the company. It is a worrying fact that 17 percent of organizations do not monitor talent arriving and leaving the company (Žezlina, 2010).

## **2 EMPLOYEE ENGAGEMENT**

There is no doubt that for the past decade employee engagement has been one of the most studied and researched concepts within companies and within academic literature. Leading organizations in the field of market research reported that organizations that have been very skilled in the field of employee engagement have achieved better results in profit and operating margins than companies that have not put significant stress to this idea. A positive and fulfilling outlook on one's performance at work is a definition of employees engagement according to Sarkisian et al. (2011). When employees are engaged, they deal excellently with job demands, have a positive outlook on the future of their work and consider their workload manageable. Moreover, engaged employees prefer challenges to the routine work.

The Gallup Research Report (2013) assesses that poorer performance and lower output are consequences of disengaged employees, which costs many businesses large sums of money every year. Also, it is assumed that workers who are not engaged are more likely to find other job within a year.

### **2.1 Employee engagement definition**

Determination, dedication and absorption are the key characteristics of an engaged employee as emphasized by Schaufeli, Salanova, Gonzalez-Roma, and Bakker (2002). Determined employees are very energetic, mentally flexible, devoted to work, and have an ability to successfully cope with difficult situations; dedicated individuals are eager to apply their time and effort to achieve a significant, efficient, and meaningful outcome with their commitment, enthusiasm, and inspiration.

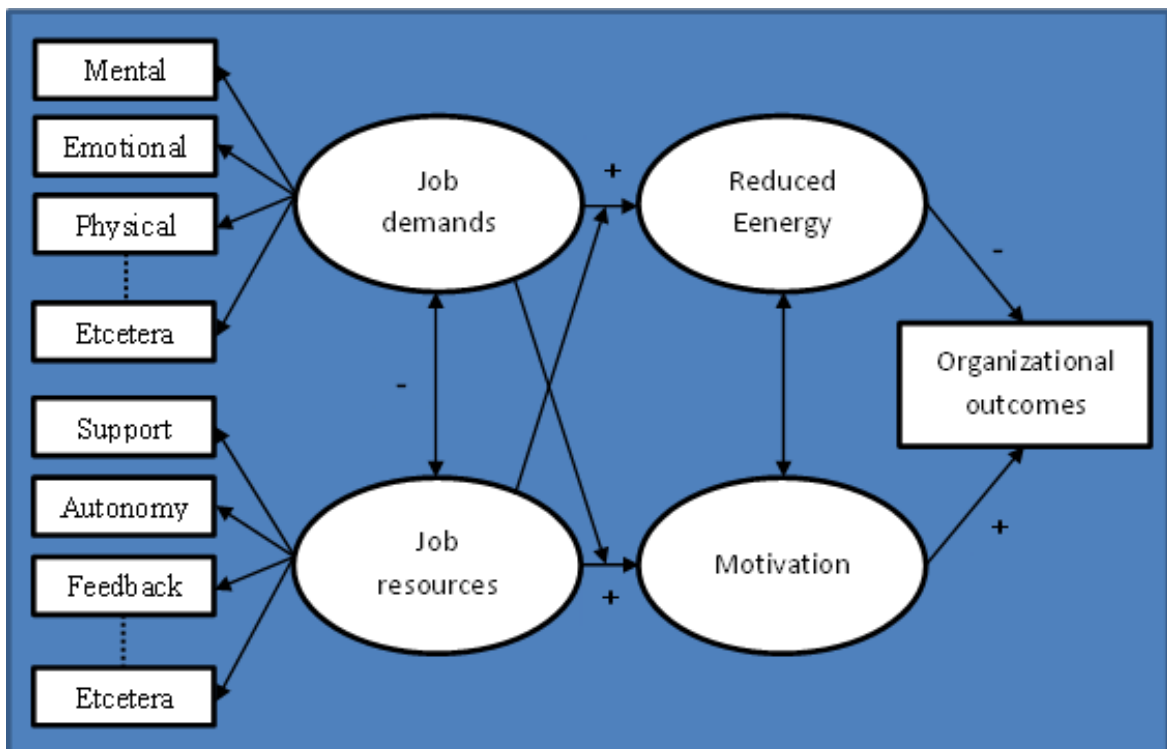
Employees with a high level of absorption can be fully focused and concentrated while dealing with an important task at work according to Coetzer and Rathmann (2007). Furthermore, engaged individuals highly contribute to the strategic organizational goals and oversee their personal and professional development (Macey, Schneider, Barbera & Young, 2009).

## 2.2 Key elements of employee engagement

Six categories impact the overall employee engagement according to Macey, Schneider, Barbera and Young (2009). The categories are listed and described below:

- **Work:** work assignments, resources and processes, and sense of accomplishment.
- **Organization’s procedures:** regulations and practices, performance management, company’s prominence and diversity.
- **Overall benefits:** salary, rewards, and recognition.
- **Opportunities:** career opportunities and training and development.
- **People:** top management, coworkers, employee appraisal, and clients.
- **Quality of life:** work environment, organizational atmosphere, and work-life balance.

*Figure 4: Job demands-resources model*



*Source: Adapted from Bakker & Demerouti (2007).*

Experts have proven that engaged employees perform better. The salary and other benefits are important motivators but cannot be compensated and increased on behalf of other key

elements of employee engagement. Nevertheless, burnout can occur when there is not enough of recognition and appropriate rewards (Maslach, Schaufeli & Leiter, 2001). Therefore, it is correct to assume that organizations encouraging approaches for a better work-life balance shall have more engaged employees (Devi, 2009).

Moreover, Bakker and Demerouti (2007), state that job resources can come from various sources. The first type can come from the organization itself, for instance salary, career opportunities, and job security. The second type is composed of interpersonal and social relations, such as support from supervisors and coworkers, and team atmosphere. However, job resources, such as role clarity and participation in the decision-making process can also come from the organization of work. For example, job resources can also be obtained from the task itself, skill variety, task identity, task significance, autonomy, and performance feedback (Bakker & Demerouti, 2007). The job demands-resources model is graphically displayed on the previous page in figure 4.

Development opportunities, performance feedback, and colleague support are positively associated with work engagement, which has been constantly demonstrated in various studies (Salanova & Schaufeli, 2008). Also, Bakker and Demerouti (2008) observe that supportive colleagues and performance feedback increase the likelihood of an individual succeeding in achieving their work goals.

### **2.3 Drivers of employee engagement**

The organization and its talent management strategy contribute to effective recruitment, development and retention of employees, and should also make the effort to contribute to talent management (Hughes & Rog, 2008). Gibbons (2006) shares this opinion and identifies the top drivers of employee engagement, using results from his 12 previous major research studies. The drivers are:

- **Trust and integrity:** when employees have a feeling their leaders hear them, care about them, meet their needs, are trustworthy and lead by example.
- **Nature of the job:** level of employees' involvement and independence.
- **The link between organizational performance and employees:** the level of employees' familiarization with the objectives of organizations, awareness of what is expected of them.
- **Career growth opportunities:** employees' chances of career progression and promotion.
- **Pride about the company:** level of self-esteem obtained from employees' roles in the company.
- **Coworkers:** team members' behavior and perceptions of their work and the organization.
- **Employee development:** how much effort and resources does the organization allocate for the development of the employees' competencies.

- **Relationship with subordinates:** to what extent does upper management value employees.

## **2.4 Effects of employee engagement**

Employee engagement has a positive effect on organizations' financial performance even in risky financial times (Hewitt Associates, 2004). Therefore, we can assume that organizations with a higher level of employee engagement perform better. Furthermore, employee engagement works as an effective tool for retaining the best talent (Bhatnagar, 2007) and can be utilized as a tool to reduce employees' intentions to leave the organization (Baskin, 2007).

Kahn (1992) projected almost three decades ago the positive effects of employee engagement on individuals' positive outcomes and on organizational positive outcomes as well. Employee satisfaction and engagement are also in positive correlation with significant business outcomes (Harter, Schmidt & Hayes, 2002). Employee engagement has a meaningful role when implementing organizational change and adapting to many changes that occur on the market (Graen, 2008). According to the Gallup Business Journal (2006), an obvious relationship exists between employee engagement, customer loyalty, business growth, and profitability.

Furthermore, a research carried out by Professional Services Company Towers Perrin claims that an organization performs on average 17% better in terms of performance and profitability than the competition, when the level of employee engagement is high (Cook, 2008). Similarly, The International Survey Research team has found evidence in organizations reaching higher productivity, when they engage employees and customers emotionally.

Ott, Blacksmith and Royal (2007) elaborate on the Gallup findings and claim that higher employee engagement predicts higher earnings per share. Organizations with more than four engaged employees on every actively disengaged employee experienced higher growth in earnings per share 2.6 times, when compared to competitors that trade at the same business level and have a ratio of a little less than one engaged employee on every actively disengaged employee.

## **2.5 Employee engagement strategies**

Before designing a strategy, every organization must determine for itself which procedures work for them (Lockwood, 2007). A great example, for instance, is the Gallup organization, which identified twelve objectives that represent the linkage between employee satisfaction and positive business outcome (Gallup Business Journal, 2006). Nowadays, these twelve indicators are called "Q12" for short and are used by many employers for assessing the

attitude of employees by covering the fields such as customer satisfaction, profitability, productivity, and employee turnover.

Gallup's employee engagement survey has been in place for over ten years and has included more than 25 million employees in 189 countries, and has been translated into 69 different languages. Gallup defines the level of engagement as the level at which employees are self-engaged without external constraint and are motivated to contribute to the company's success and put greater effort than usually expected into the accomplishment of the tasks necessary to achieve the common goals.

The level of employee engagement is measured with their responds to 12 statements, which describe the engagement factors and have the greatest impact on their performance and efficiency. These twelve factors were determined based on years of research and several thousand targeted interviews with employees in different companies from different industries and countries around the world. They even found that the order of statements is important as it addresses the four levels of hierarchical needs that need to be met according to which employees become fully engaged.

The first two statements represent the basic needs of employees, the second part, including statements from 3 to 6, encourages the employees to think about their own contribution to the organization they are employed in and how others respond to their efforts. It emphasizes the importance of management support, since they are usually the ones who define how successful are the individuals at their work. The final statements focus and evaluate employees' relationship with the team and the whole company and their opportunity for growth and development (Nink & Welte, 2011).

Below is the description of these 12 statements, the so-called "Q12", which have the greatest impact on employee engagement (Wagner & Harter 2006):

1. **I know what is expected of me.** If it is unclear what is expected from employees, they respond with hesitation, indecision, and uncertainty. It is important to define expectations and then give employees the opportunity to decide how they shall achieve the goals they set. Self-confident and self-decisive people are the ones that bring the edge to the performance.
2. **I have everything I need to effectively carry out my work tasks.** Achieving the expected work results causes frustration among the employees if they do not have the necessary resources. Employee potential can be fully utilized when they have the necessary tools for their skills and knowledge.
3. **Every day I have the opportunity to do what I do best.** The full potential of employees only comes to light when they exploit the talents they are best at. The efficiency and effectiveness of employees' work is greatest when work tasks are matched with skills they know best. That is why putting the right person on the right

position is one of the biggest challenges that managers and businesses are facing. This third factor has the greatest impact on the employees' engagement from all twelve.

4. **My work was recognized and praised during the last seven days.** Recognition and praise are (usually) one of the worst rated factors by employees. Both, recognition and praise, are recognized as a communication tool for those things that matter the most. Recognition of the work can be positive or negative. The opposite of recognizing the work is ignoring it, which does the most harm to employees' engagement.
5. **My superior respects me as a person.** Employees usually leave their leaders and not organizations as they can clearly distinguish between good or bad leaders. Good leaders have talents and skills that can be defined, which helps them to treat every employee individually. Furthermore, they serve as a filter between organizational changes and employees.
6. **At least someone encourages my development.** Employees should know how to learn and develop according to a plan based on identification of their weaknesses. Despite such an approach seems reasonable, it has its downfalls as it primarily looks at what employees cannot do or are bad at. Good leaders therefore make a clear distinction between what the employees can improve and what they cannot.
7. **My opinion is considered.** All employees would like to contribute to the success of the company. This statement measures the value the employees account to their work and organization. Good leaders include their colleagues in the processes of important decision making, but this does not mean that they have the final say in these decisions.
8. **The mission of the company reflects the importance of my work.** People usually want to belong to something that has meaning and purpose. When employees understand how they can contribute to the company's mission, this can evolve to higher engagement at their work. Employees feel inspired when sharing a common purpose with others rather than just doing a job or a task.
9. **My colleagues are sincerely committed to good and quality work.** The key for successful and efficient work is the commitment to quality work among all employees. Excellence and team spirit are the results of an effective problem-solving approach and good working environment.
10. **I have a best friend at work.** It is the most controversial of all twelve factors of engagement. The controversy is hidden in the word "best" since employees have a lot of friends at work but focus on this term when reading the statement. Employees who have a "best friend" at work respond better to stress, even though they are exposed to same situation as others. Good leaders understand that there is a certain loyalty among employees, which can even be fatal for companies' operations in some cases.

11. **During the last six months I have been consulted about my development.** Good leaders are aware that the time allocated for annual reviews is a valuable investment intended to discuss the growth and progress of the individual, rather than just to evaluate them. It helps employees to better understand how they contribute to the overall success of the company. Instead of identifying the weaknesses of employees, leaders must help employees learn about their skills and how they can use them daily at their work.
12. **During this year I had the opportunity to learn and develop.** The need for learning and development is a natural instinct of all people. Companies that promote learning and development are more attractive to employees. The organization must have a culture that welcomes new ideas and encourages constant learning.

There are also several other employee engagement strategies, such as commitment to leadership, respect towards colleagues and their input, autonomy and cooperation with coworkers, disposal of all necessary resources for effective performance, accessible work programs and tools, regular surveys and feedback about employee engagement, and deserved financial and non-financial rewards for employees who perform above average (Markos, 2010).

## **2.6 Reasons for disengagement**

According to Robertson-Smith (2009), there are several key factors that impact employee engagement in a negative way. These factors can be derived from the circumstances when employees feel insecure about his job, suffer in an unfair payment system, have repetitive work tasks, are under a lot of stress, work overtime, and are involved in bad management behavior.

Furthermore, Robinson, Perryman and Hayday (2004) research the circumstances that also challenge the level of employee engagement and explain that the level of engagement declines with the aging of employees and in the event of their injury or involvement in a work accident. According to Gallup (Gallup Business Journal, 2006), there are three classifications of employee engagement; engaged, passively engaged, and actively disengaged. It is quite easy to spot engaged workers but much more difficult to find those who are not engaged or are even actively disengaged – they are usually silent, miserable, and dissident. They try to fit in and blend with other possibly engaged coworkers.

Moreover, authors stress that there is a significant difference in the performance level in individuals who are praised by their supervisors and the individuals who do not receive praise from supervisors. Signs of semi engaged or disengaged workers are sometimes very difficult to spot but one of the measuring components is their poor work performance – employees may still perform well even if they are feeling disconnected from the organization



especially because of their good work ethic. A worker with a good ethic and a feeling of connection to the organization could perform much better.

As mentioned above (Gallup Business Journal, 2006), the level of engagement is measured through the employees' responses to the 12 statements that define the elements of the working environment and have a proven impact on performance and organizational business results. The "Q12" indicators of engagement are measured based on the following statements (State of the Global Workplace, 2013):

- I know what is expected of me.
- I have everything I need to effectively carry out my work tasks.
- Every day I have the opportunity to do what I do best.
- My work was recognized and praised during the last seven days.
- My superior respects me as a person.
- At least someone encourages my development.
- My opinion is considered.
- The mission of the company reflects the importance of my work.
- My colleagues are sincerely committed to good and quality work.
- I have a best friend at work.
- During the last six months I have been consulted about my development.
- During this year I had the opportunity to learn and develop.

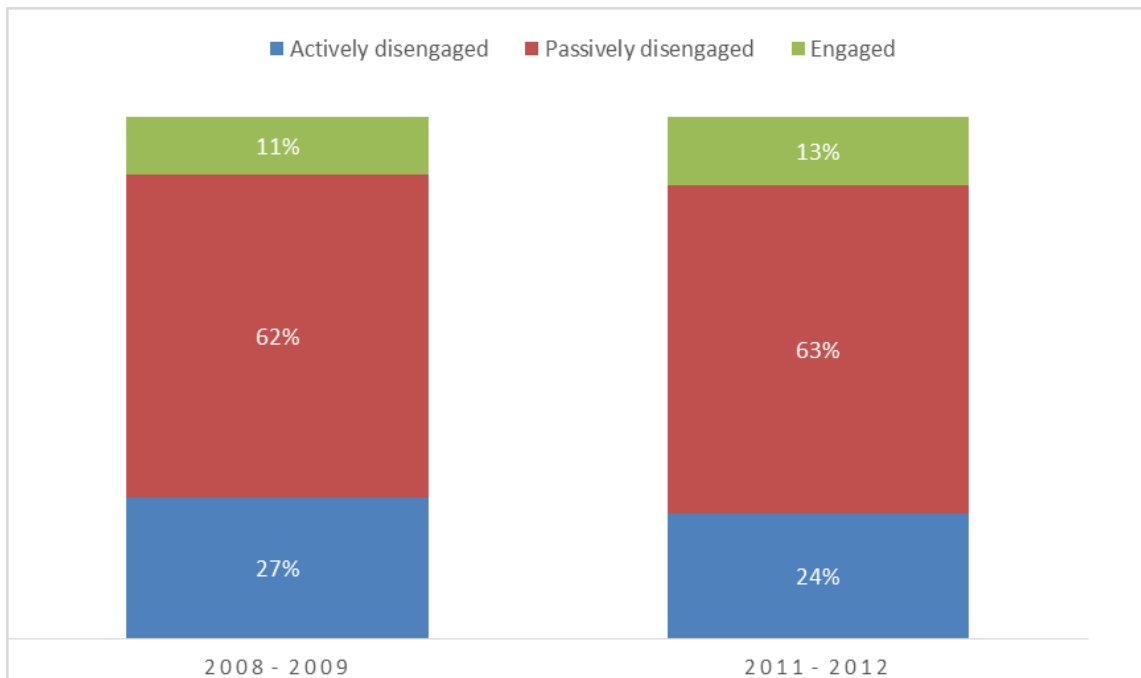
As mentioned above, employees are divided into three categories based on their answers to the above 12 statements. The first category represents **engaged employees**, who work with passion and feel a deep personal connection with the company in which they are employed. They help in the development of the company, are the source of innovation and truly believe in their colleagues and leaders. They put in a lot of personal initiative and create an edge in performance.

The second category represents **passively disengaged employees**, who are "partially absent" and do only what they need and as much as they have to. They invest time in their work, but not the real excessive energy and passion. Workers with a good work ethic might do the job well but without the added value. The last category represents the so-called **actively disengaged employees**, who are not only dissatisfied at their workplace, but also actively show their dissatisfaction and underestimate the enthusiastic work done by their colleagues (State of the Global Workplace, 2013).

More than ten years of research have shown that in 142 countries around the world only 13 percent of all employees are engaged in their work, 63 percent are passively disengaged, and 24 percent are actively disengaged. The percentage of engaged employees has increased from 11 to 13 percent in the last five years, while the rate of actively disengaged employees has decreased from 27 to 24 percent. The comparison of the results is displayed as a graph in figure 5 on the next page. However, researchers still find that the ratio of actively

disengaged and engaged employees remains high at 2 to 1 in favor of actively disengaged employees (State of the Global Workplace, 2013).

*Figure 5: Worldwide employee engagement in 2008–2009 and 2011–2012*



*Source: Adapted from State of the Global Workplace (2013).*

## 2.7 Employee engagement in Slovenia

The latest Gallup research suggests that only 13 % of employees are engaged on a global scale, however, the percentage of engaged employees differs from region to region. The fact that 87 % of employees worldwide are passively or actively disengaged means that the working environment on a global scale is less productive and less secure than it could be. Therefore, creating a different working environment is of crucial importance. The role of various leading organizations is to raise employee engagement and lead both companies and individual countries to growth (State of the Global Workplace, 2013).

Taking a closer look at Gallup's engagement studies in Western Europe in 2011 and 2012, which included 19 countries, including Slovenia, we can observe that on average only 14 % of employees are engaged, 20 % are actively disengaged and 66 % are passively disengaged. The findings of the study are presented in table 1 on the next page.

From table 1 it is evident that 15 % of employees in Slovenia are engaged, 70 % are passively disengaged, and 16 % of employees are actively disengaged. The ratio between engaged and actively disengaged employees in countries of Western Europe is on average 0.7 to 1, while Australia and New Zealand have a ratio of 1.5 to 1 (Gallup, 2013) with the highest level of

engagement. Slovenia has the ratio of engaged and actively disengaged employees of 0.94 to 1.

*Table 1: Overview of employee engagement in Western Europe*

Country	Engaged	Passively disengaged	Actively disengaged
Denmark	21 %	69 %	10 %
Malta	19 %	61 %	20 %
Portugal	19 %	65 %	16 %
Spain	18 %	62 %	20 %
United Kingdom	17 %	57 %	26 %
Iceland	16 %	75 %	10 %
Ireland	16 %	65 %	20 %
Norway	16 %	77 %	7 %
Sweden	16 %	73 %	12 %
Switzerland	16 %	76 %	8 %
Germany	15 %	61 %	24 %
<b>Slovenia</b>	<b>15 %</b>	<b>70 %</b>	<b>16 %</b>
Austria	14 %	74 %	12 %
Italy	14 %	68 %	18 %
Luxembourg	14 %	72 %	14 %
Belgium	12 %	66 %	22 %
Finland	11 %	76 %	14 %
France	9 %	65 %	26 %
Netherlands	9 %	80 %	11 %

*Source: Adapted from Gallup (2013).*

### **3 TALENT MANAGEMENT AND EMPLOYEE ENGAGEMENT**

Talent management and employee engagement are in strong correlation with high-performance human resource management (Becker, Ulrich & Huselid, 2001). This indicates that strategic talent management activities that result in higher employee engagement need to have a solid foundation in effective human resource management approaches. Moreover, it is important for organizations to keep their employees engaged and motivated as these are usually, along with the possibility to learn and develop, the factors that influence their decision whether to stay with the organization or not (Gebauer, 2006).

Vazirani (2007) established that organizations that implement talent management activities, such as developing their abilities, learning new skills, and gaining new knowledge, have a

higher level of engagement than those which do not do that. According to Bhatnagar (2007), work objectives are more easily met when employees have a high level of engagement than when their engagement level is low. From this we can deduce that companies, which invest in talent management, also invest in greater employee engagement.

Furthermore, organizations express their commitment towards human capital when they execute talent management processes professionally and effectively, which then results in greater engagement and lower turnover of employees (Bhatnagar, 2007). In summary, employee engagement has a significant effect on productivity of employees and talent retention.

### **3.1 Talent management affecting employee engagement**

To achieve a competitive advantage on the market, an organization must meet its business goals and it can only do so with engaged employees, meaning that they need to be constantly involved in talent management processes (Collings & Mellahi, 2009). These processes must be based on an efficient identification of key positions that are the biggest contribution to the organizations' competitive advantage in various fields, on the practices for developing high potential talent pool to fill the identified key positions and to execute sustainable regulations to keep the talent engaged and to retain it according Collings and Mellahi (2009).

Moreover, if the organization wants to retain its people, it must regularly carry out recruitment, training, management and compensation of employees and, in addition, keep them informed about how their talent is being managed. Garrow and Hirsch (2009) stress that a strong employer-employee relationship and a high level of engagement are established when the talent management process is consistent and transparent. In essence, the engagement shall grow when employees shall feel they are treated as promised by the organization.

Furthermore, talent management also positively influences and raises engagement of male and female leaders. Studies have shown that they see their workplace and the company more positively and have a higher level of responsibility, when they are content with talent management activities performed by their employers (Carter, Galinsky & Families and Work Institute, 2008). These authors also stress that talent management activities also work as grounds to reduce career-limiting obstacles and contribute to lower turnover intentions.

#### **3.1.1 Talent development**

According to Caplan (2013), employees who are integrated in the strategic talent development and their engagement go hand in hand. Considering that strategic talent development processes are the tools that provide the organization with the necessary and potential competences, they establish team proficiency, encourage innovativeness and creativity, and invest in valuable communication.

Employee engagement also impacts talent development indicators of success, such as the conveyance of crucial competences at the right time and place (Caplan, 2013). Furthermore, the author stresses that the process of strategic talent development covers the entire field of talent management, such as talent retention, recognition, training, and development in line with the consideration of the employees' competences and the companies' objectives (Caplan, 2013).

### 3.1.2 Talent recognition

Berger and Berger (2010) emphasize that compensation and benefits are in correlation with engagement but are not the most essential elements. Furthermore, they assert that a simple increase of rewards and recognition would not necessarily have a positive effect on employee engagement.

Many research have been carried out proving that financial benefits are not the most important tool of recognition for employees and do not necessarily benefit to their engagement (Markos & Sridevi, 2010). Leat and El-Kot (2009) stress that the recognition by superiors and the trust in employee's autonomy and performance are much more valuable. Therefore, it is important to also show non-financial recognition, such as approval, training and development when deserved, to sustain employee engagement (Woodruffle, 2006).

### 3.1.3 Culture conducive to talent development

According to Berger and Berger (2010), when employees feel they work in a positive work culture, it helps drive their engagement for work higher. In essence, it is important to treat people with respect, value diversity and empower individuals. Engagement is expanding in circumstances where employers stimulate their workers to implement changes, solve work problems differently and encourage them to use their creativity and innovativeness. Therefore, it is crucial for organizations to include talent management practices in their corporate policies to secure a continuous rise of engagement within the organization.

### 3.1.4 Management support

Proper leadership has a spillover effect and it usually results in better work engagement of employees (Kerfoot, 2007). According to Welbourne (2007), initiatives for engagement should come from leaders and should be passed down to subordinates as an example. This means that the superiors need to be role models and include their colleagues to enhance the engagement. Nevertheless, engagement must be present at all organizational levels, it is important to take greater notice of exceptionally talented individuals that have a significant impact on organizational performance (Woodruffle, 2006).

Moreover, a study on employee engagement and the influence of leaders on employee efficiency by Welbourne (2007) shows that the vital driver of engagement are in fact employees on leading and managerial positions. In contrast, leaders are usually also the principal reason for employee turnover, for example, when they fail at showing integrity, respecting employees, lacking effective communication and are generally unprofessional (Whittington & Galpin, 2010). Gibbons (2006) likewise stresses that non-financial benefits have far stronger effects than financial ones on the employees. This confirms that a smart choice of individuals for leadership roles is crucial as they are the key drivers and recipients of employee engagement.

#### 4 EMPIRICAL RESEARCH

In this research we shall use the two-way approach, analyzing primary and secondary data with emphasis on the impact of talent management activities on employee engagement in Slovenia. Every concept, including the term “talent”, shall be explained in the table 2 below. A descriptive research method was used in the beginning of this thesis. The aim for the use of this method was to investigate the nature of the research problem at the time of the study.

*Table 2: Clarification of concepts*

<b>Concept</b>	<b>Definition</b>	<b>Author</b>
Employee engagement	Employees’ emotional and intellectual commitment to an organization.	Bhatnagar, 2007
Talent	Employees who use their skills, abilities and knowledge to add extraordinary value to the organization.	Duttagupta, 2005
Talent management	A process through which an organization identifies, attracts, develops, and manages its people.	Cannon & McGee, 2011

*Source: Adapted from Bhatnagar (2007); Duttagupta (2005); Cannon & McGee (2011).*

The purpose of this method is to present applicable findings and to list realistic recommendations as well. As mentioned before, this study used two sources of research data, namely primary and secondary data. Primary research data were obtained through this research study using a questionnaire survey, while secondary research data were obtained from previous studies from various authors in the theoretical background. The following chapter shall present the empirical approach, methodology used, research questions, and testing of the hypotheses.

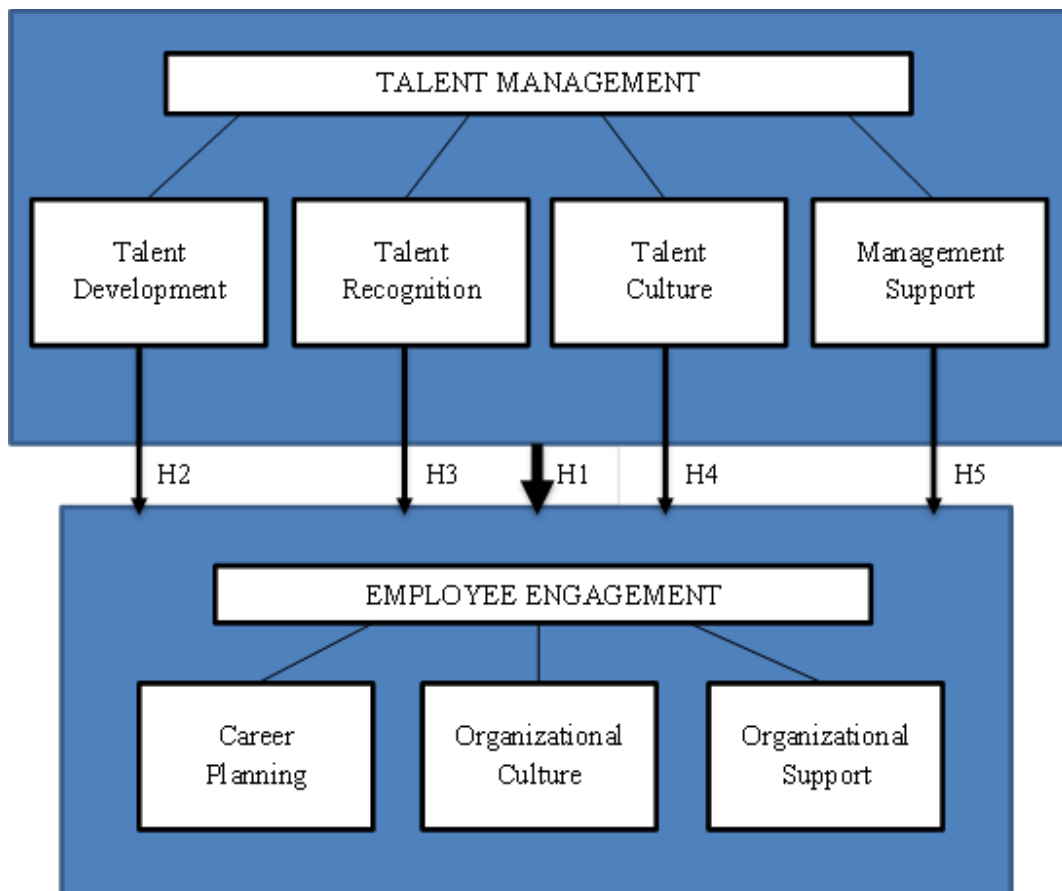
#### 4.1 Purpose and goals of the research

This study has been carried out with the purpose of finding a meaningful connection between talent management and employee engagement with reference to Slovenia and its companies and organizations. The objectives of the study were the establishment of a relationship between talent management and employee engagement and, furthermore, determining whether and to what extent this connection is present in Slovenian organizations.

#### 4.2 Research question and hypothesis

From the literature review in previous chapters we can conclude that most studies regarding the topic of talent management in connection to employee engagement were created with the focus on the countries of Western Europe (Gallup, 2013). Furthermore, they were mostly based on the correlation between employee engagement and overall organizational performance. To examine this concept in Slovenia, a research question: “Is there a relationship between talent management and employee engagement?” along with five hypothesis were formed.

Figure 6: The conceptual model of the connection between employee engagement and talent management factors



Source: Own work.

The conceptual model of the connection between employee engagement and talent management factors that helped with formatting the hypotheses is presented in figure 6 on the previous page.

**Hypotheses:**

**H1:** There is a positive relationship between talent management and employee engagement.

**H2:** There is a positive relationship between talent development and employee engagement.

**H3:** There is a positive relationship between talent recognition and employee engagement.

**H4:** There is a positive association between talent culture and employee engagement.

**H5:** There is a positive association between management support and employee engagement.

### **4.3 Research approach and methodology**

As specified above, this study shall aspire to investigate the relationship between talent management and employee engagement concepts. In accordance with the theoretical background on the topic, research questions were designed in a way that helped examine the effect of talent management practices on employee engagement factors. Therefore, a deductive quantitative analysis presented itself as the most appropriate approach to test the hypotheses posited in the research model. The data for the purposes of this study was collected from primary sources via a survey. The survey was designed primarily with closed-ended questions, which are usually easier to answer as the respondents already have the options of answers.

Moreover, the survey was designed with the online platform 1KA ([www.1ka.si](http://www.1ka.si)), which enables fast and useful design of a survey. Another benefit of this tool is that survey could be distributed online, and all the data was automatically collected and available for the analysis. The advantages of using this type of questionnaire are that many participants can be reached, confidentiality can be guaranteed, and it is relatively inexpensive. The results are also more objective. The sample size of this present study was N=150, from which 132 surveys were usable for further data analysis.

#### **4.3.1 Survey presentation**

Depending on the concepts described in the theoretical part, a research instrument was chosen. A survey was designed to measure employee engagement and effects of talent management practices in Slovenia (Appendix 2). The questions were organized into three main categories: the talent management category, which served as an independent variable and combined questions about talent management practices as well as broader human-resource-related employee engagement factors. This is followed by the employee



engagement category, which served as the dependent variable, and the third part included demographic questions which were used as control variables in the analyses.

The first category consists of 19 questions (Appendix 2) with focus on talent management, which are a replica of the questionnaire by Tiwari and Shrivastava (2013). The second category of the survey examined employee engagement and the 12 questions used followed the concept presented in the chapter about the Gallup organization (Gallup Business Journal, 2006). They were derived from results of various focus groups carried out in more than 2500 organizations. The first two parts of the survey were composed in a way that answers could mirror the actual feelings and beliefs of respondents. Therefore, a Likert 5-point scale was used, with a scale range from “strongly disagree” to “strongly agree”. The last part of the survey included demographic questions.

#### 4.3.2 Analytical methods

Statistical software SPSS – Statistical Package for Social Sciences 25.0 was used to analyze the collected data. The SPSS software gave us the possibility to perform statistical tests. Examples of statistical tests used in this study are the reliability, frequency, correlation, and linear regression test. Variables were measured by SPSS and thus provided a foundation for the theoretical analysis.

#### 4.4 Results of the research

The items of the two sections of the survey, talent management and employee management, have been grouped into main factors based on their relevance for the purpose of the analysis. The factors are shown in table 3 below.

*Table 3: Questionnaire items grouped into factors*

<b>Factors</b>	<b>Question number</b>
<b>Talent management</b>	<b>1–19</b>
Talent Development	1, 3, 7, 12, 16
Talent Recognition	4, 8, 10, 14
Talent Culture	2, 5, 9, 11, 13, 15, 18
Management Support	6, 17, 19
<b>Employee Engagement</b>	<b>1–12</b>
Career Planning	3, 4, 6, 11, 12
Organizational Culture	5, 7, 9, 10
Organization Support	1, 2, 8

*Source: Own work.*

#### 4.4.1 Descriptive statistics

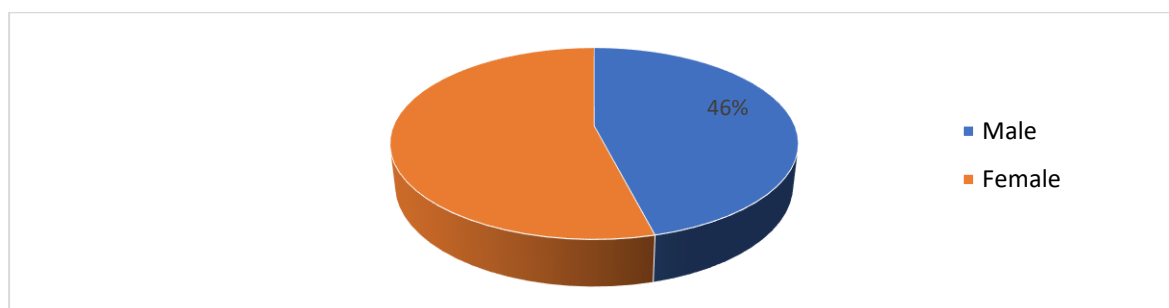
This chapter provides statistical analyses and discussion of the demographic questions.

*Table 4: Gender of the respondents*

<b>The gender of the respondents</b>		
	Frequency	Percent
Male	61	46.2
Female	71	53.8
Total	132	100.0

*Source: Own work.*

*Figure 7: Gender of the respondents*



*Source: Own work.*

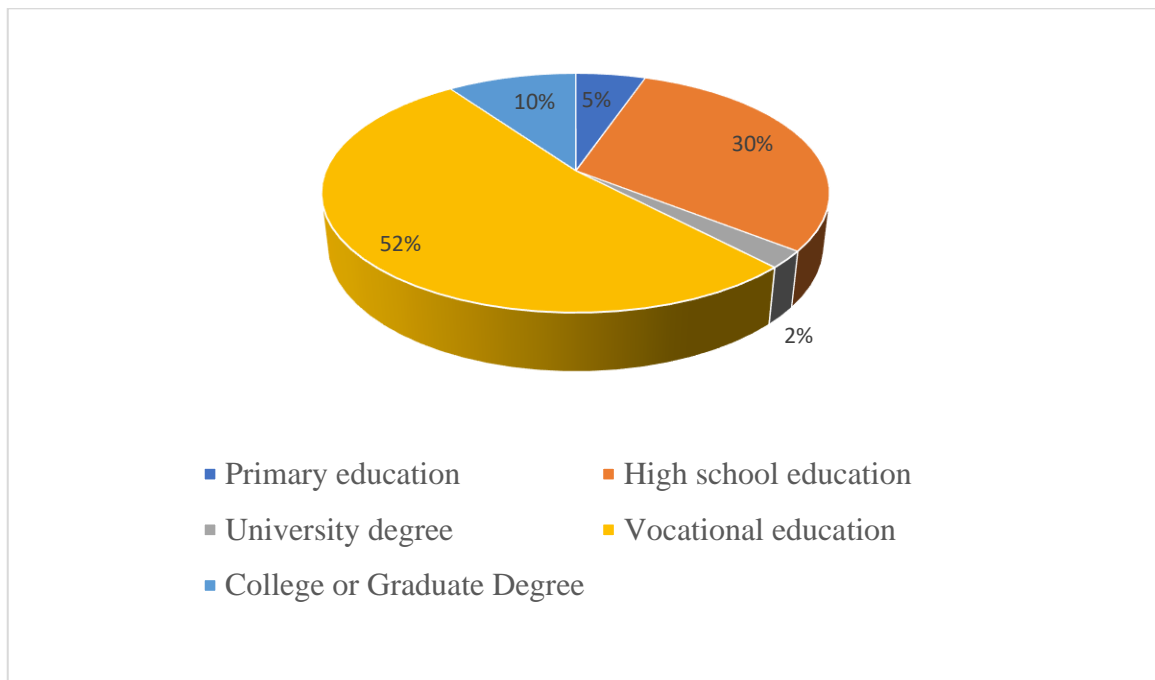
Of all the respondents 53.8 % were female and 46.2 % male as shown in table 4 and figure 7 above.

*Table 5: Education of the respondents*

<b>Education</b>		
	Frequency	Percent
Primary Education	7	5.3
Vocational Education	69	52.3
High School Education	40	30.3
College or Graduate Degree	13	9.8
University Degree	3	2.3
Total	132	100.0

*Source: Own work.*

*Figure 8: Education of the respondents*



*Source: Own work.*

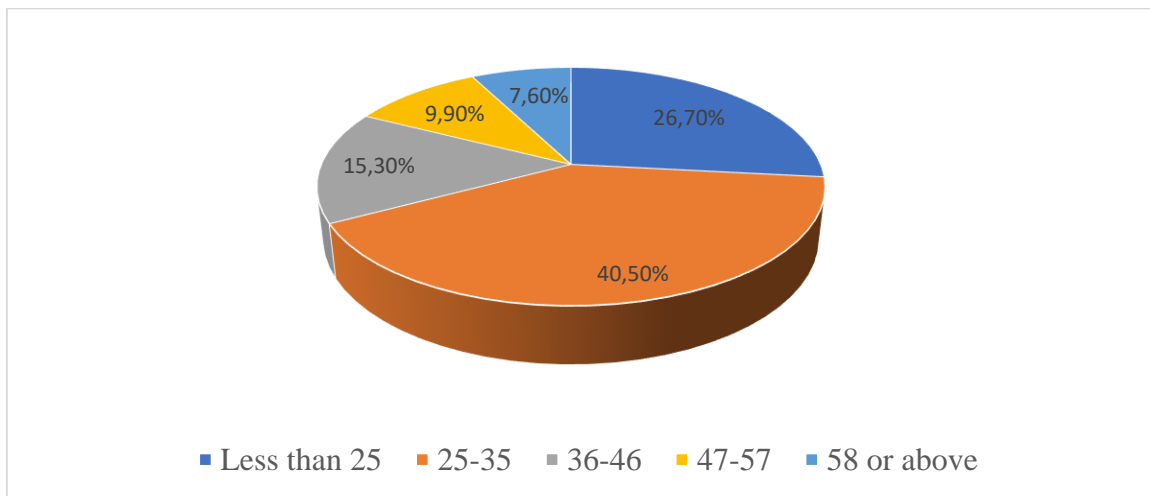
The majority (52.3 %) of respondents have vocational education. Approximately one third (30.3 %) have finished high school education, 12.1 % hold a university degree or have a higher qualification, and 5.3 % of respondents have finished primary education. Graphical presentation of education of respondents is displayed in table 5 and figure 8 above.

*Table 6: Age groups of respondents*

<b>Age</b>		
	Frequency	Percent
Less than 25	35	26.7
25–35	53	40.5
36–46	20	15.3
47–57	13	9.9
58 or above	10	7.6
Total	131	100.0

*Source: Own work.*

Figure 9: Age groups of respondents



Source: Own work.

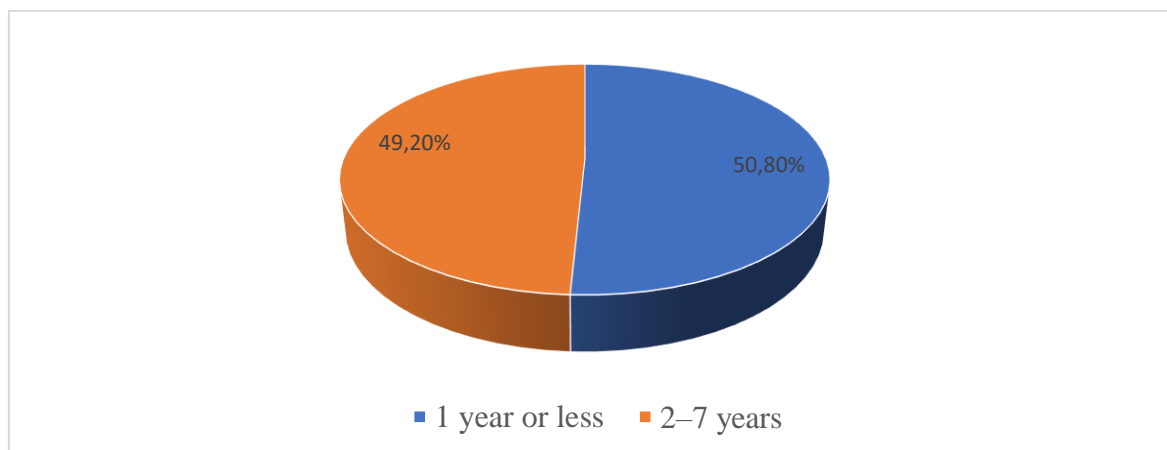
As shown in table 6 and figure 9, 40.5 % of the respondents are in the age group between 25 and 35 years, and 26.7 % are aged 24 or less. This shows that the majority of the participants in the study belong to the younger generation.

Table 7: Number of years in the current organization

Number of years in current organization		
	Frequency	Percent
1 year or less	67	50.8
2-7 years	65	49.2
Total	132	100.0

Source: Own work.

Figure 10: Number of years in the current organization



Source: Own work.

A little more than half (50.8 %) of respondents have 1 year or less work experience in the current organization, and 49.2 % have worked at their current organization between 2 and 7 years. The results are displayed in the table 7 and figure 10.

#### 4.4.2 Reliability statistics

We performed a reliability test to test the reliability of the collected data. The alpha coefficient for the nine different variables is between 0.543 and 0.944, suggesting that the items have a relatively high internal consistency. The reliability coefficient Cronbach’s Alpha of 0.7 or higher is considered “acceptable”, between 0.8 and 0.89 is considered “good”, and 0.9 or higher is considered “excellent”. Cronbach’s Alpha for two of the variables is less than 0.6, which is considered “poor”. It means that the reliability for Management Support and Organizational Support is low, which represents a limitation in terms of measurements. The reason is probably the low number (3) of items associated with both variables. Results are presented in table 8 below.

*Table 8: Reliability test of the study responses*

<b>Variable</b>	<b>Cronbach’s Alpha</b>	<b>Number of Items</b>
<b>Talent Management</b>	<b>0.944</b>	<b>19</b>
Talent Development	0.815	5
Talent Recognition	0.862	4
Talent Culture	0.839	7
Management Support	0.543	3
<b>Employee Engagement</b>	<b>0.889</b>	<b>12</b>
Career Planning	0.753	5
Organizational Culture	0.768	4
Organizational Support	0.554	3

*Source: Own work.*

A correlation analysis shown in table 9 was performed to evaluate the relationship among different variables and to assess the strength of the relationship. Table 9 shows the results of the correlation test. The results indicate that all talent management variables (Talent Development, Talent Recognition, Talent Culture and Management Support) are highly significant and positively related to employee engagement. All significant values accounted for .000, therefore the variables are significant at 0.01, which means that the same correlation would happen with a very high likelihood (above 99 %) if this study was repeated.

Table 9: A correlation analysis

Variables	Talent Management	Talent Development	Talent Recognition	Talent Culture	Management Support	Employee Engagement	Career Planning	Organizational Culture
Talent Development	.873** .000							
Talent Recognition	.809** .000	.714** .000						
Talent Culture	.918** .000	.867** .000	.760** .000					
Management Support	.717** .000	.677** .000	.602** .000	.716** .000				
Employee Engagement	.745** .000	.692** .000	.656** .000	.779** .000	.615** .000			
Career Planning	.830** .000	.809** .000	.702** .000	.862** .000	.646** .000	.851** .000		
Organizational Culture	.756** .000	.710** .000	.691** .000	.773** .000	.573** .000	.858** .000	.793** .000	
Organizational Support	.667** .000	.625** .000	.636** .000	.686** .000	.658** .000	.723** .000	.605** .000	.650** .000

Pearson Corr. Sig. (2-tailed)

\*\* Correlation is significant at the 0.01 level (2-tailed).

Source: Own work.

This is also an indication of the so-called common method bias, which is one of the main sources of measurement errors. Measurement errors undermine the validity of the conclusions on the relationship between measures and are generally recognized as having both a random and a systematic component (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003).

#### 4.4.3 Verification of hypotheses

In this chapter, a regression analysis test was performed to help analyze the relationship between independent and dependent variables. It is also used to decide whether to accept or reject the hypotheses that were developed for this study. To accept a hypothesis, the significance value should be less than 0.05. The regression tests for each hypothesis are shown below.

**Hypothesis H1:** There is a positive relationship between talent management and employee engagement.

Table 10 shows the test for talent management and employee engagement regression. The significant value for the first hypothesis is 0.000 and the adjusted R-square value is accounted for 0.55, which means that 55 % of employee engagement depends on talent management factors.

*Table 10: Test for relationship between talent management and employee engagement*

Model Summary								
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics			
					R Square Change	F Change	df1	df2
1	.745 <sup>a</sup>	.554	.550	.505	.554	133.164	1	107
a. Predictors: (Constant), Talent Management								

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	33.980	1	33.980	133.164	.000 <sup>b</sup>
	Residual	27.304	107	.255		
	Total	61.284	108			
a. Dependent Variable: Employee Engagement						
b. Predictors: (Constant), Talent Management						

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.948	.207		4.589	.000
	Talent Management	.698	.060	.745	11.540	.000
a. Dependent Variable: Employee Engagement						

*Source: Own work.*

In table 31 in Appendix 3 we tested the same independent and dependent variables with the inclusion of four different control variables. The relationships hold even with the inclusion of the variables Gender, Education, Age and Number of years in company.

We can accept hypothesis H1, because talent management is positively related to employee management according to the calculation.

The results of analyses of individual questions raised by respondents regarding talent management factors and employee engagement factors shall be discussed in detail in the following sections assigned to each hypothesis from H2 to H5.

**Hypothesis H2:** There is a positive relationship between talent development and employee engagement.

Table 11 shows the regression test for dependent variable Employee Engagement and independent variable Talent Development. The significant value for the second hypothesis is 0.000 and the adjusted R-square value is accounted for 0.475, which means that 47.5 % of employee engagement depends on talent development factors.

*Table 11: Test for relationship between talent development and employee engagement*

Model Summary								
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics			
					R Square Change	F Change	df1	df2
1	.692 <sup>a</sup>	.479	.475	.542	.479	100.409	1	109
b. Predictors: (Constant), Talent Development								

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	29.452	1	29.452	100.409	.000 <sup>b</sup>
	Residual	31.972	109	.293		
	Total	61.423	110			
a. Dependent Variable: Employee Engagement						
b. Predictors: (Constant), Talent Development						

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.226	.209		5.853	.000
	Talent Development	.629	.063	.692	10.020	.000
a. Dependent Variable: Employee Engagement						

*Source: Own work.*

If we go into details of the answers of respondents about talent development factors (Appendix 3, tables 1–5), we can observe that 63.2 % of the employees agree (chose “strongly agree” or “agree” on the five-point scale) that the companies where they work care for the development of their career and the potential for growth in the future. 57.7 % of respondents agree that their job represents a sufficient challenge for them to take full



advantage of their skills. 52.6 % of the employees believe that they can make a meaningful contribution to achieving the goals of the company with their work. 35.7 % of the respondents agree that training programs provided by their company are suitable for their development. But only 16.7 % of respondents say that in addition to the financial benefits, career development, work culture and international opportunities are also important to them.

Moreover, by taking a deeper look at the results of the analysis of the employee engagement factors (Appendix 3, tables 6–17), we can observe that 69.1 % of respondents have the necessary materials and equipment for the quality of their work, and 68.5 % agree that they know what is expected of them at work. 62.1 % of respondents said they have received recognition or praise for a job well done in the past week, and 60.5 % think that somebody at work encourages their development. 56.1 % of respondents said that in the last six months someone in their company talked to them about their progress, 54.1 % of respondents believe that their superiors or colleagues care about them as a person, and 54 % think that their opinion counts at their place of work. 52.9 % also agree that the mission and vision of the company where they work give them the feeling that their work is important. 49.6 % of respondents have their best friend at work, and 39.8 % agree that they do what they know best at work. Only 16.2 % agree that their colleagues are committed to quality work, but nobody said that they had the opportunity to learn and grow at work in the last year.

In table 32 in Appendix 3 we tested the same independent and dependent variables with the inclusion of four different control variables. The relationships hold even with the inclusion of the variables Gender, Education, Age and Number of years in company.

We can accept the hypothesis H2, because, according to the calculation of Talent Development, it is positively related to employee management. The Beta coefficient is positive (0.692), which means that for every 1-unit increase in the Talent Development variable the Employee Engagement variable shall increase by the beta coefficient value, in this case by 0.692.

**Hypothesis H3:** There is a positive relationship between talent recognition and employee engagement.

Table 12 shows the test for the Talent Recognition and Employee Engagement regression. The result of the correlation between Talent Recognition and Employee Engagement shows that the significance value is 0.000 and the adjusted R-square accounted for 0.426, which means that 42.6 % of employee engagement factors depend on talent recognition factors.

Further analysis of the Talent Recognition questions (Appendix 3, tables 18–21) shows that 42.8 % of respondents believe that the company often raises their salary, and 38.6 % is very pleased with the salary and benefits they receive. 31.9 % of respondents agree that they get bonuses and rewards in the company where they work, however, only 25.9 % believe that the salary they receive is appropriate.

Table 12: Test for relationship between talent recognition and employee engagement

Model Summary								
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics			
					R Square Change	F Change	df1	df2
1	.656 <sup>a</sup>	.431	.426	.566	.431	82.496	1	109
c. Predictors: (Constant), Talent Recognition								

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	26.461	1	26.461	82.496	.000 <sup>b</sup>
	Residual	34.962	109	.321		
	Total	61.423	110			
a. Dependent Variable: Employee Engagement						
b. Predictors: (Constant), Talent Recognition						

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.824	.167		10.914	.000
	Talent Recognition	.497	.055	.656	9.083	.000
a. Dependent Variable: Employee Engagement						

Source: Own work.

In table 33 in Appendix 3 we tested the same independent and dependent variables with the inclusion of four different control variables. The relationships hold even with the inclusion of the variables Gender, Education, Age and Number of years in company.

The beta coefficient is positive (0.656), which means that for every 1-unit increase in the Talent Recognition variable, the Employee Engagement variable shall increase by the beta coefficient value, in this case by 0.656. According to the outcomes, Talent Recognition and Employee Engagement are positively related, therefore, we can accept Hypothesis H3.

**Hypothesis H4:** There is a positive association between talent culture and employee engagement.

Table 13 shows the result of correlation between Talent Culture and Employee Engagement. The significance value is 0.000 and the adjusted R-square is 0.603, which means that 60.3 % of the employee engagement factors depend on talent culture factor.

If we consider the questions regarding Talent Culture (Appendix 3, tables 22–27), we discover that 86.9 % of respondents agree that policies and rules apply equally to all employees, and 58.2 % believe that personnel policies are effective, and they motivate and retain employees in the company. 42.8 % of respondents feel comfortable in the organizational culture in which they work, and 42.7 % agree that management treats all employees equally. 41.4 % of respondents are happy overall with the work in the current company compared to other companies, and 40.6 % say that the company where they work

cares about the quality of their life. 35.5 % of respondents agree that they receive sufficient support from their superiors.

*Table 13: Test for relationship between talent culture and employee engagement*

Model Summary								
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics			
					R Square Change	F Change	df1	df2
1	.779 <sup>a</sup>	.606	.603	.469	.606	169.250	1	110
d. Predictors: (Constant), Talent Culture								

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	37.269	1	37.269	169.250	.000 <sup>b</sup>
	Residual	24.222	110	.220		
	Total	61.491	111			
a. Dependent Variable: Employee Engagement						
b. Predictors: (Constant), Talent Culture						

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.823	.192		4.280	.000
	Talent Culture	.732	.056	.779	13.010	.000
a. Dependent Variable: Employee Engagement						

*Source: Own work.*

In table 34 in Appendix 3 we tested the same independent and dependent variables with the inclusion of four different control variables. The relationships hold even with the inclusion of the variables Gender, Education, Age and Number of years in company.

The beta coefficient is positive (0.779), which means that for every 1-unit increase in the Talent Culture variable, the Employee Engagement variable shall increase by the beta coefficient value, in this case by 0.779. We can accept hypothesis H4, because, according to the calculation, Talent Culture is positively related to Employee Management.

**Hypothesis H5:** There is a positive association between management support and employee engagement.

Table 14 shows the result of correlation between management support and employee engagement. The significance value is 0.000 and the adjusted R-square is 0.550, which means that 55.0 % of Employee Engagement factors depend on the management support factor.

Further analysis of the management support questions (Appendix 3, tables 28–30) shows that 90.5 % of the employees believe that superiors show interest and concern for them, and 82.8 % agree that their work is often recognized and praised by their superiors. More than

half of the respondents (51.4 %) also say that managers regularly monitor feedback from their employees.

*Table 14: Test for relationship between management support and employee engagement*

Model Summary								
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics			
					R Square Change	F Change	df1	df2
1	.745 <sup>a</sup>	.554	.550	.505	.554	133.164	1	107
e. Predictors: (Constant), Management Support								

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	33.980	1	33.980	133.164	.000 <sup>b</sup>
	Residual	27.304	107	.255		
	Total	61.284	108			
a. Dependent Variable: Employee Engagement						
b. Predictors: (Constant), Management Support						

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.948	.207		4.589	.000
	Management Support	.698	.060	.745	11.540	.000
a. Dependent Variable: Employee Engagement						

*Source: Own work.*

In table 35 in Appendix 3 we tested the same independent and dependent variables with the inclusion of four different control variables. The relationships hold even with the inclusion of the variables Gender, Education, Age and Number of years in company.

The beta coefficient is positive (0.745), which means that for every 1-unit increase in the management support variable, the Employee Engagement variable shall increase by the beta coefficient value, in this case by 0.745.

Regarding the calculations, we can say that management support is positively related to employee management, therefore, we can accept the hypothesis H5.

## 5 DISCUSSION

In the recap of the above five hypotheses, it is still possible to see the relationship between some demographic items such as education level and age with talent management and employee engagement factors.

The results show that majority (82 %) of the participants have vocational or high school education, which means they work in positions where they have superiors and are in a potential pool for learning and development opportunities and career growth. Findings from

the talent development elements indicate that only 42 % of the participants agree that the company they work for cares about the development of their career and the potential for growth in the future.

Therefore, if Slovenian organizations want to improve the impact of their talent development practices on their employees and consequently enhance their engagement level, they need to improve the following elements. Training programs they offer should be suitable for employees' development as only 26 % of the respondents agreed with suitability of the practices. Additionally, less than half of the respondents, 40 %, agreed that their work represents a sufficient challenge to fully exploit their skills.

In terms of age, most of the participants (40.5 %) come from a young generation ranging from 25 to 35 years old. In 1975, Reif stressed that financial recognition is crucial for younger generations in comparison with the older generation. Therefore, the disagreement of most respondents (39.1 %) about the statement, whether career development, work culture and international opportunities are also important in addition to financial benefits, was expected.

Regardless of the abovementioned, there are many possibilities for improvement, since almost all respondents (90 %) agreed that their superiors show interest and concern for them, but only half of them (50 %) believe their work is often recognized and praised by their superiors.

Based on the above findings, it can be concluded that Slovenian companies care about their employees, but still have a lot of room for improvement of their talent development practices. They would need to act fast, as the majority of their respondents are young individuals, who can easily get disengaged and therefore leave the company, or even worse, harm organizational processes and outcomes. This also shows that Slovenian organizations implement appropriate talent management practices, but not sufficiently, which in turn results in the outcomes of average level of employee engagement.

## **5.1 Theoretical contributions**

In this chapter we shall compare our results with findings from the literature that were already mentioned in theoretical part of this master's thesis. We shall comment on whether or not our statistical results of talent management and employee engagement situation in Slovenian organizations go in line with previous findings on this topic.

By statistically testing the hypotheses we have concluded all five of them are accepted, which indicates that talent management and employee engagement indeed are in correlation as Becker, Ulrich and Huselid (2001) stressed. This indicates that employee engagement results from talent management that has a foundation on effective human resource management approaches.

### 5.1.1 Talent management affects employee engagement

**H1: There is a positive relationship between talent management and employee engagement.**

Accepting the hypothesis H1, which claims: “There is a positive relationship between talent management and employee engagement.” indicates that an organization can achieve a competitive advantage on the market. A competitive advantage on the market is achieved by the organization meeting its business goals with engaged employees that are constantly involved in talent management processes (Collings & Mellahi, 2009). Talent management processes must be based on efficient identification of key positions that are the biggest contribution to the organizations’ competitive advantage in different fields, on the practices for developing a high-potential talent pool for filling the identified key positions and exercising sustainable regulations for keeping the talent engaged and retained according Collings and Mellahi (2009).

According to Bhatnagar (2007), work objectives are more easily met when employees have a high level of engagement than when their engagement level is low. Therefore, companies that invest in talent management also invest in greater employee engagement, which results in the fact that work objectives are more easily met.

Furthermore, talent management also positively impacts and raises the engagement of both male and female leaders, because studies have shown they see their workplace and the company more positively and have higher level of responsibility, when they are content with talent management activities performed by their employer (Carter, Galinsky & Families and Work Institute, 2008).

### 5.1.2 Talent development affects employee engagement

**H2: There is a positive relationship between talent development and employee engagement.**

Employees that are integrated in strategic talent development are also engaged and motivated about their work (Caplan, 2013). That was also found in this study by accepting hypothesis H2, which claims: “There is a positive relationship between talent development and employee engagement.” Strategic talent development processes are the tools that deliver the necessary and potential competences, establish team proficiency, encourages innovativeness and creativity and invest in valuable communication for the organization. By accepting the hypothesis, we can assume that the surveyed Slovenian employees believe that talent development is impacting their engagement at work.

Caplan (2013) stated that employee engagement also impacts the talent development indicators of success, such as the conveyance of crucial competences at the right time and place. The relationship between the two concepts was also confirmed in this study. Furthermore, Caplan stresses that the process of strategic talent development covers the

whole field of talent management, such as talent retention, recognition, training and development in line with consideration of employees' competences and companies' objectives (Caplan, 2013). This connection of talent development covering the whole field of talent management was not statistically tested in this study and cannot be proven by the collected results.

Vazirani (2007) established that organizations that carry out talent management activities, such as developing employees' abilities, teaching them new skills and providing them with new knowledge, have a higher level of engagement than those who do not. Therefore, the acceptance of hypothesis H2 showcases that the surveyed employees in Slovenia also believe talent management activities have an effect on their engagement.

Moreover, Gebauer (2006) pointed out that employee engagement and the possibility to learn and develop positively impact employee retention. Accordingly, we can assert that Slovenian organizations should be consistent in keeping their employees engaged in order to retain them at their workplace.

### 5.1.3 Talent recognition affects employee engagement

**H3: There is a positive relationship between talent recognition and employee engagement.**

The results show that we can accept hypothesis H3: "There is a positive relationship between talent recognition and employee engagement." Compensation and benefits are in correlation with engagement but are not at all the most essential (Berger & Berger, 2010). Therefore, the presence of this correlation is positive but by no means crucial, as a simple increase of rewards and recognition would not necessarily have a positive effect on employee engagement (Berger & Berger, 2010).

Additionally, many research has been carried out proving that financial benefits are not the most important recognition for employees and do not necessarily contribute to their engagement (Markos & Sridevi, 2010), however, the recognition by their superiors and the trust in employees' autonomy and performance are much more valuable (Leat & El-Kot, 2009). Therefore, it is important to carry out non-financial methods of recognition, such as approval, training and development when deserved in order to sustain employee engagement (Woodruffe, 2006). This explanation indicates that talent recognition is important, whereas more in the non-financial sense than financial.

### 5.1.4 Talent culture affects employee engagement

**H4: There is a positive association between talent culture and employee engagement.**

When employees feel they work in a positive work culture, this helps them drive their engagement for work higher (Berger & Berger, 2010). Therefore, we accept hypothesis H4

which reflects that by claiming: “There is a positive association between talent culture and employee engagement.”

In essence, it is important to treat people with respect, value diversity and empower the individual. Engagement is expanding in circumstances where employers stimulate their employees to implement changes, solve work problems differently and encourage them to use their creativity and innovativeness. Therefore, it is crucial for organizations to include talent management practices in their corporate policies to secure that engagement shall always rise within the organization.

Garrow and Hirsch (2009) emphasize that a strong employer-employee relationship and a high level of engagement are established when the talent management process is consistent and transparent. In essence, engagement shall grow when employees shall feel they are treated as promised by the organization.

#### 5.1.5 Talent support affects employee engagement

**H5: There is a positive association between management support and employee engagement.**

We have accepted hypothesis H5 that claims: “There is a positive association between management support and employee engagement.” Welbourne (2007) emphasized that the initiative for engagement needs to come from the leaders and must be passed down to subordinates as an example, which in essence means an obvious relationship is present. The superiors should be role models and involve their colleagues to enhance the engagement, as proper leadership has a spillover effect and it usually results in better work engagement of employees (Kerfoot, 2007).

Management support needs to be reflected in a greater manner on exceptionally talented individuals that have a significant influence on organizational performance (Woodruffe, 2006). Engagement must be present on all organizational levels, meaning that management support should be equally distributed within the organization.

Moreover, a study on employee engagement and the influence of leaders on employee efficiency by Welbourne (2007) has shown that the vital drivers of engagement in fact are employees on leading and managerial positions.

In contrast to the positive effects of management support, leaders are usually the principal reason for employee turnover (Whittington & Galpin, 2010). Therefore, a smart selection of individuals for leadership roles is crucial as they are the key drivers and recipients of employee engagement. Talent management activities also work as grounds that reduce career-limiting obstacles and contribute to lower turnover intentions (Carter, Galinsky & Families and Work Institute, 2008). If the organization shall want to retain its people it shall have to regularly implement processes of recruitment, training, management and



compensation of employees and in addition shall keep them informed about the way their talent is being managed.

## **5.2 Practical implications**

This study with the focus on talent management and employee engagement in Slovenia shall give managers an additional tool for thorough examination of talent management activities in their organizations and its effects on employee engagement. Furthermore, findings of this study can serve as the basis for exploration of employee engagement levels and provide ideas for improvement of employee engagement within an organization.

It could further assist managers on leading positions to comprehend the importance of talent management practices and high engagement level to the employees and organization itself. Such studies provide important information that could potentially improve organizational understanding of other important factors that may affect employee engagement.

Nevertheless, both management and the human resource department should be provided with training on how to attract, develop, retain and manage talent within the organization to enhance work engagement, and consequently improve organizational final outcome. In addition to the aforementioned, relevant strategies should be put in place to obtain feedback from employees on the implementation of the talent management process.

### **5.2.1 Talent development for stimulating employee engagement**

If Slovenian organizations wish to enhance employee engagement, it is imperative that they focus on developing programs that are not only essential for the overall business outcome, but also have an added value for employees and enhance their engagement towards the organization and their work tasks.

Employees are a critical element in the organization that determines whether training programs shall succeed or fail, and therefore their opinion should not be ignored. Meaning programs should be designed by cooperation of both managers and employees.

Likewise, when managers and human resource management design a career development plan for employees, it is important that they discuss their decision with them. It is crucial for employees' engagement that they are aware in which direction their career is headed.

Whereas, it is important that employees and the management commonly set development and career plans, but it is even more crucial that these plans are then also implemented.

### 5.2.2 Talent recognition for stimulating employee engagement

Talent recognition practices are also part of talent management, which has exhibited a significant relationship with employee engagement in this study. Therefore, it is important that Slovenian managers enhance their talent recognition systems as a way of ensuring sustainable employee engagement.

Furthermore, the concept of employee involvement in the entire process of talent recognition should be made mandatory. The more the employees are involved in talent recognition processes that are used to evaluate them, provide them with constructive feedback, the more they shall want to support the system and shall consequently feel engaged.

Organizations should also design a talent recognition system that enhances the way and manner in which feedback from management is provided to employees. The recurrence of talent recognition is also important as a morale and engagement booster for employees, since they shall know what is required of them to get promoted or exceed at their current work position.

### 5.2.3 Culture conducive for talent development and fostering employee engagement

Relationship between talent culture and employee engagement exists according to this study. Employees have a higher level of engagement when they work in an organization with a positive work culture. Therefore, managers should treat people with respect, value diversity and empower the individual. Furthermore, it is their obligation to encourage all employees to do the same among the team members.

Employee engagement expands in a positive work culture, where the employer, specifically managers and human resource departments, stimulate their employees to implement changes, solve work problems differently and encourage them to use their creativity and innovativeness. Therefore, it is crucial for organizations to secure that the talent culture in their organization is on a high level to assure that employee engagement shall always increase within the organization.

### 5.2.4 Management support to stimulate employee engagement

The existence of relationship between management support and employee engagement has been revealed in this study. A part of management support also includes practices for retaining the employees in the organization, therefore it is important that Slovenian managers establish talent retention strategies and make them known to all employees. These measures should be accepted to ensure that employees are aware that the organization is making necessary effort to enhance their engagement.

Furthermore, every management support strategy should be used in a targeted manner for each employee. Management support strategies that work for employees in one department might not work as successfully for employees in another department due to different work tasks and career needs. The aforementioned also emphasizes that all management support strategies should be tailor-made for different departments, similarly within the same department: every employee should be targeted with specific sets of strategies that are suitable and complimentary to their personality, work, motivation, and level of responsibility within the organization.

Moreover, periodical evaluation of implemented management support strategies should be done in accordance with the industry standards to ensure sustainable competitive advantage for employees.

### **5.3 Limitations**

Talent management and employee engagement are very important concepts. Therefore, future research in these fields would require more considerations. Like many other studies, certain limitations have been identified within the process of carrying out this research.

A convenience sampling method was used, therefore the results of the study cannot be generalized. We are aware that a statistical probability sampling method would be more appropriate in this case. In addition, a bigger sample should be considered in the future for the findings to be representative.

When testing the reliability of the collected data we calculated the alpha coefficient for nine different variables. The values of these reliability indices ranged between 0.543 and 0.944, suggesting that the items have a relatively high internal consistency. A reliability coefficient Cronbach's Alpha should be at least 0.7 or higher to be considered acceptable (Fornell & Larcker, 1981). Out of the nine variables, Management Support and Organizational Support scored almost insufficiently at 0.543 and 0.554, which can be considered a limitation. Future research should thus further examine the validity and reliability of the used scales in different contexts.

Furthermore, statistical results presented in this study might be influenced by common method bias, which means that they are attributable to the measurement method rather than to the constructs that the measures represent (Podsakoff, MacKenzie, Lee & Podsakoff, 2003). Method biases can often cause measurement errors in the validity of the reported relationships between measures. In this study, we carried out a correlation analysis to evaluate the relationship between different variables and to assess the strength of the relationship. The results indicate that all talent management variables are highly significant and positively related to employee engagement. All significant values accounted for .000, therefore, the variables are significant at 0.01, which means that the same correlation would happen with a very high likelihood (above 99 %) if this study was repeated. This is another

indicator of a common method bias. These types of errors are problematic and should by no means be ignored (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003), and should thereby be addressed in future research.

The measures of all variables in this study were obtained from the same source. Therefore, this method can be problematic as it can affect the observed relationship between the dependent and the independent variables. A better approach for collecting data would be using more sources, that is obtaining the measures of the dependent and independent variables from different sources (Podsakoff et al., 2003).

Another common method bias is relying on a single format for either the scale or scale anchors in the survey. As Podsakoff et al. (2003) explain, employing the same answer for every question (e.g. strongly agree to strongly disagree) makes it easier for a respondent to fill out the survey. This could lead a respondent to focus on the scale consistency rather than the meaning of individual items.

Moreover, a single-source cross-sectional research design also represents some limitations. It is hard to answer a specific question with routinely collected data, because it does not normally describe which variable is the cause and which the effect.

Another limitation was recognized in negativity towards the data collection method. Negative reactions were oriented mostly toward the length of the survey and time to complete it. Despite just three sections, two of which included many statements and each with five possible answers, only 132 questionnaires were fully completed of the 2039 respondents who filled out the survey partially. We believe that the reason behind this occurrence might be the lack of understanding of the questions or the topic itself. In the future, respondents should be better informed about the theme of the survey before they can be presented with it.

The last limitation is the scarcity of literature about this theme in Slovenia. Consequently, most of the theoretical part is composed of findings from the studies of foreign authors. Given these obvious limitations, this thesis still covers one of the most important topics in the field of Slovenian human resource sector. Despite the size of the sample, the current research still gives considerable insights for those who are interested in the subject researched in this study.

Future research on this topic should primarily focus on collecting a more representative sample by extending the geographical location and exploiting different communication channels. The empirical findings of the study were limited only to a convenience sampling method. The same study could be extended to a bigger sample and to other sources of employees in Slovenia through research institutions that have access to large and diverse databases of potential survey respondents.

Furthermore, the study could be extended and examined from various perspectives, such as the ownership and size of the organization. Additionally, a research that compares the relationship of talent management and employee engagement between private and public sector might give different perspectives.

Further research could also focus on a cross-industrial comparison of major Slovenian industries in the context of talent management practices and their impact on employee engagement. These approaches could provide an enhanced understanding of employee engagement. Further research can be done by looking deeper into the impact of talent management practices on employee engagement with a mediator variable such as demographic aspect (age, gender, level of education and number of years in the company).

## **CONCLUSION**

Organizations that are implementing main talent management practices can appreciate their positive impact on the level of their employee's engagement. This statement is supported throughout this thesis by linking arguments from various academic sources based on their relevance to different factors of talent management practices and employee engagement.

Furthermore, this claim is supported by empirical findings obtained from primary source data. This study was carried out in Slovenia and it used a quantitative research approach by collecting primary data from questionnaires. The survey was distributed electronically and resulted in 132 fully completed questionnaires.

The first objective of this study is presented in the first three chapters and it provides an in-depth literature review to achieve a better understanding of the impact of talent management on employee engagement.

The second objective was to investigate the impact of talent management practices on employee engagement. To reach this goal, five hypotheses related to employee engagement were tested. All of the five hypotheses were accepted based on empirical findings that showed a positive relationship between tested variables.

The majority of survey participants showed a high percentage of employee engagement in the various characteristics of talent management factors. For instance, when we tested the talent management factor of "Talent development", approximately 63 % of employees agreed that their organizations likewise are concerned about their career development and growth opportunities for the future. Caplan (2013) claims that strategic talent development is essentially linked to employee engagement.

Moreover, findings showed that 77 % of interviewees agreed that policies and rules apply equally to all employees, which indicates that the talent management factor of "Talent Culture" has a positive relationship with employee engagement. By creating a positive work

culture, respecting their employees, and appreciating diversity, organizations could obtain employee engagement (Berger, 2010). This applies to organizations which are concerned about enhancing their employee engagement.

Organizations should increase their focus and initiatives toward all talent management and implement suitable practices such as talent development, talent recognition, talent culture and management support to achieve a meaningful result. A meaningful result shall then reflect in a higher level of employee engagement.

## REFERENCE LIST

1. Armstrong, M. (2009). *Armstrong's Handbook of Human Resource Management Practice*. London: Kogan Page Ltd.
2. Bakker, A. B. & Demerouti, E. (2007). The job demands-resources model: State of the art. *Journal of Managerial Psychology*, 22, 309–328.
3. Bakker, A. B. & Demerouti, E. (2008). Towards a model of work engagement. *Career Development International*, 13, 209–223.
4. Baskin, B. (2007). *Vigor, dedication, and absorption: work engagement among secondary English teachers in Indonesia*. Fremantle, Perth, Australia: University of Notre Dame.
5. Baublyte, D. (2010). Talent Management: Myth or Reality in Today's SME's? *A study into the importance and use of Talent Management within Small and Medium-sized enterprises*. Vantaa, Finland: International Business and Management Studies. Metropolia University.
6. Becker, B. E., Huselid, M. A. & Ulrich, D. (2001). *The HR Scorecard – Linking People, Strategy and Performance*. Boston, MA: Harvard Business School Press.
7. Berger, L. A. & Berger, D. R. (2010). *The Talent management handbook*. New York: McGraw-Hill.
8. Bhatnagar, J. (2007). Talent management strategy of employee engagement in Indian ITES employees: Key to retention. *Employee Relations*, 29(6), 640–663.
9. Cannon, J. A. & McGee, R. (2011). *Talent Management and Succession Planning*. London: Chartered Institute of Personnel and Development.
10. Caplan, J. (2013). *Strategic Talent Development: Develop and engage all your people for business success*. London: Kogan Page.
11. Cappelli, P. (2003). Will There Really Be a Labor Shortage? *Organizational Dynamics*, 32(3), 221–233.
12. Carter, N. M., Galinsky, E. & Families and Work Institute. (2008). *Leaders in a Global Economy: Talent Management in European cultures*. New York: Catalyst.
13. Cheese, P., Thomas, R. J. & Craig, E. (2008). *The Talent Powered Organization: Strategies for Globalization, Talent Management and High Performance*. London: Kogan Page Limited.

14. Coetzer, C. F. & Rathmann, S. (2007). Job demands, Job resources and Work engagement of employees in a manufacturing organization. *Southern African Business Review*, 11(3), 17–32.
15. Collings, G. D. & Mellahi, K. (2009). Strategic talent management: A review and research agenda. *Human Resource Management Review*, 19(4), 304–313.
16. Cook, S. (2008). *The Essential Guide to Employee Engagement: Better business performance through staff satisfaction*. Great Britain: Kogan Page Limited.
17. Davis, B. & Davis, B. J. (2011). *Talent Management in Education*. Los Angeles: SAGE.
18. Deb, T. (2005). *A conceptual approach to strategic talent management*. New Delhi: Indus Pub.
19. Dessler, G., (2003). *Human Resource Management*. New Jersey: Prentice Hall.
20. Devi, R. V. (2009). Employee engagement is a two-way street. *Talent management in academies*, 17(2), 3–4.
21. Duttagupta, R. (2005). *Identifying and Managing your assets: Talent Management*. London: PricewaterhouseCoopers Special. Retrieved on September 1, 2018 from [http://www.buildingipvalue.com/05\\_SF/374\\_378.htm](http://www.buildingipvalue.com/05_SF/374_378.htm)
22. Fornell, C. & Larcker, D. F. (1981). Structural equation models with unobservable variables and measurement error: Algebra and statistics. *Journal of marketing research*, 382–388.
23. Gallup Business Journal. (2006). *Gallup Study: Engaged Employees Inspire Company Innovation: National survey finds that passionate workers are most likely to drive organization forward*. The Gallup Management Journal. Retrieved on September 1, 2018 from <https://news.gallup.com/businessjournal/102496/where-Employee-Engagement-Happens.aspx>
24. Garrow, V. & Hirsch, W. (2009). *Talent management: Issues of Focus and Fit*. Sussex: Institute of Employment Studies, University of Sussex.
25. Gebauer, J. (2006). Workforce Engagement. T+D: *Better Performance Through Workplace Learning*, 28.
26. Gibbons, J. (2006). Employee Engagement: A Review of Current Research and Its Implications. New York: The Conference Board, 1–21.
27. Graen, G. B. (2008). Enriched Engagement Through Assistance to Systems' Change: A Proposal. *Industrial and Organizational Psychology*, 1(1), 74–75.
28. Guthridge, M., McPherson, J. R., & Wolf, W. J. (2009). Upgrading talent. *Mckinsey Quarterly*, 1, 61–63.
29. Harris, D. M. & DeSimone, R. L. (1994). *Human resource development*. Fort Worth: Dryden Press.
30. Harter, J. K., Schmidt, F. L. & Hayes, T. L. (2002). Business-unit-level relationship between Employee Satisfaction, Employee Engagement, and Business Outcomes: A meta-analysis. *Journal of Applied Psychology*, 87, 268–279.
31. Hay Group. (2005). *Talent Management: What the Best Organisations Actually Do*. Hay Group. London.
32. Hewitt Associates. (2004). *Employee Engagement higher at double digit growth companies*. Research Brief. Hewitt associates LLC. Retrieved on September 1, 2018

- from [http://www.connectthedotsconsulting.com/documents/Engagement/EE Engagement at DD Growth Companies 2012.pdf](http://www.connectthedotsconsulting.com/documents/Engagement/EE%20Engagement%20at%20DD%20Growth%20Companies%202012.pdf)
33. Holbeche, L. (2005). *The High Performance Organization. Creating a dynamic stability and sustainable success*. Oxford: Elsevier.
  34. Huang, T. (2001). Succession management systems and human resource outcomes. *International Journal of Manpower*, 22(8), 736–747.
  35. Hughes, J. C. & Rog, E. (2008) Talent management: A strategy for improving employee recruitment, retention and engagement within hospitality organizations. *International Journal of Contemporary Hospitality Management*, 20(7), 743–757.
  36. Kahn, W. A. (1992). Psychological conditions of personal engagement and disengagement at work. *Academy of Management Journal*, 33(4), 692–724.
  37. Kerfoot, K. (2007). Staff Engagement: It Starts With the Leader. *Nursing Economics*, 25(1), 47–48.
  38. Leat, M. & El-Kot, G. (2009). Interpersonal trust at work, intrinsic motivation, work-related tension and satisfaction in Egypt. *International Journal of Workplace Health Management*, 2(2), 180–194.
  39. Lewis, R. E. & Heckman, R. J. (2006). Talent management: A critical review. *Human Resource Management Review*, 16(2), 139–154.
  40. Lockwood, N.R. (2007) Leveraging Employee Engagement for Competitive Advantage. *Society for Human Resource Management Research Quarterly*, 1, 1–12.
  41. Macey, W., Schneider, B., Barbera K. M. & Young, S.A. (2009). *Employee Engagement Tools for Analysis, Practice and Competitive Advantage*. Singapore: Wiley-Blackwell.
  42. Markos, S. & Sridevi, M. S. (2010). Employee engagement: The Key to Improving Performance. *International Journal of Business and Management*, 5(12), 89–96.
  43. Maslach, C., Schaufeli, W. B. & Leiter, M. P. (2001). Job burnout. *Annual Review of Psychology*, 52, 397–422.
  44. McDonnell, A. & Collings, D. G. (2011). The identification and evaluation of talent in MNEs. *Global talent management*, 4, 56–73. United States: Routledge.
  45. Miner, J. B. (1973). The management consulting firm as a source of high-level managerial talent. *Academy of Management Journal*, 16(2), 253–264.
  46. Nink, M. & Welte, K. (2011). *Involving Employees in Change*. Gallup Business Journal. Retrieved on September 1, 2018 from <https://news.gallup.com/businessjournal/150932/involving-employees-change.aspx>
  47. Ott, B., Blacksmith, N. & Royal, K. (2007). *Job seekers ask: Who's the boss?* The Gallup Management Journal. Retrieved on September 1, 2018 from <https://news.gallup.com/businessjournal/103114/job-seekers-ask-whos-boss.aspx>
  48. Paradise, A. (2009). Talent management defined. *Training and Development*, 63(5), 68.
  49. Podsakoff, P. M., MacKenzie, S. B., Lee, J-Y. & Podsakoff, N. P. (2003). Common method biases in behavioral research: a critical review of the literature and recommended remedies. *Journal of applied psychology*, 88(5), 879–903.
  50. Reif, W. E. (1975). Intrinsic versus extrinsic rewards: resolving the controversy. *Human Resource Management*, 14(2), 1–10.
  51. Robertson-Smith, G. (2009). *Employee Engagement: A review of current thinking*. Sussex: Institute of Employment Studies, University of Sussex.



52. Robinson, D., Perryman, S. & Hayday, S. (2004). *The Drivers of Employee Engagement*. Report 408. Institute for Employment Studies.
53. Salanova, M. & Schaufeli, W. B. (2008). A cross-national study of work engagement as a mediator between job resources and proactive behavior. *International Journal of Human Resources Management*, 19(1), 116–131.
54. Sarkisian, N., Pitt-Catsouphes, M., Bhate, R., Carapinha, R., Lee, J. & Minnich, C. (2011). *Effects of country and age on Work engagement, Job satisfaction, and Organizational commitment among employees in India & Brazil*. The Sloan Centre of aging and work.
55. Schaufeli, W. B., Salanova, M., González-romá, V. & Bakker, A. B. (2002). The Measurement of Engagement and Burnout: A Two Sample Confirmatory Factor Analytic Approach. *Journal of Happiness Studies*, 3(1), 71–92.
56. Schiemann, W. A. (2009). *Reinventing Talent Management: How to maximize Performance in the marketplace*. New Jersey: John Wiley & Sons.
57. Scullion, H., Collings, D. G. & Caligiuri, P. (2010). Global talent management. *Journal of World Business*, 45(2), 105–108.
58. Shukla, R. (2009). *Talent Management: Process of developing and integrating Skilled Workers*. New Delhi: Global India Publications.
59. Silzer, R. & Dowell, B. E. (2010). *Strategy-Driven Talent Management: A Leadership Imperative*. San Francisco: John Wiley & Sons.
60. State of the Global Workplace, (2013). *Employee Engagement Insights for Business Leaders Worldwide*. Retrieved on September 1, 2018 from <https://www.gallup.com/services/176735/state-global-workplace.aspx>
61. Thorne, K. & Pellant, A. (2007). *The Essential Guide to Managing Talent: How top Companies recruit, train and retain the best employees*. Great Britain: Kogan Page Limited.
62. Tiwari, U. & Shrivastava, D. (2013). Strategies And Practices Of Talent Management And Their Impact On Employee Retention And Effectiveness. *The International Journal of Management*, 2(4), 1–10.
63. Vazirani, N. (2007). *Employee engagement*. SIES College of Management Studies Working Paper Series.
64. Wagner, R. & Harter, J. K. (2006). *12: The Elements of Great Managing*. New York: Gallup Press.
65. Welbourne, T. M. (2007). Employee Engagement: Beyond the fad and into the executive suite. *Executive Forum*, 45–51.
66. Whittington, J. L. & Galpin, T. J. (2010). The engagement factor: building a high-commitment organization in a low-commitment world. *Journal of Business Strategy*, 31(5), 14–24.
67. Woodruffe, C. (2006). The crucial importance of employee engagement. *Human Resource Management International Digest*, 14(1), 3–5.
68. Zupan, N. (1999). *Najboljše prakse ravnanja s človeškimi viri krepijo vlogo zaposlenih v podjetju*. Industrijska demokracija 10.

69. Žezlina, J. (2010). *Upravljanje in razvoj ključnih kadrov v slovenskih organizacijah*. Retrieved on September 1, 2018 from <http://www.planetgv.si/prikazi-starejse-izvode/hrm-revija-april-2010/iz-raziskave-upravljanje-razvoj-kljucnih-kadrov-v-slovenskih-organizacijah>

## **APPENDICES**



## **Appendix 1: Povzetek (Summary in Slovene language)**

Različni avtorji so v zadnjih desetih letih široko preučevali koncepta menedžmenta talentov in zavzetosti zaposlenih. Oba koncepta sta bila raziskana tako z akademske kot tudi s praktične plati. Številne študije so bile napisane na temo pozitivnega vpliva managementa talentov in zavzetosti zaposlenih na uspešnost organizacije in njeno konkurenčno prednost (Collings & Mellahi, 2009; Saks & Gruman, 2014). Kljub temu so večino študij napisali tuji avtorji, ki so raziskovali posamezne države ali organizacije v tujini.

Prav zato se ta magistrska naloga osredotoča na menedžment talentov in zavzetost zaposlenih v Sloveniji. Namen te naloge je razumeti odnos med menedžmentom talentov in zavzetostjo zaposlenih ter pomagati kadrovskim delavcem pri oblikovanju politik in praks, ki bi prispevale k višji stopnji zavzetosti zaposlenih v Sloveniji.

Kadar se praksa menedžmenta talentov ustrezno izvaja, lahko pričakujemo, da bo rezultat viden v višji stopnji zavzetosti zaposlenih, kar bo posledično prispevalo k boljšem organizacijskem rezultatu. Definicija zavzetosti zaposlenega je stanje, v katerem ima zaposleni občutek, da je učinkovit, energičen in da obvlada delovne naloge, ter se počuti sposobnega za opravljanje svojega dela (Sarkisian et al., 2011).

Poleg tega organizacije izražajo svojo zavezanost za človeški kapital, ko izvajajo procese menedžmenta talentov profesionalno in učinkovito, kar ima za posledico večjo zavzetost zaposlenih (Bhatnagar, 2007). Zato je verjetna trditev, da zavzetost zaposlenih pomembno vpliva na produktivnost.

V tej nalogi se najprej pregleda sekundarno literaturo in predhodne raziskave o menedžmentu talentov in zavzetosti zaposlenih ter podrobneje predstavili koncepta in njuno izvajanje v praksi. Nato se v empiričnem delu analizira položaj menedžmenta talentov in zavzetosti zaposlenih v Sloveniji in podrobneje pojasni, ali in v kolikšni meri je ta povezava prisotna v podjetjih in organizacijah. Uporabljena metodologija je bila kvantitativna raziskovalna metoda z uporabo podatkov, zbranih iz primarnih virov s pomočjo ankete. Raziskava je bila zasnovana predvsem z zaprtimi vprašanji s petstopenjsko Likertovo lestvico.

Rezultati raziskave so pokazali, da organizacije, ki izvajajo glavne prakse menedžmenta talentov, doživljajo pozitivne vplive, ki zvišujejo stopnjo zavzetosti njihovih zaposlenih. To trditev v raziskavi podpirajo argumenti iz različnih akademskih virov na temo menedžmenta talentov in zavzetosti zaposlenih.

## Appendix 2: Survey (Anketa)

Spoštovani,

V okviru podiplomskega študijskega programa IMB – International Management in Business Administration na Ekonomski fakulteti v Ljubljani pripravljam magistrsko nalogo na temo menedžmenta talentov in njegovega vplivov na zavzetost pri delu.

Vesela bom nekaj vaših podarjenih minut, ki jih boste posvetili temu vprašalniku, v katerem lahko izrazite svoje mnenje glede številnih vprašanj povezanih z delovnimi pogoji na vašem delovnem mestu.

Odgovori so anonimni in bodo uporabljeni zgolj za namene te raziskave. V primeru vprašanj mi lahko pišete na [k.vodicar@gmail.com](mailto:k.vodicar@gmail.com).

Iskrena hvala,

Kristina Vodičar

---

### Management talentov

Pri vsaki trditvi označite polje, ki najbolje opisuje vaše mnenje:

V kolikšni meri se strinjate z naslednjo izjavo	Popolnoma se ne strinjam	Ne strinjam se	Niti se strinjam, niti se ne strinjam	Strinjam se	Popolnoma se strinjam
1. V podjetju kjer delam, skrbijo za razvoj moje kariere in možnosti rasti v prihodnosti.					
2. Na splošno sem zadovoljen/a z delom v trenutnem podjetju v primerjavi z drugimi podjetji.					
3. Programi usposabljanja, ki jih zagotavlja moje podjetje, so primerni za moj razvoj.					
4. Plača, ki jo prejeman, je ustrezna.					
5. Kadrovske politike so učinkovite ter motivirajo in ohranjajo zaposlene v podjetju.					
6. Nadrejeni izkazujejo zanimanje in skrb zame.					

7. Poleg finančnih koristi so zame pomembni tudi karierni razvoj, delovna kultura in mednarodne priložnosti.					
8. Pogosto mi povišajo plačo.					
9. V podjetju, kjer delam, jim je mar za kakovost mojega življenja.					
10. V podjetju, kjer delam, dobimo bonuse in nagrade.					
11. Vodstvo obravnava vse zaposlene enako.					
12. Moje delo mi predstavlja zadosten izziv, da v celoti izkoristim svoje sposobnosti.					
13. Od svojega nadrejenega prejemam zadostno podporo.					
14. Zelo sem zadovoljen/a s plačo in ugodnostmi, ki jih prejemam.					
15. Politike in pravila veljajo enako za vse zaposlene.					
16. Menim, da s svojim delom smiselno pripomorem k doseganju ciljev podjetja.					
17. Moje delo je pogosto priznано in pohvaljeno s strani nadrejenih.					
18. Prijetno se počutim v organizacijski kulturi, v kateri delam.					
19. Vodstvo redno spremlja povratne informacije svojih zaposlenih.					

### Zavzetost zaposlenih

Pri vsaki trditvi označite polje, ki najbolje opisuje vaše mnenje:

V kolikšni meri se strinjate z naslednjo izjavo	Popolnoma se ne strinjam	Ne strinjam se	Niti se strinjam, niti se ne strinjam	Strinjam se	Popolnoma se strinjam
---	--------------------------	----------------	---------------------------------------	-------------	-----------------------

1. Vem, kaj se pričakuje od mene v službi.					
2. Imam potrebne materiale in opremo za kakovostno opravljanje svojega dela.					
3. Pri svojem delu počnem tisto, kar znam najbolje.					
4. V zadnjem tednu sem prejel/a priznanje ali pohvalo za dobro opravljeno delo.					
5. Mojim nadrejenim ali sodelavcem je mar zame kot osebo.					
6. Nekdo v službi vzpodbuja moj razvoj.					
7. Zdi se mi, da moje mnenje šteje v službi.					
8. Poslanstvo in vizija podjetja kjer delam, mi dajeta občutek, da je moje delo pomembno.					
9. Moji sodelavci so predani h kakovostnemu opravljanju svojega dela.					
10. Najboljšega prijatelja/prijateljico imam v službi.					
11. V zadnjih šestih mesecih je nekdo v podjetju z menoj govoril o mojem napredku.					
12. V zadnjem letu sem imel/a v službi priložnost za učenje in rast.					

### Demografski podatki

Pri vsakem vprašanju izberite en odgovor:

	Možen odgovor
1. Spol:	- Moški - Ženski



2. Končana stopnja izobrazbe:	<ul style="list-style-type: none"> <li>- Osnovnošolska izobrazba</li> <li>- Poklicna izobrazba</li> <li>- Srednješolska izobrazba</li> <li>- Višje ali visokošolska izobrazba</li> <li>- Univerzitetna izobrazba</li> <li>- Magisterij, specializacija, doktorat</li> </ul>
3. Starost:	<ul style="list-style-type: none"> <li>- 24 ali manj</li> <li>- 25–35</li> <li>- 36–46</li> <li>- 47–57</li> <li>- 58 ali več</li> </ul>
4. Število let v trenutnem podjetju:	<ul style="list-style-type: none"> <li>- 1 leto ali manj</li> <li>- 2–7</li> <li>- 8–13</li> <li>- 14–19</li> <li>- 20 ali več</li> </ul>
5. Število let na trenutnem delovnem mestu:	<ul style="list-style-type: none"> <li>- 1 leto ali manj</li> <li>- 2–7</li> <li>- 8–13</li> <li>- 14–19</li> <li>- 20 ali več</li> </ul>
6. Ali imate kakšne managerske zadolžitve (organiziranja in vodenja ostalih zaposlenih)?	<ul style="list-style-type: none"> <li>- Da</li> <li>- Ne</li> </ul>

*Source: Own work.*

### Appendix 3: Statistics

Table 1: In the company where I work, they care about the development of my career and the potential for growth in the future.

	Frequency	Percent	Cumulative Percent
I totally disagree	6	4.3	4.3
I disagree	16	11.3	15.6
Neither agree nor disagree	30	21.3	36.9
I agree	60	42.6	79.4
I totally agree	29	20.6	100.0
Total	141	100.0	

*Source: Own work.*

Table 2: Training programs offered by my company are suitable for my development.

	Frequency	Percent	Cumulative Percent
I totally disagree	12	8.6	8.6
I disagree	44	31.4	40.0
Neither agree nor disagree	34	24.3	64.3
I agree	37	26.4	90.7
I totally agree	13	9.3	100.0
Total	140	100.0	

*Source: Own work.*

Table 3: In addition to financial benefits, career development, work culture and international opportunities are also important for me.

	Frequency	Percent	Cumulative Percent
I totally disagree	25	18.1	18.1
I disagree	54	39.1	57.2
Neither agree nor disagree	36	26.1	83.3

I agree	19	13.8	97.1
I totally agree	4	2.9	100.0
Total	138	100.0	

*Source: Own work.*

Table 4: My work represents a sufficient challenge to fully exploit my skills.

	Frequency	Percent	Cumulative Percent
I totally disagree	5	3.6	3.6
I disagree	27	19.7	23.4
Neither agree nor disagree	26	19.0	42.3
I agree	56	40.9	83.2
I totally agree	23	16.8	100.0
Total	137	100.0	

*Source: Own work.*

Table 5: I believe that I can make an important contribution to achieving the goals of the company with my work.

	Frequency	Percent	Cumulative Percent
I totally disagree	7	5.1	5.1
I disagree	19	13.9	19.0
Neither agree nor disagree	39	28.5	47.4
I agree	49	35.8	83.2
I totally agree	23	16.8	100.0
Total	137	100.0	

*Source: Own work.*

Table 6: I know what is expected of me at work.

	Frequency	Percent	Cumulative Percent
--	-----------	---------	-----------------------

I totally disagree	1	0.8	0.8
I disagree	14	11.3	12.1
Neither agree nor disagree	24	19.4	31.5
I agree	50	40.3	71.8
I totally agree	35	28.2	100.0
Total	124	100.0	

*Source: Own work.*

Table 7: I have the necessary materials and equipment for the quality of my work.

	Frequency	Percent	Cumulative Percent
I totally disagree	1	0.8	0.8
I disagree	7	5.7	6.5
Neither agree nor disagree	30	24.4	30.9
I agree	57	46.3	77.2
I totally agree	28	22.8	100.0
Total	123	100.0	

*Source: Own work.*

Table 8: At my work, I do what I know best.

	Frequency	Percent	Cumulative Percent
I totally disagree	21	17.1	17.1
I disagree	29	23.6	40.7
Neither agree nor disagree	24	19.5	60.2
I agree	33	26.8	87.0
I totally agree	16	13.0	100.0
Total	123	100.0	

*Source: Own work.*

Table 9: In the past year, I had the opportunity to learn and grow at my workplace.

	Frequency	Percent	Cumulative Percent
I totally disagree	5	4.0	4.0
I disagree	10	8.1	12.1
Neither agree nor disagree	32	25.8	37.9
I agree	48	38.7	76.6
I totally agree	29	23.4	100.0
Total	124	100.0	

*Source: Own work.*

Table 10: My superiors or colleagues care about me as a person.

	Frequency	Percent	Cumulative Percent
I totally disagree	6	4.8	4.8
I disagree	22	17.7	22.6
Neither agree nor disagree	29	23.4	46.0
I agree	42	33.9	79.8
I totally agree	25	20.2	100.0
Total	124	100.0	

*Source: Own work.*

Table 11: Someone at the workplace encourages my development.

	Frequency	Percent	Cumulative Percent
I totally disagree	5	4.0	4.0
I disagree	11	8.9	12.9
Neither agree nor disagree	33	26.6	39.5
I agree	50	40.3	79.8
I totally agree	25	20.2	100.0
Total	124	100.0	

*Source: Own work.*

Table 12: It seems to me that my opinion is considered at work.

	Frequency	Percent	Cumulative Percent
I totally disagree	8	6.5	6.5
I disagree	19	15.3	21.8
Neither agree nor disagree	30	24.2	46.0
I agree	48	38.7	84.7
I totally agree	19	15	100.0
Total	124	100.0	

*Source: Own work.*

Table 13: The mission and vision of the company where I work, make me feel that my work is important.

	Frequency	Percent	Cumulative Percent
I totally disagree	3	2.4	2.4
I disagree	20	16.3	18.7
Neither agree nor disagree	35	28.5	47.2
I agree	45	36.6	83.7
I totally agree	20	16.3	100.0
Total	123	100.0	

*Source: Own work.*

Table 14: My colleagues are committed to quality work.

	Frequency	Percent	Cumulative Percent
I totally disagree	30	24.4	24.4
I disagree	45	36.6	61.0
Neither agree nor disagree	28	22.8	83.7
I agree	9	7.3	91.1
I totally agree	11	8.9	100.0

Total	123	100.0	
-------	-----	-------	--

*Source: Own work.*

Table 15: I have the best friend at work.

	Frequency	Percent	Cumulative Percent
I totally disagree	13	10.6	10.6
I disagree	26	21.1	31.7
Neither agree nor disagree	23	18.7	50.4
I agree	43	35.0	85.4
I totally agree	18	14.6	100.0
Total	123	100.0	

*Source: Own work.*

Table 16: In the last six months, someone in my company talked to me about my progress.

	Frequency	Percent	Cumulative Percent
I totally disagree	11	8.9	8.9
I disagree	24	19.5	28.5
Neither agree nor disagree	19	15.4	43.9
I agree	44	35.8	79.7
I totally agree	25	20.3	100.0
Total	123	100.0	

*Source: Own work.*

Table 17: In the past year, I had the opportunity to learn and grow in the workplace.

	Frequency	Percent	Cumulative Percent
I totally disagree	88	68.8	68.8
I disagree	40	31.3	100.0
Neither agree nor disagree	0	0	

I agree	0	0	
I totally agree	0	0	
Total	128	100.0	

*Source: Own work.*

Table 18: The salary I receive is appropriate.

	Frequency	Percent	Cumulative Percent
I totally disagree	14	10.1	10.1
I disagree	51	36.7	46.8
Neither agree nor disagree	38	27.3	74.1
I agree	26	18.7	92.8
I totally agree	10	7.2	100.0
Total	139	100.0	

*Source: Own work.*

Table 19: They often raise my salary.

	Frequency	Percent	Cumulative Percent
I totally disagree	13	9.4	9.4
I disagree	32	23.2	32.6
Neither agree nor disagree	34	24.6	57.2
I agree	44	31.9	89.1
I totally agree	15	10.9	100.0
Total	138	100.0	

*Source: Own work.*

Table 20: In the company where I work, we get bonuses and rewards.

	Frequency	Percent	Cumulative Percent
I totally disagree	23	16.7	16.7
I disagree	41	29.7	46.4



Neither agree nor disagree	30	21.7	68.1
I agree	33	23.9	92.0
I totally agree	11	8.0	100.0
Total	138	100.0	

*Source: Own work.*

Table 21: I am very pleased with the salary and benefits that I receive.

	Frequency	Percent	Cumulative Percent
I totally disagree	14	10.2	10.2
I disagree	44	32.1	42.3
Neither agree nor disagree	26	19.0	61.3
I agree	38	27.7	89.1
I totally agree	15	10.9	100.0
Total	137	100.0	

*Source: Own work.*

Table 22: Overall, I am happy with the work at the current company compared to other companies.

	Frequency	Percent	Cumulative Percent
I totally disagree	13	9.3	9.3
I disagree	35	25.0	34.3
Neither agree nor disagree	34	24.3	58.6
I agree	45	32.1	90.7
I totally agree	13	9.3	100.0
Total	140	100.0	

*Source: Own work.*

Table 23: Personnel policies are effective, they motivate and keep employees in the company.

	Frequency	Percent	Cumulative Percent
I totally disagree	6	4.3	4.3
I disagree	24	17.3	21.6
Neither agree nor disagree	28	20.1	41.7
I agree	58	41.7	83.5
I totally agree	23	16.5	100.0
Total	139	100.0	

*Source: Own work.*

Table 23: In the company where I work, they care for the quality of my life.

	Frequency	Percent	Cumulative Percent
I totally disagree	20	14.5	14.5
I disagree	29	21.0	35.5
Neither agree nor disagree	33	23.9	59.4
I agree	29	21.0	80.4
I totally agree	27	19.6	100.0
Total	138	100.0	

*Source: Own work.*

Table 24: Management treats all employees equally.

	Frequency	Percent	Cumulative Percent
I totally disagree	11	8.0	8.0
I disagree	27	19.6	27.5
Neither agree nor disagree	41	29.7	57.2
I agree	42	30.4	87.7
I totally agree	17	12.3	100.0
Total	138	100.0	

*Source: Own work.*

Table 25: I receive sufficient support from my superiors.

	Frequency	Percent	Cumulative Percent
I totally disagree	14	10.1	10.1
I disagree	43	31.2	41.3
Neither agree nor disagree	32	23.2	64.5
I agree	34	24.6	89.1
I totally agree	15	10.9	100.0
Total	138	100.0	

*Source: Own work.*

Table 26: Policies and rules apply equally to all employees.

	Frequency	Percent	Cumulative Percent
I totally disagree	2	1.4	1.4
I disagree	7	5.1	6.5
Neither agree nor disagree	9	6.5	13.0
I agree	82	59.4	72.5
I totally agree	38	27.5	100.0
Total	138	100.0	

*Source: Own work.*

Table 27: I feel comfortable in the organizational culture in which I work.

	Frequency	Percent	Cumulative Percent
I totally disagree	11	8.0	8.0
I disagree	27	19.6	27.5
Neither agree nor disagree	41	29.7	57.2
I agree	35	25.4	82.6
I totally agree	24	17.4	100.0
Total	138	100.0	

Source: Own work.

Table 28: Superiors show interest and concern for me.

	Frequency	Percent	Cumulative Percent
I totally disagree	2	1.5	1.5
I disagree	7	5.1	6.6
Neither agree nor disagree	4	2.9	9.6
I agree	61	44.9	54.4
I totally agree	62	45.6	100.0
Total	136	100.0	

Source: Own work.

Table 29: My work is often recognized and praised by my superiors.

	Frequency	Percent	Cumulative Percent
I totally disagree	6	4.3	4.3
I disagree	26	18.8	23.2
Neither agree nor disagree	35	25.4	48.6
I agree	45	32.6	81.2
I totally agree	26	18.8	100.0
Total	138	100.0	

Source: Own work.

Table 30: Managers regularly monitor feedback from their employees.

	Frequency	Percent	Cumulative Percent
I totally disagree	1	0.8	0.8
I disagree	8	6.3	7.0
Neither agree nor disagree	13	10.2	17.2
I agree	71	55.5	72.7
I totally agree	35	27.3	100.0

Total	128	100.0	
-------	-----	-------	--

Source: Own work.

Table 31: Test for Talent Management and Employee Engagement Regression with the Control Variables – Gender, Education, Age and Number of years in company.

Model Summary								
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics			
					R Square Change	F Change	df1	df2
1	.745 <sup>a</sup>	.555	.546	.507	.555	66.012	2	106
f. Predictors: (Constant), Gender, Talent Management								

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	33.992	2	16.996	66.012	.000 <sup>b</sup>
	Residual	27.292	106	.257		
	Total	61.284	108			
a. Dependent Variable: Employee Engagement						
b. Predictors: (Constant), Gender, Talent Management						

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.986	.272		3.623	.000
	Talent Management	.696	.062	.742	11.297	.000
	Gender	-.021	.099	-.014	-.214	.831
a. Dependent Variable: Employee Engagement						

Model Summary								
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics			
					R Square Change	F Change	df1	df2
1	.760 <sup>a</sup>	.577	.569	.494	.577	72.398	2	106
g. Predictors: (Constant), Education, Talent Management								

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	35.382	2	17.691	72.398	.000 <sup>b</sup>
	Residual	25.902	106	.244		
	Total	61.284	108			
a. Dependent Variable: Employee Engagement						
b. Predictors: (Constant), Education, Talent Management						

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.305	.251		5.196	.000

	Talent Management	.690	.059	.736	11.631	.000
	Education	-.133	.056	-.152	-2.395	.018
a. Dependent Variable: Employee Engagement						

Model Summary								
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics			
					R Square Change	F Change	df1	df2
1	.760 <sup>a</sup>	.577	.569	.496	.577	71.736	2	105
h. Predictors: (Constant), Age, Talent Management								

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	35.345	2	17.673	71.736	.000 <sup>b</sup>
	Residual	25.868	105	.246		
	Total	61.213	107			
a. Dependent Variable: Employee Engagement						
b. Predictors: (Constant), Age, Talent Management						

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.143	.232		4.921	.000
	Talent Management	.694	.060	.739	11.593	.000
	Age	-.077	.041	-.120	-1.890	.061
a. Dependent Variable: Employee Engagement						

Model Summary								
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics			
					R Square Change	F Change	df1	df2
1	.745 <sup>a</sup>	.554	.546	.508	.554	65.960	2	106
i. Predictors: (Constant), Number of years in company, Talent Management								

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	33.981	2	16.990	65.960	.000 <sup>b</sup>
	Residual	27.304	106	.258		
	Total	61.284	108			
a. Dependent Variable: Employee Engagement						
b. Predictors: (Constant), Number of years in company, Talent Management						

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.946	.297		3.190	.002
	Talent Management	.698	.064	.745	10.990	.000
	Number of years in company	.001	.102	.001	.011	.992
a. Dependent Variable: Employee Engagement						

Source: Own work.

Table 32: Test for Talent Development and Employee Engagement Regression with the Control Variables – Gender, Education, Age and Number of years in company.

Model Summary								
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics			
					R Square Change	F Change	df1	df2
1	.693 <sup>a</sup>	.481	.471	.543	.481	50.013	2	108

j. Predictors: (Constant), Gender, Talent Development

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	29.535	2	14.767	50.013	.000 <sup>b</sup>
	Residual	31.889	108	.295		
	Total	61.423	110			

a. Dependent Variable: Employee Engagement  
b. Predictors: (Constant), Gender, Talent Development

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.322	.277		4.774	.000
	Talent Development	.624	.064	.687	9.809	.000
	Gender	-.056	.105	-.037	-.530	.598

a. Dependent Variable: Employee Engagement

Model Summary								
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics			
					R Square Change	F Change	df1	df2
1	.715 <sup>a</sup>	.512	.503	.527	.512	56.619	2	108

k. Predictors: (Constant), Education, Talent Development

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	31.439	2	15.719	56.619	.000 <sup>b</sup>
	Residual	29.985	108	.278		
	Total	61.423	110			

a. Dependent Variable: Employee Engagement  
b. Predictors: (Constant), Education, Talent Development

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.631	.254		6.425	.000
	Talent Development	.625	.061	.688	10.226	.000
	Education	-.158	.059	-.180	-2.675	.009

a. Dependent Variable: Employee Engagement

Model Summary								
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics			
					R Square Change	F Change	df1	df2
1	.708 <sup>a</sup>	.501	.492	.535	.501	53.787	2	107
l. Predictors: (Constant), Age, Talent Development								

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	30.759	2	15.380	53.787	.000 <sup>b</sup>
	Residual	30.595	107	.286		
	Total	61.355	109			
a. Dependent Variable: Employee Engagement						
b. Predictors: (Constant), Age, Talent Development						

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.436	.238		6.026	.000
	Talent Development	.624	.062	.685	9.994	.000
	Age	-.082	.044	-.128	-1.861	.065
a. Dependent Variable: Employee Engagement						

Model Summary								
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics			
					R Square Change	F Change	df1	df2
1	.695 <sup>a</sup>	.482	.473	.543	.482	50.330	2	108
m. Predictors: (Constant), Number of years in company, Talent Development								

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	29.631	2	14.816	50.330	.000 <sup>b</sup>
	Residual	31.792	108	.294		
	Total	61.423	110			
a. Dependent Variable: Employee Engagement						
b. Predictors: (Constant), Number of years in company, Talent Development						

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.387	.294		4.720	.000
	Talent Development	.617	.065	.679	9.542	.000
	Number of years in company	-.083	.106	-.056	-.781	.437
a. Dependent Variable: Employee Engagement						

Source: Own work.

Table 33: Test for Talent Recognition and Employee Engagement Regression with the Control Variables – Gender, Education, Age and Number of years in company.



Model Summary								
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics			
					R Square Change	F Change	df1	df2
1	.657 <sup>a</sup>	.431	.421	.569	.431	40.922	2	108
n. Predictors: (Constant), Gender, Talent Recognition								

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	26.480	2	13.240	40.922	.000 <sup>b</sup>
	Residual	34.943	108	.324		
	Total	61.423	110			
a. Dependent Variable: Employee Engagement						
b. Predictors: (Constant), Gender, Talent Recognition						

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.870	.252		7.426	.000
	Talent Recognition	.495	.056	.653	8.852	.000
	Gender	-.027	.111	-.018	-.245	.807
a. Dependent Variable: Employee Engagement						

Model Summary								
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics			
					R Square Change	F Change	df1	df2
1	.689 <sup>a</sup>	.475	.466	.546	.475	48.928	2	108
o. Predictors: (Constant), Education, Talent Recognition								

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	29.198	2	14.599	48.928	.000 <sup>b</sup>
	Residual	32.225	108	.298		
	Total	61.423	110			
a. Dependent Variable: Employee Engagement						
b. Predictors: (Constant), Education, Talent Recognition						

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.274	.219		10.373	.000
	Talent Recognition	.501	.053	.661	9.476	.000
	Education	-.185	.061	-.211	-3.029	.003
a. Dependent Variable: Employee Engagement						

Model Summary								
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics			
					R Square Change	F Change	df1	df2

1	.671 <sup>a</sup>	.450	.440	.561	.450	43.805	2	107
p. Predictors: (Constant), Age, Talent Recognition								

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	27.621	2	13.810	43.805	.000 <sup>b</sup>
	Residual	33.734	107	.315		
	Total	61.355	109			
a. Dependent Variable: Employee Engagement						
b. Predictors: (Constant), Age, Talent Recognition						

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.007	.208		9.655	.000
	Talent Recognition	.492	.055	.648	8.965	.000
	Age	-.070	.046	-.111	-1.538	.127
a. Dependent Variable: Employee Engagement						

Model Summary								
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics			
					R Square Change	F Change	df1	df2
1	.663 <sup>a</sup>	.440	.430	.564	.440	42.413	2	108
q. Predictors: (Constant), Number of years in company, Talent Recognition								

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	27.021	2	13.510	42.413	.000 <sup>b</sup>
	Residual	34.403	108	.319		
	Total	61.423	110			
a. Dependent Variable: Employee Engagement						
b. Predictors: (Constant), Number of years in company, Talent Recognition						

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.081	.255		8.149	.000
	Talent Recognition	.483	.056	.638	8.685	.000
	Number of years in company	-.145	.109	-.097	-1.326	.188
a. Dependent Variable: Employee Engagement						

Source: Own work.

Table 34: Test for Talent Culture and Employee Engagement Regression with the Control Variables – Gender, Education, Age and Number of years in company

Model Summary								
Model	R				Change Statistics			

		R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2
1	.779 <sup>a</sup>	.607	.600	.471	.607	84.086	2	109
r. Predictors: (Constant), Gender, Talent Culture								

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	37.309	2	18.655	84.086	.000 <sup>b</sup>
	Residual	24.182	109	.222		
	Total	61.491	111			
a. Dependent Variable: Employee Engagement						
b. Predictors: (Constant), Gender, Talent Culture						

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.891	.249		43.570	.001
	Talent Culture	.728	.057	.775	12.763	.000
	Gender	-.039	.091	-.026	-.426	.671
a. Dependent Variable: Employee Engagement						

Model Summary								
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics			
					R Square Change	F Change	df1	df2
1	.788 <sup>a</sup>	.621	.615	.462	.621	89.483	2	109
s. Predictors: (Constant), Education, Talent Culture								

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	38.216	2	19.108	89.483	.000 <sup>b</sup>
	Residual	23.275	109	.214		
	Total	61.491	111			
a. Dependent Variable: Employee Engagement						
b. Predictors: (Constant), Education, Talent Culture						

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.133	.240		4.725	.000
	Talent Culture	.720	.056	.766	12.943	.000
	Education	-.109	.052	-.125	-2.106	.038
a. Dependent Variable: Employee Engagement						

Model Summary								
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics			
					R Square Change	F Change	df1	df2
1	.789 <sup>a</sup>	.623	.616	.463	.623	89.269	2	108

t. Predictors: (Constant), Age, Talent Culture

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	38.272	2	19.136	89.269	.000 <sup>b</sup>
	Residual	23.151	108	.214		
	Total	61.423	110			
a. Dependent Variable: Employee Engagement						
b. Predictors: (Constant), Age, Talent Culture						

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.975	.220		4.428	.000
	Talent Culture	.728	.056	.772	12.961	.000
	Age	-.058	.038	-.091	-1.524	.130
a. Dependent Variable: Employee Engagement						

Model Summary								
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics			
					R Square Change	F Change	df1	df2
1	.779 <sup>a</sup>	.606	.599	.471	.606	83.894	2	109
u. Predictors: (Constant), Number of years in company, Talent Culture								

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	37.276	2	18.638	83.894	.000 <sup>b</sup>
	Residual	24.215	109	.222		
	Total	61.491	111			
a. Dependent Variable: Employee Engagement						
b. Predictors: (Constant), Number of years in company, Talent Culture						

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.856	.270		3.170	.002
	Talent Culture	.729	.059	.776	12.442	.000
	Number of years in company	-.016	.092	-.011	-.174	.862
a. Dependent Variable: Employee Engagement						

Source: Own work.

Table 35: Test for Management Support and Employee Engagement Regression with the Control Variables – Gender, Education, Age and Number of years in company

Model Summary								
Model	R					Change Statistics		

		R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2
1	.622 <sup>a</sup>	.387	.375	.591	.387	34.063	2	108

v. Predictors: (Constant), Gender, Management Support

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	23.759	2	11.879	34.063	.000 <sup>b</sup>
	Residual	37.665	108	.349		
	Total	61.423	110			

a. Dependent Variable: Employee Engagement  
b. Predictors: (Constant), Gender, Management Support

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.830	.382		2.176	.032
	Management Support	.667	.083	.608	8.037	.000
	Gender	-.137	.113	-.092	-1.214	.228

a. Dependent Variable: Employee Engagement

Model Summary								
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics			
					R Square Change	F Change	df1	df2
1	.626 <sup>a</sup>	.391	.380	.588	.391	34.729	2	108

w. Predictors: (Constant), Education, Management Support

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	24.042	2	12.021	34.729	.000 <sup>b</sup>
	Residual	37.382	108	.346		
	Total	61.423	110			

a. Dependent Variable: Employee Engagement  
b. Predictors: (Constant), Education, Management Support

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.919	.391		2.350	.021
	Management Support	.658	.083	.599	7.906	.000
	Education	-.101	.067	-.115	-1.517	.132

a. Dependent Variable: Employee Engagement

Model Summary								
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics			
					R Square Change	F Change	df1	df2
1	.629 <sup>a</sup>	.395	.384	.589	.395	34.957	2	107

x. Predictors: (Constant), Age, Management Support

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	24.247	2	12.123	34.957	.000 <sup>b</sup>
	Residual	37.108	107	.347		
	Total	61.355	109			
a. Dependent Variable: Employee Engagement						
b. Predictors: (Constant), Age, Management Support						

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.846	.361		2.345	.021
	Management Support	.661	.083	.602	7.958	.000
	Age	-.080	.048	-.127	-1.680	.096
a. Dependent Variable: Employee Engagement						

Model Summary								
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics			
					R Square Change	F Change	df1	df2
1	.617 <sup>a</sup>	.381	.369	.593	.381	33.230	2	108
y. Predictors: (Constant), Number of years in company, Management Support								

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	23.399	2	11.700	33.230	.000 <sup>b</sup>
	Residual	38.024	108	.352		
	Total	61.423	110			
a. Dependent Variable: Employee Engagement						
b. Predictors: (Constant), Number of years in company, Management Support						

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.775	.425		1.823	.071
	Management Support	.660	.086	.601	7.644	.000
	Number of years in company	-.078	.117	-.052	-.662	.509
a. Dependent Variable: Employee Engagement						

Source: Own work.