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## Effects of talent management on organizational trust: a field study

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### Abstract

We are living in an age where technological advances are fast and, consequently, cultural, social, and political changes are inevitable. Organizations take input from the outer environment and, through a production process, yield output to the same outer environment, and are affected in the mean while by changes in both faraway and nearby circles as well as their inner circles. Heading towards an information society, organizations are now assessed in terms of knowledge-based, mental, and creative criteria rather than the physical properties of the work.

Today, organizations must set the direction of change in order to adapt, grow, and reach ever higher levels. For this purpose, they need to constantly question their existing methods, products, and services, and promote innovations that find the firsts and apply them. In order for organizations to grow by keeping a profitable and sustainable competitive edge, they need to have human resources that come up with innovative and creative projects.

Two major concepts that have recently made their way into research on management and organization are talent management and organizational trust. Of strategic importance in our days, talent management is defined as an HR-focused management process that allows organizations to overcome difficulties and to systematically close the gap between the required talents and the existing talents on their way to their targets.

The findings of the study were comparatively interpreted. The study is significant in that it draws attention to the effects of talent management on organizational trust, organizational efficiency, and performance. It is expected to contribute to the theoretical studies in the field and the researchers.

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## 1. Introduction

Talent management unites current employment trends in a more flexible and adaptable way, presents opportunities for personal development and work-life balance by offering interesting and significant tasks, and uncovers a great change in work values.

Cappelli's (1999) view that 'a basic dilemma faced by today's organizations is due to empowered employees and their lowered feelings of belonging' is also shared by employers who would like to see their employees' efforts directed towards organizational interests. An important priority for human resources departments is then to attract, recruit, and keep talents that present a competitive edge for the organization.

Workers tend to prefer organizations where they can continuously improve themselves and keep learning and where perceptions of organizational trust are high, and expect to be valued and encouraged. Talent management provides workers with opportunities for training and self-realization, which enhances their sense of belonging and helps keep them within the organization (Doğan and Demiral, 2008).

Organizational trust is an element that can be seen in both intra-organizational and inter-organizational relations. Intra-organizational trust is the level of trust shared by the members of an organization, while extra-organizational trust is that felt by its clients, suppliers, and partners. Intra-organizational trust is about the climate of trust within the organization and positive expectations of its members based on organizational roles, relations, and experiences. For this reason, talented workers should be given appropriate responsibilities, successful performances should be rewarded, and a climate of trust should be created through talent management practices (Düren, 2002).

## 2. Talent Management

### 2.1. Concept of Talent Management

Within the dynamism of work life, organizations must set the pace of change in order to adapt, grow, and reach ever-higher levels of production. In order to set this pace, they need to constantly question the existing methods, products, and services, discover the firsts, and promote innovation (Çırpan and Şen, 2009). In order to keep a profitable and sustainable competitive edge, organizations need their human resources to come up with innovative and creative projects.

A literature search for the definition of the concept of talent management yields different definitions as it is considered to be a comprehensive and integrated process. Some of these definitions are as follows:

Talent management is considered to be a systematic process aimed at continuous leadership in significant positions and personal development (Rothwell, 1994). Of strategic importance in our days, talent management is defined as an HR-focused management process that allows organizations to overcome difficulties and to systematically close the gap between the required talents and the existing talents on their way to their targets (Çırpan and Şen, 2009).

Talent management is to employ the right person at the right place and at the right time (Jackson and Schuler, 1990). Talent management covers workforce planning, talent analyses, recruitment processes, training and development activities, and conservation and contingency plans (McCauley and Wakefield, 2006). In other words, talent management means managing HR talents and supply, demand, and flow processes.

## 2.2. Process Of Talent Management

Talent management requires diligent practices and looking at an organization as a whole. Certain steps are needed for the desired results, and these steps are given below (Çırpan and Şen, 2009):

**1. Defining the Targets and Strategies:** Determining the goal is the first phase of talent management. The targets also open the door to the strategies. Talent management within an organization first and foremost requires the definition of the targets and strategies. This would also give the answers to the questions ‘where’ and ‘how’.

**2. Defining Key Positions:** This is an important step for the strategies, where executive and technical positions are defined. Developments in a given position are expected to be directed towards the overall targets. If this is not realized, the organization incurs a sizeable loss of resources and time.

**3. Setting the Talent Profile:** This step is about describing the employee – or the qualities of the ideal worker. These qualities should be defined as knowledge, skills, experience, interest, attention, and field experience, and focus on results.

**4. Defining the Potential:** The candidate with the ideal profile and the potential for the key positions is identified at this stage. This is the most important part of talent management. In defining the potential, both internal and external resources must be considered. From this point of view, an organization first looks for talented employees inside, and then looks outside. If talented workers are to be recruited or attracted, the outside perceptions must be worked on, especially in terms of Human Resources.

**5. Analyzing the Talented Worker Gap:** At this stage, the qualities of an individual in a key position are compared against the desired qualities, and the shortcomings are identified. The development process of the potential candidate is considered, and the training still needed is determined.

**6. Designing and Applying Plans for Development:** Based on the analysis of the talent gap, improvement activities are designed for the potential employee such as training, coaching, mentoring, and rotation. Naturally, each individual’s personal development will be different. Differing needs of the employees will strengthen an organization. The biggest challenge here is the hampering of talent development by daily chores, which cut short an employee’s development or training and, consequently, the growth of the organization.

**7. Assessment of the Candidate’s Performance:** The performance of the candidate is assessed at this stage. At the end of the assessment, the candidate is promoted, left in the potential pool, or taken out of the pool.

**8. Assessment and Promotion Processes:** The candidates waiting in the potential pool are assessed for the relevant positions when needed. These assessments focus on the individual’s shortcomings and their potential impact on the position sought. The crucial issue here is preventing failure by the newly appointed or promoted employee through a paced and controlled transition. The employee is then monitored and given feedback as necessary.

## 3. Organizational Trust

The research universe is composed of mid-range and senior executives of four- and five-star hotels in Ankara. The executives of 13 five-star and 34 four-star hotels (data provided by the Ministry of Culture and Tourism) were given questionnaires to complete in their free time. As it was thought possible to reach all of these mid-range and senior executives, no sample was formed; instead, the whole universe was targeted. Some of the hotels refused to help on the grounds of work load, unwillingness to give out

information, and too many survey demands. Direct interviews were conducted with the cooperating executives. Of the 241 questionnaires returned, 234 were taken into consideration.

The research data was collected by the survey method. The data collection instrument was the talent management and organizational trust scale. The questionnaire started with a subject information form asking for the demographics of the participants. The data on talent management was collected by means of the scale developed by Tutar, Altınöz, and Çöp (2011), and the data on organizational trust was collected by means of the scale developed by Nyhan and Marlowe (1997). For the reliability of these scales, the Cronbach Alpha factor was calculated ( $\alpha=0.94$  for the talent management scale and  $\alpha=0.90$  for the organizational trust scale) and found to be at a reliable and acceptable level for social sciences.

The SPSS 15.0 (Statistical Package for the Social Sciences) was used for data analysis. Percentage frequency values were given to the personal qualities of the participating executives. The data was first checked for being categorical or continual. Non-parametric statistics were used for categorical data and parametric statistics were used for continual data (Kalaycı, 2008). The data was then uploaded to the SPSS program, distribution normality was checked, and parametric tests were deemed necessary for the analysis.

#### 4. Data Analysis

The demographics of the research participants are as follows:

Table 1. Identifying statistics on the study group

Personal Particulars		f	%	Personal Particulars		f	%	
Gender	Female	129	55,1	Marital Status	Married	94	40,2	
	Male	105	44,9		Single	140	59,8	
Age	21-25	43	18,4	Hotel Dept	F&B	65	27,8	
	26-30	75	32,1		Front Office	48	20,5	
	31-35	70	29,9		Housekeeping	41	17,5	
	36-40	38	16,2		Accounts	14	6,0	
	41-45	8	3,4		Sales and Marketing	10	4,3	
Education	Secondary	97	41,5		Human Resources	23	9,8	
	Foundation	77	32,9		Security	20	8,5	
	Bachelor's	60	25,6		Other	13	5,6	
No of Stars	4 Stars	93	39,7		Work Period at Hotel	Less than 1 year	38	16,2
	5 Stars	141	60,3			1-5 years	117	50,0
				6-10 years		44	18,8	
				11-15 years		32	13,7	
				16-20 years		3	1,3	

Table 1 shows the percentage distributions and frequency values of the personal particulars of the mid-range and senior hotel executives who took part in the study. 55.1% of the participants were male, 59.8% single, and 45.3% married. 41.5% were secondary school leavers while 32.9% held foundation degrees and 25.6% bachelor’s degrees. 27.8% worked at the F&B department, 20.5% at the Front Office, and 17.5% in Housekeeping. 16.2% had been at the hotel for less than a year, 50% for 1-5 years, and 18.8% for 6-10 years. 93 participants (39.7%) worked at four-star hotels and 141 (60.3%) at five-star hotels.

The frequency values suggest that a large majority were young, single, and secondary school leavers. Those in the tourism sector have little sense of belonging and are not employed – or do not want to be employed – for a long time at the same establishment. The most employees were in the F&B, Front Office, and Housekeeping departments, in face-to-face contact with the customers. The frequency values are in order.

Table 2. T test results for significant difference in participants’ perceptions of talent management and organizational trust in relation to the number of stars of the establishment

	No of Stars	N	Mean	s.s.	sd	t	P
<b>Talent Management</b>	4 stars	93	2,90	0,47	232	-9,287	<b>0,000</b>
	5 stars	141	3,72	0,75			
<b>Organizational Trust</b>	4 stars	93	3,03	0,96	232	-5,078	<b>0,000</b>
	5 stars	141	3,76	1,15			

Table 2 shows the T Test results for any significant difference in the participants’ perceptions of talent management and organizational trust according to the number of stars of their establishment. A significant difference was indeed detected at significance level 0.05 (p=0.000). The average values suggest that five-star hotel workers have a lesser perception of talent management, but more organizational trust, than four-star hotel workers.

Table 3. T test results for significant difference in participants’ perceptions of talent management and organizational trust in relation to their marital status

	Marital Status	N	Mean	s.s.	sd	t	p
<b>Talent Management</b>	Married	94	3,96	0,48	232	11,687	<b>0,000</b>
	Single	140	3,01	0,67			
<b>Organizational Trust</b>	Married	94	4,12	0,72	232	8,842	<b>0,000</b>
	Single	140	3,03	1,15			

Table 3 shows statistical analyses for any significant difference in the participants’ perceptions of talent management and organizational trust according to their marital status. A significant difference was

indeed detected at significance level 0.05. The average values suggest that married hotel workers have higher perceptions of talent management and organizational trust.

Table 4. T test results for significant difference in participants' perceptions of talent management and organizational trust in relation to their gender

	Gender	N	Mean	s.s.	sd	t	P
<b>Talent Management</b>	Female	129	3,00	0,68	232	10,508	<b>0,000</b>
	Male	105	3,87	0,55			
<b>Organizational Trust</b>	Female	129	3,00	1,13	232	7,920	<b>0,000</b>
	Male	105	4,05	0,82			

Table 4 shows the T Test results for any significant difference in the participants' perceptions of talent management and organizational trust according to their gender. A significant difference was indeed detected at significance level 0.05 ( $p=0.000$ ). The average values suggest that male hotel workers have higher perceptions of talent management and organizational trust.

Table 5. T anova test results for significant difference in participants' perceptions of talent management and organizational trust in relation to their period of work

	Work Period	N	Mean	s.s.	sd	F	P
<b>Talent Management</b>	Less than 1 year	38	2,94	0,66	233	9,116	<b>0,000</b>
	1-5 years	117	3,44	0,66			
	6-10 years	44	3,26	0,71			
	11-15 years	32	3,95	0,94			
	16-20 years	3	3,40	0,98			
<b>Organizational Trust</b>	Less than 1 year	38	3,18	1,09	233	2,230	<b>0,067</b>
	1-5 years	117	3,45	1,14			
	6-10 years	44	3,41	1,12			
	11-15 years	32	3,91	1,11			
	16-20 years	3	4,19	0,69			

Tests were conducted for any significant difference in the participants' perceptions of talent management and organizational trust according to their period of work. A significant difference was indeed detected between talent management and work period at significance level 0.05 ( $F=9.116$  and  $p=0.000$ ). The figures suggest that those who have worked for 11-15 years have the highest perception of talent management. The Tukey test was conducted to detect a significant difference between the groups Less than 1 year and 1-5 years, Less than 1 year and 11-15 years, 1-5 years and 11-15 years, and 6-10 years and 11-15 years. No significant difference was detected between organizational trust and the work

period ( $\chi^2=2,230$  and  $p=0,067$ ). The average values suggest that the longest-working employees have the most organizational trust.

Table 6. Anova test results for significant difference in participants' perceptions of talent management and organizational trust in relation to their level of education

	Education	N	Mean	s.s.	Sd	F	p
<b>Talent Management</b>	Secondary	97	3,08	0,66	233	33,025	<b>0,000</b>
	Foundation	77	3,33	0,61			
	Bachelor's	60	3,98	0,77			
<b>Organizational Trust</b>	Secondary	97	3,12	1,18	233	11,307	<b>0,000</b>
	Foundation	77	3,54	1,00			
	Bachelor's	60	3,96	1,02			

The Anova test was conducted for any statistically significant difference in the participants' perceptions of talent management and organizational trust according to their level of education. A significant difference was indeed detected between talent management and the level of education at significance level 0.05 ( $F=33.025$  and  $p=0.010$ ). The higher the executives' education levels are, the higher their perceptions of talent management seem to be. The Tukey test was conducted to detect a significant difference among all groups. Organizational trust in relation to the level of education yielded the results  $F=11.307$  and  $p=0.000$ . The Tukey test was conducted to detect a significant difference between secondary school leavers and foundation or bachelor's degree holders but no significant difference was detected between foundation degree holders and bachelor's degree holders.

Table 7. Regression analysis of the relation between participants' perceptions of talent management and organizational trust

Dependent Variable	Independent Variable	Bj	S(bj)	t	p	R <sup>2</sup>	Significance
Organizational Trust	Constant	-0,364	0,219	-1,662	0,000	0,582	F=322,874 p=0,000
	Talent Management	1,131	0,063	17,969	0,000		

A correlation test was conducted to detect any significant difference between the two variables. A strong positive correlation was found between talent management and organizational trust ( $r=0.763$  and  $p=0.000$ ). The  $R^2$  values were used in order to find out what percentage of the total change in the dependent variable was due to independent variables. Talent management was taken as the independent variable and organizational trust as the dependent variable. The determination factor was found to be  $r^2=0.58$ . The findings of the study suggest that 58% of organizational trust perceptions are dependent on staff empowerment practices.

## 5. Conclusion

The main objective of this study was to look at the relation and interaction between talent management and organizational trust at hospitality establishments. In this context, the regression analysis results suggest that changing mid-range and senior hotel executives' perceptions of talent management in a positive way will have a positive impact on trust in the organization.

The number of stars of the hotel businesses has been found to cause a significant difference in the perceptions of talent management and organizational trust. In five-star establishments, perceptions of talent management and organizational trust are higher. Four-star establishments should pay more attention to talent management practices and increase the levels of organizational trust, which could in turn reduce the number of frequent departures.

In terms of marital status and gender, it has been found that married hotel workers have higher perceptions of talent management and organizational trust, and that male employees have higher perceptions of talent management and organizational trust than female workers.

As for the period of work at the hotels, perceptions of talent management have been found to vary accordingly. No link has been established, however, between the work period and organizational trust.

Finally, a significant difference has been detected between education levels and perceptions of talent management and organizational trust. These perceptions seem to increase in parallel to the educational background.

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