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## *The Development of Key Positions in Crises on the Example of the COVID-19 Pandemic*

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### **Abstract**

**Theoretical background:** Talent management refers to how organizations attract, select, develop and manage talented employees. Thus, talent development is an important part of the overall process. It can be observed that there are relatively few papers focusing primarily on talent development. Meanwhile, it is a more complex and fraught activity than many HR specialist recognize, thus, it is worth paying more attention and research. Even less papers covers talent development during COVID-19 as it is a relatively new problem and research is still ongoing.

**Purpose of the article:** The aim of the article is to present the results of research on the conduct of development processes by companies for talented employees during the COVID-19 pandemic.

**Research methods:** For the analysis, literature studies were carried out and the quantitative study with the use of the author's questionnaire and CATI interview was organized in October–November 2020. The research sample included 102 purposefully selected organizations.

**Main findings:** Research indicates that organizations have been affected by the pandemic in terms of their personnel policies. They decided to take restrictions, but their degree was different for talents and other employees. The biggest restrictions affected training budgets, foreign trips and postgraduate/MBA studies. Organizations continued to run talent development programs in the pandemic, but their scope decreased.

Changes in priorities were also noted – the importance of talent development before the pandemic was greater for respondents. During the pandemic, retaining talent and building their commitment came to the fore. The analysis also made comparisons with the results of author's own studies on subprime crisis, which show that the organization's actions in these two crisis situations have converged in many areas. In particular, it was decided to maintain developmental activities, but in exchange for more costly forms of development, talents were offered cheaper internal training, projects or job rotation. The differences include the inclusion of talent in strategic projects, "crisis headquarters", which was observed to a large extent during the subprime crisis, but did not appear in the pandemic results. It should be emphasised that the research was carried out in two different groups, which does not authorise clear conclusions, but only allows for very preliminary reflections on the behaviour of the organization in these two situations. Research results contribute to reducing the research gap in the talent development process during pandemic or crisis.

## Introduction

The COVID-19 pandemic has had a significant impact on the economy, resulting, *inter alia*, in a fall in GDP (Eurostat, 2020) and a downturn that was even lower than that recorded in the so-called subprime crisis (IRG-SGH, 2020). The impact was also evident in the job market. Employers decided to freeze recruitment, resulting, *inter alia*, in a decrease in the number of hours people work (10 times bigger than during the subprime crisis) and raise in the unemployment rate (OECD, 2020). In Poland, a 50% decrease in job vacancies was observed in April 2020, and a reduction in the number of benefits offered (Grant Thornton, 2020).

The experience of pandemic was so unexpected that some authors alluded to the concept of so-called "black swans": unusual events that have a drastic impact on reality (Taleb, 2010). However, Taleb denied that the pandemic was a black swan because it was foreseeable and he personally warned against it (Norman, Taleb, & Bar-Yam, 2020). It also touched on the concept of a VUCA world which refers to the changing and uncertain environment in which people and organizations currently exist (Bennet & Lemoine, 2014). Pandemic can also be tantamount to a crisis situation as it "threatens the survival of the company, the achievement of its objectives, limits the time available for remedial action and surprises decision-makers with its appearance, thus, creating conditions of strong pressure" (Slatter & Lovett, 1999).

Such an unexpected and unique situation experienced by organizations has created an opportunity to conduct many studies on its impact and activities. A number of research gaps have been observed as far as the activity of companies during COVID-19, including in the area of personnel policy, is concerned. The purpose of this article is to present results of research on the implementation of talent development process during the COVID-19 pandemic, which will contribute to filling one of the research gaps.

## Literature review

Theoretical approaches to talent can be found in human capital management (talent as capital), industrial and organizational psychology (talent as an individual difference), educational psychology (talent as a gift), professional psychology (talent as identity), positive psychology (talent as a strong side) and social psychology (talent as perception) (Janowski, 2017). In management sciences, there is no consensus on a single definition of “talent” (Ingram, 2016). Talent is then treated as a good/resource of the organization to be used, and a certain pool of supporting capabilities in achieving goals and strategies (Pocztowski, 2016), gifts, skills, knowledge, experience, intelligence, judgement, attitude, character and drive (Michaels, Handfield-Jones, & Axelrod, 2001). Research indicates different understandings of talent by organizations, e.g. “highly effective person with above-average results”, “person with above-average talents” or even “person with high knowledge” (Miś, 2020). In the literature, there are terms such as “high potentials”, “skilled employees”, “high valued employees”, “high performers”, or “key people” (Gallardo-Gallardo & Thunnissen, 2016).

Talent management refers to how organizations attract, select, develop and manage talented employees (Scullion & Collings, 2011). Thus, talent development is an important part of the overall process (Capelli, 2009). It focuses on “planning, selection and implementation of development strategies for the entire talent pool (...) to meet strategic objectives” (Garavan, Carbery, & Rock, 2011). Shreuder and Noorman (2019) advocate the introduction of the term “strategic talent development”, which is geared towards key positions development: “special people with special qualities who can make the difference in crucial positions”. As Rodriguez (2008) states, one of the top reasons employees leave companies is because they feel stifled in their development, while having good employee development practices will create a “talent magnet” to retain workers (Naim & Lenka 2018). Thus, investing large and diversified resources in the most talented ones must be a contemporary HR priority (Morawski, 2009).

It can be observed that there are relatively few papers focusing primarily on talent development (Garavan, Carbery, & Rock, 2011). Meanwhile, it is a more complex and fraught activity than many HR specialist recognize (Barlow, 2006), thus, it is worth paying more attention and research. Even less papers cover talent development during the COVID-19 pandemic as it is a relatively new problem and research is still ongoing. Different studies confirm the influence of learning and working climate on the retention of talents (Govaerts, Kyndt, Dochy, & Baert, 2011), and due to the pandemic situation it was unstable. Aguinis and Burgi-Tian (2021) suggest that the answer to talent management challenges during COVID-19 may be performance management as it supports employee development (i.e. developmental purpose). Jayathilake, Daud, Eaw and Annuar (2021) bring attention to a new framework of development after COVID-19 which contains three strategies: democratize learning,

reverse mentoring and intrapreneurship. Gunnigle, Lavelle and Monaghan (2013) observe that during recessions, companies shift from external training to in-house and on-the-job training, provide more managerial and job-related trainings, while Adikaram, Naotunna and Priyankara (2021) pay attention to costs and suggest shifting to other methods such as online training.

## Research methods

For the purpose of the research, a selection of quantitative study was made. The aim of the study was to provide an analysis of the behavior of companies in different sectors in terms of the talent development process during the COVID-19 pandemic. It was particularly interesting to see whether companies would withdraw from costly development programs and how they would conduct them during the pandemic.

The quantitative study with the use of the author's questionnaire and CATI interview was carried out in October–November 2020. The research sample included 102 purposefully selected organizations. The study used a purposive sampling technique, which is a method that assumes a subjective way of determining the composition of the group covered by the study (Rószkiewicz, 2002, p. 60). In the case of purposive sampling, it is unauthorized to transfer statistical data to the entire population, but probable trends occurring in a given community may be discussed.

Organizations represented 10 industries, with most of them operating in industry (31%), sales (12%) and services (10%). These were large companies, all of them employed 250 or more employees, of which 64% employed up to 500 people. From each organization one respondent took part in the research. 66% of the respondents worked as a person managing the HR department. The remaining group held positions of specialists in the area of HR. The largest group (66%) were people whose period of employment in the current company was from 6 to 10 years, in case of 28% of the respondents it was between 1 and 5 years, and 6% had over 10 years' experience.

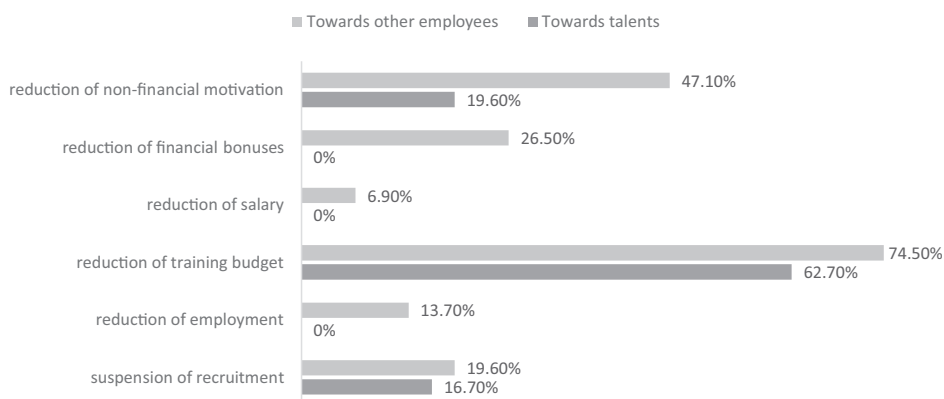
72.5% of the respondents considered that COVID-19 had an impact on the business (of which 55% described it as "negative", 13.5% – as "neither positive nor negative, it's hard to say", and 31% – as "rather positive"). Furthermore, 84% of the respondents considered that the pandemic had an impact on the personnel policy of their organization (for 24% it definitely had an impact, for 60% it rather had an impact). According to 14% of the respondents, the pandemic had little impact on personnel policy.

Taking into consideration other research, mentioned in the Discussion section, hypothesis was stated that development programmes for talents would be sustained during the pandemic while changing more expensive training forms to cheaper ones.

## Results

In response to the pandemic, companies began to take various actions in the HR area. In the case of talent management, 76% of the companies reduced the scope of talent programs/activities, 2% suspended programs temporarily or put them off, but none of the organizations, resigned from running programs.

At the same time, 15% retained existing programs, 7% of the organizations saw an increase in support for their programs and 3% increased the scope of talent programs/activities. The respondents were asked to indicate specific actions taken in relation to employees, separating a group of talents and a group of other employees, in order to verify any differences in this respect (Figure 1).



**Figure 1.** Actions taken on talents and other employees during COVID-19

Source: Author's own study.

The results show clear differences in the actions taken in relation to talented people compared to other employees of the organization. What is more, reducing the training budget is clearly the most frequently used measure by the respondents (74.5% of the organizations reduced it for other employees and 62.7% for talents).

Another research area concerned the use of particular developmental activities during the COVID-19 pandemic. It was analysed which of the suggested actions were increased and which decreased as a result of the pandemic. The three activities most often limited in the surveyed companies were: foreign trips/internships – 80%, external trainings – 74.5% and post-graduate/MBA studies – 28.4%. The restriction on overseas trips seems logical due to lockdowns applied in many countries. Relatively expensive forms of development: external training and post-graduate/MBA studies have been reduced as a result of cuts in the training budget. However, chances

of providing talents with an opportunity for development, other activities such as practical learning – 33%, job rotation – 27.5% or internal training – 19% have been increased. Table 1 presents detailed results.

**Table 1.** The impact of COVID-19 on developmental activities in the surveyed organizations

Developmental activity	Limited	No influence	Increased	Not carried out
Post-graduate studies/MBA	28.4%	52%	0%	19.6%
External trainings	74.5%	25.5%	0%	0%
Internal trainings	14.7%	66.7%	18.6%	0%
Coaching	12.7%	69.6%	17.6%	0%
Mentoring	5.9%	76.5%	17.6%	0%
Learning by doing, practical learning	2.9%	63.7%	33.3%	0%
Participation in strategic projects	2%	93.1%	4.9%	0%
Foreign trips/internships	80.4%	2.9%	0%	16.7%
Job rotation	5.9%	66.7%	27.5%	0%

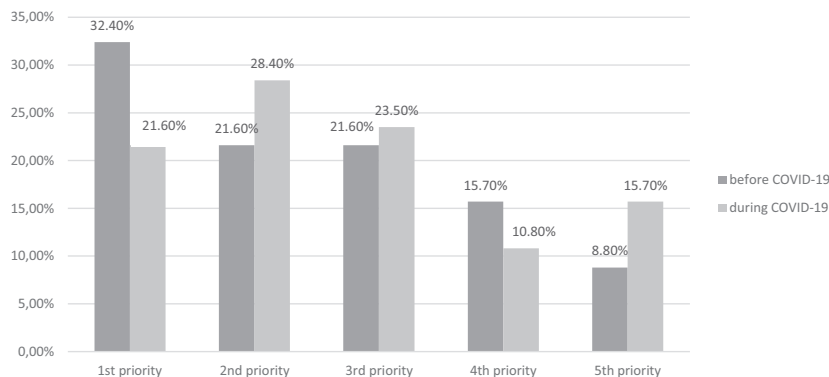
Source: Author's own study.

Two more issues arising from the research need to be highlighted. Firstly, the majority of respondents in almost all activities noted the lack of impact of the pandemic on developmental activities. It seems, therefore, that it was the cutting of the budget for external training and the suspension of foreign trips that were the two biggest restrictions on talent development. Interestingly, this did not apply to quite expensive post-graduate studies, perhaps due to their long duration and reluctance to interrupt developmental activities during the course.

Secondly, the analysis of respondents' responses may imply a relatively wide range of developmental activities that companies carry out for talented individuals. For post-graduate/MBA studies, only 19.6% of respondents do not carry out such development activities and 16.7% of companies do not organize foreign trips and internships.

It is particularly interesting that all companies carry out coaching and mentoring activities, which only a few years ago were indicated only by some organizations. For example, in the 2017 study, the use of coaching was demonstrated in 23% of organizations (Miś, 2020), whereas in the 2015 studies, the division was as follows: external coaching – 59%, internal coaching – 36%, internal mentoring – 64%, external mentoring – 14% (House of Skills, 2016).

The next part of the study focused on HR priorities before and during COVID-19. The process pool included: recruiting talent from the job market, identifying talent within the organization, developing talent, building talent engagement and retaining talent. The role of respondents was to give them priorities from 1 to 5 in two time periods. Figure 2 presents detailed research results.



**Figure 2.** The importance of talent development before and during COVID-19

Source: Author's own study.

It can be concluded that the COVID-19 pandemic has changed companies' priorities in terms of personnel processes. Before the pandemic, talent development was cited as firm's top priority by 32.4% of respondents. Only building the commitment of talent, which was the main priority for 34.3% of the respondents, obtained a higher score.

The pandemic has drawn the attention of companies to the need to take care of other processes. In the COVID-19 period, companies put talent retention (44.1% of respondents) and talent engagement (34.3%) first, while talent development was indicated by 21.6%. It is also worth noting that as many as 16% of companies considered talent development to be the least important personnel process during COVID-19 (an increase from 8.8%).

## Discussion

Due to a rather scarce number of research on talent development during the pandemic, this section compares results with the studies devoted to the actions taken by companies towards talents during (and after) the subprime crisis in 2008–2010 (Tabor, 2012).

It is worth noting that the reduction of the training budget was the largest applied restriction, but the numbers were definitely smaller. As many as 56% of organizations decided to reduce the training budget for other employees, whereas only 25% decided to provide it for talents.

Referring to research carried out during the subprime crisis, it should be noted that also at that time organizations maintained existing development processes but changed their structure. The restriction was mainly applied to external training

(–38%), and post-graduate studies and MBAs (–22%); internal activities increased: internal training (+25%), job rotation (+25%), coaching and/or mentoring (+22%), practical learning (+22%), participation in strategic projects (+38%) (Tabor, 2012).

The attempt to compare the development processes of companies during COVID-19 and the subprime crisis (provided that these are only preliminary reflections, due to the fact that another sample was selected) indicates that they were similar with regard to the number of issues: the desire to maintain existing talent programmes, to maintain the differences between talent and other employees, and to try to move away from more costly forms of development in favour of cheaper counterparts.

Nevertheless, differences in the organizations' approach to talent development have also been noted, the main of which are the following:

- more companies reduced their programme coverage during the COVID-19 pandemic, giving the impression of faster/wider cost-cutting,
- cuts in training budgets were much stronger in the COVID-19 pandemic for both talent and other employees,
- in the subprime crisis, the share of talent in strategic projects increased by as much as 38%, talent created specific “crisis headquarters”, which was not observed during the pandemic.

## Conclusions

The research has contributed to reducing the research gap in talent development during the COVID-19 pandemic. The results of the study identified the following conditions for the implementation of development processes during the pandemic:

1. Despite the crisis, the organizations maintain differences in the treatment of talent and other employees, which is particularly evident by maintaining better working conditions and benefits for the first group.

2. Reducing the training budget is clearly the most frequently used measure by respondents.

3. Despite the pandemic, the organizations carry out a wide variety of developmental activities. The three activities that were most often limited in the surveyed companies were: foreign trips/internships, external trainings and post-graduate/MBA studies.

4. In a crisis situation, the importance of employee development decreases. Retaining talent and building the commitment of internal talent are the main priorities of companies in the pandemic.

Once again, it should be emphasized that the results were carried out on groups selected intentionally, which limits the possibility of scaling their results to the population. It would certainly be valuable to carry out further studies in this area in order to see the consistency of the results and to further contribute to the reduction



of research gaps. Further research may also concern the change in development forms with a general focus on the use of ICT in the development, as the pandemic has accelerated the digitalization of enterprises.

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