

Article

Talent Management Digitalization and Company Size as a Catalyst

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Abstract: As companies increasingly undergo digital transformation, the role of talent management processes becomes pivotal in enhancing overall organizational performance. The objective of this research is to assess the extent to which greater digitalization in the talent management process is linked to company size. The research has addressed four research questions in order to explore the significance of talent management in corporate digital transformation, examining whether variations in the digitalization of these processes can be attributed to company size. A qualitative approach was employed, utilizing a questionnaire, and collecting responses from 202 organizations across diverse sectors. The findings reveal disparities in digitalization throughout the talent management process, with pronounced presence in the attracting, selecting, and rewarding phases, but diminishing in deployment and development, and further declining in planning. A positive correlation between company size and the adoption of specific digital platforms was observed. Larger enterprises exhibit greater utilization of digital platforms in talent deployment and development. Moreover, corporate communication tools are consistently utilized in the rewarding phase, irrespective of company size. These findings offer practical insights for organizations aiming to optimize their digitalization strategies based on their scale, thereby contributing to more effective and tailored digitalization endeavours. The uniqueness of this research lies in its exploration of the influence of company size on the digitalization of talent management processes and its potential to explain variations across different stages of these processes.

Keywords: talent management process; digitalization; company size; levels of digitalization; talent management stages



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1. Introduction

Digitalization refers to the process of utilizing digital technologies. The objective of this would be to transform and optimize various aspects of business, society, or individual activities [1] (pp. 301–308). Across various sectors, organizations are at the forefront of embracing digital technologies, ranging from intensive to non-intensive applications [2] (pp. 125–128). In specific areas such as training and education [3] (pp. 1–4), extensive use of digital resources is observed, with implications for the organizational environment [4] (pp. 22–39). In this dynamic landscape, the talent management process emerges as a continuous and pivotal endeavour that caters to an organization's requirements, playing a crucial role in enhancing overall business performance and maintaining competitiveness [5] (pp. 319–326).

The use of digital resources stands as a paramount paradigm, offering an extraordinary business case that encompasses various technological tools dedicated to managing talent

processes [6] (pp. 356–383). Technology allows human work to be complemented and enriched [7] (pp. 117–134). Recognized as elements of a key business function, human capital and talent play pivotal roles [8] (pp. 123–138). However, it is worth noting that talent identification, despite its critical importance, lacks sufficient resources to attain perfection as a science [9] (pp. 23–42), necessitating ongoing efforts to address existing challenges.

Despite variations in scope, digitalization is advancing globally, and the European Union has introduced the Digital Intensity Index [10] as a key performance indicator outlining Europe's ambitious digital transformation vision. This index gauges the adoption of diverse digital technologies by European companies, portraying their overall progress in digitalization, irrespective of their size.

The results of the index show that in 2020, 9% of large European enterprises reported a very high level of digitalization, followed by 2% of medium-sized companies, 0.4% of small firms, and 1% of companies with fewer than 10 employees. The trajectory indicates that 42% of large enterprises, 25% of medium-sized companies, 12% of small companies, and 14% of those with less than 10 employees are projected to attain a high level. However, 46% of companies demonstrated a low level, while 39% exhibited a very low level. Spain stands out, holding an above-average position among European countries and maintaining a leading position among major European companies in terms of digitalization.

Building on prior research testing the digitalization of the talent management process in Spanish companies and the diverse performance observed at each stage [11] (p. 2264), our research group aims to contribute by focusing on assessing how company size, as measured by the mentioned index, influences digitalization intensity. This investigation is particularly crucial considering Spain's unique position in the digital landscape.

There is a theoretical framework to explain the causes of talent management digitalization [12] (p. 188), but not one to quantify the extent of digitalization across different stages and varying company sizes. While numerous sources identify reasons and drivers, as well as the organizational culture encouraging investment in digitalization, there is a notable absence of measures to assess the degree of digitalization in the talent management process, especially in correlation to company size as a variable and segmented by stages.

The research gap shows the extent to which it is relevant to demonstrate the influence of company size on talent management digitalization. In addition, differentiating talent management digitalization by stage helps to provide a clearer segmentation of the different stages and helps in the search for the reasons behind these differences.

The advancement of digital technologies has significantly influenced the way organizations manage talent [13] (pp. 2592–2621). Talent management digitalization involves the use of digital tools and technologies for planning, attracting and sourcing, selecting, deploying, developing, rewarding, and separating [11] (p. 2264). Despite the widespread adoption of these digital practices, the influence of company size on the effectiveness and outcomes of talent management digitalization remains underexplored after the disruptive irruption of investments on technology after the pandemic.

This paper is divided into four sections. The first section analyses the applied research on the extent to which the size of a company has had an impact on the digitalization of the different aspects of the talent management processes. The subsequent section outlines the research methodology and presents and analyses the results obtained. The third section delves into the differences observed in the digitalization of the different stages of the talent management processes based on company size, exploring their relationship with the main topics of the literature review. Finally, the last section summarizes the key findings of the research and discusses their implications for supporting future research.

This research significantly contributes to understanding the relationship between company size and the adoption of digital technology for talent management within organizations, with a specific focus on the unique context of Spain. The study reveals a positive correlation between company size and the utilization of specific digital platforms across various stages of the talent management process. Furthermore, the intensity of digitalization on specific stages exhibits variations based on company size.

The specific contribution of this article to the talent management research field is its unique focus on elucidating how firm size influences the digital transformation of the talent management process, thereby shedding light on the nuanced dynamics that drive variation at different stages of these processes. This study not only extends theoretical understanding, but also provides practical insights for organizations seeking to navigate the evolving landscape of talent management in the digital age, particularly in the Spanish context.

The primary objective of this research is to assess the extent to which greater digitalization in the talent management process is linked to company size. Additionally, we aim to explore whether company size can elucidate variations in the utilization of digitized tools across different stages of the talent management process.

2. Context and Literature Review

Organizations are compelled to reinvent themselves for enhanced agility, and talent management emerges as a pivotal strategic function in this endeavour. The digital transformation of talent management is a process of operational change [12] (pp. 122–291) which utilizes data management to guide decision-making [14] (pp. 2246–2252). Information and communication technologies can be applied across all stages of the talent cycle [15]. Randstad Research [16] reports that automation and digitalization have reshaped the organizational structure of talent management in 75% of companies, with 54% planning to experiment with novel talent management strategies. Digitalization equips organizations not only to attract the best talent [17] (p. 103765) but also to effectively manage, develop, and retain that talent [18] (pp. 288–294). Investments in digitalization may correlate with an increase in the recruitment of top talent. Although Rungi [19] (pp. 741–745) found no firm size-differentiation in digitalization impact, Buer [20] (pp. 905–928) identified significant differences between large firms and medium/small firms. The influence of firm size on digitalization remains a key aspect for this research.

There is no unique framework to define talent management. While numerous sources describe various frameworks, few differentiate the diverse stages, as noted by [21] (p. 105108); [22] (pp. 304–313); [23] (pp. 31–56), and [23] (pp. 31–56), though not explicitly referencing the same stages. To align with the objectives of this research, we opt for the Cascio and Boudreau model [24] (pp. 494–520) as a potential driver. This model offers a detailed description of the talent cycle, making it well-suited for a comprehensive approach to the talent management processes.

Additionally, there is currently no theoretical framework available to quantify the extent of digitalization across different stages and varying company sizes with respect to talent management processes. Cascio and Boudreau [24] (pp. 494–520) outline the talent lifecycle as a human resource process encompassing seven stages, starting with the planning process and concluding when the employee leaves the organization (refer to Figure 1). In contrast, Cattermole [25] (pp. 258–262) proposes a six-stage employee lifecycle model, covering attraction, recruitment, onboarding, development, retention, and separation. Effective organizational management requires strategic planning for staffing concerns, attracting talented individuals, retaining them, and placing them in roles where they can maximize their performance. Thoughtful decisions must also be made when employees depart. Long-term business planning necessitates parallel human capital planning, emphasizing investment in individuals, the development of essential skills, and the prevention of skill loss, thereby ensuring a sustained competitive advantage. This research has opted for the Cascio and Boudreau model [24] (pp. 494–520) due to its precision in identifying all stages of the talent management process.

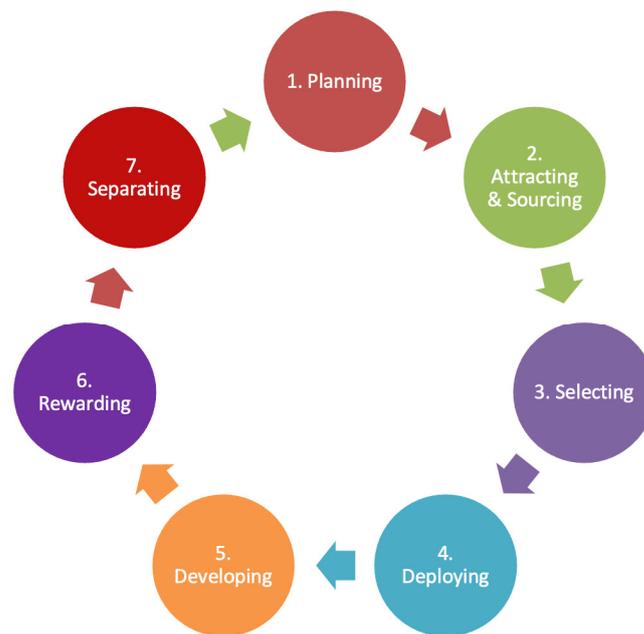


Figure 1. Talent Lifecycle. Source: Cascio and Boudreau (2015) [24].

Technological forces have the power to drive changes in businesses and individuals [26] (pp. 399–405); [27] (pp. 133–149). Digital transformation is imperative for companies seeking to increase their value added [28], provide enhanced human resources services [29] (pp. 234–242), and establish a more dynamic, engaged, and autonomous management [30] (pp. 84–92). The application of technology to talent management processes can streamline certain aspects management [31] (pp. 118–125) and contribute to achieving talent optimization [32] (pp. 281–288).

Although a correlation between talent management processes and digitalization is expected, there is only a weak link-strength [33]. The increase in the level of digitalization within an organization can be influenced by its size, as it represents a substantial investment. Strohmeier and Kabst, [34] (pp. 482–501) concluded that the main factors influencing the progress of digitalization include size, work organization, workforce structure, and human resource management configuration. They emphasized the size of companies as the most determinant and consistent factor in the progress of digitalization. Furthermore, they highlighted that large companies are likely to experience greater benefits in automation, information management, and collaboration, compared to small companies or those with few employees.

In relation to company size and digitalization, Chen et al. [35] (pp. 186–212) reported that digital transformation offers clear opportunities for small and medium companies to increase their success. Companies are starting to adopt technologies which increase the standardization and automation of talent management activities [36] (pp. 325–342). As a result, talent management departments are gaining strategic importance in the company and becoming more involved in these strategic decisions. Chugunova and Danilov [37] (pp. 69–90) and Talamala [38] show that small and medium companies show systematic differences relative to larger companies in the manner in which they use digital tools.

The use of digital tools in the attraction and sourcing process can help to save companies up to 30% and the costs of applying can also be significantly reduced for applicants, but more importantly, the process can be made more efficient [39] (pp. 31–49). These findings show that large organisations are more likely to use online tools more than smaller ones.

Given the absence of a framework addressing the extent of digitalization in talent management processes and its correlation with company size, particularly considering the rapid growth of Spanish companies, the subsequent phase of this research aims to empirically explore the relationship between the digitalization of talent man-

agement processes in Spanish companies and their respective sizes, segmented by stages of these processes.

3. Materials and Methods

The methodology of the research has chosen the Cascio and Boudreau model for its precision in delineating the stages of the talent management process and facilitating segmentation.

The study relies on responses from managers of 202 Spanish companies who participated by replying to questionnaires regarding the digitalization of talent management. Participating companies were invited through a personalized message addressed to the HR Director of each company. Those who accepted the invitation responded to a questionnaire using Qualtrics research software. Data analysis was carried out using SPSS version 27. A team of experts (HR professionals with more than 20 years of experience and research trajectory) analysed the content validity and the adequacy of the content of the questions. The questionnaire consisted of 32 questions to be answered online, including single-answer (YES/NO), multiple-answer, and single-choice questions. The questionnaire has 3 initial items, including the informed consent. It then addresses the dimensions measured in the study, which are the level of digitalization of the company (5 items), talent management (15 items), teleworking (7 items), and agile methodologies (2 items).

The survey spanned from December 2020 to February 2021, targeting a sample of 202 companies strategically chosen by the research team to represent diverse sectors (refer to Figure 2) and varying company sizes (refer to Figure 3). Prior to the analysis of questionnaire responses, all participants provided explicit informed consent for their collaboration in the study. Data collection encompassed information on the characteristics of participating companies, the level of digitalization in their talent management, and their digitalization levels across different stages of talent management, as well as the utilization of platforms and social networks for these purposes.

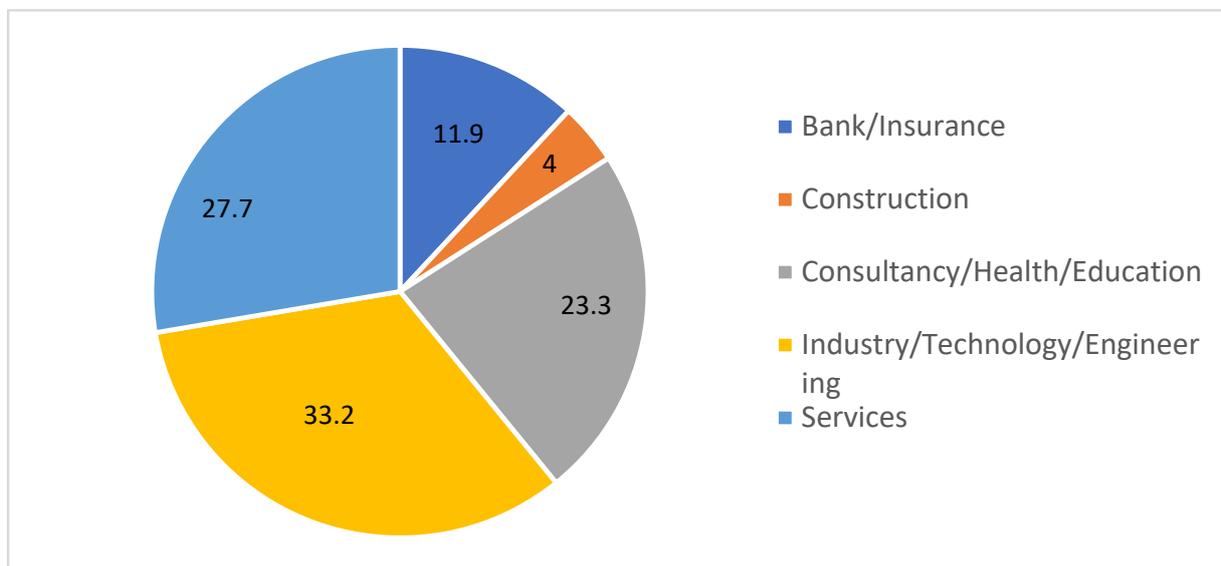


Figure 2. Percentage of companies per productive sectors of the sample's companies. Source(s): Authors.

The companies in the sample operate in banking and insurance (11.9%); construction (4%); consulting, health and education (23.3%); industry, technology, and engineering (33.2%); and services (27.7%) (see Figure 2). It is a convenience sample, and therefore only allows for the detection of general trends, which should then be tested by means of future random and stratified samples.

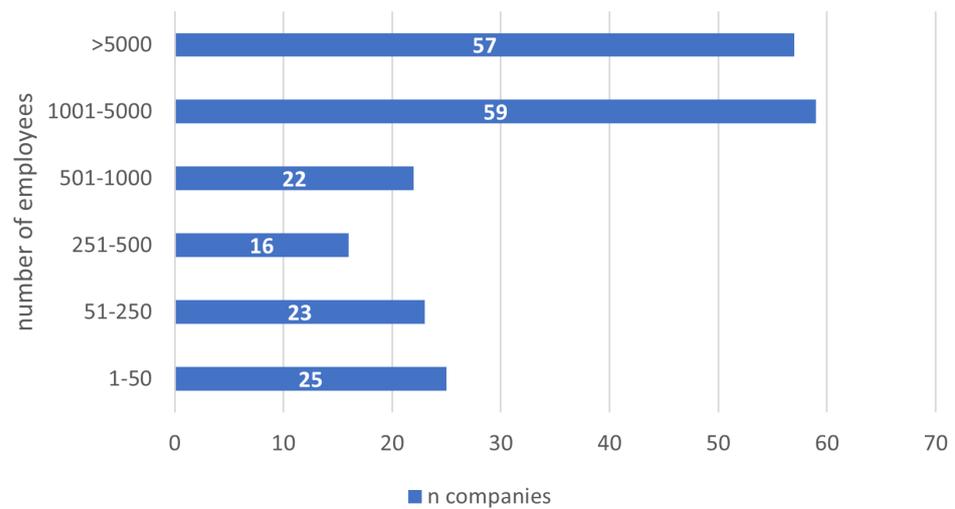


Figure 3. Numbers of employees for companies in the sample. Source(s): Authors.

Most of the participating companies are large, those with more than 1000 employees. Specifically, 28.2% have more than 5000 employees, and 29.2% have between 1001 and 5000. On the other hand, 10.9% have between 501 and 1000 employees, 7.9% have between 251 and 500, 11.4% have between 51 and 250, and 12.4% have 50 employees or less (see Figure 3).

The data analysis answers four research questions:

1. Are there any differences in the digitalization level of talent management in companies depending on their size?
2. What is the digitalization level in the different phases of talent management? Does this distribution differ according to company size?
3. Are there any differences in the use of talent management platforms depending on company size?
4. Are there any differences in the use of social networks to attract talent depending on company size?

The indicators used to measure the digitalization of human resources management in each of the phases of the talent management cycle were as shown in Table 1.

Table 1. Level of digitalization in the talent management phases and correlation (Spearman–Brown) with company size.

Phases	Indicators	% Yes or 1st Level	Levels	<i>r</i> with Company Size
1 Planning	✓ Digital tools for workforce planning	62.9%	Use of digital ERP vs. databases or nothing	0.298 **
	✓ Degree of availability of workforce planning tools to predict future talent needs	30.7%	Agree vs. neutral or disagree	0.151 *
	✓ Availability of a specific talent management platform	39.1%	Yes vs. no	0.256 **

Table 1. Cont.

Phases	Indicators	% Yes or 1st Level	Levels	<i>r</i> with Company Size
2 Attracting and sourcing	✓ Selection through social networks	57.9%	Always or almost always vs. sometimes or never	0.174 *
	✓ Corporate webpage	83.2%	Yes vs. no	0.228 **
	✓ General-purpose portals	69.8%	Yes vs. no	0.241 **
	✓ Specific portals	17.8%	Yes vs. no	−0.026
	✓ Professional social networks	88.1%	Yes vs. no	0.122
	✓ General-purpose social networks	30.7%	Yes vs. no	0.047
3 Selecting	✓ Specific selection platform	78.2%	Yes vs. no	0.239 *
	✓ Online test–skills test	60.9%	Yes vs. no	0.175 *
	✓ Online test–aptitude test	44.1%	Yes vs. no	0.198 **
	✓ Online test–languages test	52.0%	Yes vs. no	0.221 **
	✓ Online test–business case	30.7%	Yes vs. no	0.151 *
	✓ Online test–group dynamics	31.7%	Yes vs. no	0.258 **
	✓ Online test–asynchronous video interview	19.8%	Yes vs. no	0.211 **
✓ Online test–remote video interview	58.9%	Yes vs. no	0.155 *	
✓ Online test–at least one	90.6%	At least one vs. none of the previous	0.247 **	
4 Deploying	✓ Online onboarding systems	63.9%	Yes vs. no	0.258 **
	✓ Specific onboarding platform	43.1%	Yes vs. no	0.200 **
5 Developing	✓ Online training	60.9%	More than 50% vs. less than 50%	0.107
	✓ Self-study training	69.8%	Agree vs. neutral or disagree	0.189 *

Table 1. Cont.

Phases	Indicators	% Yes or 1st Level	Levels	r with Company Size
5 Developing	✓ Training and knowledge sharing	62.9%	Agree vs. neutral or disagree	0.001
	✓ Specific training and development platform	72.8%	Yes vs. no	0.393 **
	✓ Specific performance evaluation platform	66.3%	Yes vs. no	0.401 **
	✓ Managers at the ready	45.0%	Agree vs. neutral or disagree	−0.120
6 Rewarding	✓ Corporate communication tool	85.1%	Yes vs. no	0.013
	✓ Specific platform for payroll and social insurance	78.2%	Yes vs. no	0.139 *

Note: * $p < 0.05$ ** $p < 0.01$. Source(s): Authors.

4. Results

1. First research question: Are there any differences in the digitalization level of talent management in companies depending on their size?

Overall, the majority of human resource managers reported that their companies were “somewhat digitized” or “fairly digitized.” The set of “fairly” or “very digitized” companies amounts to less than 50% of the sample (see Figure 4).

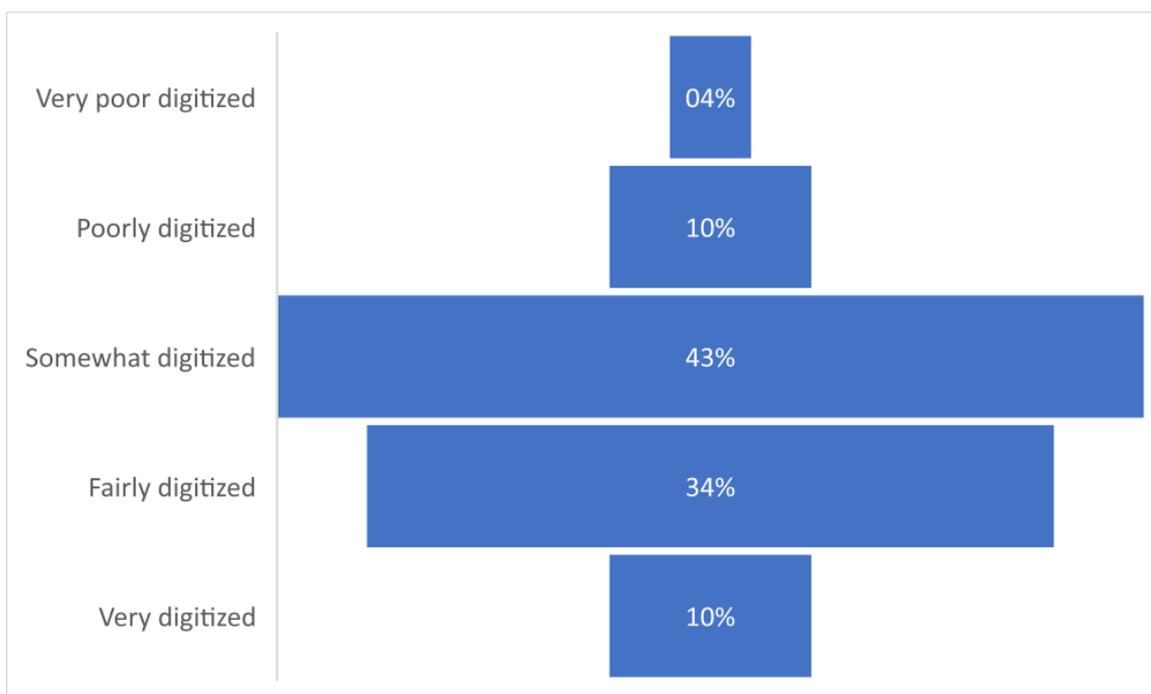


Figure 4. Level of digitalization of talent in companies. Source(s): Authors.

The highest levels of digitalization correspond to companies that have more than 500 employees (see Figure 5), while smaller companies show lower levels of digitalization. Among companies with more than 500 employees, 21% of companies with more than 5000 employees report being highly digitized, while the group of companies with between 1001 and 5000 employees show the lowest level of digitalization among large companies (those with more than 500 employees). Meanwhile, among companies with less than 500 employees, within a context of lower levels of digitalization at these sizes, a proportion of smaller companies (those with between 1 and 50 employees) report higher levels of digitalization.

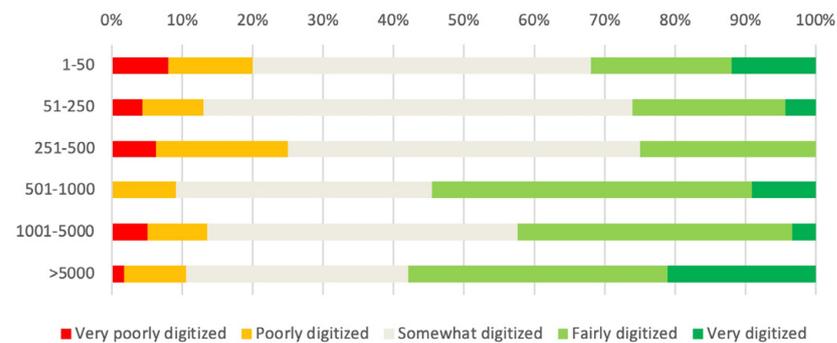


Figure 5. Level of digitalization of talent management by company size. Source(s): Authors.

In order to test the statistical significance of this association, the average levels of digitalization among these groups of companies were compared (using coding between 1, for the option “Very poorly digitalized”, and 5, for the option “Very digitalized”), and the differences found are statistically significant ($F = 2.81$, $p = 0.018$, $\eta^2 = 0.067$). The highest means correspond to the two groups comprising the largest companies (3.55 in companies with between 501 and 1000 employees and 3.67 in companies with more than 5000 employees), and the lowest correspond to companies with between 251 and 500 employees (2.94). Considering that both variables correspond to an ordinal level of measurement, the analysis was completed with the calculation of the Spearman–Brown r , which provides an index of 0.21 ($p = 0.003$). Overall, the analysis points to a general trend toward greater digitalization in larger firms. This is a small but statistically significant positive association.

2. Second research question: What is the digitalization level in the different stages of talent management, and does this distribution differ according to size?

The phases of the employee lifecycle are associated with different levels of digitalization in talent management (see Table 1). In order to enable a comparison between the different phases, all indicators were dichotomized. Most of the indicators were measured by differentiating the two original levels used in the questionnaire (“Yes” and “No”, while those with more than two response options were dichotomized, as shown in Table 1 in the right-hand column).

The first piece of information provided is the percentage of companies that do have the indicator or have it at the first level (e.g., “Use of digital ERP”). Secondly, in order to find out the magnitude and direction of the relationship between the size of the companies and these indicators, the Spearman–Brown correlation was calculated. The differences in this index between the phases and the indicators point to the areas in which company size may be having a greater or lesser effect.

The indicators distributed across the phases of the talent management cycle are heterogeneous in nature and can only be compared in part. Overall, digitalization seems to be more widespread in the attracting, selecting, and rewarding phases; in deploying and developing to a lesser extent; and even less in planning, especially when it comes to the availability of specific tools and the prediction of future talent needs through the use of workforce planning tools.

In the planning phase, most companies have ERP, but far fewer use workforce planning tools to predict future talent needs or have a dedicated talent management platform. All three indicators are positively and significantly related to company size, especially the use of ERP and the availability of a dedicated talent management platform.

In the attracting and sourcing phase, there is a predominant use of professional social networks, corporate websites, and general-purpose portals. On the other hand, a minority use general social networks and specific portals. The larger the size of the company, the higher the frequency of use of general-purpose portals and corporate websites, and most selection is done through social networks; while the use of specific portals, professional social networks, and general-purpose social networks does not significantly vary depending on the size of the company.

In the selection phase, more than 90% use at least one online test. The most frequent aspects are the use of specific selection platforms, skills tests, and remote video interviews. Language and skills tests show intermediate frequencies. Least frequent are the use of group dynamics and online business cases, or asynchronous video interviews. All these indicators are more significantly used, the larger the size of the company.

In the deploying phase, just over half of the companies use online onboarding systems, and almost half use specific platforms. Company size is significantly related to both indicators.

Different resources for the online development phase are used by approximately two thirds of the companies. The use of specific platforms for performance evaluation, training, and development is strongly associated with larger company size, in contrast to a smaller or non-significant relationship between company size and the other indicators of the developing phase.

In the rewarding phase, approximately 80% use corporate communication tools, regardless of the size of the company, or specific payroll and social security platforms, with some significant relationship observed with company size as to the latter.

3. Third research question: Are there any differences in the use of talent management platforms depending on company size?

Company size shows a positive association with a greater use of specific digital platforms at different stages of the employee lifecycle, as seen in Figure 6. Statistical significance was tested using the Spearman–Brown r -test. The results were as follows:

- The use of specific recruitment platforms is found in 64% of companies with up to 50 employees and reaches 91% among companies with more than 5000 employees. The increasing trend is statistically significant ($r = 0.239^{**}$), and progressive, except in companies with 251 to 500 employees, where the use of these platforms is the lowest of the series (56.3%), much lower than expected according to this progression.
- Onboarding platforms are used by 36% of smaller companies and 57.9% of larger companies. The low level of use of these platforms by companies with between 251 and 1000 employees is noted. The relationship is statistically significant ($r = 0.200^{**}$).
- A similar trend is found in the use of talent identification platforms ($r = 0.256^{**}$).
- Greater use of training and development platforms and performance appraisal platforms is significantly associated ($r = 0.393^{**}$ and $r = 0.401^{**}$, respectively) with larger company size. The use of training and development platforms increases in companies with 500 employees or more, while the use of performance evaluation platforms increases in companies with 1000 employees or more.
- A greater use of payroll and social security platforms is also less associated, and not significantly so ($r = 0.139^{*}$), with the size of the companies, highlighting high use in companies with between 501 and 1000 employees.
- The more frequent use of platforms for leaves and vacations is not significantly ($r = 0.028$) associated with company size. There are some increasing trends, but with some major irregularities.

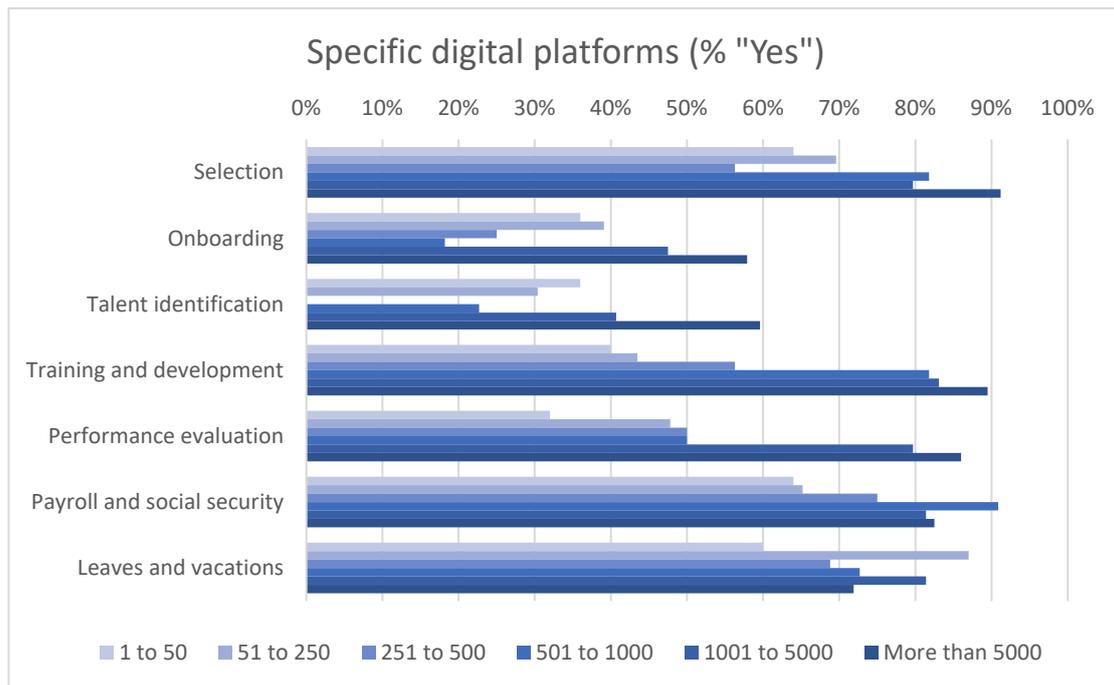


Figure 6. Use of specific talent management platforms, depending on company size. Source(s): Authors.

4. Fourth research question: Are there any differences in the use of social networks for attracting talent depending on company size?

There is a marked contrast between the use, by the vast majority, of professional social networks versus the minority use of specific portals and general-purpose social networks (see Figure 7). The use of corporate websites and general-purpose portals is related to larger company size ($r = 0.228^{**}$ and $r = 0.241^{**}$ respectively), in contrast to the use of specific portals, professional social networks, and general-purpose social networks, the use of which is not significantly associated with larger company size.

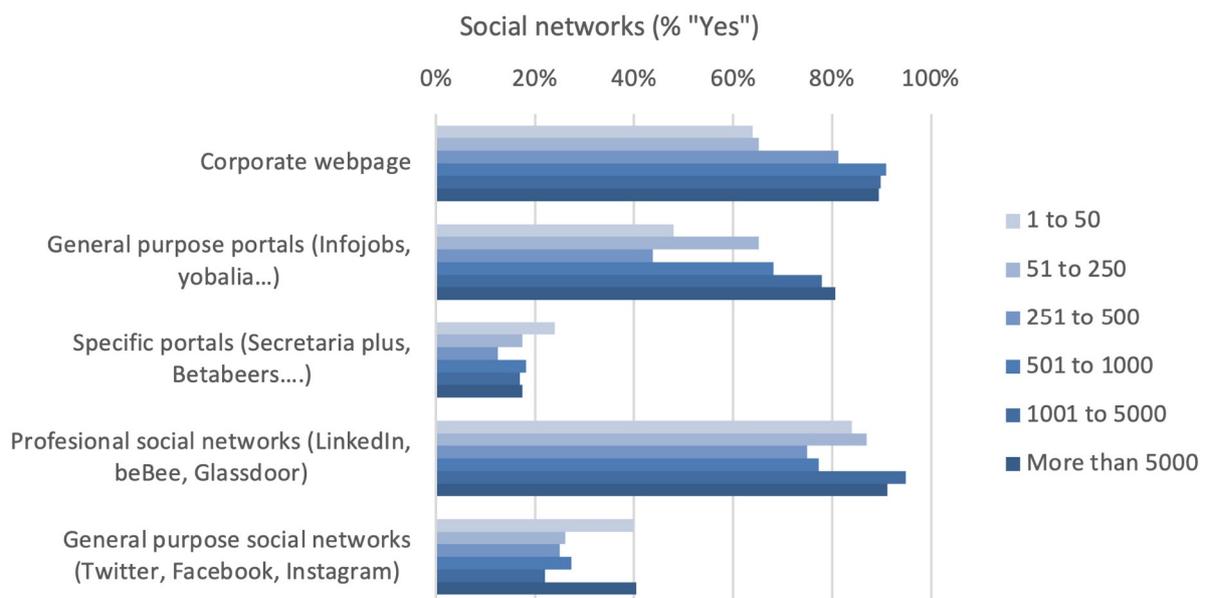


Figure 7. Use of social networks in attracting talent, according to company size. Source(s): Authors.

5. Discussion

This paper delves into the impact of digitalization on talent management processes in Spanish companies, with a specific emphasis on the influence of company size. Despite the perceived weak correlation between talent management processes and digitalization [33], Strohmeier and Kabst [34] (pp. 482–501) underscored the significance of company size as a key and consistent determinant in the progress of digitalization. Understanding how company size shapes the digitalization of talent management processes holds practical implications for organizations seeking to optimize strategies based on their size.

This circumstance, coupled with the lack of an available theoretical framework to quantify the extent of digitalization across different stages and varying company sizes in talent management processes, led us firstly to choose the Cascio and Boudreau model [24] (pp. 494–520) as a potential driver. Subsequently, we aimed to explore the relationship between the digitalization of talent management processes in Spanish companies and their respective sizes, segmented by stages of these processes.

This research aligns with the varying growth rates of organizational digitalization [10] and reveals similar findings regarding digitalization levels based on company size. The degree of the importance of company size in talent management digitalization serves as the foundational axis of this research.

The results indicate that company size may explain differences in talent management digitalization levels [20] (pp. 905–928). The research focuses on four specific correlations related to company size: (1) potential variations in digitalization levels, (2) digitalization across talent management phases, (3) differences in the use of talent management platforms, and 4) the utilization of social networks in the talent attraction phase.

The differences between the levels of digitalization of talent management ([37] (pp. 69–90); [38]) and the sizes of the companies show evidence of this, in terms of the differential factor that exists with respect to the size of the companies in the area that it represents. It is worth highlighting the differences, which are not excessive but are significant in terms of the nuances that exist in the sizes of the participating companies. The desire to digitize would be an expression of a willingness ([35] (pp. 186–212)) not only to grow but also to offer better services to its employees, and to create a way to transform the company [12] (pp. 122–291) and gain maturity.

The stages with higher levels of digitalization include the attracting, selecting, and rewarding phases. The study carried out by Williams et al. [40] (pp. 4136–4162) supports the idea that the use of digital resources in recruitment phases has increased and improves the reconfiguration of the roles and responsibilities of employees. In contrast, deploying and developing exhibit a lesser extent of digitalization, and planning, despite its strategic importance in anticipating and strategically planning key positions for the organization's immediate future based on challenges, plans, and future investments, shows even less digitalization.

The third research question aims to analyse the relationship between the use of talent management platforms and company size. The findings reveal a positive trend between the two, with a notable gap emerging between the largest and smallest companies. Large companies exhibit a robust corporate talent management structure supported by platforms across various phases, including attraction, onboarding, and compensation. The research of Krishnan and Scullion [41] (pp. 431–441) also shows the differences, as to the management of the talent life-cycle, among organizations, depending on their size. Additionally, the usage of platforms for training and development also shows a substantial difference between company sizes, indicating distinct patterns in this aspect.

Finally, the fourth question, which examines the use of the different social networks to attract talent and its correlation with company size, provides evidence on the use of company portals and the option of using more general search media. In the first case, corporate websites are mechanisms typical of large companies, and in the second case, they make it possible to reach the largest possible market of talent and to save costs: the greater the use, the better the prices. The use of dedicated portals and professional social networks

does not depend on the size of the company. Companies of any size can easily access these resources. Indeed, social networks are a central axis for the process of digitalization of companies, as enterprises need to adapt their measures and procedures to the new digital environment, which involves transformation as to strategic aspects [42] (pp. 53–82).

Two requirements constitute obstacles: the price for smaller companies, if they are using services of greater complexity, and also the greater reach to the profiles sought and the training of the people who use and exploit the possibilities of the networks used. Nevertheless, company size could influence the level of digitization of talent management, as larger companies often have greater financial resources and the organizational capacity to invest in digital technologies for talent management. In contrast, smaller companies may have limited budgets and workforces, making it difficult to prioritize and effectively implement digitalization efforts. In addition, the scale and complexity of talent management processes tend to increase with company size. Larger organizations tend to have more extensive recruitment pipelines, diverse workforce demographics, and complex performance management systems. Digitizing these diverse processes requires robust infra-structure, scalable solutions, and advanced analytics capabilities.

Understanding the impact of business size on talent management digitization can guide solution providers in developing tailored products and services. They can design scalable, modular platforms that address the different needs and resource constraints of organizations of different sizes.

Recognizing the impact of company size on digitization underlines the importance of strategic planning. Larger organizations may need to allocate significant resources and time to implement comprehensive digital solutions, while smaller organizations can focus on targeted initiatives that deliver immediate value.

Further research related to the findings mentioned in this paper could focus on the digitization strategies and challenges faced by small- and medium-sized companies in talent management and explore how smaller companies use digital technologies to compete with larger counterparts in attracting, developing, and retaining talent. Alternately, further research could even explore the role of social networks in talent attraction and recruitment processes, considering the specific preferences and behaviours of candidates and employers of different sizes.

6. Conclusions

The aim of this research was to determine whether greater digitalization in the talent management process is associated with company size. Talent management has evolved into a strategic commitment for organizations, fuelled by technology that breaks down physical barriers and facilitates the more efficient digitization of the talent management process [12] (pp. 122–291). Digitalization does not just improve internal management of enterprises, but also helps strengthen their competitive advantage in the market [43] (pp. 362–387). This gives an opportunity to create more sustainable business models that promote self-efficient resources and systematized project execution and operationalization [44] (pp. 124–144). Employees can also benefit from this new era, as the systematization of procedure can facilitate employees work on decision-making and productivity [45] (pp. 63–77). In other words, digitalization has direct and indirect benefits for the entity as well as for the employees, based on the areas of organizational learning, digital innovation, organizational agility, business ecosystems, and improvements in organizational structures [46] (pp. 341–362). Indeed, the analysis of this research reveals a prevailing trend towards increased digitalization in larger firms, particularly in the attracting, selecting, and rewarding phases. However, the deploying, developing, and planning phases exhibit varying degrees of digitalization, with larger companies showing a stronger association.

Specifically, in the selection and deploying phases, the use of specific platforms for performance evaluation and training is strongly associated with larger company size. Interestingly, in the rewarding phase, the use of digital tools does not significantly correspond with the size of the company. Furthermore, company size exhibits a positive association

with a higher utilization of specific digital platforms across various stages of the employee lifecycle. Notably, there is a stark contrast between the widespread use of professional social networks and the limited use of specific portals and general-purpose social networks. Specifically, the use of corporate websites and general-purpose portals is linked to larger company size. In contrast, the utilization of specific portals, professional social networks, and general-purpose social networks do not exhibit significant associations with larger company size. Overall, company size demonstrates a positive correlation with the utilization of specific digital platforms across various stages of the talent management process.

There are certain limitations to this research that should be noted. Firstly, the asymmetry of the respondent population, with a significant majority of companies with more than 500 employees representing 69% of the sample, could potentially distort the results and not accurately reflect the entire Spanish business landscape. Secondly, a more balanced representation of the different business sectors based in Spain could have facilitated a deeper exploration of the differences between these different business activities. Finally, this research could be affected by the influence of COVID-19, prompting companies to decide to invest in technology in the short term without a broader perspective. Nevertheless, it is important to stress that these asymmetries do not invalidate the results obtained; rather, they underline the trends observed and highlight the extent of the differences in talent management processes, which are influenced by company size.

Future research could focus on conducting a comparative analysis across industries to examine how the relationship between firm size and talent management digitalization varies. By examining industry-specific nuances, it should be possible to identify how factors such as regulatory frameworks, market dynamics, and organizational structures shape digitalization strategies differently across industries.

Study findings reveal that larger companies exhibit higher digital adoption in talent management. Recommendations include investing in digital tools, tailoring strategies to company size, and prioritizing strategic HR planning. Optimization of recruitment processes and performance management through digital platforms is essential. Fostering a culture of innovation and continuous monitoring of digital initiatives are key for success in the evolving digital landscape.

This research also contributes by demonstrating that if differences persist in the way talent management processes are handled in the future, companies may encounter challenges in effectively managing their talented personnel. In this way, organizations need to keep track on the incorporation of digital strategies in order to maintain their competitive status in the market, improving their internal efficiency, facilitating a better organizational learning ecosystem, and providing organizational agility through new digital resources.

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