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TALENT DEVELOPMENT AND ORGANIZATIONAL SUCCESS: EVIDENCE FROM SELECTED BALKAN COUNTRIES BASED ON CRANET RESEARCH 2021

Abstract: Employee development, as an activity of human resources management (HRM), refers to the constant acquisition of new knowledge and skills, as well as new work and practical experience, that is, the application and verification of knowledge and skills in practice. Thus, the development of employees should create the conditions for organizations, and through that, the whole society to be innovation-oriented, to manage knowledge and gain a competitive advantage in the changing modern business environment. Special attention needs to be directed to talent development, since talented individuals have great value in the labor market and because talent development can lead to higher loyalty among talents. It is important for an organization to recognize talents, in the period when they have not yet fully realized their potentials, and to enable talents to develop themselves, providing them with the necessary conditions for personal and professional self-actualization. The aim of the paper is to investigate the importance and components of talent development in the function of building a knowledge-based society as well as the practice of training and talent development in selected countries of the Balkans (Serbia, Bosnia and Herzegovina, Croatia, and Slovenia) based on Cranet research from 2021. The research methodology includes the analysis of theoretical achievements in the field of talent development and training, as well as the analysis of empirical data generated during the latest round of Cranet research from 2021. Data analysis techniques used in the work are descriptive statistics, factor analysis, and correlation analysis. The expected results should enable an insight into the current practice of training and talent development in companies in the analyzed countries, as well as indicate deviations of practice in the Balkan countries compared to other countries of Central-Eastern Europe.

Keywords: Employee development, employee training, talents, Cranet

1. INTRODUCTION

The term "knowledge society", which was first used by Peter Drucker in 1969, gained real significance in the nineties of the XX century. Today's concept of knowledge society refers to the use of knowledge as the main resource, which makes today's society post-capitalist. The main competitive advantage in today's conditions is the knowledge-based economy (Polovina et al., 2011).

Dimitrovski (2011) points out that a society based on knowledge is based on the most relevant solutions: creativity, inventions, innovations, flexibility, creation, and acceptance of the new. The new state of society is based on the ability to create new knowledge and transform it into economic value and wealth through product, service, and process innovation. Knowledge management is one of the most effective ways to improve business results in organizations. Also, it is necessary to increase and stimulate innovation to keep up with the competition (Vukotić, Zakić & Ćurčić, 2017). In the modern business environment, knowledge and technology are becoming more and more complex, the participation of knowledge-based activities (high-tech production and knowledge-based services) is increasing significantly, and the connection of companies in these areas with private and public institutions facilitates the

development and successful application of innovations, resulting in higher level of competitiveness of companies and even the whole country (Filipović, 2015).
On the way to reaching the knowledge-based society what the modern society strives for, the actualization of knowledge and the constant development of skills and abilities of individuals constitutes one of the basic development levers. Employee development, as an activity of human resources management (HRM), refers to the constant acquisition of new knowledge and skills, as well as new work and practical experience, that is, the application and verification of knowledge and skills in practice. Thus, employee development aims to create the conditions for organizations and society to be innovatively oriented, to constantly learn and be able to enter into the cooperative and competitive structures of the modern world. According to the authors Lewis and Heckman (2006), talent means a person who brings something new to the company and who in some way exceeds the standard resources of knowledge and abilities in the observed company. Gofee and Jones (2007) point out that talent actually represents a set of ideas, knowledge and skills of employees, which give them the potential to produce disproportionately large value compared to the resources available to them. Thus, talents play a significant role in creating the foundations of a knowledge-based society.
The aim of the paper is to investigate the importance and components of talent development in the function of building a knowledge-based society as well as the practice of training and talent development in selected countries of the Balkans (Serbia, Bosnia and Herzegovina, Croatia, and Slovenia) based on Cranet research from 2021. The research methodology includes the analysis of theoretical achievements in the field of talent development and training, as well as the analysis of empirical data generated during the latest round of Cranet research from 2021. Data analysis techniques used in the work are descriptive statistics, factor analysis, and correlation analysis. The expected results should enable an insight into the current practice of training and talent development in companies in the analyzed countries, as well as indicate deviations of practice in the Balkan countries compared to other countries of Central-Eastern Europe.
The paper is structured in four parts. The first part is related to theoretical investigation of the talent development and training concept and practices in modern HRM. The second part of the paper presents the methodology of the empirical research. The third part is dedicated to results and discussion, while the final part consists of practical and theoretical implications, limitation, and potentials for future research.

2. TALENT DEVELOPMENT IN A FUNCTION OF BUILDING A KNOWLEDGE-BASED SOCIETY

The development of talents, as the basis of building a knowledge-based economy and society, is based on the adequate development of talented individuals. There are several reasons for continuous talent development, among which we highlight:

- Changes in technology that cause rapid obsolescence of knowledge and require continuous education;
- Increasing complexity, turbulence and uncertainty of the business environment, which requires more complex knowledge and puts people and their development in the foreground;
- Modern business requires new skills that were not so important in the traditional way of doing business: interpersonal and communication skills, conflict management skills, time management, and new forms of effectiveness and excellence;
- A very important pragmatic reason for the intensification of education in companies and the appearance of employers in the role of trainers is the widening gap between increasingly complex work requirements and existing knowledge on the labor market. Current business more and more requires certain knowledge and skills that are not processed sufficiently or adequately in the formal education process;
- The education system, business life and work requirements have different dynamics, where the dynamism of business life is much greater, and changes are much faster, now even every day (Bahtijarević-Šiber, 1999).

In a knowledge-based society, continuous professional education plays a special role. According to Queeney (1996) it is in fact the training of professionals, which takes place after their basic, preparatory training for a given profession, which aims to expand their knowledge and skills and thus contributes to the development of the quality of daily performance throughout their career. Life-long learning means constantly rewarding and refreshing the knowledge, abilities and skills of professionals. Compared to the usual training programs organized in companies, continuous professional education puts the primary focus on the growth and development of the individual expert. By expanding and developing knowledge, skills and abilities, it contributes to the broader development of employees' competencies, which can be used not only in the current position, but also prepares an expert for career development. In a society based on knowledge, continuous professional education should accompany the development of experts throughout their entire career. The main challenges of the training of the experts are related to two areas: a) motivation of experts to be active during training - dedication to continuous improvement and development is a condition for training success, but also for adequate performance of experts in everyday circumstances; b) provision of such continuous professional education that affects the execution of daily activities of professionals, which is based on the analysis of current knowledge and required competencies in the future. The effectiveness of training largely depends on the definition of training standards.

In order to effectively manage talent development, the authors Haskins and Shaffer (2010) emphasize the importance of a planned and systematic approach and recommend the following conceptual framework for talent development:

- Talent development should begin by determining the needs of the company, which includes the analysis of business drivers, business strategy, challenges the company faces, the role of values in shaping the organizational culture, as well as determining the required leadership behavior and aligning with measures and rewards. At this stage, it is recommended to analyze in detail the market served by the company, global business perspectives, competitive advantage, development of economic value, as well as the existing and required organizational culture, i.e., leader behavior and whether it contributes to effective talent development. The result of this phase is the determination of the specific goal of talent development.
- The second stage is shaping the learning model. First, characteristics, knowledge, skills, etc. are defined which employees in the organization should possess to achieve the defined goal. Another question in this phase is related to how to shape the development program, which training methods to use so that it best suits the needs of the participants.
- As a part of continuous development, various shorter and longer training and development programs are organized with the aim of regularly updating the knowledge, skills and competences of talents.
- Focus on achieved results - the key results of the program of continuous talent development are the improvement of the process of succession planning and talent development, the improvement of the process for identifying and developing talents and increasing the internal supply of superior talents in the organization. To evaluate the effects, it is necessary to establish a feedback loop with the initial assumptions, that is, the factors that are designated as the key drivers of the program.

Many past research investigated the effects of T&D on different performances of an organization, and in most of them, training and development had positive effects on performances, individual, team, or organizational (Tharenou et al., 2007; Glaveli & Karassavidou, 2011; Sung & Choi, 2014; Morley et al., 2016; Slavić & Berber, 2019; Katić et al., 2020; Ismale et al., 2021). Therefore, management of T&D process is one of the most important issues that needs to be investigated in more details.

1.2 Management of the training and development programs

Leading authors in this field (Armstrong & Taylor, 2014; Dessler, 2013) emphasize that a training program should include the following steps: needs assessment, training plan, training implementation, and training program evaluation.
A training needs assessment is a diagnostic and decision-making tool that uses a variety of techniques (questionnaires, interview, observation, etc.) to identify the training needs of a target population. We distinguish three types of methods for assessing the need for expert training. Basic methods for assessing the need include individual statements, focus groups, nominal group technique, Delphi method, etc. These needs assessment methods are generally applied by the persons involved in the implementation of the needs assessment themselves or in consultation with experts for this. Questionnaire-based methods - include questionnaires (mailed or online questionnaires) and interviews (in person and over the phone). Since the creation of the questionnaire and the actual implementation of the research require expert knowledge, the persons involved in the implementation of the needs assessment usually hire experts for this. Methods for evaluating performance - include observation, simulations and assessment centers and aim to determine the work output and the way an individual's work is carried out. Although these methods are the most demanding in terms of development and implementation, they most effectively point to the need for training an individual.
Assessing the readiness of employees to learn is the second step in the process of preparing a training program. Managers can play an important role in the training process. Motivation to learn should result in willingness to learn the content of the training program. Various research showed that motivation results in the expansion of knowledge, changes in behavior or in the acquisition of skills. Motivation is achieved through self-efficacy; by understanding the benefits that training brings, through building awareness of training needs, interests and career goals; by understanding the characteristics of the environment, providing basic skills and more (Noe et al., 2006).
The third step is to create a learning environment. Learning takes place in conditions of constant changes in behavior. The program should contain specific learning principles. Employees need to know why they need to learn and how to use their own experiences as a basis for learning. In addition, it is important for employees to have opportunities to practice. Feedback is needed to fulfill the training objectives because it provides information on how to correct the behavior of employees and who are the persons whose behavior has changed in an adequate way, and they should be praised. People learn by observing and imitating others. For the model to be effective, the desired behaviors or required skills must be clearly specified and the model should have characteristics similar to those of the target group. Employees need a training program that is appropriately coordinated and organized. Training program coordination refers to activities before, during and after the program.
The next step is the learning transfer, which refers to the application of knowledge, skills and behaviors learned during training on the job. The success of the transfer of the training, that is, the use of the knowledge and skills learned during the training, depends on the degree of mastery (level of learning) as well as on the readiness of the candidates to use the elements of the work environment. Therefore, learning depends on the learning environment (equipment, materials, practice opportunities, feedback) and on the readiness of employees to accept the training program (self-efficacy,

awareness of the need for training and level of basic skills). If any of these two conditions are missing, the transfer will not take place. The transfer of training can also be improved by connecting with the persons being trained. These can be meetings where problems and successes in implementing new skills or behaviors are discussed (Dessler, 2013).
There are many methods that can be used to acquire new knowledge, skills or behaviors. Training methods include presentation techniques, practical techniques, group building techniques as well as modern employee training methods. Presentation techniques include training methods where the instructor conveys information to mostly passive listeners. Instruction in classrooms is the cheapest way to present information on specific topics, since a large group of participants is trained at the same time. Distance learning - modern technology through various online courses provides significant advantages compared to classic classroom instruction. Online courses allow employees to follow a lecture or presentation live or later when they have time to do so. Audio-visual techniques - this training serves to improve communication skills, interviewing skills, customer service skills and to illustrate how new procedures should be followed. Hands-on (practical) techniques include on-the-job training, simulations, games and case studies and interactive video and similar methods that are based on the active role of the trainees in the training process. These methods are ideal for developing special skills, for understanding how skills and behaviors can be transferred to work, for gaining the experience necessary to complete a task and the process of making interpersonal decisions. Group building techniques help participants to exchange ideas and experiences, build the identity of their group, understand the dynamics of interpersonal relationships, and realize their own strengths and weaknesses, as well as the strengths and weaknesses of their colleagues. These include learning through adventure (often referred to as team building), the primary goal of which is to develop teamwork and leadership skills using structured outdoor activities.
A necessary step in the implementation of the training is the assessment and evaluation of the training at the end of the program. Usually, participants are surveyed at the end of the training regarding their impressions, they should evaluate the instructor, the material, the way of working, etc. However, the real value and effectiveness of the training program is seen in the results of the participants' work after the training. That is why it is necessary to ask for feedback related to the impact of the training on the performance of the trainees. Supervisor observation, performance analysis and assessment centers are often used for this purpose. It is recommended to first analyze the need for training using adequate techniques, and after a certain time after the training (several weeks or months), determine the impact of the training on the work results. If an improvement in results is found, then it is most likely that it is the result of training, although other external factors can also affect the performance. Regular monitoring of work results can also indicate changes in attitudes towards the work of individuals (Dessler, 2013).
In the process of managing the development of talents an economic analysis of costs and benefits of training is necessary. The training evaluation process ends with the determination of the economic usefulness of the training program. Training costs are analyzed from the aspect of direct costs, indirect costs, development costs, and overhead costs. Direct training costs include the following items: salaries of all training employees (instructors, consultants, training program designers), rental or purchase of classroom equipment, travel expenses. Indirect training costs include the following items: training management, administrative staff salaries, travel and expenses are not directly related to the training program. Development costs include: the cost of purchasing the program, training the instructors. Overhead costs mainly refer to the cost of top management time (time spent coordinating the training). Similar to the costs, the benefits of the training are expressed in different ways, for example, comparing the results achieved before the training and after the training (the quality of work is compared, like % of scrap; the number of errors, the number of accidents), then, based on the calculation of differences in performance between trained and untrained workers, based on the difference in the time at which the training program is expected to begin to affect performance. Other types of economic benefit analysis evaluate training according to how much it benefits the company, by tracking the direct and indirect costs of training and the increase in wages because of completed training (Noe et al., 2006).

3. METHODOLOGY

3.1. Cranet questionnaire

The research was conducted during 2021, according to the methodology of the Cranet international network. The sample used for this research contains data from 436 organizations from 4 countries from Balkan region, Bosnia and Herzegovina, Croatia, Serbia, and Slovenia. Responses on the questions from the standardized questionnaire were gathered from HR managers or some executive positions in a company, with a single-respondent approach. The questionnaire was back-translated to the national language of each country. The research is based on the more objective data and indicators, excluding opinion and attitudes of respondents (Berber et al., 2020). The questionnaire contains questions on HRM practices in organizations and the structure of the questionnaire is following:

- The first part deals with the characteristics of HR departments of the analyzed organizations.
- The second part of the questionnaire emphasizes the staffing practices of the surveyed organizations.
- The third part deals with issues of training and development of employees.
- The fourth part deals with the management of employee performance, the method of determining basic salary, incentive salary and benefits provided to employees.

- The fifth part of the questionnaire analyzes the relationship between employers and employees and deals with various issues of communication with employees.
- The sixth part contains basic organizational data.
- The seventh part refers to the data of the person who filled out the questionnaire (Slavić et al., 2017).

3.2. Sample

The largest share (61%) of organizations in the sample belongs to private sector, while 26% are in public sectors, and the rest of the sample are organizations from mixed, private and public sector and/or not for profit. About 3% of the sample organizations operate in the sector of agriculture, almost 1/3 in manufacturing sector, while 60% are service sector organizations. Slightly over 10% of the sample organizations works only on local markets, 46% work on national and regional markets, while 32% operate on world and global markets. The largest share (59%) of the sample are large organizations with more than 250 employees. SMEs represent 41% of the sample. About 16% of organizations in the sample employs more than 1000 employees.

4. RESULTS

We start our results presentation with two very interesting questions, on the **existence of HR training and development strategy and primary responsibility for decision on T&D** (tables 1 and 2). Based on the data in table 1, about 50% of organizations possess a written T&D strategy, where most of them are in Croatia and Serbia. There are statistically significant associations between countries and T&D strategies (Chi square test=39.847; df=3; p<0.01).

Table 1: Existence of written HR training & development strategy in Balkan countries

		Existence of written HR training & development strategy		Total
		No	Yes	
CRANET member country	Bosnia and Herzegovina	59.6%	40.4%	100.0%
	Croatia	41.7%	58.3%	100.0%
	Serbia	31.1%	68.9%	100.0%
	Slovenia	67.3%	32.7%	100.0%
Total		**50.9%**	**49.1%**	100.0%

Source: Authors based on Cranet data 2022.

Table 2: Primary responsibility for major policy decisions on training and development in Balkan countries

		Primary responsibility for major policy decisions on training and development				Total
		Line Management	Line mgt. in consultation with HR dept.	HR dept. in consultation with line mgt.	HR Department	
CRANET member country	Bosnia and Herzegovina	40.4%	36.2%	17.0%	6.4%	100.0%
	Croatia	18.9%	36.8%	34.9%	9.4%	100.0%
	Serbia	17.0%	28.3%	39.6%	15.1%	100.0%
	Slovenia	19.0%	31.4%	39.9%	9.8%	100.0%
Total		**20.9%**	**32.5%**	**35.9%**	**10.7%**	100.0%

Source: Authors based on Cranet data 2022.

In the case of primary responsibility for T&D issues in a company, HR department works together with line managers and vice versa in more than 65% of organizations. In Bosnia and Herzegovina, line managers still hold the major responsibility in 40% of companies. There are statistically significant associations between countries and T&D responsibility (Chi square test=20.063; df=9; p<0.05).

The first step in the talent development process is to **assess training needs**. The questionnaire contained a question about whether the need for training is systematically assessed. In the vast majority (73.6%) of observed organizations, there is a systematic assessment of training needs. Only in Bosnia and Herzegovina there is less than 60% of organizations that perform need assessment for training. There are statistically significant associations between countries and systematic estimation of the need for training of employees (Chi square test=12.4316; df=3; p<0.01).

Table 3: Training need assessment in Balkan countries

		Systematic estimation of the need for training		Total
		No	Yes	
CRANET member country	Bosnia and Herzegovina	42.6%	57.4%	100.0%
	Croatia	27.7%	72.3%	100.0%
	Serbia	16.0%	84.0%	100.0%
	Slovenia	28.1%	71.9%	100.0%
Total		**26.4%**	**73.6%**	**100.0%**

Source: Authors based on Cranet data 2022.

Aside training need assessment, many organizations perform **training effectiveness evaluation**, i.e., whether training programs reach their goals and how much the costs of the training are, etc. Based on the data in table 2, 55% of all organizations in Balkan perform such kind of analysis, but in the case of Slovenia and Bosnia and Herzegovina, only, 35-43% of them perform it, while in Serbia and Croatia there are more than 60% of organizations that perform training evaluation. There are statistically significant associations between countries and systematic estimation of the training effectiveness (Chi square test=51.234; df=3; $p<0.005$).

Table 4: Training effectiveness assessment in Balkan countries

		Systematic evaluation of training effectiveness		Total
		No	Yes	
CRANET member country	Bosnia and Herzegovina	57.4%	42.6%	100.0%
	Croatia	39.3%	60.7%	100.0%
	Serbia	20.8%	79.2%	100.0%
	Slovenia	65.2%	34.8%	100.0%
Total		**45.1%**	**54.9%**	100.0%

Source: Authors based on Cranet data 2022.

The number of days that employees spend on training (training extensiveness) during the year indicates the extensiveness of the training. Table 5 shows those indicators.

Table 5: Average number of days spent on training for various categories of employees

CRANET member country		**management/professionals**	**clerical/manual**
Bosnia	Mean	10.64	5.89
	Std. Deviation	9.178	7.199
Croatia	Mean	6.68	5.38
	Std. Deviation	5.046	4.569
Serbia	Mean	11.17	7.90
	Std. Deviation	9.586	11.501
Slovenia	Mean	10.29	6.62
	Std. Deviation	16.917	12.504
Total	Mean	**9.73**	**6.60**
	Std. Deviation	12.082	10.227

Source: Authors based on Cranet data 2022.

In the analyzed organizations, employees spend an average of about 8 days on training. The extensiveness of the training is more pronounced for managers and professionals, who spend more than 9 days on various trainings. The obtained result can also be observed so that the talents spend about 65 hours a year on training, which is provided by the employer. Administrative and manual workers have the opportunity to develop their skills at trainings lasting about 7 days, that is, 56 hours a year. High standard deviation values indicate significant deviations of individual organizations from the average value. Differences between countries are not statistically significant.

The share of training costs in the total annual salary costs is an important indicator of the importance of training. In most of the analyzed organizations, the average share of training costs is 3.00% of annual costs related to employees' salaries, which speaks of the modest position of employee training in the observed companies. The higher the share of training costs, the more the organization invests in updating and developing the knowledge, skills and competencies of

its employees. The differences that appear between countries, based on the data in table 6, are statistically significant (ANOVA F=7.506; df=3,334; p<0.005).

Table 6: Percentage of annual payroll costs spent on training

CRANET member country	Mean	Minimum	Maximum	Range
Bosnia and Herzegovina	3.83	0	10	10
Croatia	2.24	0	10	10
Serbia	2.55	1	10	10
Slovenia	3.81	0	10	10
Total	**3.00**	**0**	**10**	**10**

Source: Authors based on Cranet data 2022.

The data on the **techniques used to evaluate the effectiveness of training** are shown in table 7.

Table 7: Techniques used to evaluate the effectiveness of training (%)

CRANET member country	Total number of days training	Meeting objectives in the plan	Reaction evaluation immediately after training	Job performance before and after training	Informal feedback from line managers	Informal feedback from employees	ROI
Bosnia and Herzegovina	19.4%	16.7%	16.7%	2.8%	25.0%	11.1%	0%
Croatia	41.6%	48.3%	42.7%	23.6%	47.2%	44.9%	5.6%
Serbia	40.6%	57.5%	46.2%	40.6%	57.5%	51.9%	10.4%
Slovenia	17.8%	22.4%	25.2%	11.2%	23.4%	22.4%	2.8%
Total	**31.4%**	**39.6%**	**35.5%**	**22.8%**	**40.5%**	**36.4%**	**5.6%**

Source: Authors based on Cranet data 2022.

In most observed organizations, non-financial methods are used to evaluate the effectiveness of employee training. The most frequently used techniques are: achieving the goals set in the training plan (48%), informal feedback or feedback from line managers (47%), and informal feedback or feedback from employees about the effectiveness of training (45%). It should be noted that the use of a financial indicator (return on investment) for measuring the effectiveness of training is still inadequately accepted by human resources experts in Serbia, it is applied only in 10% of the analyzed organizations, while in Bosnia and Herzegovina not a single organization in the sample applies ROI for training evaluation.
Table 8 presents the data on the used techniques for career management in companies in the sample.

Table 8: Techniques for development or career management (scale 0-3)

Techniques for career management	B and H	Croatia	Serbia	Slovenia	Total
Job enrichment	0.98	1.03	1.59	0.95	**1.16**
External training (off-the-job)	1.30	1.71	1.29	1.82	**1.58**
Training on-the-job	1.98	2.11	2.19	1.91	**2.05**
Developmental assignments/project	1.02	1.70	1.60	1.59	**1.55**
Formal networking schemes	0.28	0.68	1.06	0.87	**0.80**
Formal career plans	0.57	1.07	1.17	0.76	**0.94**
Assessment and development centres	0.28	0.57	0.91	0.45	**0.59**
Succession plans	0.32	0.95	1.11	0.95	**0.92**
Planned lateral move and/or job rotation	0.55	1.09	1.40	1.22	**1.15**
High flier schemes	0.34	1.36	0.94	0.98	**0.99**
International assignments	0.36	0.85	0.89	0.39	**0.65**
Coaching	0.55	0.86	1.08	0.81	**0.87**
Mentoring	1.28	1.69	1.47	1.63	**1.56**
E-learning and digital learning	0.94	1.61	1.46	1.33	**1.39**
Career counselling and/or workshop	0.85	0.75	1.14	0.63	**0.83**

Source: Authors based on Cranet data 2022.

From table 8 we can note that mostly used techniques for career development are training on the job and off the job, mentoring, and developmental assignments or project. Less used are development centres and international assignments. Companies from Bosnia and Herzegovina expressed low level of implementation of all techniques.

Since there were 15 potential techniques for career development ion the questionnaire, for the future analysis of correlations between observed variables, we performed a factor analysis in order to group large number of variables (techniques) into smaller number of factors (constructs). The Kaiser-Meyer-Olkin and Bartlett spherical tests were implemented to check if the sample is adequate for future analyses. The KMO is 0.937, and Bartlett's test of sphericity is 2174.346 ($p<0.000$). Both tests have confirmed that the data are suitable for factor analysis.

Table 9: Rotated Component Matrix

	Component	
	CDT1	CDT2
Formal networking schemes	.762	
Assessment and development centres	.731	
Formal career plans	.718	
Job enrichment	.699	
International assignments	.634	
Succession plans	.632	
High flier schemes	.626	
Career counselling and/or workshop	.596	
Planned lateral move and/or job rotation	.556	
Developmental assignments/project	.524	
Mentoring		.760
External training (off-the-job)		.709
E-learning and digital learning		.569
Training on-the-job		.564
Coaching		.524
Extraction Sums of Squared Loadings	*6.774*	*1.022*
% of Variance	*45.159*	*6.815*
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.		

Source: Authors based on Cranet data 2022.

Table 9 presents the results of the factor analysis (rotated component matrix) for T&D techniques. Exploratory factor analysis (EFA) has identified 2 factors from the initial 15 variables, with an eigenvalue of 6.774 that describes 45.16% of the total variance for the first factor (CDT1), and an eigenvalue of 1.022 that describes 6.815% of the total variance for the second factor (CDT2). Mentoring, external training (off-the-job), e-learning and digital learning, training on-the-job, and coaching are grouped as CDT2, while the other variables created CDT1.

Final part of the analysis was the investigation of the correlations between the observed variables. Correlation analysis (Table 10) indicated that between certain variables there are statistically significant positive weak and medium correlations in the case of almost all indicators, especially in the case of training techniques CDT1, training techniques CDT2, and training budget, expressed as the percentage of the annual payroll costs spent on training, and days spent on training for all categories of employees. Also, there are positive correlations between training need assessment and training effectiveness evaluation and all indicators of training and development. Existence of written HR training & development strategy also shows positive correlations with almost all indicators of T&D in a company.

Table 10: Spearman's correlation analysis

Spearman's rho	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Do you systematically estimate the need for training of employees 1	1.000															
Percentage of annual payroll costs spent on training 2	.168**	1.000														
Days per year training for management/professionals 3	.216**	.323**	1.000													
Days per year training for clerical/manual 4	.176**	.234**	.637**	1.000												
Do you systematically evaluate the effectiveness of your training? 5	.451**	0.025	.197**	.246**	1.000											
Total number of days training 6	.297**	0.000	0.036	0.032	.596**	1.000										
Meeting objectives 7	.276**	-0.033	0.097	.164**	.669**	.507**	1.000									
Reaction evaluation immediately after training 8	.356**	0.074	.203**	.179**	.651**	.536**	.535**	1.000								
Job performance before and after training 9	.303**	0.037	.176**	.220**	.457**	.340**	.503**	.408**	1.000							

Informal feedback from line managers 10	.360**	-0.062	.159**	.153**	.689**	.531**	.587**	.607**	.427**	1.000						
Informal feedback from employees 11	.330**	-0.036	.116*	.105*	.627**	.550**	.537**	.603**	.402**	.821**	1.000					
ROI 12	.119*	-0.015	0.017	0.033	.214**	.168**	.237**	.211**	.298**	.208**	.208**	1.000				
CDT2 13	.343**	.183**	.272**	.230**	.327**	.341**	.318**	.439**	.272**	.324**	.362**	.117*	1.000			
CDT1 14	.408**	.145**	.263**	.214**	.378**	.330**	.444**	.447**	.403**	.335**	.376**	.210**	.727**	1.000		
Existence of written HR training & development strategy 15	.318**	0.049	.201**	.204**	.435**	.302**	.369**	.351**	.311**	.390**	.399**	.186**	.339**	.364**	1.000	
Primary responsibility for major policy decisions on T&D 16	.246**	.106*	.125*	.111*	.244**	.137**	.221**	.269**	.177**	.196**	.193**	0.054	.275**	.293**	.286**	1.000
**. Correlation is significant at the 0.01 level (2-tailed).																
*. Correlation is significant at the 0.05 level (2-tailed).																

Source: Authors based on Cranet data 2022.

CONCLUSIONS

Employee development, as an activity of human resources management, refers to the constant acquisition of new knowledge and skills, as well as new work and practical experience, that is, the application and verification of knowledge and skills in practice. In a society based on knowledge, continuous professional education should accompany the development of experts throughout their entire career. The training program should include steps like needs assessment, training plan, training implementation and training program evaluation. Many previous research found that T&D is related to individual and organizational success.

The results of the empirical research in this paper, based on the data from the Cranet survey conducted in 2021, show the current practice of talent development in four countries, Bosnia and Herzegovina, Croatia, Serbia, and Slovenia. In the observed organizations, training and talent development begins with an assessment of the need for training, where most of the companies are performing such assessment. Managers and professional workers have about 9 days of training per year, and companies invest about 3% of the total costs of employees to update their knowledge and competencies. About half of the observed companies have a T&D strategy in their HRM, while line managers in cooperation with HR managers are responsible for T&D issues and decisions in companies. In most observed organizations, non-financial methods are used to evaluate the effectiveness of employee training, such as the achievement of goals set in the training plan and informal feedback from line managers and employees about the effectiveness of training. Also, companies usually use training on the job and off the job, and mentoring and projects for employees' career development and training. The presented results of the Cranet research show that organizations in the Balkan region have realized the importance of building a society based on knowledge and in that spirit manage their talents, try to shape development activities according to the requirements of managers and experts. However, there is still significant space for improvement in the practice of talent development, especially in terms of evaluating the results of training and applying modern methods for the development of talent competencies.

Theoretical implications of the paper lie in the investigation of the T&D practices in Balkan region, four countries, based on standardized questionnaire which is used in more than 40 countries in the world. This research adds new insights to the comparative human resource management since it compares same practices and indicators in different countries, with different national cultures but, to some extent, similar economic and political past (all countries were under socialist regime as former Yugoslavia until the 1990s). Managerial implications are seen in presenting new results on T&D practice and activities and indicators for large and SME companies in mentioned region, so companies that are aware of these results, can try to implement some of the steps and techniques that are proved to be adequate for T&D programs, and they can plan their T&D practices according to mentioned ideas in theoretical part of the paper. Limitation of the research can be found in the sense that we did not include data on organizational performances as dependent variable, what would be helpful in investigation of the relation between T&D and results of companies. This is actually a proposition for future research. Besides, research of the same data from same countries in several research rounds would be beneficial for becoming familiar with development of T&D practices over time in different countries, which is also an interesting issue in comparative HRM.

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