Talent Management and the Financial Results of the Foreign Subsidiaries of Polish MNCs – Empirical Research Findings

Zarządzanie talentami a wyniki finansowe jednostek zagranicznych polskich przedsiębiorstw międzynarodowych – rezultaty badań empirycznych

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ABSTRACT

Objective: To identify regularities between the overall advancement level of talent management and its constituent elements and company financial performance thanks to the significance of the human factor-based competitive advantage.

Research Design & Methods: The research sample covered 200 nonfinancial Multinational Corportations (MNCs) headquartered in Poland with an overwhelming percentage share of Polish capital. They engage in a variety of economic activities. CATI and CAWI were used, as was a benchmarking measurement method was applied. The general description and analysis of the research data were done using descriptive and correlational statistics.

Findings: The contributive significance of talent management to company's performance falls between important and very important. The selected components of talent management exhibit positive and statistically significant internal relationships. This means that the higher the advancement levels of particular components of talent management, the higher its overall advancement level as an HRM subfunction. Moreover, the higher the overall advancement level of talent management, the better the company's financial performance. This has led to the recognition that advancing the level of talent management results in better financial outcomes for companies.

Implications/Recommendations: The research findings confirm that human capital, in its two basic categories, can be successfully treated as a company competitive factor. Skills, knowledge and competencies developed in talent management programmes may enhance company performance, including financial results, both at the HQs of MNCs and at foreign subsidiaries. Additionally, the results make it possible to formulate some practical recommendations that may support the managerial staff in making decisions regarding talent management, e.g. in planning the number and type of talent management components and ensuring their most optimal coexistence.

Contribution: The research findings contribute to the development of management theory and practice, particularly to the development of talent management as a subfunction of HRM in MNCs. The authors have identified the regularities they theorised might exist between talent management and company financial performance due to the significance of human factor-based competitive advantage. Therefore, it can be assumed that research on the relationships between these variables in Polish MNCs helps fill in a research gap due to the object and subject of research.

Article type: original article.

Keywords: talent management, human factor, competitive factor, financial results, multinational company.

JEL Classification: M12, M16, F23.

STRESZCZENIE

Cel: Celem artykułu jest zidentyfikowanie oczekiwanych prawidłowości, jakie mogą występować między ogólnym poziomem zaawansowania zarządzania talentami i jego elementami składowymi a wynikami finansowymi przedsiębiorstwa ze względu na znaczenie przewagi konkurencyjnej opartej na czynniku ludzkim.

Metodyka badań: Próbę badawczą stanowiło 200 niefinansowych przedsiębiorstw międzynarodowych (PMN) z siedzibą w Polsce i z przeważającym udziałem procentowym kapitału polskiego. Reprezentowały one różne rodzaje działalności gospodarczej. Wykorzystano dwie metody badawcze, tj. CATI i CAWI, oraz benchmarkingową metodę pomiarową. Do opisu i analizy zgromadzonych danych badawczych zastosowano statystykę zarówno opisową, jak i korelacyjną.

Wyniki badań: Kontrybutywne znaczenie zarządzania talentami dla wyników przedsiębiorstwa jest oceniane jako ważne lub bardzo ważne. Wybrane komponenty zarządzania talentami wykazują pozytywne i istotne statystycznie relacje wewnętrzne. Oznacza to, że im wyższe są poziomy zaawansowania poszczególnych komponentów zarządzania talentami, tym wyższy jest ich ogólny poziom zaawansowania jako subfunkcji ZZL. Co więcej, im wyższy ogólny poziom zaawansowania zarządzania talentami, tym lepsze wyniki finansowe organizacji. Prowadzi to

do uznania, że wzrost poziomu zaawansowania zarządzania talentami skutkuje lepszymi wynikami finansowymi przedsiębiorstw.

Wnioski: Wyniki badań potwierdzają, że kapitał ludzki w swoich dwóch podstawowych kategoriach może być z powodzeniem traktowany jako czynnik konkurencyjny organizacji, a rozwijanie umiejętności, wiedzy czy kompetencji pracowników w ramach zarządzania talentami może poprawić uzyskiwane wyniki finansowe zarówno centrali PMN, jak i jego jednostek zagranicznych. Dodatkowo uzyskane wyniki badań pozwalają na sformułowanie praktycznych rekomendacji, które mogą wspierać kadrę menedżerską w podejmowaniu decyzji dotyczących zarządzania talentami, m.in. w planowaniu liczby i rodzaju komponentów zarządzania talentami oraz ich najbardziej optymalnego współistnienia.

Wkład w rozwój dyscypliny: Wyniki badań przyczyniają się do rozwoju teorii i praktyki zarządzania, w szczególności do rozwoju zarządzania talentami jako subfunkcji ZZL w PMN. Autorom udało się zidentyfikować poszukiwane prawidłowości między zarządzaniem talentami a wynikami finansowymi organizacji ze względu na znaczenie przewagi konkurencyjnej opartej na czynniku ludzkim. Można zatem przyjąć, że badania związków między tymi zmiennymi w polskich PMN wypełniają lukę badawczą ze względu na przedmiot i podmiot badań.

Typ artykułu: oryginalny artykuł naukowy.

Słowa kluczowe: zarządzanie talentami, czynnik ludzki, czynnik konkurencyjności, wyniki finansowe, przedsiębiorstwo międzynarodowe.

1. Introduction

Talent management (TM) is becoming an increasingly important issue for research and practice in the third decade of the 21st century. That it continues to be widely addressed in the subject literature suggests that knowledge in the field of identifying and shaping talented employees remains insufficient. Studies conducted in Poland and other countries, both in domestic and international enterprises, confirm that talent management makes up an important subfunction of human resources management (HRM), one that may contribute significantly to the organisation's results. However, a review of the literature leads to the conclusion that the empirical research conducted within this scope in multinational companies (MNCs) has not covered companies headquartered in Poland. The research that has been conducted in Poland used for its research sample local subsidiaries of the MNCs headquartered outside the country.

Hence, the main goal of the paper is to identify the regularities that may be expected to exist between the overall advancement level of talent management and its constituent elements and the financial results companies achieve due to the significance of the human factor-based competitive advantage. The article begins with a brief review of the subject literature, followed by a description of the

methodics used for the empirical research and the research sample, the results of the authors' own empirical research, and final conclusions.

2. A Brief Literature Review

In today's business world, companies benefit from a wide range of competitive factors that build their market success (see Nasab, Farhangnejad & Naysary 2013). However, a critical analysis of the international literature proves that it is human resources are the key competitive factor (Katou & Budhwar 2010, Kearns 2010, Neumann *et al.* 2021), their quality determining the company performance in different fields of operations (Barney 1991, Huselid & Becker 2011, Chen 2014, Juchnowicz 2014, Delery & Roumpi 2017, Mondal & Samaddar 2021). Moreover, to ensure these resources are of high quality, the companies need to implement various high-level HRM subfunctions (Stor & Haromszeki 2020a). In practice, this means that the value of the human factor as a competitive factor results from the levels at which the particular HRM subfunctions have been implemented (Esho & Verhoef 2020, Stor & Haromszeki 2020b). One such HRM subfunction is talent management, or the process of attracting, retaining, motivating and developing talented employees in accordance with the needs of the organisation (Armstrong 2007, p. 354).

Polish researchers also pay attention to the increasing importance of the human factor as a competitive factor (Witek-Hajduk 2010, Stor 2014, *Competency based…* 2014, Stor & Haromszeki 2021). It is usually achieved by obtaining talented staff (managers and other employees) and optimally selected talent management programmes (Kabwe & Tripathi 2020). Talent management activities are an effect of several decades of research done throughout the world, the conclusions of which indicate that talent management significantly boosts competitive advantage (Lepak & Snell 1999, Barney 1991, Farndale, Scullion & Sparrow 2010, Blass, Knights & Orbea 2008, Collings & Mellahi 2009, Lewis & Heckman 2006, Scullion, Vaiman & Collings 2016) and the results enterprises achieve (*cf.* Michaels, Axelrod & Handfield-Jones 2001), including financial results (see i.e.: Bethke-Langenegger, Mahler & Staffelbach 2011, Mensah 2018). Those results are the focus of the empirical part of this article.

Talent management can have both a positive (Bhatia & Baruah 2020, Höglund 2012) and/or a negative impact on employees (Son *et al.* 2020, Garavan *et al.* 2021, Lacey & Groves 2014) as well as the entire organisation. This makes focusing primarily on talent identification all the more important (Cole 2016, Haromszeki 2014, Coulson-Thomas 2012). It provides a company with insight into how to define talent, the kind of talent it and others are seeking, the actual talents that are available in its resources, which talents need to be developed on-site and which to acquire. The overarching goal in all this, of course, is for the company to perform at the

level it envisions and obtain human factor-based competitive advantage (*cf*. Stor & Haromszeki 2019).

This brief literature review leads to the general conclusion that talent management has attracted increasing attention both from academics and practitioners for at least the last two decades. However, regardless of where the research was conducted (*cf*. Iles, Chuai & Preece 2010, Schmidt, Mansson & Dolles 2014, Collings, Scullion & Vaiman 2011), including in Central and Eastern Europe (Vaiman & Nigel 2010), the subject of interest has predominantly been MNCs headquartered outside of Poland (Ruël, Bondarouk & Dresselhaus 2014, Collings, Mellahi & Cascio 2018). Research carried out in Poland, on the other hand, concerned either foreign subsidiaries of MNCs operating in Poland (Waters-Sobkowiak, Kowalski & Smits 2018) or exclusively domestic enterprises (Włodarczyk 2017, Pauli & Pocztowski 2019, *Zarządzanie…* 2020). Given the object and subject of the research, it can be assumed that there is a gap in the research on the relationships between talent management and organisational performance in Polish MNCs. This article is intended to begin to fill in the research gap.

3. The Empirical Research Methodics

Having identified the research gap, it was concluded that the issue of talent management (treated as one of the subfunctions of HRM) in the Polish MNC is a cognitively and exploratively justified subject of research. The main research problem, being identical to the goal of this article, can be expressed in the form of the following question: Are there any regularities between the overall advancement level of talent management (and the advancement levels of its components) and the financial performance results of companies due to the significance of the human factor-based competitive advantage?

The following detailed research questions were formulated:

1. How is the significance of human capital assessed as a competitive factor in foreign subsidiaries of MNC and how in its headquarters itself?

2. What is the contributive significance of talent management to the financial performance results of foreign subsidiaries of MNCs?

3. How advanced is the talent management and its particular constituents in MNCs' local subsidiaries?

4. What kinds of relationships appear between the overall advancement level of talent management and the advancement levels of its particular components?

5. What are the mutual interactions between the particular components of talent management?

6. Are there any relationship patterns between the overall advancement level of talent management (including the levels of their particular components) and the organisation's financial performance?

Based on the empirical literature reports, the following hypotheses were adopted:

H_1: The higher the advancement levels of particular components of talent management, the higher its overall advancement level as HRM subfunction.

H_2: The higher the advancement level of talent identification as a component of talent management, the higher the overall advancement level of talent management and the better the company's financial performance.

H_3: The higher the overall advancement level of talent management, the better the company's financial performance results.

The 200 organisations surveyed were nonfinancial economic entities established in Poland. They possessed at least one overseas subsidiary resulting from foreign direct investment (FDI) but the vast majority of their capital came from Poland. They are referred to as Polish multinational enterprises or companies, and they produced predominantly market goods or services of a nonfinancial character (there were no banks, insurance or brokerage companies, credit institutions or unions, securities houses, investment funds, pension societies or funds). However, they were diversified in terms of their structure – the type of economic activity they engaged in as classified by the European Classification of Business Activity (ECBA), size in terms of the number of employees, years on the market, and percentage ownership of resources or shares of their overseas subsidiaries. Found with purposive sampling, the respondents were well-informed individuals in managerial, presidential, CEO or business owner positions with advanced knowledge of both business performance and HRM issues.

The survey was conducted in 2018 and two research methods were used: CATI and CAWI. In answering the questions, the respondents were asked to consider the last 3 years (2015–2017). This was expected to enable the respondents to identify the cause-and-effect relationships of the selected research variables in the context of non-abstract / specific internal and external organisational settings. This time interval was considered appropriate for assessing talent management activities and their impact on the company's financial performance.

A benchmarking measurement method was used in the study. In assessing the significance (value) of the human factor as a competitive factor of a foreign subsidiary, the reference point was the value it was assigned at HQ. This juxtaposition of the human factor included two separate categories of workers: managerial staff and non-managerial employees who were appraised with reference to their skills, knowledge or general competencies. In assessing the financial performance of these subsidiaries, the respondents were asked to make an evaluation in relation to the results local competitors produced. They were also asked to evaluate the contribution of talent management relative to the organisation's financial performance. On the other hand, the advancement level of talent management was measured by

comparing measures taken at the foreign entity with global trends based on the best worldwide practices. The talent management comprised six components, which are listed together with all measurement scales in Table 1.

The research data were described and analysed using descriptive statistics. Given the ordinal scales applied, the relationships between the variables were identified based on the non-parametric rank correlation test, i.e. Spearman's rho.

4. The Empirical Research Findings

The rudimentary descriptive statistics for the main research variables are presented in Table 1. The value of the human factor as a competitive factor, including its two categories of workers, i.e. non-managerial employees and managerial staff, is very similar in foreign subsidiaries and HQs. As concerns the local level, the value for the first category is only slightly higher $(\bar{x} = 3.41)$ than that obtained for the second one $(\bar{x} = 3.37)$. In this context the contributive significance of talent management (for both categories of workers) to the given company's performance $(\bar{x} = 3.33)$ falls somewhere between important and very important. At the same time, the financial performance in the finances of the foreign entities being higher $(\bar{x} = 3.74)$ then those of local competitors. Hence, it can be concluded that the advancement level of talent management $(\bar{x} = 3.70)$ played a key role, particularly as it was rated higher than other global trends based on best practices.

Table 1. Rudimentary Descriptive Statistics for: Talent Management, Human Factor, and Financial Performance of the Local Subsidiaries of MNCs

Variables		Valid N	Mean	Min	Max	SD
The contributive significance of talent management to the company's performance		200	3.33	1.00	5.00	0.59
Human factor as competitive factor	Non-managerial employees	200	3.41	2.00	5.00	0.56
	Managerial staff	200	3.37	2.00	5.00	0.56
The advancement level of activities within talent management	Talent identification – from reporting by potential participants and superiors' decisions, to formal multi-range selection criteria for the programme	200	4.01	2.00	5.00	0.78
	Measurement of employee creativity (number of ideas and improvements reported and their quality)	200	3.74	2.00	5.00	0.64
	Systemic talent management within the development paths – managerial, specialist	200	3.58	2.00	5.00	0.59

Table 1 cnt'd

Variables		Valid N	Mean	Min	Max	SD
The advancement level of activities within talent management	Creating transorganisational cooperation between talented employees	200	3.55	1.00	5.00	0.67
	Creating R&D facilities for talented employees	200	3.63	1.00	5.00	0.68
	Building a platform for the exchange of experience, sharing knowledge, learning about the organisation using ICT tools	200	3.71	1.00	5.00	0.63
	The overall mean for talent management	200	3.70	2.00	4.50	0.46
Company financial performance		200	3.74	2.00	5.00	0.51

Scales: The contributive significance of TM to the company's performance: 1 – not important, 2 – slightly important, 3 – important, 4 – very important, and 5 – of critical significance.
Human factor as competitive factor à comparison to the HQ: 1 – strongly lower, 2 – rather lower, 3 – similar to an average, 4 – rather higher, 5 – strongly higher.
Advancement level of activities within TM à comparison to the general trends based on the best worldwide practices: 1 – very low, 2 – low, 3 – average, 4 – high, 5 – very high.
Company financial performance à comparison to the main competitors on the local market: 1 – poor, 2 – below average, 3 – similar to others, 4 – above average, 5 – very good.

Source: own research data.

Scale: comparison to the general trends based on the best worldwide practices:
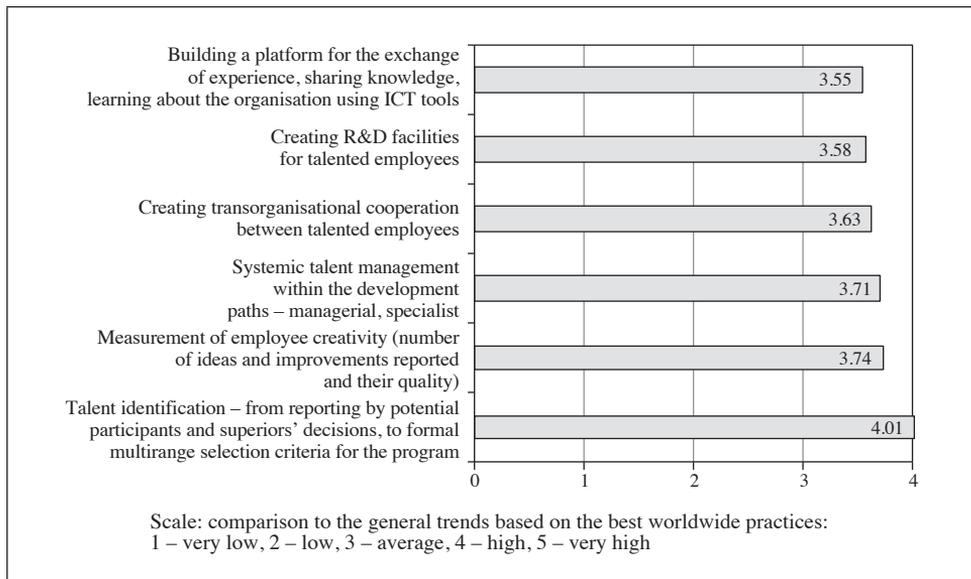1 – very low, 2 – low, 3 – average, 4 – high, 5 – very high

Fig. 1. Ranking of Talent Management Components by Advancement Level
Source: the authors.

Of the six components comprising talent management, talent identification (from reporting by potential participants and superiors' decisions, to formal multi-range selection criteria for the programme) exhibits the highest level of advancement ($\bar{x} = 4.01$), while employee creativity (the number of ideas and improvements reported and their quality) ranks second ($\bar{x} = 3.74$), followed by building a platform for the exchange of experience, sharing knowledge, and learning about the organisation using ICT tools ($\bar{x} = 3.71$). Figure 1 presents the ranking distribution of the remaining components.

A detailed analysis of the correlations between the variables was preceded by the assessment of the scale's reliability using Cronbach's alpha test, which returned a value of $\alpha = 0.771$. As Table 2 shows, none of the talent management components exceeded the acceptable α value except for one – systemic talent management within the development paths – managerial, specialist, which reached a borderline value of $\alpha = 0.772$ and was removed from the scale and further analysis. This slightly improved the reliability of the entire scale ($\alpha = 0.772$).

Table 2. Reliability and Item-Total Statistics for the Components of Talent Management

Variables	Summary for scale: Mean = 22,2100; Std. Dv. = 2,73924; Valid N:200. Cronbach alpha: 0,771741; Standardised alfa: 0,769257. Average inter-item corr.: 0,364944				
	Mean if deleted	Var. if deleted	StDv. if deleted	Itm. Totl. Correl	Alpha if deleted
Talent identification – from reporting by potential participants and superiors' decisions, to formal multi-range selection criteria for the programme	18.20000	4.680000	2.163331	0.643986	0.701242
Measurement of employee creativity (number of ideas and improvements reported and their quality)	18.47000	5.559100	2.357774	0.493487	0.743612
Systemic talent management within the development paths – managerial, specialist	18.63500	6.071775	2.464097	0.362980	0.772365
Creating transorganisational cooperation between talented employees	18.66000	5.524400	2.350404	0.475096	0.748373
Creating R&D facilities for talented employees	18.58500	5.502775	2.345799	0.477078	0.747964
Building a platform for the exchange of experience, sharing knowledge, learning about the organisation using ICT tools	18.50000	5.190001	2.278157	0.655770	0.703625

Source: the authors.

Table 3 presents the correlation matrix resulting from the statistical test for the advancement level of talent management, including the advancement levels of its components, and the company's financial performance. The analysis of the internal correlations between the components of talent management shows that the relationships are exclusively positive (ranging from $r = 0.21$ to $r = 0.54$) and apply to all components. It also reveals that an increase in the advancement level of one component likewise boosts the advancement levels of other components. Furthermore, each of the components is also strongly correlated with the overall means of talent management. The correlations range from $r = 0.54$ to $r = 0.81$, so they can be described as high or even very high. Thus it can be assumed here, as before, that increasing the advancement level within each of the components causes an increase in the advancement level of the comprehensively evaluated talent management (the overall mean of talent management). This observation verifies hypothesis H_1, which posits that the higher the advancement levels of particular components of talent management, the higher its overall advancement level as HRM subfunction.

By focusing on the talent identification component, and looking at its relationship with the organisation's financial results, it can be concluded that hypothesis H_2 has also been verified. The correlation test revealed positive and statistically significant relationships between the advancement level of talent identification and the overall advancement level of talent management ($r = 0.81$) and between this component of talent management and the company's financial performance ($r = 0.34$).

As for hypothesis H_3, the correlation test also allowed for the identification of positive relationships between the overall advancement level of talent management and the company's financial performance ($r = 35$). This means that the hypothesis is statistically confirmed. Indeed, the higher the overall advancement level of talent management, the better the company's financial performance.

We identified positive correlations not only in the relationships between the overall advancement level of talent management and the company's financial performance, but also between the particular components of this HRM subfunction and the financial results. Two components exhibit the strongest relationships: talent identification – from reporting by potential participants and superiors' decisions, to formal multi-range selection criteria for the programme ($r = 0.34$) and creating R&D facilities for talented employees ($r = 0.34$). However, the variable measurement of employee creativity (number of ideas and improvements reported and their quality) has an only slightly lower correlation score ($r = 0.31$). With regard to the other two components of talent management – building a platform for the exchange of experience, sharing knowledge, learning about the organisation using ICT tools and creating transorganisational cooperation between talented employees – their correlations with the company's financial results are less pronounced but still statistically significant. This may be because the three variables with the highest

Table 3. Correlation Matrix for the Advancement Level of Talent Management, the Advancement Levels of Its Components and the Company's Financial Performance

Variables	Advancement levels of components comprising talent management					The overall mean for talent management	Company financial results
	Talent identification – from reporting by potential participants and superiors' decisions, to formal multi-range selection criteria for the programme	Measurement of employee creativity (the number of ideas and improvements reported and their quality)	Creating transorganisational cooperation between talented employees	Creating R&D facilities for talented employees	Building a platform for the exchange of experience, sharing knowledge, learning about the organisation using ICT tools		
Talent identification – from reporting by potential participants and superiors' decisions, to formal multi-range selection criteria for the programme	1.00	0.48*	0.36*	0.37*	0.54*	0.81*	0.34*
Measurement of employee creativity (number of ideas and improvements reported and their quality)	0.48*	1.00	0.21*	0.30*	0.35*	0.67*	0.31*
Creating transorganisational cooperation between talented employees	0.36*	0.21*	1.00	0.24*	0.31*	0.54*	0.24*
Creating R&D facilities for talented employees	0.37*	0.30*	0.24*	1.00	0.52*	0.58*	0.34*
Building a platform for the exchange of experience, sharing knowledge, and learning about the organisation using ICT tools	0.54*	0.35*	0.31*	0.52*	1.00	0.69*	0.25*
The overall mean for talent management	0.81*	0.67*	0.54*	0.58*	0.69*	1.00	0.35*
Company financial results	0.34*	0.31*	0.24*	0.34*	0.25*	0.35*	1.00

(The advancement levels of components that make up talent management)

* Spearman's rho significant at $p < .05000$.

Source: the authors.

intensity of corrections also exhibited the highest level of advancement (see Fig. 1). This in turn may be attributable to the fact that, from the perspective of employees, the identification of talents directly translates into their involvement in R&D facilities created for talented employees, and the results of their participation in these facilities contributes directly to the company's financial performance. In any case, it can be assumed that if the other variables with a lower degree of correlation demonstrated greater advancement, they could have a greater positive impact on the financial performance of the organisation.

Against the background of these findings, it must be emphasised that the variable talent identification – from reporting by potential participants and superiors' decisions, to formal multi-range selection criteria for the programme is the most closely correlated not only with the company's financial results $r = 0.34$), but also with the overall mean for talent management ($r = 0.81$). This observation is in line with the conclusions of other researchers, and offers further proof that well--prepared and professionally conducted identification of talents is the key element in talent management. Competently identifying talent can ensure the organisation succeeds – or at least is protected from the serious consequences of investing in people who do not have the expected qualities and abilities necessary for active and conscious participation in the process of formal talent shaping in a given situational context. In other words, the goal of these activities is to build up the human factor as a competitive factor so the company achieves the results it expects while asserting its human factor-based competitive advantage.

5. Summary and Final Conclusions

The analysis and discussion of the empirical data carried out in the previous section gives us the confidence to conclude that we have achieved our main goal. That was, to identify the regularities that may be expected to exist between the overall advancement level of talent management and its constituent elements and the financial results the company achieved due to the significance of the human factor-based competitive advantage.

The research findings confirm that human capital, in its two basic categories (managerial staff and non-managerial employees), can be treated as a competitive factor. Skills, knowledge and competencies developed in talent management programmes may enhance the company's performance, including its financial performance, both at foreign subsidiaries and at the HQ of MNCs. Thus the conceptual assumptions we adopted are justified. They are also partly consistent with the assumptions of other researchers. An example is the theoretical framework developed by D. G. Collings, H. Scullion and V. Vaiman (2011) which links global talent management to performance of the HQ's subsidiary through the individual employee levels in the organisational structure. They considered the effects of

higher-level factors on individual performance through the lens of human-capital resources, focusing on how individual human capital can translate or be amplified into a unit-level human-capital resource (Collings, Mellahi & Cascio 2018).

In this respect, the organisational reality we have focused on in our research leads to two conclusions. Firstly, by identifying talented people and creating conditions for their development, the organisation allows their work to better contribute to its results. Increasing the level of advancement in each of the components that make up talent management may therefore have a direct positive impact on the organisation's performance. Others' research results help explain why this is so. For example, N. Ishiyama identified the connection between talent management and work engagement and showed how engagement determines work results which then contribute to company performance (Ishiyama 2021). Secondly, the organisation has the competitive factor of human capital its disposal, and thus it can build its competitive advantage on the market by using appropriate practices in talent management. This is in line with other research findings, including that talent management has a significant and positive impact on sustainable organisational performance (Al Aina & Atan 2020) and that talent management takes on strategic meaning for enterprises seeking to secure competitive advantage (Wilska 2014).

In the MNCs surveyed, the advancement level of talent management is relatively high and correlated with their financial performance. This concerns both the relationships between the financial results and the overall advancement level of talent management as well as relationships with its particular components. The highest-ranking factor, as predicted, was talent identification – from reporting by potential participants and superiors' decisions, to formal multi-range selection criteria for the programme. It had the strongest statistically significant associations with the overall advancement level of talent management and the financial performance of enterprises. This supports the general approach presented in the literature that talent identification plays a crucial role in talent management (Tabor 2013). It also confirms the findings of other researchers showing that the use of talent pool segmentation is becoming a popular means of identifying and managing talent, though MNCs generally face a number of challenges in ensuring that segmentation is done effectively (McDonnell, Hickey & Gunnigle 2011).

While companies running more talent identification processes make use of a greater number of development tools, doing so is much more complicated in MNCs (Natacha Golik & Rita Blanco 2014). A similar conclusion can me drawn from our research. Namely, two components of talent management demonstrated lower correlation values when their relationship with the financial performance of the organisation were considered. They were: creating transorganisational cooperation between talented employees and building a platform for the exchange of experience, sharing knowledge, learning about the organisation using ICT tools.

This may be because it is not so easy to build a system supporting employee and managerial development that is based on the inter-subsidiary exchange of human capital. It is impossible to detach capital from people, and the exchange of experiences or transorganisational cooperation requires direct interactions or at least good IT tools as well as the skills and willingness to use them. But it is certainly possible to adopt the view, following I. Björkman *et al*. (2013), that inclusion in a talent pool is perceived as a signal that the individual's contribution to the organisation has been valued and that the employer has fulfilled its contract by deciding to invest in that individual's future career (Björkman *et al*. 2013).

We believe that the present research and the conclusions drawn from it contribute to the development of management theory and practice, particularly to the development of talent management as a subfunction of HRM in MNCs. The regularities observed not only confirm the conclusions presented in the literature on talent management and its impact on the company's results in finance, but also introduce an innovative interpretation of the reciprocal relationships between the advancement levels of particular components of talent management and the organisation's financial results. Additionally, the research results enable the formulation of practical recommendations that may support management in making decisions pertaining to talent management, e.g. in planning the number and type of talent management components and their most optimal coexistence.

Finally, there are a few weaknesses in the research. For example, reservations may be raised by the structure of talent management components adopted, and the fact that subjective benchmarking measures were used by the respondents to evaluate their companies' financial performance rather than hard indicators. Moreover, not all of the business activity types represented in the research sample or the number of points applied in measurement scales.

We hope that despite these weaknesses, the research outcomes bring some cognitive, exploratory and explanatory value, especially with regard to the relationships between the variables considered in the overseas subsidiaries of Polish MNCs.

Financial Disclosure

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