

## **Determinants of Successful Talent Management Implementation: Evidence from European Football**

In the managerial literature, talent management is defined the science of using strategic human resource planning to improve business value and to make it possible for companies and organizations to reach their goals. Everything done to recruit, retain, develop, reward and make people perform forms a part of talent management as well as strategic workforce planning. From a talent management standpoint, employee evaluations concern two major areas of measurement: performance and potential. Current employee performance within a specific job has always been a standard evaluation measurement tool of the profitability of an employee. However, talent management also seeks to focus on an employee's potential, meaning an employee's future.

There is a well-established link between talent management and performance, however, in this study we analyze the determinants of successful talent management implementation. In other words, we are trying to find which companies are more successful in talent management and what are their key success factors. Such a relationship is difficult to estimate empirically in the general business context due to a lack of data on performance and, especially, on the potential of employee. However, sports provide a nice setting in which to test for such an effect, for that reason in this paper, we use sports data to understand the determinants of talent management implementation. In particular, we concentrate on the association football, or soccer.

In our empirical part we use data for the Belgium Jupiler League, England Premier League, France Ligue 1, Germany Bundesliga, Italy Serie A, Netherlands Eredivisie, Poland Ekstraklasa, Portugal Liga ZON Sagres, Scotland Premier League, Spain LIGA BBVA and Switzerland Super League for the seasons 2008 to 2016. We use dataset provided by Hugo Mathien (Mathien, 2016).

To measure the quality of human capital and its potential we use data on teams' attributes sourced from EA Sports' FIFA video game series. Sherif (2016) explains the process of evaluating the skills. First, a "network of over 9000 members reviews the player's abilities, watch him play, and help assign him various ratings." Next, this data is then reviewed "by 300 editors, which arrange it into 300 fields and 35 attribute categories." After that the game publisher "uses this feedback in conjunction with its own stats (scoured from other agencies) to determine ratings." We can consider this rating as a result of a massive survey with a number of respondents. The final rating is distributed from 1 to 100. The potential of players is defined in a similar way. The source of data is the website <http://sofifa.com/> (FIFA series and all FIFA assets property of EA Sports).

We use different clubs characteristics to understand the determinants a successful talent management implementation. The first set of indicators relates to the history and brand of a team. It consists of Champions league participation, Europa league participation, number of wins in national championship, years since last win, average age of players, share of foreign players, number of years in top division, foreign head coach.

The next set of potential determinants of a successful talent management consists of the measures based on the transfer strategy of football clubs. We consider the number of the clubs which buy (sell) players from (to) a particular club. We also consider the quality of the clubs and the leagues. This metrics are based on the data on the transfers from 1996 to 2017 from all leagues. The source of data is Transfermarkt.

We estimate the following regression equations:

$$rating_{it} = \beta_0 + \beta_1 \cdot \mathbf{TRANSFER}_{it} + \beta_2 \cdot \mathbf{CLUB}_{it} + \beta_3 \cdot \mathbf{CV}_{it} + \phi_i + \epsilon_{it}$$

$$potential_{it} = \beta_0 + \beta_1 \cdot \mathbf{TRANSFER}_{it} + \beta_2 \cdot \mathbf{CLUB}_{it} + \beta_3 \cdot \mathbf{CV}_{it} + \phi_i + \epsilon_{it}$$

Where **TRANSFER** is a vector of transfer strategy metrics described above, **CLUB** is a vector of clubs' characteristics, **CV** is a vector of control variables,  $\phi$  is a team fixed effect and  $\epsilon$  is the error term. Our dependent variables are  $rating_{it}$ , which is an indicator of average players rating in team  $i$  in year  $t$ , and  $potential_{it}$  of this players. We consider both  $rating$  and  $potential$  as an outcome of talent management implementation.

Our primary results show positive effect of different dimensions of talent management to the quality of human capital.

## References

Mathien, H. (2016), "European Soccer Database", *Kaggle*, 11 November, available at:

<https://www.kaggle.com/hugomathien/soccer> (accessed 11 November 2016).

Sherif, S. (2016), "EA explains how FIFA player ratings are calculated", *VG247.com*, 27

September, available at: <https://www.vg247.com/2016/09/27/how-ea-calculates-fifa-17-player-ratings/> (accessed 31 May 2017).