


An overview of talent management: Make talent management a priority in start-ups

Yetenek yönetimine genel bir bakış: Yetenek yönetimini start-up'larınızda bir öncelik haline getirin

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Abstract

This research aims to review the literature and determine talent management as a key priority in most economic entities and start-ups representing high-growth, innovative potential in the new technologies sector. On the other hand, this article analyses different strategies used in start-ups to retain highly qualified employees, develop their skills, and motivate them constantly. It sheds light on finding gaps and suggests creating flexibility between different functions. Finally, we included the awareness of the Algerian policymakers, who try to give opportunities to project holders to realise their brilliant ideas through creating their start-ups and benefit from the business climate to achieve their goals through management and marketing strategies that can benefit their start-ups and their employees.

Keywords: Talent Management, Start-ups, Innovation

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Öz

Bu araştırma, literatürü gözden geçirmeyi ve yeni teknolojiler sektöründe yüksek büyüme gösteren yenilikçi potansiyeli temsil eden çoğu ekonomik kuruluş ve start-up'ta yetenek yönetimi kavramını temel bir öncelik olarak belirlemeyi amaçlamaktadır. Öte yandan bu makale, start-up'larda yüksek nitelikli çalışanları elde tutmak, becerilerini geliştirmek ve onları sürekli olarak nasıl motive etmek için kullanılan farklı stratejileri analiz etmek için yazılmıştır. Boşlukların bulunmasına ışık tutuyor ve farklı işlevler arasında esneklik yaratılmasını öneriyor. Son olarak, proje sahiplerine kendi start-up'larını kurarak parlak fikirlerini hayata geçirmeleri ve fırsatlardan yararlanmaları için fırsatlar vermeye çalışan Cezayirli politika yapımcıların farkındalığına yer verdik. Startup'ları ve çalışanları için faydalı olabilecek yönetim ve pazarlama stratejileri aracılığıyla hedeflerine ulaşmalarını sağlayacak iş ortamı.

Anahtar Kelimeler: Yetenek Yönetimi, Başlatma, Yenilik

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Introduction

The talent management concept is related to attracting and retaining high-quality employees and how to develop their skills, besides motivating them to improve their performances. Talent management ensures the employer that he always has sufficient staff (talented workers) for the start-up or economic company to carry out and fulfil different operations without demotivation (Gallardo-Gallardo, Thunnissen, & Scullion, 2020; Kane, 2010).

This term also deals with management strategies such as candidate search and recruitment, goal and performance management, educational and professional development, and talent performance. In this situation of talent war between companies, talent management, or Talent management in its Anglo-Saxon formula, is at the heart of a company's human resources missions. Also, a good HR department must keep abreast of the right strategies to adopt to attract the most promising elements, also called "talent", and ensure they stay within the company. These good strategies are generally grouped within the same concept: Talent management is a concept which proposes an action plan thought out in four stages in order to enable the company to attract the coveted talents, make the most of them and above all, not lose them! People Spheres invites to discover them. In most organizations, the infrastructure of human resources systems and processes is incomplete (Meyers, van Woerkom, Paauwe, & Dries, 2020).

Algeria, like other countries in the world, is full of many creative and innovative entrepreneurs. At the same time, they are eager to create institutions in which they embody their new ideas to create various products and services that contribute to the diversification of the Algerian economy. Especially if they have financial support from experts and supporting financial institutions, as well as technical and administrative support from business incubators (Ramdani & Boudinar, 2021).

On the other hand, a start-up is an entrepreneurial project that seeks, either with its investment or with a third party's help, to journey towards successful monetization of a product or service. The spirit of entrepreneurship is relativism, which allows it to achieve its goals. It needs the collaboration of all of us to establish the right climate that instils confidence and encourages youths who hold genius projects and dream of creating successful enterprises if they find strong support and extended hands by the state and experts in the field. There is no doubt that Ambition and ideas are not enough to succeed if there are no concerted efforts and continuous coordination between the owner of the project, banks and incubators (Garrow & Hirsh, 2008).

As it is known, Algeria did not give importance to the concept of entrepreneurship between 1963 and 1988 due to the nature of the political system at that time. However, in 2001, a new law, 18/01, was issued on 12-12-2001, which tried to promote small and medium start-ups clearly but did not include start-ups. Later, executive Decree No. 20-254 of September 15, 2020, was applied and gave a real view and importance to establishing start-ups and business incubators (Baba, Hafsi, & Benslama, 2022).

Most researchers, such as (Yildiz & Esmer, 2023) and (Bethke-Langenegger, Mahler, & Staffelbach, 2011), focused on how they can strategies help to attract top talents and gain successful businesses as well as on organizations' tendency to hire top talents outside their companies. Other researchers (Matin, 2022) focused on learning flexibility and its impact on a company's competitiveness.

In this study, we present research gaps on how to build talent management strategies in Algeria and boost start-ups that try to create new categories of goods and services based on innovation besides more information regarding their employees, recruitment, and training processes. Our purpose is also to highlight a better understanding of the various approaches that need to be understood to foster a culture of start-ups and their connection to talent management in Algeria.

Talent management definition

- We Focus on identifying "talents".
- Putting the right people with the right skills in the right roles to achieve business objectives.
- Talent management is how a company assembles the optimal workforce for its business.

As is known, the definition of talent management (Ansar & Baloch, 2018) is the continual process of attracting talents, assessing talents, hiring, onboarding, developing, motivating, and retaining a high-performance workforce. We can define it as a set of actions to reach the maximum goals.

Also, talent management deals with the cycle of recruiting and training employees intended to keep them in an organization. It is concerned with attracting a high-quality workforce and developing teamwork in a company (Lewis & Heckman, 2006).

Talent is often summarized by two words: to be competent and have potential. Talent Management is the ability to attract and integrate, retain and develop the skills and performance of employees. First, we must create jobs, skills, professional repositories... They will be the basis of talent Management strategy.

Talent management has three principal components.

- **First category - HR processes:** Talent management includes all the HR processes to help the organization reach its goals.(Altındağ, Çirak, & Acar, 2018).
- **Second category - Talent acquisition:** Talent management includes attracting and motivating talented employees developing and retaining their skills.
- **The third component is employee performance. Talent management should be designed to increase employee performance through robust programs and give them all the tools to help them develop our company's productivity.**

The Integrated Talent Management System :

A Talent Management System is an organizational approach that deals with each staff member's talent(s). It consists of three pillars: Strategy, Culture and HR-Processes (Berger & Berger, 2004).



Figure 1: Talent Management Pillars

Note : These pillars ensure a standardized approach to managers

The Talent-strategy -Framework The first step of the talent management process begins with how you will attract people who are a good fit for the company (Wang, 2011). To reach this aim we have a process to follow. The key points of the talent management strategy are as follows.

- **Planning** who and how many: The HR division should assess its objectives and sub-objectives and determine the resources our employers require in order to meet our targets. The HR division should assess its objectives and sub-objectives and determine the resources our employers require in order to meet our targets. We have to define our vision, mission and the values in our organization.
- **Attracting** those you want: in our organization, our employees should know the benefits of being an employee at the company. The company should attract the necessary quality and quantity of new hires.
- **Recruit** and select the right people: Besides attracting talent, an organisation often needs to recruit new talent actively.
- **Assessing** them correctly: The Company's HR department must differentiate between unqualified candidates and those who can provide value to the company.
- **Developing** them carefully: Simply finding and hiring talented individuals is insufficient to have highly effective HR tactics. The skills of its employees must be developed appropriately.
- **Retaining** only those we want: Always evaluate employees and their motivations continuously. Highly effective employees should be rewarded, while the lowest performers should be removed from the organization.

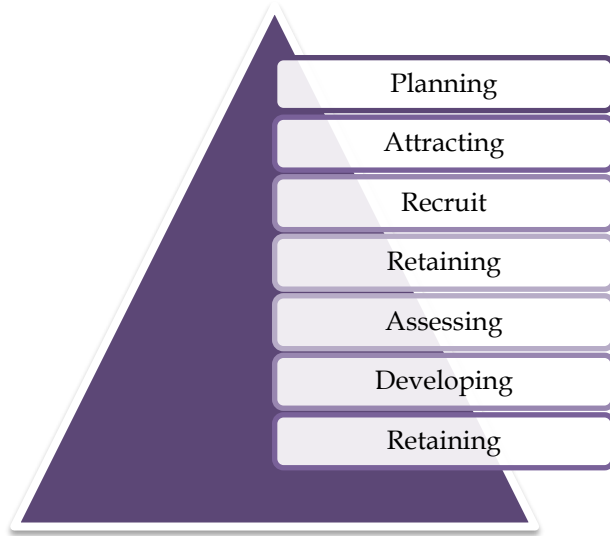


Figure 2: Talent Management Strategies and Steps

Note: Scullion, Hugh, and David G. Collings. "Global talent management

The talent management of some top companies

➤ **Microsoft** is one of the organisations best known for its unique and successful talent management.it is Hiring more than 124,000 employees.

- This company employs talented candidates without giving importance to the university diploma degree. Microsoft focuses on skills and skilful candidates only.

➤ **Marriott International Hotels** is an international hotel that focuses on selecting top talents in its hotels worldwide who put all hotel guests in the first place regardless of their language, race, religion or ethnicity).

Performance management includes a set of

Advantages and goals

- Provides guidance and direction for work
- Links employee accomplishments to organizational objectives/goals
- Clarifies expectations for the employee and supervisor
- Improves performance

Talent Management Strategies There are three main talent management

➤ **Strategy 1: Hire Only Top Employees:** The advantages of this strategy are as follows:

- We immediately get top talent.
- The employees reach high performance faster.
- The company business can grow faster.

Disadvantages of this strategy

It costs a lot of money to get immediate talent.

➤ **Strategy 2: Hire Specialists to develop the team**

- This may be necessary if you are in urgent need of talented top employees.
- Save money on salaries ,you hire specialists.

➤ **Strategy 3: Combine Strategies 1 and 2.**

Talent management objectives & process

- **Attracting** -provides the right mix of people to perform the work.

- **Developing** -employ the best talent with high performance.
- **Reward** performance and outcomes
- **Provide** opportunity
- **Retention** how to keep high potential employees.



Figure 3: Talent Management Objectives

Note: Talent management: Issues of focus and fit.

Reasons to apply talent management

- - **Allows companies to stay competitive** through talented employees. Any start-up or economic organization get stronger to face changes and market risks. (Singh, 2021).
- **Increasing the speed of recruitment** and raising its quality
- **-Keep talented workers in the company**
- **Talent Management attracts innovation:** Using new technologies, talented employees can find new products, original ideas and services that can boost any company or start-up they work in, especially if they find the support and necessary encouragement.
- **Improve company goals and performances:** With talented workers, we can reach any goal we make for our company sooner or later because we have the fuel.
- **Talent management motivates the group: Applying talent management pushes the employees to feel valued at a company, knowing** they will have plenty of opportunities in their company. They are not far from losing their jobs as long as they develop their company business.

Start-up definition : Researchers have not yet agreed on a single definition for start-ups, so we will focus on various definitions of this concept in this paper.(Flechas Chaparro & de Vasconcelos Gomes, 2021).

Some researchers define a start-up as a tiny entity that has just begun, and according to the idiomatical definition given by the dictionary, we can notice that the term Start is divided into two parts: the first term or part is the word (start), which means to begin and also relates to the idea of launching an idea, and the second part is the word (up), which means strong growth. According to Paul Graham in one of his famous articles entitled "Growth", a start-up is an institution that grows quickly. Moreover, this kind of company works in the technology field, but most importantly, it does not need to remain in rapid growth.

In other words, a start-up is "an active, legally independent establishment, which has not exceeded ten years from the date of its official registration, and which operates in one or more sectors with high potential."(Aminova & Marchi, 2021).

Start-ups are companies or ventures focused on a single product or service the founders want to bring to market. These businesses often lack a fully formed business plan and, more importantly, sufficient funding to advance to the next stage of development. The founders of the majority of these businesses provide the initial funding.

The importance of start-ups: The process of establishing a start-up is a comprehensive phenomenon, and it is important to deal with it due to its clear impact on the growth of society and development, which makes it a mandatory and interesting topic for both developed and undeveloped regions. Start-ups have always played a major role in national economies and wealth worldwide, from developing innovative products and services, creating new job opportunities, increasing national productivity and alleviating poverty. Since the mid-2000s, emerging enterprises have become increasingly popular, especially as they have become the driving force for new jobs and growth engines in developed countries, and countries are striving to revitalize emerging enterprises through support policies.

Characteristics of emerging enterprises:

Generally speaking, start-ups are characterized by several characteristics, such as follow:

- **Tremendous Growth:** Start-ups are companies created to grow rapidly, and this focus on expansion sets them apart from small companies. As a result, start-ups frequently have significant burn rates and employ people to support their expansion. A glaring lack of stability is present. It is interesting to note that businesses that start to turn a profit may no longer be categorized as start-ups.
- **Innovation :**Unsurprisingly, start-ups are involved with innovation, new ideas and using technology to create something that addresses a problem.(Kline & Rosenberg, 2010).
- **Age :**Start-ups tend to be young, and after three years in operation, most of them stop being start-ups.
 - A larger company acquires the company;
 - The company sets up multiple offices;
 - The company reaches great revenues;
 - The company has over 80 employees;
 - The company has several directors
- **Culture:** Since culture has previously been brought up, many entrepreneurs maintain that start-ups are cultures that are not defined by numbers. As a result, they contend that businesses of all ages and sizes can be start-ups.
- **Tech-oriented,** although they frequently are, start-ups are not by definition required to be tech-oriented. Start-ups frequently use technology to find solutions to issues, and the public's access to that technology constantly expands, enabling a start-up's incredible growth.

Objectives of start-ups

Start-ups have many goals that they seek to achieve, including the following:

- Promoting the spirit of individual and collective initiative by creating economic, commodity or service activities that did not exist before.
- Creation of new job opportunities, either directly, and this is for the innovators of the establishments, or indirectly, through their use of other people.
- An effective tool for the settlement of activities in remote areas, which makes it an important tool for promoting the valuation of local wealth and one of the means of integration and integration between regions.
- Start-ups can be a real issue for many groups with investment ideas, but they do not have the financial and administrative ability to turn these ideas into realistic projects.
- Making profits is part of building any successful business.
- Sales maximization and withstand competition and continue to exist

Stages of A Start-up :

Most start-ups go through a set of stages, which are as follows:

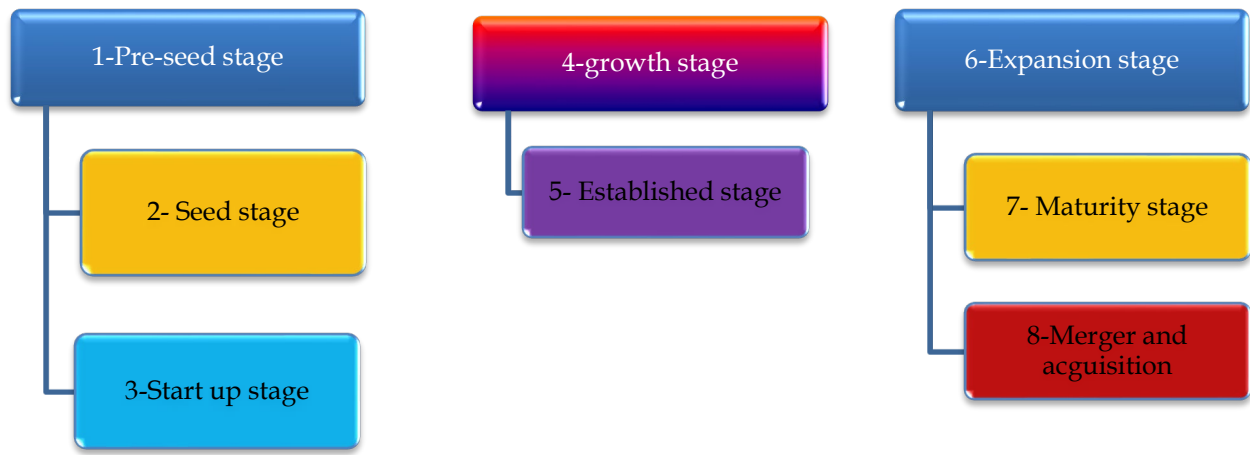


Figure 4: Start-up Stages from the Idea to the Final Product

Note: Start-ups common stages to grow successfully

- a. **Pre-seed stage :** This stage is the first main start-up's lifecycle, where the founders get an idea or concept to put into action. The core goal of this phase is to demonstrate that the product or service to develop meets the market's needs and which customers might use this product or service in the market.(Audretsch, Colombelli, Grilli, Minola, & Rasmussen, 2020).
- b- **Seed stage :**After validating the ideas, a start-up is largely an idea and will have little to no revenue.
- c. **Start-up stage:** MVP stands for Minimum Viable Product. It is an early version of business concept containing only essential features. It comes after we gather the initial funding to launch our business.
- d. **Growth stage:** The key to late-stage success is to know the market's demand and understand whether their product fits it.
- e. **Established stage :**At this point, the start-up has started to generate regular and stable revenue. The product has a sufficient client base and promising future growth prospects.
- f. **Expansion stage:** We may seek new venture and profit options during this stage. For example, we might offer a new product or service or extend the business into a new geographic market.
- g. **Maturity stage:** In this stage, the business may have a strong presence in the market.
- h. **Merger and acquisition stage:** This includes things like a well-developed business model, a proven product or service, a solid team of employees, and a loyal customer base. A start-up may also merge with another company to combine operation efforts and resources.

Start-up ranking in Algeria

Emerging enterprises are currently of great importance in the economies of developed and developing countries as they are a major source of wealth and job creation, in addition to transforming knowledge into technology and innovations that achieve competitiveness at the international level. (Beggar, 2016) Thus, the Algerian authorities gave great importance to start-up creation, encouraged young people carrying projects and ideas to create their start-ups, and gave them all the financial support they needed. According to Article 11 of Decree 20-254, issued on September 15, 2020. According to this decree, a national committee was established that grants the emerging enterprise label to every institution subject to Algerian law and respecting the following conditions:

- According to Article 14 of the same decree, the age of any start-up must not exceed eight years.
- The start-up must operate in services, goods, or innovative ideas.
- The start-up's capital must be at least 50 per cent owned by natural persons or approved investment funds.
- The number of workers in start-ups should not exceed 250.
- The growth rate should be increasingly large.

Table 1: Top-ranking start-ups in Algeria during 2023

| Rank | Start-up | SR Score | Description | Country Rank |
|-------|----------------------|----------|---|--------------|
| 708 | YASSIR | 66,925 | Enhancing the way services are provided in Africa. - Yassir is the leading super App for on-demand, rid | 1 |
| 756 | Siamois QCM | 66,020 | The first Medicine MCQ platform in Algeria | 2 |
| 2,989 | Global Opportunities | 38,732 | Equal opportunities for everyone - Global Opportunities is the First Opportunity . | 3 |
| 3,610 | Zawwali | 35,803 | Connect Users to Retailers with the Best Price. - We have the largest selection of inexpensive items . | 4 |
| 4,952 | Sekoir | 27,179 | Bring closer to the products you love - Sekoir is a marketplace. | 5 |

Note: this table shows the global visibility of top start-ups in Algeria

Recently, the war for talent has become a main factor in the success of most start-ups, and there is great competition among international companies to hire and keep them. The Algerian authority tries to give opportunities to young people and university students (Baaziz, 2019) who are carrying out innovative projects to realize their ideas.

Failure and obstacles faced by start-ups in Algeria

- **Intellectual protection:** There is always a risk and a lack of intellectual protection for innovative and brilliant ideas. Therefore, most holders of projects fear losing their idea of theft.
- **Absence of talent management:** Many start-ups do not have a clear strategy to attract skilful, talented workers and may rely only on the idea's owner and financial support. (KARA, 2022)
- **The problem of financing:** Obtaining sufficient financing from investors and banks may pose a risk to the owners of emerging enterprises that do not have the capabilities to market their products.
- **Bureaucratic obstacles:** In Algeria, bureaucracy such as bribery and the complexity of procedures are the main problems many young project holders suffer from, despite government intervention to combat this phenomenon.
- **Marketing challenges:** Failure to study the market poses a high threat to new start-ups and their growth in Algeria because it is characterized by difficulties obtaining information and marketing opportunities for any new product or services.

Conclusion

Effective talent management goes beyond traditional processes to attract talent experiences that enable organizations to hire, develop, and retain the top and best talent. It can include local and global talent sourcing. The main purpose of talent management in any start-up is to create a motivated workforce that will stay in the long run. Most start-ups need new skills and technology to create a successful team. Of course, they also have to invest financial capital in creating new structures for talent management, which is key for the future. Modern Talent Management considers the potential of each employee rather than only focusing on high potential. Talent Management is an HR task and a broad approach that includes business strategy, company culture and HR processes. Start-ups are undoubtedly focused on rapid business growth, with a pinch of innovations and collaborative approaches. A start-up needs investments, some strategies adopted, and meticulous workflow techniques to achieve its goals.

Results of the article

- This study showed a lack of experience in business management culture among young people seeking to create start-up companies.
- Lack of intelligence and creativity tests in discovering the natural talents of workers while attracting employees.
- Again, the results showed great obstacles such as bureaucracy and financing problems in most research done by Algerian researchers and noticed that there is also a lack of young managers regarding educational characteristics and individual capabilities, which is a strategy for most economic entities to retain highly qualified employees.
- Most large entities in Algeria have high financial capabilities and provide more job opportunities with better incentives, which affect talent stability and influence new start-ups to keep an efficient talent management staff.

Suggestions based on results

- The necessity of improving the methods and means of discovering talented people among employees and benefiting from their performance and ideas
- We suggest that the holders of new projects create their start-ups based on clear talent management strategies and try to make the work environment more suitable by rewarding talented employees.
- Focus on continuous training programs for talented workers inside and outside start-ups to create dynamism and competitiveness among talented people.

Talent management and strategies are among the most prominent concepts in classical and modern studies, due to their positive impact on business management, and start-ups based on innovative products and services to satisfy the local market or create entirely new markets. This term has become more common and attractive in Algeria among young people carrying out projects and creative projects, especially with the recent decisions taken by policymakers who are moving towards supporting and facilitating the creation of start-ups because of their role in increasing the raw domestic product in Algeria.

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