

Talent Management & Strategy

Identifying Patterns through a Multiple Case Study

Annika Aarnio

Ellen Kimber

Supervisor: Jonas Söderlund



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Authors:
Annika Aarnio and Ellen Kimber

Advisor:
Jonas Söderlund

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ABSTRACT

Authors

Annika Aarnio and Ellen Kimber

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Background

Exploring the Talent Management literature to understand the importance of Talent Management to strategy and the role the view on talent plays in consideration to Talent Management.

Purpose

The purpose of this thesis is to increase the empirical research on Talent Management to enable a creation of a conceptual framework.

Methodology

A multiple case study approach was taken, as 11 companies from diverse industries, sizes, backgrounds etc. was studied in order to gain a broader picture on the research topic. Furthermore, qualitative data collection method was used and main source of empirical data was interviews conducted with HR professionals of each case company.

Findings

The empirical findings indicated there to be a relationship between the strategy and the view on talent. There was further an indication that this relationship has an effect on the focus of the Talent Management activities.

Keywords

Talent Management, Strategy, Talent, Approaches to Talent Management, Strategic Talent Management

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1 INTRODUCTION

"Having the most talented people in each of our businesses is the most important thing. If we don't, we lose."

(Jack Welch, chairman and CEO of GE 1981–2001)

Talent has been recognised as an important strategic resource by many organisations (Lawler, 2008; Wennberg, 2014) and Talent Management is considered as one of the most compelling challenges organisations face today and in the future (Deloitte, 2013; Dries, 2013; Thunnissen, Boselie & Fruytier, 2013; Cappelli & Keller, 2014). The "War for Talent"-discussion, initiated in the change of the 21st century by Michaels, Handfield-Jones and Axelrod (2001), first raised attention towards the increasing competition of talent. Since then, Talent Management has gained ground as a dominant Human Resource topic, not only among HR professionals but also among executives (Cascio & Aguinis, 2008; BCG, 2014; Thunnissen et al., 2013). The strong interest of practitioners has been the driving force of Talent Management but in recent years the interest has been growing quickly also among the academics (Thunnissen et al. 2013).

The focus on Talent Management is increasing because the business environment is changing, causing talent shortages, which in turn increase the competition of talent and thus has a major effect on organisations (Deloitte, 2013; Thunnissen et al., 2013; ManpowerGroup, 2015). Demographic changes, such as aging and increased diversity as well as increased mobility of the workforce due to globalisation are some of the reasons behind the emerging talent shortage (Schuler, Jackson & Tarique 2011; Stone & Deadrick, 2015). Furthermore, transformational changes in the business environment, such as the shift from product-based to knowledge-based economies and the need for employees to handle more complex work, affects the quantity, quality and characteristics of the talent required (Ashton & Morton, 2005; Schuler et al., 2011; Vaiman, Scullion & Collings, 2012).

McDonnell (2011) claims Talent Management to be one of the most important factors to organisations in achieving sustainable success. The failure to have the talent required can affect negatively to the competitiveness of the organisation (ManpowerGroup, 2015). Stemming from the resource-based view, talent can be understood as something valuable, rare, inimitable and non-substitutable, and enables the implementation of value creating strategies and achievement of sustainable competitive advantage (Barney, 1991; Sparrow & Makram, 2015). Thus, one of the most important tasks in organisations is to make sure to have the right people (PwC, 2015). Cappelli and Keller (2014) clarify that Talent Management implies having a set of established practices that aim at getting the right person in the right job at the right time. As Turner and Kalman (2014) claim, ultimately, it is the performance of employees that delivers the strategy and the talents in particular are vital for the organisation's continuous success. "It is the quality of talent throughout the organization that ultimately leads to the creation and effective execution of successful strategy" (Silzer & Dowell, 2010, p.3). Thus, Silzer and Dowell (2010) emphasise the strategic focus of Talent Management - it would be difficult for any organisation to gain success in the long-term, without having a close consideration on which kind of talent the organisation needs. Ashton and Morton (2005) further emphasise good Talent Management to be strategically important as it can differentiate the organisation from its competitors - talent can improve the strategy execution and operational excellence of an organisation.

1.1 Problem Description

Talent Management has become a key business activity in organisations and a critically important decision area for managers because of the prevalent talent shortages (Garrow & Hirsh, 2008; Collings & Mellahi, 2009; Sparrow & Makram, 2015). This entails that talent is understood as a scarce, strategic asset and a possible source for competitive advantage and differentiation (Lawler, 2008; Deloitte, 2013; Thunnissen et al., 2013; Wennberg, 2014; ManpowerGroup, 2015; Sparrow & Makram, 2015). Talent Management has become more than just one of the HR programs, and requires strategic focus on its own, as it is difficult for any organisation to gain success on the long-term without having a close consideration on which kind of talent the organisation needs (Silzer & Dowell, 2010; Armstrong, 2011; Corbridge & Omotayo, 2013, p.98; Bolander, Asplund & Werr, 2014; Turner & Kalman, 2014). A survey by ManpowerGroup in 2015 recognised Talent Management challenges to have gained global recognition, and failure to have the talent required can affect negatively to the competitiveness of the organisation. Furthermore, only a few, if any, organisations can claim to have an adequate supply of talent (McKinsey & Company, 2012). Furthermore, a study done in 2012 by the Chartered Institute of Personnel and Development (CIPD) also identified that a vast minority of organisations, only 6%, consider their Talent Management systems to be very effective. Hence, Al Ariss, Cascio and Paauwe (2014) claim that the importance of Talent Management is easily overlooked and capitalizing on the opportunity for strategic success is not realised, since simply having Talent Management does not necessarily mean that organisations are successful in managing their internal talent.

Thunnissen et al. (2013) state that despite the high interest of practitioners on Talent Management, the theoretical studies have not developed at the same pace. Bolander et al. (2014) argue that the strategic focus on Talent Management in specific is yet to have impact on practice because the lack of empirical studies on the field. Even though Collings, Scullion & Vaiman (2015) consider Talent Management as a research field to be moving towards the maturity phase, it is yet to gain credibility among academics. Many researchers argue that despite the attention on the topic of Talent Management, the lack of empirical research has led to lack of theoretical development (Collings & Mellahi, 2009; Silzer & Dowell, 2010; Thunnissen et al., 2013). Festing, Schäfer and Scullion (2013) conclude that Talent Management can be approached in different ways by different organisations, which is only a recently developed statement in the Talent Management literature, which in specific lacks empirical research. Meyers, van Woerkom and Dries (2013) clarify the lack of empirical evidence to stem from the conceptual ambiguities around talent, which need to be resolved in order to enable Talent Management to be more effective in practice. Thunnissen et al. (2013) state that there is a need to move away from the assumptions and hypotheses into understanding the realities of Talent Management. Bolander et al. (2014) has contributed to understanding Talent Management in practice and claim that the view on talent affects the way Talent Management is approached, concluding there to be three approaches to Talent Management, namely, Humanistic, Competitive and Entrepreneurial, which challenges the traditional elitist view on talent. However, the research is based on a rather limited sample.

Therefore, there is a need for more empirical research, as there is an apparent gap between practitioner and academic interests (Cappelli & Keller, 2014) as well as lack of empirical evidence on the existing conceptual models and ideas on the topic of Talent Management (Lewis &

Heckman, 2006; Dries, 2013; Bolander et al., 2014). Especially, the alignment of Talent Management and strategy does not have much theoretical research surrounding it, even though the strategic importance of Talent Management is emphasised by many researchers and practitioners in particular (Silzer & Dowell, 2010; Armstrong, 2011; Bolander et al., 2014; Turner & Kalman, 2014; ManpowerGroup, 2015).

Hence, this thesis embarks on adding on to the empirical research on Talent Management to not only bridge the gap between practitioners and academics but also to bridge the theoretical gap between Talent Management and strategy. As there are differences in how Talent Management can be approached in different organisations (Festing et al., 2013; Meyers et al., 2013; Bolander et al., 2014) a multiple case study approach is taken, as 11 companies from diverse industries, sizes, backgrounds etc. is studied in order to gain a broader picture on the research topic. Multiple case study approach allows a more of a holistic and reliable view of the topic to be derived, as it allows analysis of each case company individually but also allows the analysis to be done across the case companies (Baxter & Jack, 2008). Identifying similarities and differences is thus possible and pattern recognition can bring understanding to the different ways Talent Management is approached and aligned to strategy in organisations. Multiple case study also functions as a good basis for challenging the existing theoretical frameworks and ideas but even as the basis for creating new theoretical frameworks.

1.2 Purpose & Research Question

The purpose of this thesis is to increase the empirical research on Talent Management to enable a creation of a conceptual framework, through complementing and challenging the previous frameworks and ideas that have given insight on Talent Management. Further drawing upon the actual realities of Talent Management, this study is conducted with the ambition to identify patterns among a set of companies with Talent Management. Through recognising patterns of Talent Management this study can provide empirical findings of the concepts, and potentially drive the theoretical concepts further. Thus, the ultimate aim is to develop further the understanding around Talent Management, specifically the understanding of the alignment of Talent Management and strategy, as well as the effects strategy can have to the organisation's approach to Talent Management and the view on talent. Therefore, the research question of this thesis is formulated as follows:

Why are there differences or similarities in how organisations align Talent Management to fit the organisation's strategy?

Two sub questions are set to clarify the main research question:

Why are there different approaches to Talent Management?

What are the differences and similarities in how organisations align Talent Management to fit the organisation's strategy?

1.3 Significance of the Research

The contribution of this thesis is the additional empirical research on Talent Management and in particular increasing the understanding on the alignment of Talent Management and strategy.

Organisations are facing talent shortages and as talent can be a crucial differentiation factor in gaining competitive advantage, organisations cannot afford not to understand the importance of Talent Management. Therefore, the topic of Talent Management is of interest to practitioners as a strategic approach to Talent Management is argued to help to overcome the talent shortages and achieve competitive advantage. This thesis can thus contribute to the knowledge of top management and HR professionals, who are the main drivers of Talent Management in companies and should see it as more than just a management fad. Furthermore, the topic is not only ambiguous in the world of practitioners but also in the world of academics, where also the lack of research is apparent. Thus, the interest to grow the empirical research on the field is of academic interest in striving to develop more widely acknowledged theories. Further empirical research can even add value to research fields outside of the the field of Talent Management and advance the research on strategy, HR and management in general.

1.4 Delimitations

Recent research has further identified a need for empirical research on Talent Management particularly in other national and cultural contexts, which so far has been dominated by the US context (Festing et al., 2013; Thunnissen et al., 2013; Bolander et al., 2014). Hence, this thesis will narrow the scope of the research to the Nordic context. The decision to choose the Nordic context was based on its feasibility. However, more support for the interest to study the Nordic area can be gained from the research of Bolander et al. (2014), which researched on the Swedish context but only relies on fairly narrow empirics and thus suggests further research on the national and cultural context and its impact on Talent Management ideals and practices. This delimitation of the scope of the thesis allows the development of better understanding of how Talent Management is developed outside of the US context and additionally grow the field of research in the European context, which Collings, Scullion and Vaiman (2011) state to have only recently started to gain ground in the empirical research of Talent Management.

1.5 Outline of the Thesis

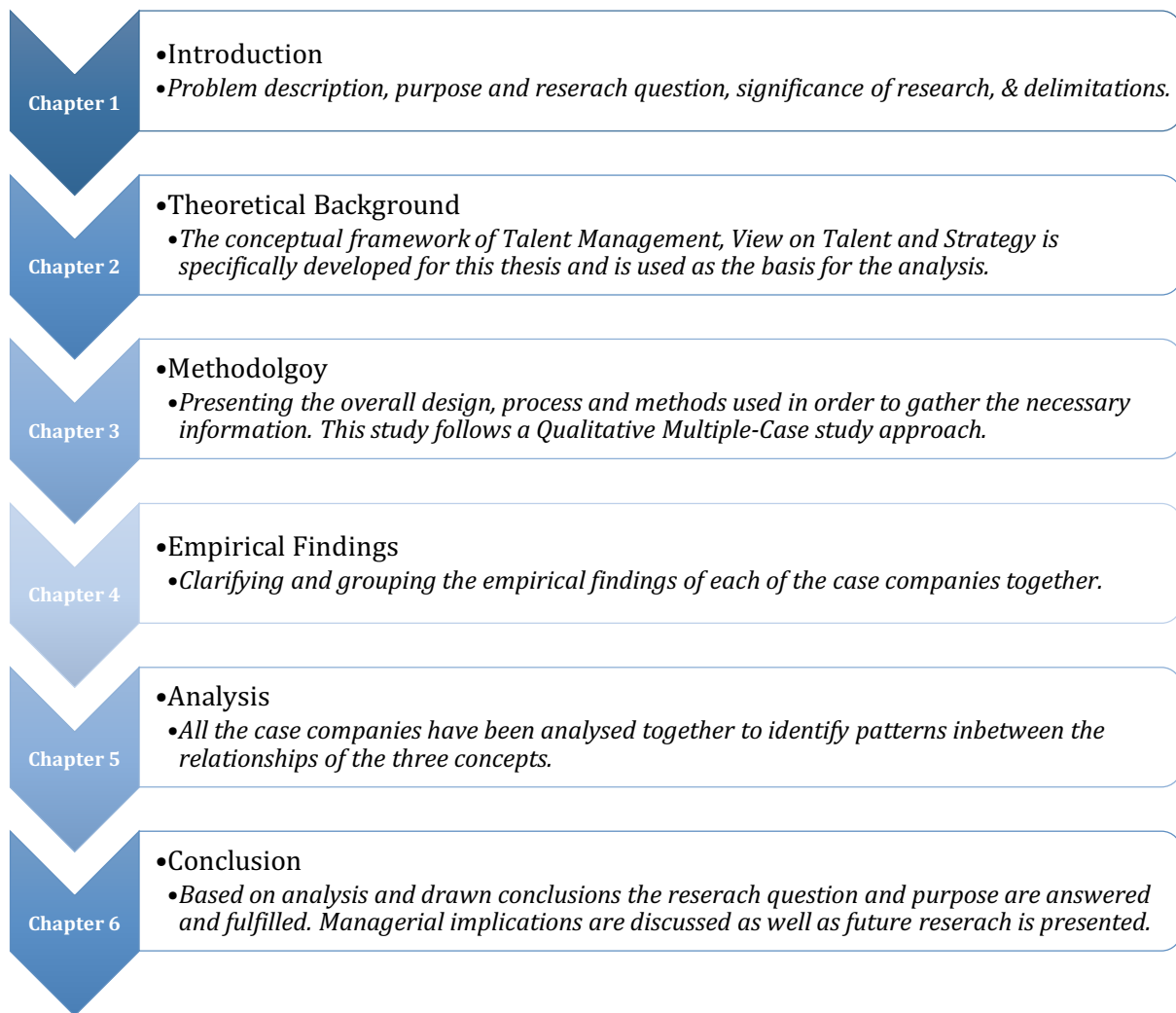


Figure 1. Outline of the thesis.

2 THEORETICAL BACKGROUND

This chapter of the thesis presents the relevant theoretical framework to clarify and support the topic of this thesis. First, the concepts of Talent Management and talent are explained, as there are ambiguities around these concepts, previous research and frameworks are presented to give an overview of the concepts. The alignment of Talent Management and strategy is further explained. These concepts are the foundation for the development of a conceptual framework presented at the end of this chapter. This framework is specifically developed for the purpose of this thesis and is later on used as the basis for the analysis.

2.1 Talent Management

The concept of Talent Management suffers from both theoretical and practical limitations, as the terminology does not have stable and clear theoretical support in the existing literature (e.g. Lewis & Heckman, 2006; Dries, 2013; Thunnissen et al., 2013; Bolander et al., 2014; Sparrow, Scullion & Tarique, 2014). Throughout the research of previous literature, the definitions of Talent Management vary, for most part the differences are on the understanding of how broadly Talent Management is defined. Lewis and Heckman (2006) identified three streams of understanding what Talent Management is. The first stream explains Talent Management as a substitute for Human Resources, the second through a focus on the development of talent pools, and third explains Talent Management as management of talents, i.e. employee performance (ibid.). Collings and Mellahi (2009) add a fourth stream to this list, which emphasises the identification of key positions, thus the focus is on positions rather than talented individuals.

As there is much ambiguity around the definition of Talent Management, Dries (2013) argues this to leave room for “interpretative flexibility”, which can result in inconsistencies between the organisation’s intentions and practice. Furthermore, Bolander et al. (2014) argue there to be an evident lack of rigorous research that would pay more close attention to the actual organizational practices to carry out Talent Management activities. Therefore, following the third stream identified by Lewis and Heckman (2006), and outlining a definition of Talent Management this thesis follows, Cappelli and Keller (2014) clarify that Talent Management implies having a set of established practices that aim at getting the right person in the right job at the right time. To support this, many researchers have adopted a similar way of defining Talent Management as a type of process or a set of systematic activities (e.g. Ashton & Morton, 2005; Silzer & Dowell, 2010; Armstrong, 2011; Bethke-Langenegger, Mahler & Staffelbach, 2011; Dessler, 2013, p.130; Meyers & van Woerkom, 2014; Sparrow et al., 2014). For example, Meyers and van Woerkom (2014) define Talent Management as “the systematic utilization of Human Resource Management (HRM) activities to attract, identify, develop, and retain individuals who are considered to be ‘talented’” (p.192). However, the practices can be outlined in various ways, as can be the definition of ‘talented’ (Cappelli & Keller, 2014; Meyers & van Woerkom, 2014), which will be explained more in detail in section 2.2 View on Talent.

2.1.1 Talent Management Practices and Processes

Talent Management literature has been known to emphasise the *best practice approach*, which entails exemplifying certain practices that are considered successful and thus should be followed (Stahl, Björkman, Farndale, Morris, Paauwe, Stiles, Trevor & Wright, 2012). However, more recent

research shows that there should rather be a *best fit approach*, which demands a more context specific approach to designing these Talent Management practices (Pfeffer, 2001; Boudreau & Ramstad, 2005; Collings & Mellahi, 2009; Sparrow, Hird & Balain, 2011; Vaiman et al., 2012; Dries, 2013; Festing et al., 2013; Bolander et al., 2014). “Practices are only ‘best’ in the context for which they were designed” (Stahl et al., 2012, p.26). Albeit, the most dominant practices in Talent Management can be identified to be related to identification, recruitment, training and development, staffing and succession planning and retention management of talents (Dries & Pepermans, 2008; Collings & Mellahi, 2009; Armstrong, 2011; Stahl et al., 2012; Thunnissen et al., 2013; Bolander et al., 2014). However, Sparrow et al. (2014) argue that formulating Talent Management systems can be challenging since there are many options on how to combine different policies and practices available. As Garrow and Hirsh (2008) emphasise, Talent Management is a matter of best fit, i.e. fit with strategic objectives, organizational culture, other HR practices and policies, and organizational capacity.

To gain a better understanding of what type of practices are available regarding Talent Management, Stahl et al. (2012) present some important elements, i.e. best principles a successful Talent Management process should include. Thus, a successful Talent Management should have its main focus on elements such as recruitment, staffing and succession planning, training and development, and retention management (ibid.). According Dries and Pepermans (2008), the four main aspects of Talent Management are identification, training and development, succession planning, and retention management. Hence, combining these two perspectives to gain a broader understanding, the most dominant practices in Talent Management can be concluded to be identification, recruitment, training and development, staffing and succession planning and retention management (Dries & Pepermans, 2008; Stahl et al., 2012). This is to argue that Talent Management is a system or a set of practices and activities that are complete and interrelated (Thunnissen et al., 2013). Thus, the exemplification of certain practices is to be understood as a guiding principle as Stahl et al. (2012) stated, not only as simply descriptive of practices based on previously found success stories, as Sparrow et al. (2014) on the contrary emphasise. *Best practices approach*, such as this would entail practices that can be copied and duplicated and thus can cause challenges for organizations and steer away from being strategically important differentiation factor for organisations (Ashton & Morton, 2005; Stahl et al., 2012). Cappelli and Keller (2014) thus emphasise Talent Management to imply having a set of established practices aiming at getting the right person in the right job at the right time.

2.2 View on Talent

To be able to fully understand the definition of Talent Management, it is necessary also to understand the way talent is characterised (Dries, 2013; Bolander et al., 2014). Huselid, Becker and Beatty (2009, p.7) refer to talent as a strategic asset since it represents something that is valuable, rare, inimitable and non-substitutable, and enables the implementation of value creating strategies and achievement of sustainable competitive advantage. Even though, this definition gives a basis for understanding how talent can be perceived from the resource-based view, Bolander et al. (2014) argue that the nature of talent is not as self evident as the aforementioned characteristics entail and varies widely in the Talent Management literature. Gallardo-Gallardo, Dries and González-Cruz (2013) claim that in many previous studies, talent is only recognised as an underlying construct, i.e. taken for granted and not explicitly defined. Ulrich (2011) further

states that talent can mean whatever the academic researcher or a business practitioner wants it to mean. Table 1 below exemplifies the discrepancies and variance in the definitions of talent within the academic literature.

Table 1. Definition of talent.

| Source | Definition of talent |
|----------------------------------|--|
| Lewis & Heckman (2006) | talent can be an euphemism for people (p.141) |
| Silzer & Dowell, 2010) | “(…) in some cases, ‘the talent’ might refer to the entire employee population.” (p.14) |
| | “In groups talent can refer to a pool of employees who are exceptional in their skills and abilities either in a specific technical area (such as software graphics skills) or a competency (such a consumer marketing talent), or a more general area (such as general managers or high-potential talent). And in some cases, “the talent” might refer to the entire employee population.” (pp.13-14) |
| | “An individual's skills and abilities (talents) and what the person is capable of doing or contributing to the organization.” (p.14) |
| Bethke-Langenegger et al. (2011) | “explicitly on those persons who have the potential to provide competitive advantage for a company“ (p.527) |
| Cheese et al. (2008) | “Essentially, talent means the total of all the experience, knowledge, skills, and behaviours that a person has and brings to work.” (p.46) |
| Stahl et al. (2007) | “a select group of employees – those that rank at the top in terms of capability and performance – rather than the entire workforce”. (p.4) |
| Capelli & Keller (2014) | “talent” as those individuals who currently or have the potential to differentially contribute to firm performance by occupying strategic jobs” (p.309) |
| Sparrow and Makram (2015) | something that is resided in the unique set of knowledge, capabilities, contributions, commitment, skills, competencies and abilities of a person |
| Bolander et al. (2014) | those employees who are considered important for organizational performance. |
| Tansley et al. (2007) | Talent consists of those individuals who can make a difference to organizational performance, either through their immediate contribution or in the longer-term by demonstrating the highest levels of potential.” (p. 8) |
| Ulrich (2007) | “Talent equals competence [able to do the job] times commitment [willing to do the job] times contribution [finding meaning and purpose in their work]” (p. 3) |

From the different discussions regarding talent, Dries (2013) identifies five main tensions for understanding talent in the current literature. These are *object versus subject*, *inclusive versus exclusive*, *innate versus acquired*, *input versus output* and *transferable versus context dependent* (ibid.). These tensions are considered as choices on a continuum, meaning that the view on talent is not necessarily either or question between the tensions, as companies tend to have a view on talent that combines these tensions in different ways (Sparrow et al., 2011; Stahl et al., 2012; Dries, 2013).

Object versus subject perspective refers to the discussion about who is talent (Dries, 2013). Gallardo-Gallardo et al. (2013) have been researching this tension more specifically and identify these to be the two main dimensions of how talent can be viewed. *Object perspective* refers to the characteristics of people, considering for example their natural abilities, commitment or fit as talent, whereas *subject perspective* refers to talent as people (ibid.). Dries (2013) states that this distinction in practice is difficult to make since characteristics of a person cannot be independent from the person as a whole. On the same note, Bolander et al. (2014) found there to be a *subject perspective* in all of the discovered approaches to Talent Management.

Gallardo-Gallardo et al. (2013) and Thunnissen et al. (2013) clarify the subject approach to further include the second tension of Dries (2013), *inclusive versus exclusive perspective*. The second tension on *inclusive versus exclusive perspective* stems from the discussion of how prevalent talent is in the population, for example the organisation (ibid.). The *inclusive versus exclusive tension* is claimed to be the main debate on the view on talent (Lewis & Heckman, 2006; Tansley, 2011). *Inclusive perspective* has a focus on all the employees as talents, whereas the *exclusive perspective* has a focus only on a selected group of employees (Thunnissen et al., 2013). Lewis and Heckman (2006) exemplify the *exclusive approach* to be about classifying employees based on their performance. Malik and Singh (2014) further explain that organisations can implement so called “high potential” (HiPo) programs to identify, develop and retain the most talented employees, i.e. a small group of employees. This is the basis for workforce differentiation that drives the *exclusive approach*. However, this approach is criticised for not taking into consideration those employees who are not in the group of the talented employees. Thus, the *inclusive approach* emphasises that the role of the HR function should be to manage everyone to reach high performance and hence to be regarded as talents. (Cappelli & Keller, 2014; Malik & Singh, 2014) According to Sparrow et al. (2011), the *exclusive perspective* seems to be more prominent, although Stahl et al. (2012) argue the combination of both approaches to be used more in particular in the global Talent Management context because it allows to consider differentiation and avoids issues of whether some employees are more valuable than others.

Innate versus acquired perspective is the third tension and debates on whether talent is something that can be learned or taught, embarking on the nature-nurture debate. *Innate perspective* understands talent to be within individuals and thus focuses on the selection and identification of talent, whereas the *acquired perspective* focuses on the development of talent as it is considered to be something that can be learned or taught. (Dries, 2013) Meyers et al. (2013) have studied this tension more in detail and suggest that when deciding on this perspective, there should be a consideration on the type of talent that is needed, prior experiences, the labour market supply of talent, labour market regulations, as well as certain strategic considerations should be noted.

Furthermore, Tansley (2011) found this tension to be culture dependent, as the linguistic comparison of talent shows differences in how the term is perceived.

The fourth tension on *input versus output perspectives* entails the question of whether talent is more about ability or motivation (Dries, 2013). “Input perspectives on talent imply a focus on effort, motivation, ambition, and career orientation in assessments of talent. Output perspectives on talent, on the other hand, imply an assessment focus on output, performance, achievements, and results.” (ibid., p.280) Ability, i.e. the output, tends to be the sole focus in most organisations (Church & Rotolo, 2013), and motivation aspect is yet to gain appreciation in the Talent Management research and practices (Dries, 2013). However, motivation should be valued more as achievements attributed to motivation are valued more (at least within employees themselves) and motivation is an important part of avoiding employees or even leaders to be derailed from their high potential talent statuses (ibid.).

Last, *transferable versus context-dependent perspective* on talent refers to the discussion surrounding the extent to which talent emerges regardless of the context, i.e. to what extent can talent be transferred without it losing its quality or whether it only emerges in a certain context. This approach is closely linked to the decisions organisations make on internal and external recruitment. (Dries, 2013) There are not much research yet done on this particular tension identified by Dries (2013), however, the *best fit approach* discussed by many researchers and the context-specific studies conducted by Bolander et al. (2014), Festing et al. (2013), Meyers et al. (2013), among others, seem to emphasise the importance of the specific context. Again, these tensions can be understood as part of a continuum and one extreme over the other is not necessarily the ultimate view on talent (Dries, 2013).

Dries (2013) stresses that these perspectives and tensions are not fully independent from each other. Bolander et al. (2014) claim that previous frameworks and typologies surrounding Talent Management often have an unbalanced emphasis on one aspect over the other, which can result in obscuring the realities of the diverse ways of viewing talent in practice. Furthermore, Boudreau and Ramstad (2005) claim that no single perspective on talent can be objectively stated to be the best. Garrow and Hirsh (2008) state Talent Management to be about the best fit. Tansley (2011) further claims that talent is specific to an organisation, as the definition is influenced by the industry and the nature of the internal work dynamic. Thus, Dries (2013), alongside majority of the more current researchers, emphasise yet again the *best fit approach* and leave to define talent in more detail. Based on the argumentation above, the view on talent in this thesis will be determined on a somewhat general level, in accordance with Huselid et al. (2009, p.7), referring to talent as a strategic asset, representing something valuable, rare, inimitable and non-substitutable, and enables the implementation of value creating strategies and achievement of sustainable competitive advantage. A more specific definition is not feasible for this thesis because a more narrow and simplistic view on talent would constrain the aspects of Talent Management and thus restrict further discussions and analysis.

2.3 Approaches to Talent Management

The discussion in the previous section about the different views on talent is important, as it has implications on how Talent Management is approached (Festing et al., 2013; Meyers et al., 2013; Bolander et al., 2014) Bolander et al. (2014) clarifies that quite recently, it has been emphasised

in the academic research that Talent Management can be approached in different ways by different organisations. Festing et al. (2013) found that the differences can stem from the intensity of Talent Management initiatives. However, Bolander et al. (2014) found there to be more reasons why Talent Management looks so different in different organisations. These reasons relate to the orientation and focus of the Talent Management activities present. Therefore, Dries (2013) argues that the organisation's position in the continuum of the different tensions mentioned earlier has implications for the design on the Talent Management practices decided to be conducted in the respective organisation. Meyers et al. (2013) further state that this entails variations in the emphasis organisations have on the specific Talent Management practices. For instance, Dries (2013) exemplifies this by questioning whether the focus of Talent Management is highly placed on the identification of talents or rather on the development activities. Reflecting back on the *best fit approach*, different approaches to Talent Management can be equally feasible and can differ in many ways, no one approach is better than the other and each has its own advantages and disadvantages (ibid.).

However, the ambiguity around Talent Management is still apparent and Gallardo-Gallardo et al. (2013) claim the ongoing confusion about the meaning of talent in particular to be a hinder for the further development of more widely acknowledged Talent Management theories and practices. Bolander et al. (2014) embarked on bringing clarification to the view on talent and its impact to the approach Talent Management takes. The framework findings integrate theoretical insights from various stems of research, and can be used as a conceptual framework for identifying Talent Management types across organisations. Furthermore, the companies were Swedish, as opposed to the many US-based research done before, which enabled them to give a broader perspective on the view on talent as it was not contained by the more individualistic oriented culture of the US but considered in a more collectivistic culture, bringing new perspective on the view on talent (ibid.). As mentioned before, this contributes to the understanding that nature of talent can vary between different organisations (Festing et al., 2013; Meyers et al., 2013; Bolander et al., 2014). Bolander et al. (2014) developed three approaches to Talent Management, namely *humanistic approach*, *competitive approach* and *entrepreneurial approach*. The view on talent in each of these approaches is based on the five tensions identified by Dries (2013) and the findings exemplify how these tensions on the nature of talent affects the construct of Talent Management (Bolander et al., 2014).

Humanistic approach considers each employee to have some kind of talent, as a result all employees are viewed as talented. Certain top performers possess a particular talent but other employees are considered to have some other types of talent. The *humanistic approach* is characterised by the idea that talent is developable rather than innate. Ability is part of talent, however, the interests and desires of the individual are more important. For instance, talent is seen as context-dependent to the extent that where a person is underperforming in one part of the organisation, that person might still be recognized as a talent in another setting. Organisations with a *humanistic approach* prioritize the effort of "making" talent, as outside talent recruitment can send a message that current employees are not good enough. Thus, development opportunities are extended to all employees regardless of professional background. In order to identify talent, regular talent reviews are conducted with the purpose to find the right placement for employees within the organisation. Through talking to people, assessments are made based on a holistic view on talent rather than through some explicit criteria. These assessments are

conducted informally and are usually subjective, career paths are loosely defined and organised around the interests and desires of the individual. Once an employee has communicated how he/she wants to develop, it is then expected that management facilitates the development opportunities. (Bolander et al., 2014)

Competitive approach on the contrary identifies that only some of the employees hold abilities that outline them as talents. This identification sets them apart from their colleagues and thus is an important difference to pay attention to. This can be considered as an *exclusive approach*, as it identifies a small group of employees as “stars”, whose excellent performance and high potential set them apart from other employees. This approach further considers each employee to have an inborn capacity to reach a certain organisational level. Whereas ability and focus on past performance is seen as talent. According to these types of organisations a talent will be a talent regardless where placed, and there is a strong sense of competition for talent amongst those employers who support this type of view. Thereby, employers focus more on “buying” talent than “making” talent, in regards to “buying” talent, it is more common to have the lookout for hiring the best talent. The principal practice of the competitive approach is the talent identification process, more specifically identifying the talented few and admitting them to talent pools. All employees are placed and considered in a grid with axes of performance and potential. The axe of performance evaluates the progress of the current role and potential axe reflects the readiness for promotion and likeliness to succeed. Talent development within *competitive approach* is mainly program-based, by thus employees are nominated to exclusive programs designed to follow a clearly defined career path for leaders, specialists and project leaders. Employees in these types of programs are expected to advance vertically, implying high investments of time and energy from the organisation's side. It is notable within the *competitive approach* that talent is transferable and presumably these organisations seek the same talents as their competitors. (Bolander et al., 2014)

Entrepreneurial approach emphasises the ambition and performance of employees rather than mere ability when defining talent. Therefore, talented employees who require attention are the ones that show interest in seeking new challenges, and past performance or any specific skill is not considered as highly. This approach is distinguished by the opportunities provided to talents in order to prove themselves. It holds a particular inclusive view on talent, claiming however, that not all employees are talents but still have the potential to become talents. Talent is developed from within by the offering of a wide range of missions and challenges. This approach derives from the idea that talent is developed from practical experience rather than programs or talent pool activities. Talent identification is rather simple and informal, initiatives for development come from the employee directly, whereas the organisation responds with an opportunity allowing the employee to prove themselves. (Bolander et al., 2014)

Table 2. Summary of the Talent Management approaches (derived from Bolander et al., 2014).

| | Humanistic | Competitive | Entrepreneurial |
|--|-------------------|--------------------|---|
| View on talent | | | |
| 1. Object versus subject | Subject | Subject | Subject |
| 2. Inclusive versus exclusive | Inclusive | Exclusive | Inclusive |
| 3. Innate versus acquired | Acquired | Innate | Acquired |
| 4. Input versus output | Input and output | Output | Input |
| 5. Transferable versus context-dependent | Context-dependent | Transferable | Context-dependent |
| Principal practice | Developing talent | Identifying talent | Career management and succession planning |

2.4 Strategy and Talent Management

The implication of the acclaimed *best fit approach* requires organisations to understand their current position in regard to the management of talent in order to succeed with their Talent Management approach (Garrow & Hirsh, 2008; Silzer & Dowell, 2010; Corbridge & Omotayo 2012, p.98; Dries, 2013) Therefore, Armstrong (2011) clarifies Talent Management to have a strategic aspect to it because the development of Talent Management activities involves the understanding of the organisation’s strategic position, making future-oriented strategic choices and actually enabling strategy to be turned into action.

Ultimately, “strategy is about achieving success”, as Grant (2013, p.3) claims. Therefore, strategy is more than just making plans and setting objectives, it is about bringing the plans to action and implementing the strategy in order for it to become an operating reality (Armstrong, 2011; King & Glowinkowski, 2014, p.67; Favaro, 2015). King and Glowinkowski (2014, p.68) argue that strategy is about best allocating scarce resources to achieve sustainable competitive advantage. The theory of the resource-based view has provided attention to the importance of the internal resources, capabilities and competencies (Wright, Dunford & Snell, 2001). Prahalad and Hamel (1990) state that resources and capabilities are the foundation for an organisation’s strategy. The resource-based view is considered to bring a more reliable source of competitive advantage than the focus on the external environment could bring, i.e. having a market-based view on strategy. Identifying the unique strengths of an organisation provides a basis for selecting a strategy that exploits the key resource and capabilities of an organization. (Grant, 2013, p.105) Thus, organisations can outperform and differentiate themselves from competitors and that way

generate competitive advantage by letting these differences guide their strategic designs (Grant, 2013, p.12; King & Glowinkowski, 2014, p.63).

Even though Talent Management as a concept has only emerged in the academic literature quite recently, the theory of the resource-based view (RBV) has previously provided attention to the strategic importance of the internal resources, capabilities and competencies in general (Wright et al., 2001). The literature on Strategic Human Resource Management (SHRM) has further provided support to the strategic importance and pointed out the potential of human resources to be a source of sustainable competitive advantage (Schuler & Jackson, 1987; Becker & Huselid, 2006; Lawler & Boudreau, 2012; Ulrich & Dulebohn, 2015). HRM becomes strategic when the integrated HR strategies, policies and practices are set to guide the human resources towards achieving the organisational objectives (Armstrong, 2011). As Lawler and Boudreau (2012) argue, setting and implementing strategy requires to consider the internal human resources in order to create capabilities that support the strategic direction. Ultimately, it is the performance of employees that delivers the strategy of an organisation (Turner & Kalman, 2014). Silzer and Dowell (2010) argue as far as that “having the right people comes before having the right strategies” (p.3). It is the individuals of an organisation who are required to be productive and align their behaviour as well as have the required expertise and knowledge to support the strategy because organisations need to have the right capabilities (Wright et al., 2001; Ulrich & Dulebohn, 2015). Scarbrough (2003) claims that organisations that are able to effectively manage and exploit the knowledge and expertise of individuals can create more value and achieve superior competitive advantage.

Human resources can be considered to have become a valuable source of competitive advantage, even more so than before, as organisations are identifying challenges with the arising talent shortage (Cheese et al., 2008; Schuler et al., 2011; ManpowerGroup, 2015; Stone & Deadrick, 2015). Thus, Cheese et al. (2008) argue that the competitive advantage is tied more specifically to the capabilities of the talented individuals of the organisation. Sparrow and Makram (2015) clarify that talent resources are strategic assets that have the potential to create and capture value and execute business strategies. “Align talent with your strategy to win.” (PwC, 2015) Cheese et al. (2008) state that building and nurturing the specific capabilities of talents, can allow the organisations to tap into the unique contributions of their employees. The focus on talent is particularly important for organisations that operate in knowledge-intensive industries, i.e. where the knowledge and skills of employees is the primary source of competitive advantage (ibid.).

2.4.1 Strategic Talent Management

Strategic Talent Management is derived from the Strategic Human Resource Management (SHRM) literature (Collings & Mellahi, 2009) and thus it can be understood as part of strategic management processes (Silzer & Dowell, 2010; Armstrong, 2011). Silzer and Dowell (2010) claim that Talent Management has become more than just one of the HR programs, and requires strategic focus on its own, as it is difficult for any organisation to gain success on the long-term without having a close consideration on which kind of talent the organisation needs. Al Ariss et al. (2014) claim that simply having Talent Management does not necessarily mean that organisations are successful in managing their internal talent. The importance of Talent Management is easily overlooked and capitalizing on the opportunity for strategic success is not realised. The executives

have the key role in building and sustaining talent, and the management of talent should be done in the light of the strategic needs and opportunities. (ibid.)

Armstrong (2011) clarifies Talent Management to have a strategic aspect to it, as it should be aligned to the strategic intent of an organisation. Furthermore, as the *best fit approach* entails, there is a need for organisations to understand their current position to succeed with their Talent Management approach (Silzer & Dowell, 2010; Corbridge & Omotayo 2013, p.98). Therefore, talent has to be managed in the consideration of the organisation-specific strategy and more so Talent Management has to be approached in the light of the organisation's strategic capabilities, which are linked to the strategy, structure, culture and execution of Talent Management (Al Ariss et al., 2014). When Talent Management is aligned with corporate strategy, positive impacts on business outcomes are reported (Becker & Huselid, 2010; Silzer & Dowell, 2010; Bethke-Langenegger et al., 2011). However, generally the connection between the implementation of Talent Management practices and the impact on business results is difficult to prove due to other imposing variables that can affect the outcome (Bethke-Langenegger et al., 2011; Festing et al., 2013).

Sparrow et al. (2014) state that a Talent Management strategy refers to a specific configuration or a range of configurations of policies and practices within the Talent Management system. Stahl et al. (2012) argue these practices to provide a source of sustainable competitive advantage only if they are aligned closely with all elements of the HR system, link to the business strategy, and are embedded in the leadership philosophy and value system of the organisation. However, Festing et al. (2013) identify the difficulty to measure the payoff from Talent Management activities, further to emphasise that Talent Management activities tend to play out only after several years. Moreover, business needs evolve quickly, which build constraints to Talent Management solutions to keep up with the changes, emphasising the short-term focus. Systematic tools for Talent Management can also be costly, difficult to use as well as timely to maintain and implement (Anders, 2010; Oracle, 2013). This can derail the strategic focus of Talent Management, especially if the organisation has a short-term focus on performance, not supporting the long-term Talent Management strategy (Corbridge & Omotayo, 2013, p.98). In order to avoid this, for example, investments and interventions should be followed up on a more central level and relevant measures should be collected and further analysed to interpret the success of Talent Management in the light of the integrated strategic framework (Boudreau & Ramstad, 2005).

Boudreau and Ramstad (2005) claim that to realise the strategic importance of Talent Management, it should be made explicit. Furthermore, Talent Management should be considered as a positive process, which can meet the needs of the organisation but also the needs of the individuals (Garrow & Hirsh, 2008). If Talent Management is explicit and is understood as a positive process throughout the organisation, an organisation-wide talent mindset can be created, which then can increase the commitment and motivation of the talents (Bethke-Langenegger et al., 2011). Talent Management can work as the foundation for building cultures and systems that bring out the best in everyone, as too individualistic focus can be a disadvantage as the employees outside of the talent pool can feel disengaged and the full potential of the employees might not be reached (Pfeffer, 2001; Corbridge & Omotayo, 2013, p.98). Furthermore, some organisations consider the strategic importance of Talent Management to be related to the executive management level and that those positions are secured by continuous succession plans, whereas

some organisations see the strategic value in all of the workforce (Turner & Kalman, 2014). This remark that different organisations approach Talent Management in different ways can be related to the Talent Management approaches identified by Bolander et al. (2014) presented in section 2.3 Approaches to Talent Management. However, the ambiguities around Talent Management and talent brings about challenges if the managers and HR professionals have not clearly decided what they are looking for and employees are not fully aware of what they should aspire towards (Anders, 2010; Gallardo-Gallardo et al., 2013), undermining the possible benefits of Talent Management as a value adding SHRM process (Garrow & Hirsh, 2008).

2.4.2 Maturity of Talent Management

Festing et al. (2013) argues that Talent Management tends to play out after several years and other authors such as Silzer and Dowell (2010) and Bethke-Langenegger et al. (2011) claim that positive impacts on business outcomes are reported only when Talent Management is aligned with corporate strategy. Corbridge and Omotayo (2013, p.98) have created a table to clarify the level of strategic alignment of Talent Management and to discuss the level of maturity of Talent Management in organisations (see Table 3 below). It illustrates the strategic emphasis Talent Management has and how systematic the actual Talent Management activities are in relation to strategy. Five levels can be identified: Level 1 refers to organisations where there is no Talent Management strategies and level 5 comprises of the organisations where Talent Management informs and is informed by the corporate strategy. (ibid.) Table 3 below explains the different levels more in detail.

Table 3. Maturity levels of Talent Management (Corbridge & Omotayo, 2013, p.98).

| Level of Maturity | Description |
|--------------------------|---|
| Level 1 | No Talent Management strategies, policies or formally developed practices. However, there may be management of talent informally or incidentally. |
| Level 2 | Isolated, tactical or local pockets of Talent Management activities but with no overall strategy or plans for Talent Management. |
| Level 3 | Integrated and coordinated Talent Management activities for a segment of the organisation. |
| Level 4 | Talent Management strategy defined to deliver corporate and HR management strategies. Formal Talent Management initiatives linked horizontally to HR management and vertically to corporate strategy-making process. |
| Level 5 | Talent Management strategy informs and is informed by corporate strategy. Individual pooled talent is understood and is taken into consideration in the strategic process. Analysing the organisation in this way will enable an assessment to be made and a strategy developed, which acknowledges the starting point. |

2.5 Summary and Framework for the Main Concepts

In order to make a more explicit connection of the different concepts of the theoretical background, a framework is established to clarify the connections and to summarise the main concepts of the theoretical background. The main concepts are considered as Talent Management, view on talent and strategy, which are illustrated in the Figure 2 below. These concepts are interlinked and the full understanding of the connections are crucial for the topic of this study.

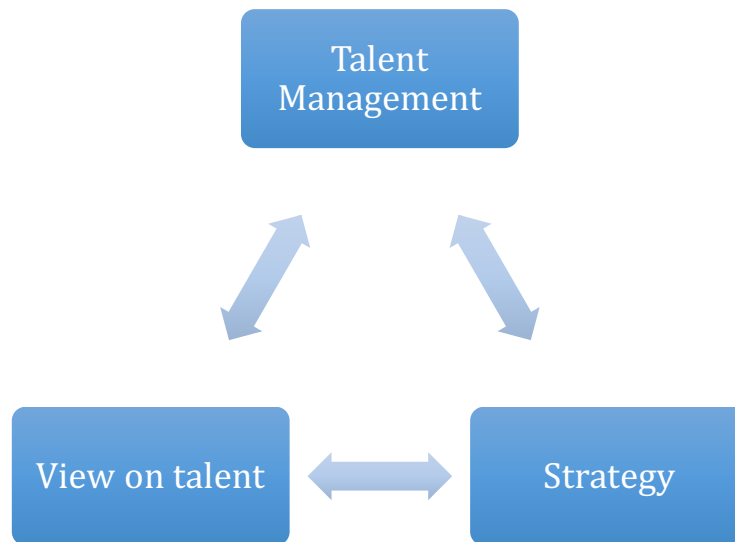


Figure 2. Talent Management relationship framework.

The theoretical background section started first with defining Talent Management as having a set of established practices that aim at getting the right person in the right job at the right time as Cappelli and Keller (2014) refer to it. Furthermore, many researchers clarify Talent Management to consist of a systematic set of activities (e.g. Ashton & Morton, 2005; Silzer & Dowell, 2010; Armstrong, 2011; Bethke-Langenegger, Mahler & Staffelbach, 2011; Dessler, 2013, p.130; Meyers & van Woerkom, 2014; Sparrow et al., 2014) The best fit approach supported by most authors explains the set of activities to be context specific (Pfeffer, 2001; Boudreau & Ramstad, 2005; Collings & Mellahi, 2009; Sparrow et al., 2011; Vaiman et al., 2012; Dries, 2013; Festing et al., 2013; Bolander et al., 2014) “Practices are only ‘best’ in the context for which they were designed” (Stahl et al., 2012, p.26). Therefore, the Talent Management section of the framework presented above (see Figure 2) entails the level of systematism the Talent Management activities have in an organisation as well as the variety and focus of the Talent Management processes and practices.

After the discussions on Talent Management, the theoretical background continued to discuss the second main concept of this thesis, namely the view on talent. Meyers and van Woerkom (2014) define Talent Management to be about the systematic activities aimed at individuals who are considered to be ‘talented’, thus, view on talent has implications to Talent Management, as further identified by Dries (2013), Festing et al. (2013), Meyers et al. (2013) and Bolander et al. (2014). The view on talent can be referred back to the tensions identified by Dries (2013) and the framework developed by Bolander et al. (2014). The connection between Talent Management and view on talent can be considered to be flowing both ways, as the set Talent Management activities

can have an implication to the way talent is viewed in case talent is not otherwise explicitly defined in the organisation.

Strategy is the third concept of the framework (see Figure 2) and discussed in the theoretical background in the light of Talent Management. Strategy is about best allocating scarce resources to achieve sustainable competitive advantage (King & Glowinkowski, 2014, p.68), and ultimately it is about achieving success (Grant, 2013, p.3). The link between Talent Management and strategy illustrates the strategic aspect of Talent Management, as the development of Talent Management activities involves the understanding of the organisation's strategic position but also it enables strategy to be turned into action (Garrow & Hirsh, 2008; Silzer & Dowell, 2010; Armstrong, 2011). This relationship can also be referred to the maturity level model of Corbridge and Omotayo (2012, p.98), which can be used as a basis for analysing and comparing the link between strategy and Talent Management in organisations. Reflecting the connection to be flowing both ways.

As Talent Management is affected by the organisation's view on talent, there must also be a link between talent and strategy. In this framework (see Figure 2 above) the link is argued to be direct, as Grant (2013, p.105) argues identifying the unique strengths of an organisation to provide a basis for selecting a strategy that exploits the key resources and capabilities of an organization, and Silzer and Dowell (2010) further emphasise the consideration of which kind of talent the organisation needs to advance the long-term success. Therefore, the connection between the view on talent and strategy can be understood to depend on the level of consideration of the people in the organisations' strategy creation.

3 METHODOLOGY

This chapter of the thesis describes the overall process and methods used to gather the necessary data and information to fulfil the purpose of this thesis and answer the research question. Clarification of the research topic and strategy is presented first, which after the design and process of data collection and analysis is explained more in detail. This chapter also describes and assesses the quality of the research and the ethical considerations as well as identifies possible limitations of the research.

3.1 Research Topic

The initial idea for the thesis was to research the field of Strategic Human Resource Management (SHRM), as our initial areas of interest was within strategy and Human Resources. We began with researching discussions related to SHRM on various business sites to gain a better understanding of what topics were more specifically of interest to practitioners and in need of more academic research. Tranfield and Starkey (1998 in Bryman & Bell, 2015, p.7) argue that much of the management research is lacking the concerns and interests of practitioners. Hence, we chose to find a topic that is not only interesting from academic perspective but also relevant for practitioners, as this is something management and business researchers should be responsive to in order for the research to be valuable and retain its purpose (ibid.). In accordance to this, the research we did online led us to choose the topic of Talent Management, which proved to be a much discussed topic among practitioners but with little, and not to mention ambiguous, previous academic research. Hence, we thought that the topic of Talent Management was something we can contribute to and also found it to be relevant to our initial areas of interest.

We did an extensive research further on the topic of Talent Management to gain general understanding of the topic and to decide on the approach and direction of our thesis. Hence, we can argue that the existing theories and previous studies on Talent Management were critically researched on. To gain a holistic understanding of the theory, we read about the development and origin of Talent Management as well as about the more practical side of it to identify where the lack of theoretical research, that academics seemed to stress, actually is. It became clear while doing the research that the field of Talent Management is only reaching its maturity as the empirical studies are still not that extensive. In particular, empirical research on different context is very limited. (Silzer & Dowell, 2010; Thunnissen et al. 2013) Different databases were used to make sure we cover all possible sources. These online databases included LiU library search, Google Scholar and Scopus and various search words were used related to Talent Management, talent, human resources, strategy and competitive advantage.

Despite the high interest of practitioners, the theoretical studies have not developed at the same pace, therefore, we decided to use the existing frameworks, such as the Bolander et al. (2014) framework, as a theoretical basis to further develop the research field of Talent Management. Moreover, the purpose of this thesis is to increase the empirical research on Talent Management to enable a creation of a conceptual framework, through complementing and challenging the previous frameworks and ideas that have so far given insight on Talent Management. Furthermore, to develop further the understanding of Talent Management, in specific the understanding of the alignment of Talent Management and strategy and its effects to the

organisation's approach to Talent Management and view on talent. This will contribute to the practitioner knowledge as well as the academic literature and theory building.

3.2 Research Strategy

The topic of this thesis is lacking clear theoretical understanding and empirical support, hence, as Bryman and Bell (2015, p.25) suggest, the general orientation to conducting the research should be qualitative. To further back-up this statement, when research is done on a phenomenon that is yet not well understood, a qualitative research method is preferred, since the research requires more detailed and intensive investigation (ibid.). Qualitative research also enhances the opportunity to genuinely reveal the perspectives of the interviewed people (ibid., p.408), which for this thesis is crucial as our aim was to further the empirical research done on the field of Talent Management, implying that it is the perspectives and knowledge of people we interview that is required to advance the understanding of the connection of strategy and Talent Management.

Furthermore, this thesis follows abductive research method, which Bryman and Bell (2015, p.26) state to have become popular, particularly among qualitative researchers. As the topic of Talent Management involves a great deal of ambiguity, deductive method did not seem to fit for this thesis because of its strict logic on theory-testing and inductive method was not plausible because of the limited amount of case companies would not give reliable and valid results for purely theory-building. Hence, abductive method was chosen because the basis of the research is on some existing theories and past studies on the topic, with the notion that there is no one theory that we could relate back to and therefore the strategy of our research was relying on more of a dialogue to understand the link between empirical phenomena and theory. (ibid., p.27) Givón (1989) states that abduction starts by considering facts, then moving to finding new facts, which are correlated and integrated into a wider context. Dubois and Gadde (2002) clarify this by stating that abductive research ends up modifying the original framework, partly because of new empirical findings or because of theoretical insights gained during the research process. Bryman and Bell (2015, p.27) claim that this way the researchers can have an open mind to finding something new from the collected data rather than only using the empirical findings to confirm what they already know. The purpose of this thesis was based exactly on that – creating something new by developing the existing theories and frameworks. Therefore, the purpose of this thesis remained aligned to the research strategy, and new combinations were developed through combining theoretical frameworks and new findings that were derived from the research on the case companies.

3.3 Research Design

A multiple case study design was chosen to conduct the research, as there are identified differences in organisations' approaches to Talent Management (Festing et al., 2013; Meyers et al., 2013; Bolander et al., 2014). This entails that there are several companies that have been studied in order to gain a broader picture on the research topic and to create a more holistic and reliable picture of the phenomenon (Baxter & Jack, 2008; Bryman & Bell, 2015, p.71). This approach for the thesis allowed the empirical data to be compared and contrasted in relation to several meaningful cases instead of relying solely on a more in depth single case study, as Yin (2009) argues that case studies provide little basis for scientific generalisation. The multiple-case study approach also encourages to find patterns – what is unique and what is common across cases and

does not only collect and analyse the comparative traits of the data. This allows analysis of each case company individually but also analysis across the case companies, identifying similarities and differences and creating pattern recognition. (Baxter & Jack, 2008) Furthermore, according to Yin (2009) “multiple case design has its advantage in constructing a framework in which either literal replication predicts similar results across multiple cases or it aims at theoretical replication whereby different results are likely for theoretical reasons.” (p.93) In other words, multiple case study also functions as a good basis for challenging the existing theoretical frameworks and ideas but even as the basis for creating new theoretical frameworks (Baxter & Jack, 2008) and thus improves theory building (Bryman & Bell, 2015, p.72). The level of analysis, refers to the primary unit of measurement and analysis, which in this thesis is the Talent Management program (ibid., p.75). Furthermore, the perspective is from the HR department, as the informants were personnel in the HR departments of each organisation.

3.4 Sample and Data Selection

The sample for this research consists of 11 medium to large, global companies in the Nordic countries, operating in various industries, of various sizes, backgrounds etc. This decision of the sample was made in order to allow variation, which is important for the purpose of this thesis as the results should not be dependent based on a certain variable but rather to find a more holistic reasoning behind the patterns was of interest. In order for the case companies to fit as sample for this study, they needed to have Talent Management activities in place. Altogether 67 organisations within the Nordic countries were contacted through finding relevant people to interview either from our personal networks or searching through LinkedIn. The people contacted were persons in positions within HR and more specifically most of the targeted people were working specifically with Talent Management. These people were contacted through email to ask to participate in the study, which of 11 companies were eventually chosen from the ones that were interested to participate. The organisations participating in the study were diverse in terms of industry, background, size, degree of globalisation, culture etc. This was a conscious choice, as the purpose was to gain understanding on a broader sense of Talent Management and its alignment to strategy.

Table 4 below illustrates a more specific list of the companies participating in the study and some characteristics of them to give more specific insight on the sample, however, within the limits to keep the guaranteed confidentiality and anonymity of the organisations. Therefore, the background information of the organisations is restricted and each organisation is denominated with a letter.

Table 4. Sample information.

| Organisation | Industry | No. of employees | No. of countries where operations |
|--------------|--------------------|------------------|-----------------------------------|
| A | Oil & energy | 5 000 – 10 000 | 10-20 |
| B | Food | 10 000 – 15 000 | < 10 |
| C | Building materials | 1 000 – 5 000 | 20-30 |
| D | Dairy | 1 000 – 5 000 | < 10 |

| | | | |
|----------|---------------------------|-----------------|-------|
| E | Oil and energy | 1 000 – 5 000 | 10-20 |
| F | Paper and forest products | 1 000 – 5 000 | < 10 |
| G | Telecommunications | 20 000 – 25 000 | 10-20 |
| H | Consumer goods | > 40 000 | > 100 |
| I | Consultancy | 5 000 – 10 000 | 20-30 |
| J | IT and Services | < 1 000 | < 10 |
| K | Investments | < 1 000 | 10-20 |

3.5 Data Collection

This thesis relied mainly on primary data, even though according to Fisher (2010) the use of several types of data will give more accurate information. In this case, the main outlet of information was given to us through interviews, even though some relevant information was collected and received as secondary data in order to compensate on the shallowness of the interviews. Qualitative in-depth interviews were the main method of gathering information of the case organisations. This method was selected in order to acquire information through interviews, since it enabled to obtain in-depth and first-hand information from the case companies. (Bryman & Bell, 2015, p.214) Furthermore, we considered it to be aligned to the abductive method and the most appropriate way to gain information relating the different activities related to Talent Management, as these are very much internal knowledge and data.

3.5.1 Secondary Data

Some internal material from the case companies were given to us during the interviews. This gave us more insight on the Talent Management of the companies and a chance for us to analyse the activities in a better perspective as we had more detailed understanding of Talent Management in the companies. Secondary data was further collected from the websites of the case companies in order to support the individual interviews. Two of the companies handed out internal Talent Management material and for all the companies, material such as annual reports and statements of mission, vision and strategy were collected online.

3.5.2 Primary Data

The main way of collecting data was through in-depth, semi-structured interviews, so primary data was the main source. Bryman and Bell (2015, p.213) state that the semi-structured design of the interviews allows more information to be gathered since the answers of the informants are not too limited as the informants can answer the questions more openly. Alongside the open ended questions, some questions were based on theory and some were not, which allowed us to be open to new and unexpected findings, following the purpose of the chosen research strategy of abduction. Altogether we conducted one interview in each of the 11 companies, hence, overall 11

interviews were conducted. We interviewed organisational informants, representing various positions. However, all were within the HR function as well as in management roles, and were responsible of Talent Management in their organisation at least in some level. Some informants had a title alike HR Manager and some were Talent Managers or alike. The informants were first contacted based on their titles, which entailed their responsibilities to be representative of Talent Management. However, in some companies the email was forwarded to another person, who was a better representative of the organisation's Talent Management and could better answer our questions. All informants were explained about the purpose and approach of our thesis beforehand and the confidentiality and anonymity of this study was informed as the interview started.

Interviews

We conducted altogether 11 interviews through various ways, i.e. either through Skype, phone, Google Hangouts or meeting face-to-face (See Table 5). The methods were chosen based on the availability and feasibility. Because of distance to most companies, face-to-face meetings were not feasible, thus, other form of contact was chosen based on available possibilities and wishes of the informants. The interviews were conducted between April 5 - April 21, 2016. The questionnaire consisted of some closed and some open-ended questions, thus it was semi-structured. This was decided to ensure that as interviewers we would not lose the control of the interview, at the same time the informants were free to discuss more freely on the topics they considered important (Bryman & Bell, 2015, p.213). This also allowed us to further follow the abductive reasoning.

Informants were given the interview questionnaire beforehand so they would not be caught off guard with any of the questions and as they had time to reflect on the questions beforehand, they were sure about wanting to participate as well as to give us more in-depth information. Questions were asked in the same order, as Bryman and Bell (2015, p.220) suggest is the best way of approaching this kind of interview in order to avoid too much variation in replies. The permission to record the interview was asked for in the beginning of the interview as well as the anonymity of the interview was made clear to enable less constricted answers. Recording the interviews gave us the possibility to afterwards create transcripts of the interviews and avoid any loss of information. In the transcripts the informants are referred to as "I" (I=Informants) to keep the anonymity. The interviews were done in a fairly informal conversational manner so that the benefit of the semi-structured structure could be realised when the informants feel more comfortable discussing the questions and we as interviewers could feel comfortable to ask questions outside of the set questionnaire.

The questionnaire itself consisted of 24 questions (see Appendix 1), divided under headings to give a clearer understanding of what the questions were related to. The questions were closely derived from the theoretical background created previous to the interviews. First, questions of the informants and the organisation were asked in order for us to understand the views and situation of the organisation and to confirm the responsibilities of the informants were related to Talent Management. This gave us a good reference point to understand the questions in the later sections. The other parts were divided into topics to ensure that certain areas were covered. Follow-up questions were customised and asked on the spot. During the interviews it became apparent that depending on the person, different questions took very different length of time,

which we allowed as this gave implications to us on the level of importance of the matters to the organisation in question. The interviews lasted between 25:02 and 52:13 minutes and were carried either by one of the authors or by both. More specifically, two interviews were done by just one of the authors and the rest by both. When both of us were in the interview, one of us was leading the conversation and the other one was more on the background, jumping in only when necessary, such as when a question arose outside of the pre-set questionnaire.

Most of the interviews were done in English, apart from four interviews that were done in the informant's native language as we wanted to make sure the terminology would not become an issue and that the informants can feel comfortable and able to discuss all the topics set in the questionnaire and beyond, if they so felt. More precise information on which interviews were in question to ensure the informants and companies anonymity.

Table 5. Interview information and data collection.

| Company | Date of the interview | Style of the interview | Length of the interview | Additional data acquired |
|----------------|------------------------------|-------------------------------|--------------------------------|--|
| A | 8th April 2016 | Google Hangouts | 37:55 | Public materials, such as annual reports and information available on strategy, vision, mission etc. |
| B | 12th April 2016 | Skype for business | 46:15 | Internal material on Talent Management as well as Public materials, such as annual reports and information available on strategy, vision, mission etc. |
| C | 6th April 2016 | Phone | 37:47 | Public materials, such as annual reports and information available on strategy, vision, mission etc. |
| D | 6th April 2016 | Phone | 25:02 | Public materials, such as annual reports and information available on strategy, vision, mission etc. |
| E | 8th April 2016 | Phone | 28:52 | Public materials, such as annual reports and information available on strategy, vision, mission etc. |
| F | 8th April 2016 | Phone | 25:36 | Public materials, such as annual reports and information available on strategy, vision, mission etc. |
| G | 7th April 2016 | Phone | 34:13 | Public materials, such as annual reports and information available on strategy, vision, mission etc. |
| H | 13th April 2016 | Face-to-face meeting | 52:13 | Internal material on Talent Management as well as Public materials, such as annual reports and information available on strategy, vision, mission etc. |
| I | 6th April 2016 | Google hangouts | 36:07 | Public materials, such as annual reports and information available on strategy, vision, mission etc. |
| J | 11th April 2016 | Skype | 32:41 | Public materials, such as annual reports and information available on strategy, vision, mission etc. |
| K | 21st April 2016 | Face-to-face meeting | 31:48 | Public materials, such as annual reports and information available on strategy, vision, mission etc. |

3.6 Data Analysis

Initially, the interviews were recorded to enable us to transcribe the data and more thoroughly go through it and analyse it in the light of the theoretical findings. The analysis was based on the framework developed at the end of the theoretical background chapter and the aim was to find certain patterns (apparent differences or similarities) from the collected data regarding the case companies. To have a better foundation for the analysis and ensure both authors were able to have the same data available in a language that is comprehensible for both, the transcripts were translated into English. The data analysis was based on the English versions of each transcript so that each of us could analyse the data. However, to avoid possible misunderstandings the original transcripts were checked at the end to make sure what is written conforms to the original transcript. The transcripts were read through several times and analysed one by one in the light of four topics stemming back to the theoretical background and more so to the structure of the interview questionnaire: the organisation’s view on talent, the approach to Talent Management, the development of Talent Management and the alignment of Talent Management to the organisation’s strategy. This kind of approach was taken to the analysis because according to Bryman and Bell (2015, p.258), when coding open questions, a coding frame needs to be designed to enable the identification of types of answers associated with each question. Table 6 below illustrates this coding frame and the specific interview questions can be found in Appendix 1. The coding framework (see Table 6) allowed us to code the sections of the transcripts in a systematic manner. Each section thus includes the answers of each organisation. Both authors were involved in the coding work to avoid missing out on valuable data.

Table 6. Coding framework.

| Topic | No. of the interview question |
|---|--------------------------------------|
| View on talent | 3, 4, 7, 8 |
| Approach to Talent Management | 9-16 |
| Development of Talent Management | 17-20 |
| Alignment of Talent Management to the organisation’s strategy | 3-6, 21-24 |

These questions were specifically created to the purpose of answering the research question of this thesis. The empirical data derived through these questions were a vital contribution to the analysis and gave us the insight we needed to fulfil the purpose of this thesis. The theoretical background presented in Chapter 2 was the foundation for creating the interview questions and enabling us to illustrate the empirical data in the coding framework.

Questions 1 and 2 were asked to clarify the background of the informants and emphasise their credibility as the persons to be interviewed. These questions were not used to analyse the data but solely to support their knowledge on the topic of Talent Management. Questions 3, 4, 7 and 8 were asked to get a better understanding of the view the companies have on talent. This was an important area of the interview as it builds the basis for the analysis of the further analysis on the Talent Management practices and processes as well as the fit to the capabilities required by the

organisation's strategy. Furthermore, this gave us the basis to start contrasting the answers to the the previous research findings, i.e. our theoretical background. The next set of questions, questions from 9 to 16, were directed to gaining information on the aspect of how Talent Management is approached in each of the case companies. As the previous set of questions these findings were then contrasted to the theoretical framework to identify the similarities and challenge the framework by recognising discrepancies. Questions from 17 to 20 incorporated the development of Talent Management, as we wanted to understand why the Talent Management looks the way it does in the case companies, which also entailed a less theoretical approach to the data collection. The last topic of the coding framework was stated as the alignment of Talent Management to the organisation's strategy, incorporated in questions 3 to 6 and 21 to 24. The aim with these questions was to understand in which ways the organisation's strategy and Talent Management are linked so that we could better analyse the research question and contribute with a more reliable and valid conclusion.

After the individual analysis of the transcripts and placing the findings under each topic of the coding framework, the empirical data was analysed in the light of the conceptual framework created at the end of the theory chapter. The relationships of each of the concepts in the framework were individually analysed in the analysis chapter.

Table 7. Extended coding framework.

| Topic | No. of the interview question | Conceptual framework | | |
|---|-------------------------------|---|---|--|
| | | Relationship between view on talent and Talent Management | Relationship between Talent Management and strategy | Relationship between strategy and the view on talent |
| View on talent | 3, 4, 7, 8 | X | | X |
| Approach to Talent Management | 9-16 | X | | |
| Development of Talent Management | 17-20 | | X | |
| Alignment of Talent Management to the organisation's strategy | 3-6, 21-24 | | X | X |

The analysis first clarifies the view on talent and the link to Talent Management and shows the patterns found there. These findings were contrasted to the Bolander et al. (2014) typology. Next, the relationship between talent and Talent Management was assessed through the help of the maturity model by Corbridge and Omotayo (2013, p.98) and classification of the companies by the level of systematic approach could be identified in the Talent Management. Further along, the

analysis was done on the relationship between strategy and the view on talent, which lead us to group the findings to three categories created by us and based on the companies' approaches on discussing strategy, namely *people-led approach*, *business-led approach* and *transformative approach*. The *people-led approach* was chosen to describe companies that very clearly had a focus on people when discussing their strategy, whereas the *business-led approach* consisted of companies that in our opinion very distinctly discussed their strategy from the perspective of what they do, and did not consider the internal people in the same manner as the former approach did. We ended up with some companies that we found it difficult to place them in either of the approaches, as these companies were undergoing some changes. Thus, we decided to have a third group as the *transformative approach* to illustrate a perspective that was somewhat in between. This grouping is subjective, as this was done based on our interpretation of the interview content. Last, the framework was analysed as a whole and we began to search for overall patterns – apparent similarities as well as differences that could be of value. The analysis was then summarised into concluding remarks, which explicitly answered the research question set in the beginning of the thesis. At the end, we went back to the transcripts to ensure we had not missed any important factors and that our observations were in accordance to the interview transcripts.

3.7 Research Quality

Bryman and Bell (2015, p.399) state that validity and reliability are used as criteria to establishing and assessing the quality of the research. However, this thesis has a qualitative method to conducting research, and according to Guba and Lincoln (1994, p.105) the meaning of validity and reliability as such are more appropriate to quantitative research. Thus, the terminology should be revised to better fit the qualitative research approach (Bryman & Bell, 2015, p.400). Adapting validity and reliability to qualitative research means that terminology of *external* and *internal validity* as well as *external* and *internal reliability* should instead be considered are the measures (ibid.).

External validity indicates the degree to which the findings can be generalizable (Bryman & Bell, 2015, p.400). According to Bryman and Bell (2015, p.400) this is a common issue for qualitative research, particularly when case studies and small sample sizes are used. To minimise this issue, we chose to do a multiple-case study instead of a single case study or have a cross-sectional or comparative design because this enabled us to include more companies to have findings that lead to more generalizable results and thus improve the external validity of our research. The purpose of this research is to increase understanding within the field of Talent Management, particularly the relationship between strategy and Talent Management, hence we wanted the focus to be a variety of companies to allow pattern recognition beyond one industry etc.

Internal validity focuses on the match between the observations of the researchers and the theoretical ideas developed out of those observations (Bryman & Bell, 2015, p.400). Ghauri & Grønhaug (2005, p.65) clarify that internal validity refers to whether the results obtained within the study are actually true. To avoid issues with the internal validity of this thesis, the attempt to keep the scope narrow enough, i.e. within the Nordics, enabled us to be more certain of the validity of our observations, as major cultural or other national differences did not have a major deviating effect. Moreover, to improve the internal validity, it was important to select only case companies that have Talent Management activities in place as well as to interview people with similar professional positions and ask relevant questions without limiting the informants answers too

much so that underlying reasons and other factors affecting their answers could be noticed. However, the most challenging part in ensuring internal validity is to be certain that the data we collected lead us to the right information and thus to the right analysis and conclusions. For example, the positions of the people we interviewed somewhat varied. To validate the quality of the people we interviewed some background questions were asked about the informants. Therefore, we were able to verify that all the informants had the required knowledge about the Talent Management activities of their respective organisations. Even though everyone was working within the HR operations and did have the knowledge of the current Talent Management activities, the length of time they had been working in the companies varied extensively from 2 to 30 years. This affected their ability to answer some of the interview questions and thus the validity of the collected data.

External reliability entails the degree to which the study can be replicated. This is difficult in a qualitative research setting as social circumstances are in constant flux and thus the initial study is difficult to replicate. (Bryman & Bell, 2015, p.400) Bryman and Bell (2015, p.50) state that in business research, replication is not common, especially when it comes to qualitative research. To avoid issues for further replicability of this thesis, we have ensured to be as clear as possible with the way we have conducted this research. However, as the factors of confidentiality and anonymity are a major part of the qualitative data collection, we cannot give such a thorough description of the circumstances as would be necessary for the full replication of this research. Even though, to improve the reliability of this study, the methodology of the collection of data has otherwise been described in detail and the use of concepts throughout the study can be characterized as clear and explicit.

Internal reliability refers to the coherence of the observations of the research team (Bryman & Bell, 2015, p.400), which should be raised as an important factor to consider for this thesis as we are two people working together. To overcome possible problems with the internal reliability, we made sure to discuss matters thoroughly and contribution of both authors is prominent in all parts of the thesis. Furthermore, the transcripts were translated to English to avoid the possible confusion in what has been found and stated by the informants to ensure correct analysis of the data.

3.8 Ethical Considerations

Saunders, Lewis and Thornhill (2012, p.230) discuss the importance of code of ethics in research, and give a set of principles that can help to consider the ethical aspects of research. Among the principles that are in particular relevant for our thesis is the matter of the privacy of those taking part. This concerns the voluntary nature of participation and the right to withdraw, which we informed the participants about already in the initial contact. At that stage, the participants were also informed what it entails to take part, so that their expectations are not overridden later by the researchers. Furthermore, the confidentiality of data and maintenance of anonymity of those taking part was ensured by not explicitly stating names of the companies, the countries, industries and other identification factors were kept vague to avoid the possibility of the companies to be recognized but to give a characterisation of the case companies to enable better understanding of the research. Therefore, the responsibility in the data analysis and reporting of findings relating to the privacy issues stated before was also ensured. The integrity and objectivity of the

researchers was further considered, as the quality of the research is depended on the level of accuracy and truthfulness. (ibid., pp.231-232)

3.9 Limitations

There are some apparent limitations to this thesis. The limitation of time is apparent, as we only had around 3 to 4 months to conduct the research and finalise the study. Thus, more extensive research was not possible, for example in terms of the number of case companies. Furthermore, the method and depth of the data collection was limited, as only somewhat shallow interviews were used, as the amount of 24 questions did not necessarily create the depth of the study that it under other circumstances could have, as well as the fact that it was not possible to do all the interviews face-to-face, which could have allowed us to incorporate some level of observation to the qualitative method. Furthermore, the interviews were conducted with HR people, thus the perspective of other organisational members, such as the executive management and employees, was neglected in this study. Nevertheless, considering the limitations of time and resources, we consider the chosen methods to be legitimate and adequate for the purposes of this thesis and still valuable contribution to the field of Talent Management, where empirical research is lagging.

Another limitation can be that the context of Nordic countries can be considered somewhat broad and not unanimous in the characteristics of industry, culture, environment etc. Moreover, as the focus of the context is in Nordic companies, the more specific context of the organisations has not been taken into consideration, even though those other factors could have an impact on the results and improve the understanding of possible deviations or discrepancies found in the empirical findings. Our argument here is that despite some differences, there are still more similarities and common differences than for example in the US context, as the main purpose of this thesis is to add on the existing empirical research. For example, the characterisation of the industry can be argued to have an impact on the approach to Talent Management. Even though it can be argued that the results of this research indicate that the industry aspect does not necessarily play a crucial role when analysing the strategy and Talent Management connection, as it was found that the strategy and Talent Management are unique to a company and not generally industry dependent. This can thus be emphasised as a valid future research topic. Same applies to the other characteristics of companies that are not unanimous in this study.

As a theoretical limitation we can identify the factor that there are many ambiguities surrounding the Talent Management concept. The analysis has been impacted by the perspective we as authors chose from the beginning, choosing certain terminology and previous researches to follow. However, the decisions for this study regarding the concepts and terminology more in detail, have been carefully argued and considered as the best alternatives. Therefore, the way companies discuss these different concepts can have variations but through a thorough analysis this has been avoided as much as possible in order to understand the meanings behind words.

4 EMPIRICAL FINDINGS

The purpose of this chapter is to provide the findings from the empirical data collection. More so, this chapter presents the findings from the 11 cases, which are based on the collected data. This chapter is divided into four sections based on the subject areas included in the interview, namely view on talent, approach to Talent Management, development of Talent Management, and alignment of Talent Management to strategy. This is to clarify and group the empirical findings of each of the case companies together.

4.1 View on Talent

Company A, replied by stating talent is determined through the evaluation, and in this case they had four gateways in place in their evaluation process. If an individual passes all four gateways, the person can be defined as a talent. Due to the several aspects to be considered, clearly they cannot state with one word if an individual is a talent. The gateways concerned four stages: performance (requiring the individual to be exceed performance targets), values the individual is required to be practicing, leadership competences, and potential an individual has (several aspects, such as commitment, learning aspirations and mobility).

Company B responded with a direct yes and answered straight forward stating that talent is within all employees of the company, to a great extent due to the terminology used in the HR system in place, where each employee is referred to as talent. Further explaining that talent is the same as employee. However, the terminology of talent is divided in a more explanatory way to consist of different types of talent, which considers talent at different levels of the organisation, distinguishing executive talent from emerging talent etc. The lower level roles are considered in respect to emerging talents and within management teams assessment is on executive talents. The terminology is currently under revision.

Company C does not have a formal statement of talent. However, there is an underlying philosophy that is considered as important for Talent Management. This philosophy entails everybody to be a talent. Talent review process was launched and first tested only on a small sample, to identify the unique talent of each participant and thereby determine if the person has growth potential or not. They strive to view potential from a holistic point of view, meaning that how well a person can face unexpected new situations, learn new things and apply what they already know in new ways. Potential also incorporates the level of commitment the person has, what their aspirations and ambitions are, what their personal situation is like allowing the organisation to assess and divide the individuals into two groups. Groups of either having growth potential or stable potential. It is important to communicate that everyone has potential, emphasis is rather on the dynamic state of the person and every year the person can be categorized differently.

Company D responded that they do not have an official statement of what talent is. However, they do discuss it a lot and say that they view talent as a person who has proved through performance that they are able to reach and exceed goals. A key factor of a potential talent is that this person has the desire and motivation to learn and develop in addition to the competencies and skills that benefits the business.

Company E responded that they do not have a definition for talent specifically. However, they do identify what key positions are required for today and for future operations. Further, they distinguish if the holder of the position matches those requirements. In addition, they constantly question if the requirements are adequate. When considering high potentials there is a definition in place: they look for high performers with high learning agility and resilience.

Company F replied that there is not a definition for talent at the moment. There was an old definition of what talent is but they are revisiting the process and transforming the way they value things and from there shaping new processes and definitions. Hence, the definition of talent has not been carried out but currently it is considered more as an exclusive approach, as they do have very clear talent profiles, which show the requirements for specific roles including both skills and personality. The specific talent profiles vary over the different parts of the organisation corresponding the specific requirements.

Company G does not have a formal definition of what talent is, they recently agreed to talk about talent in a broad sense considering all the employees as talents, however, not yet pushed it towards everyone. Furthermore, they have identified what the required competences are for the organisation and they have till recently compiled an identification of the top talents. Talents have the responsibility themselves to take ownership for their development.

Company H replied by stating that the definition of talent is not a single terminology, it varies over the different business units and thus characterised differently. Overall, it depends on how well the employee performs, how well the employee performed during previous fiscal years and how well the employee achieved the core values that the organisation has as well as the functional expectations. Furthermore, they consider high potentials in order to prepare for long-term advancements, where they consider how an employee can develop either in the employee's current position or if they should move. The organisation also maintains focus on what talents there are in the company and the potential top talents that show an outstanding level of talent. They would like to see a variation of talent ready to step up to an open higher position, meaning they preferred to have an internal and external mix of candidates for higher positions.

Company I defines talent based on each geographical area where they have business operations in. However, quite recently the HR has taken a more global approach and is currently transforming the processes and systems to become global. To exemplify the approach to talent in the geographical area within the Nordics, all co-workers are valued as potential talents, given that everyone has an individual development plan. Every co-worker is included in the process, so identifying and focusing on "top talents" is not on their agenda. They have a fundamental process, which all co-workers are expected to go through.

Company J declared that if an individual made it through their recruitment process the individual was considered a talent. The recruitment process is characterised by three stages: to ensure that people are suited to have a career at this company and that the ambitions and values are shared between the organisation and potential employee. They furthermore clearly stated that all employees are considered as a talent, and especially the people not yet in the organisation are considered talents.

Company K states that there is no formal definition of talent at their organisation, however the implicit view on talent is associated with all the people of the organisation, instead of a certain group of people. They further clarify that they have very clear talent profiles and what is required for specific roles, for instance based on business areas, both in skills and in personality. The specific talent profiles vary over the different parts of the organisation corresponding to specific requirements.

Table 8. Summary of talent definitions.

| Company | Talent Definition |
|----------------|--|
| A | Talent is determined through their four gateways for evaluation process |
| B | All employees are talents assessed through the HR system in place |
| C | No formal statement, however follows a philosophy which entails everybody to be a talent. Assessed through growth potential or stable potential. |
| D | No official statement, however a talent is proven by performance. |
| E | No definition, they have a definition for high potentials. |
| F | No definition, at the moment revising all TM, however have an exclusive approach with definitions varying over the organisation |
| G | No formal definition, recently reassessing talent in a broader sense |
| H | No single terminology, talent varies across the different business units and thus characterised differently. There is a high focus on performance. |
| I | Talent is defined based on each geographical area, within their Nordic operations, all co-workers are valued as potential talents. |
| J | Their recruitment process reassures that the individual is a talent, thereafter all employees are considered talent |
| K | No formal definition, views all the employees as talent. |

4.2 Approach to Talent Management

This section clarifies the approach to Talent Management and thus covers the actual practices and processes of Talent Management that are in place in the case companies and the view the organisation has to the management of talent. Furthermore, the aim of Talent Management in each case company is stated as well as the current measurements in place. The perception of the success as well as challenges and benefits of Talent Management are portrayed.

4.2.1 Talent Management Process

Company A explains their process to be annual. They start in the beginning of the year with the identification of talent, when a management audit is conducted as well. They assess also the

current state and performance of team members in current roles. In addition, they review key positions, if there have been any changes to the positions, naturally the key positions should be connected to the strategy and positions are reviewed and considered in succession planning. For leaders of the future, the organisation takes into consideration actions that can be undertaken today in order to develop those people so that they will be ready to take on that position. Talent reviews focus moreover on the development and co-development of key positions to ensure that key position holders perform in the future as well. The most important part is that there is a well functioning process in place and that information is utilised in the best possible way.

Company B explains their Talent Management mainly consists of talent review, which is a rather systematic process, done annually. It is used to secure the strategy implementation capability by ensuring the quantity and quality of managerial leadership and specialist talent. Not only do they assess the leadership issues on managerial level but it is a rather holistic view to ensure business growth and internationalisation.

Company C openly states they have not defined Talent Management and that it was only two years ago when they started to develop the whole Talent Management from a new perspective. They are rather hands-on with acting than focusing on definitions as this brings more value to the organisation. A certain philosophy creates the background, if they had to make a definition of Talent Management it would be identifying the required talents related to the business strategy. Furthermore, identifying each person's individual capability and skills and in which way these can be used to support and developed to reach their full potential. Talent Management is in place to ensure the organisation has the right people, at the right time and in the right roles. They further emphasise the importance of having the background philosophy so that the development process is perceived as a positive process that strives development and improves people's performance, and that it is not a judgmental process that criticises the individuals.

Company D describes the Talent Management overall to be about guiding the capability capital. Moreover, they strive to identify the skills and capabilities required by the strategy and then find the match to have enough talents and potential people in order to realise the strategy. To clarify, they first distinguish the most important actions and skills through evaluations of the people based on their skillsets rather than personal attributes. As of today they are currently building their Talent Management, through having workshops based on different responsibility areas is one way of ensuring that the most important actions and skills of the strategy are there in the organisation. The ambition of the workshops is to aid in identifying the talents within the company followed by making the decision on growth potential and necessary skills. On the executive level they have a management audit as a basis for conclusions and decisions on future steps. The most important part is to identify the required skills, essentially when these are identified it is then important to identify who has the skills and the ability to lead and develop them. The talents and the people with potential need to be attracted and retained.

Company E distinguish that their process is well established annual process and continue to describe their Talent Management as quite traditional, in the sense their focus is to have the key positions of today and for the future defined, meanwhile having the right people in the right place as well as in the succession planning. Therefore, on one side they review which key positions, key leadership positions, key expert positions, and current position holders are of importance as well as establish the succession planning for these key positions. There is not solely one important part

of Talent Management, the whole process is important. The Talent Management process is a valued operation. Once expectations are understood the focus can then be on having the right positions with the right competences.

Company F explained their focus to be on their talent review process. However, stating that Talent Management can be everything from developing employees to looking for new employees. It is about the larger scope rather than the compensation and benefit plans. The primary focus is on competence development that drives culture change and in turn the way of the talent review process is constructed. The approach to the Talent Management process is to maintain focus on the development of the business - where are they headed, what are the challenges, what is happening in the market and their position in it, furthermore declaring what kind of competences are needed in key positions. They emphasise to having a bigger scope towards Talent Management but it does not include compensation and benefits. However, they are currently revisiting the process. To further highlight, the importance lies on making the whole company understand why this process has been undertaken rather than simply just doing it.

Company G defines Talent Management as the whole way they work with people throughout the employee lifecycles and how they strategically work with resource planning through the employee lifecycle strategy in order to achieve the strategy or business values. Furthermore, to identify what is the need from a structural point of view and what kind of resources do they need to deliver on the strategy. Thereafter, to make sure that they attract, recruit and develop people according to those needs. Hence, Talent Management is understood in a quite broad manner. To clarify, they determine it is everything from developing, recognizing and rewarding everyone. In addition, they consider the importance of ensuring the internal pipeline to be aligned with the workforce planning and the development to be constant. They further highlight the importance of talents to be acknowledged and celebrated as role models. Talents have the responsibility themselves to take ownership for their development.

Company H described the importance of having a process around Talent Management, that they annually proceed and assess the various talents in cooperation with line managers. There is a need to discuss the current state the talents are in, taking into consideration the separate business units and their performance, assessing where and what the next step in the development is so that the individual always develops for the organisation. The most important process are the performance review meetings that all the employees undertake twice a year together with their manager. The review follows the assessment of their individual development program and the individual goals. This process occurs at all levels where the manager carries a crucial role of helping and supporting the employee and it assesses the current compilation of all talent within the organisation. The future attributes of the employee are assessed in correlation to career paths and personal development goals.

Company I declares they have a fundamental process all employees undergo, which is consisted of different steps of education and development opportunities provided by the company to their employees. Not only targeted to managers but to all employees, it is important to identify areas where development can be an alternative. Talent Management is about attracting the right people to their company, but it is also important to keep and develop the people and competences they already have in the company. This allows a description into how they approach their overall work with Talent Management, from recruitment and development actions to compensation and

rewards. The educational facility of the organisation is a process where the business objectives of a certain business area are briefed and discussed together with the respective business department. Followed by a step where employees are to create personal, delivery, development, and business goals, which are then shared with the manager and an agreement is made between manager and employee with clear measurable expectation settings. The most important part of Talent Management is to focus and do a few things really good, instead of doing several things less good. Deriving from the fact of high competitiveness in the market, acquiring the right type of competences is crucial.

Company J determine Talent Management as all the processes that are linked to attracting, employing, retaining, developing and releasing people. They have an internal professional development program which is linked to the development process, where each individual in the organisation is connected a mentor. This enables development through evaluation stages occurring twice a year. In addition, they strive to establish an ambassador-like environment where the work satisfaction employees have is broadcasted even externally through their networks. The most important part of Talent Management from a Talent Management perspective is recruiting and developing, and continuously improving the recruitment process. It is crucial to find the right people and that the people are given freedom and purpose in a transparent environment. Furthermore, they value the caretaking of their colleagues by offering a platform for personal development, given the current high degree of competitiveness offering people challenges and a chance to develop, which are considered as an ambition to succeed in acquiring the “best” people. It is of high importance for them to always consider revaluations on what is required to do and that employees are constantly involved.

Company K explained that Talent Management can mean many things but for them it consists of three main areas. The first area is talent acquisition, which means having the right profiles and recruiting the right people to fit those profiles. This incorporates employer branding aspect through for example positioning proactively at universities. The recruits then are ensured to go through onboarding. Talent Management also consists of assessment of the talent pools in every committee of the organisation, discussing development needs of the process of attracting. The second area of performance management includes monetary compensation, which is considered to be connected to the performance and to the objective setting. Third area, is the development in specific regards to individual development of qualifications of skills training or leadership training.

4.2.2 The Aim, Measures and Success of Talent Management

Company A states that the purpose of Talent Management is to identify who they have today, who are the people they have in their key positions and who will be leading the future. In concerns of measuring they apply four measurements: 1. percentage of key positions that have been filled by internal candidates, 2. successor for each key position, 3. voluntary turnover of talents in comparison to other companies, 4. the percentage of development plans among talents. They further claim that the recently reorganised way of working with Talent Management has started to pay off and that it has been successful. They explain that they have utilised the data of their people and talents and combined it to development opportunities for the employees.

Company B clarifies it is the discussion between managers and the HR about the employees' performance reviews that ensures that the company can have, and secure, a growing potential of talents and can proactively take certain actions when needed. In order to do this the organisation must acknowledge the responsibility of knowing their people, the need to develop them or letting them develop themselves and making sure that no one is stuck with their career development. Measures are in place, for example a couple of KPI's, but mostly they follow the retention rate because it allows a more positive way of the changes in certain groups.

Company C state their focus of the Talent Management process to be the development in connection to the strategic requirements. Since Talent Management is still in the introduction phase there are no measurements in place for the overall success of Talent Management. However, they do measure some parts, such as how many are currently involved in the talent review process and whether specific development activities actually have brought the expected outcomes.

For Company D the aim of Talent Management is to have the future actors in the company. They measure the recruitment process and monitor how talents are placed in available positions and how well they manage to fulfil the requirements of those positions. It is important that in the talents' everyday work, the skills, motivation and desire to develop is realised.

Company E states that the aim is to ensure their ability to fulfil and drive strategic decisions and implementation in the future as well. No significant KPIs' are in place other than they follow how the succession pipeline is shaped and which key positions with key leaders and key experts they are able to retain. Top management and senior management clearly sees high value in Talent Management, which enables a thorough time investment for running the process and following up on the implementations of planned activities. Furthermore, they consider themselves successful in the establishment of communicating the focus and importance of the process to the organisation. Successful Talent Management entails that there are no big gaps or big surprises in the key positions.

Company F clarifies their aim to Talent Management to be about competence development, as it is driving culture change and summarises the talent review process. The aim is now mainly on revisiting the process and develop it into something of value starting from the executive board. Hence, no measures are in place at the moment.

Company G describes the aim of their Talent Management as to have a clear picture of employer branding both internally and externally, in the sense of what are the personas and behaviours, personality traits and competencies that are required to succeed. Since the process is only being structured at the moment, there are not many measures in place, only some KPI's. They consider the success with this development of the Talent Management to be great as it can lead to a talent driven organisation with a much higher level of engagement and that will also raise the performance through well developed and identified talent pools. However, they are not there yet.

Company H explains that the processes they have in place have been created together with higher management and that the outcome presents a well rooted system of values and a transparency of capabilities required in every functional unit. The overall aim of their Talent Management is to develop all of their employees to reach their full potential. Talent Management is considered

successful in the sense that the process is in place, they have a great plan, they have the tools for implementing it and furthermore an idea behind it that works. There are measures in place in order to benchmark, for example KPI's that can be used to measure those who are talents, the turnover etc.

Company I states the aim to be “having the right person, in the right place, at the right time, at the right salary”. In terms of measuring their productivity they have collaborations with other organisations which provide insights of their external brand position as employer. They also conduct student competitions, where they measure the response in terms of quality and total applicants and also number of female applicants. Overall, they determine the progress of the current Talent Management strategy as successful, their CEO is content and values the progress that has occurred concerning the use of few resources.

Company J clarifies that their aim with Talent Management is to develop the company, as part of their strategy is to ensure that they find people that will lead the way. They consider that there is no correct answer of how the organisation should evolve or what steps are to be taken. However, if they continue to recruit interesting people with new perspectives this will enrich their internal culture. Trusting their employees will give way for the development of the organisation. The overall success of their Talent Management is recognized by the fact that they are still growing rapidly, in terms of number of employees, and that their employer brand has accordingly a strong positioning. They continue to maintain a strong focus on communication and think that they are headed in the right direction. They measure their success from three perspectives of their core values creating the fundamental way of assessing an individual's professional and personal development.

Company K clarifies that their aim to be clearly defined in the organisation and it is to attract world class talent to all of their worldwide offices. If they continue to attract top talent it will nurture and drive a high performing organisation and allow their values to be maintained. Concerning the success of the current Talent Management, they determine that their attitude is that everything can be improved at all times. They agree that it does sound painful, but this had made them come a long way. They have recruiting targets in place to measure the success, furthermore they measure the performance of the organisation as well as diversity. The measurement of female diversity has been a focus for some time.

4.2.3 Challenges and Benefits of Talent Management

Company A states that the benefits of having Talent Management, and actually using it, is to have the right people in the right place. Even more important aspect is the consideration of the future state of the company, meaning that having a future focus in considering who are the people who can grow internally and thus reduce risks through ensuring that the business continues although an employee leaves the organisation unexpectedly. Their challenges are within communicating the benefits to their employees, and showing employees that the process is to offer opportunities to employees that lead to great development.

Company B describes the benefit of their Talent Management to be the transparent view in all of the businesses, which allows them to exchange information also cross unit. Furthermore, they also consider the fact that Talent Management has contributed to a strategy discussion whereas they

now more often discuss about their talents in a more professional and holistic way. One challenge is that some units see it more as a template filling exercise and do not understand the value of it. Even though Talent Management gives the opportunity to discuss about the good people, it sometimes does not further reach the actions of what to do with the data they have about the people.

Company C claims the benefits are to understand the business strategy and environment and what requirements rise from that, in order to be able to turn those into competencies. Being able to understand the skills and performance of people and to mirror them to the business from the start is crucial for the whole procedure. One of the main challenges is to ensure that all employees understand the philosophy behind Talent Management in the sense that it is a positive process and not judgmental.

Company D declares the benefit of Talent Management to be that given the tools and ways for employees to be assigned with new challenges, the motivation and desire will increase, which will eventually lead to better results and could affect the organisation as a whole. "Talent attracts talent", meaning that it is also a matter of employer image, positioning the company as attractive and as a place where employees can receive challenges and the possibility to develop. Considering this factor, it can be a win-win situation for both employee and employer at best. The challenges are to find systematic approaches and maintaining continuous development, as well as having mutual understanding of what are the criteria, referring to all different areas having a common and systematic way of doing things to avoid fluctuations of criteria in-between functions.

Company E sees Talent Management as bringing benefits for both the business and the individuals. When successful, Talent Management enables the implementation of the strategy in a very efficient way. On the other side, it also creates the opportunity to further develop the strategy, since the people who have ambition and who have a lots of potential to take the company forward have been identified. For the individual, the benefit would be that it brings visibility to the skills and abilities of the individual and shows them what type of job opportunities or a career path the individual can have in the company and in that sense also strengthen the employee value. The challenge is that it is not always easy to be clear about the expectations on individuals or the direction the company is taking. So identifying possible gaps and having a plan in place to fix them in time can be challenge.

Company F emphasises the fact that making the management commit to a selected Talent Management strategy can be a challenge. Another key challenge is to be able to clearly communicate the processes or tools in place so that everybody understands what is required and expected of them. On the contrary, the benefits of Talent Management would be in general to secure the future of the business.

Company G states that without Talent Management, it is like driving in the dark. The benefit of it is to be much better prepared for meeting the challenges in the business. Especially when it is build on the requirements of the strategy framework, the challenges that the company is faced with are easier to deal with. The main challenge is that for a number of years they have not worked with Talent Management in a structured manner, so now to make sure that this lack is being corrected and make the structure work is challenging. Particularly, to ensure it becomes clear and understandable, because then the benefits can be quickly realised.

Company H clarifies that the benefits stem from the individual development program, which enables the communication between employee and manager. However, they do value that they have a plan, process and tools in place, but the challenge is to make it happen, to create a functioning communication between employees and manager, and to actually take advantage of the talent and that the talents know their options and take a proactive approach themselves.

Company I identifies the high competitiveness within the Nordic markets and the importance of being competitive. The most challenging factor the company faces is to be able to acquire the right type of competencies when the market competitiveness is high. The benefits on the other hand, enables a focus on these types of questions and an identification of the critical importance of having talent. It also addresses the fact that there is a continuous development required for the management of talent, as well as considering it in a long-term perspective.

Company J explain the benefits of Talent Management, when done correctly, is to allow the company to eliminate overhead of managing people, as in their values they consider people to be capable of managing themselves. However, most importantly the benefit of Talent Management is to get the best people into the company. The challenge is that competition is high and thus actually recruiting those best people is the challenge.

Company K portrays the benefits of Talent Management as the insurance that they have a high performing team. They face challenges of recruiting women, the reason behind stated as that the industry company K is within is not attractive enough for women and that they also are poor at developing them internally. Another challenge is the culture base, in addition to the characteristics of the industry, is that it easily can become greedy and solely focused on monetary benefits, which they don't want their Talent Management to be pushing forward. Thus, working intensively with the values of the company.

Table 9. Summary of approaches to Talent Management.

| Company | Talent Management (TM) Process and Practices | Aims, measures and success of TM | Challenges of TM | Benefits of TM |
|----------------|--|--|---|---|
| A | Annual identification of talent and assess current states of team performance, reviewing the development of key positions, | Identifying who they have today, what key positions there currently is, and future positioning. - 4 KPI measurements in place. | Communicating the benefits of TM and presenting the opportunities for the employees | Having the right people in the right place while having a future focus |
| B | Systematic annual process consisting of talent review | Discussion between managers and HR that ensures that they can and have growing potentials while acting proactively. - There are KPI's, but follow retention rate mostly | The view of TM as a template filling exercise as a demotivating factor. | The transparency enables information sharing across the organisation. Enabling more discussions of strategy, and viewing their talents in a more professional and holistic way. |

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| C | No definition of TM, but is the identification of talent related to the business strategy | Development in connection to the strategy. - <i>No KPIs in place</i> | Ensuring that all employees understand the philosophy behind it. | Understanding the business strategy and the environment requirements. |
| D | Guiding the capability capital, identifying skills and capabilities required to the strategy. Assessing skillsets over personal attributes. | To have future actors in the organisation. - <i>Measuring the recruiting and placement of employees</i> | Maintain continuous development and having systematic processes in place. | Tools and ways that enable employees the assignment with new challenges. |
| E | Well establish annual process, and quite traditional. The whole process is important. | The ability to fulfil and drive the strategic decisions. - <i>No significant KPIs however follow succession pipeline planning.</i> | Setting clear expectations for individuals and business directions. | TM enables the implementation of strategy, meanwhile providing an opportunity to develop the strategy further. |
| F | Focus on talent review process, TM considers the whole process from developing to looking for new employees. TM process to maintain a business development focus. | Competence development as a driver of culture change. - <i>No KPIs in place</i> | Making the management commit to the TM and clear communication of processes and tools. | Ensuring the future success of the company. |
| G | TM has a broad manner, everything from developing, recognising and rewarding employees. Not so structured process at the moment. | Internal and External employer branding, what personality and competences are required to succeed. - <i>Only some KPIs at the moment</i> | Without TM it is like driving in the dark. | TM creates preparation for meeting challenges in the business. |
| H | Annually assess talents together with management, talent performance reviews are the most important process. Developed together with the top management a well-rooted system of values and a transparency of capabilities required for every function. | Develop all employees to reach their full potential. - <i>KPIs in place to assess benchmark and turnover.</i> | Making the plan happen, creating a functioning communication between manager and employee. And that the employee is aware of their options. | Individual development programs enabling the communication between employee and management. |
| I | From recruitment and development to compensation and rewards, focusing on a few things and making them good instead of doing multiple things poorly. | "having the right person, in the right place, at the right time, at the right salary". - <i>Measurements of external position as employer brand</i> | Acquiring the right type of competences in the light of the high competitive market. | Enables a focus and an identification of how critical it is to have talent. |

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|---|--|---|--|---|
| J | All activities connected to attracting, employing, retaining, developing and releasing people. | Develop the company by letting the people lead the way. <i>- Measure success through their three core values.</i> | Competition is high for recruiting talents. | Eliminates overhead of managing people. Foremost getting the most talented people into the company. |
| K | TM consists of three main areas: talent acquisition (e.g. employer branding), performance management (compensation) and development (individual) | To attract world class talent to their worldwide offices. Attracting top talent will enable their organisation to be high performing. <i>- Measurements are made by the overall success of the company as well as diversity measurements are in place.</i> | Recruiting women and handling the culture of their operating industry. | Insurance their team is high performing. |

4.3 Development of Talent Management

Establishing when and from where the organisation initiated the process of Talent Management is presented in the following section, which is further motivated to why the company chose to work with this in particular as opposed to other HRM activities. The responders were also asked to contribute with their personal opinion of what improvements, if any, were to be considered in regards to the implementation of Talent Management.

Company A claim the practices and processes have changed over the time they have been there, however, in the previous ten years the process has become more specific and focused. The choice to work with Talent Management was motivated by the HR organisation. In the respondent's opinion, Talent Management is very much affected by other things happening in the organisation, since they do not have a holistic performance evaluation that has a direct indication of their Talent Management process effects. They further indicate that they can improve their processes and approach to growing their talents in the long-run.

Company B choose to work with Talent Management four years ago, and at that time many things were changing in particular the people process. They recognized the fact that they were lacking knowledge of their people, there was a need to regain an organised process. The initiative came from management. The respondent explained the use of HRIS system goes hand-in-hand with the development and allows them to have more time for rewarding discussions with people. Currently they are also considering their competence development systems and how they are related to Talent Management, in particular they also have expanded looking outside the company for talents.

Company C has a new and more systematic approach for two and half years now. They did not have resources and capabilities to work with Talent Management in HR previously. The incentive

to pursue Talent Management came from the board and executive team. They constantly develop and the current approach is on a good path, they have recently initiated a global HR tool where they can have all people processes and data in one place, which is intended to increase the clarity of reporting and visibility of Talent Management.

Company D states that Talent Management has been in the company in one way or another for years, however it has not been systematic which is now their main focus. The importance of Talent Management has been identified for years but a process in place has been not clearly distinguished. Top management has been closely involved in the development of Talent Management and are considered as the main initiators. They have recently been renewing the process and consider themselves on a good path and that they are halfway there, and are in a learning-by-doing phase.

The respondent of Company E explains that they have only had a quite short visibility, but that it has been run for almost ten years. The initiative for pursuing Talent Management came from both top management and HR, since the two already work closely together the commitment from top management and senior management to pursue Talent Management actively whilst developing it. There is currently nothing the respondent would want to change in regards to the process, however stating that continuous development and improvements can always be maintained.

Company F states that as a group they started using Talent Management five years ago before that the different business areas had each their own. They initiated a change phase in last December, and realised that Talent Management from a group level brings value to the business and helps in securing it. The CEO of the organisation initiated the change. The respondent could not choose anything in particular to change, however, accentuated that they need to implement this better and to keep it simple so that managers understand the purpose of pursuing it.

Company G explains that they have always worked with Talent Management, however, there has not been a structured work, they had previously somewhat stopped working with Talent Management explicitly, to pick it up again recently. Now they have started a more systematic approach to it. The initiative came from the executive management and country management in the organisation, there is a need for it everywhere in the organisation. Considering changing their current implementation they state that there is a lot they would want to change and currently doing so. They are striving to make it an integrated part of the organisation and as clear as possible for the whole lifecycle in the employer branding, competences required, reward and recognition systems etc. Overall, it is the structure to follow the different parts and that they go together.

Company H states some certain parts of their Talent Management has always been there, however, their explicit values were added eight-nine years ago and Talent Management as a concept was introduced during the last ten years. Talent management was chosen to pursue due to its broad concept, it is an umbrella covering several components from recruitment, giving employees a good introduction to the company and having a good process during the entire employment period with clear objectives. The initiative to pursue Talent Management from a group within the organisation specifically working with development issues for a central purpose. Not so much is desired to be changed in regards to the execution, however, they would like to work more with the digital communication of career opportunities. In addition to this, as active with working with the talents,

they have identified and communicated career advancements in a smoother way to increase the allocation of talent.

Three years ago Company I started working more structured with Talent Management. Talent management was pursued because of the fact it is about the people of the organisation that develop the business, in more specific it is about people and ideas. This is what company I builds their values and business on. The initiative to pursue Talent Management originated from the HR organisation, and a constant development is the premise.

Company J explains that since Talent Management, which is about developing their people, is one of their core processes they decided seven years ago that recruiting can no longer be a supporting activity, it was required to become a central activity. Today recruitment is a central component and is discussed daily and not performed by a certain function. It is to be carried out by every individual in the organisation and that everyone knows what Talent Management is and how they can improve it. Closely to the respondents' daily activities is Talent Management because so much of the processes are linked to processes considered to Talent Management processes. Considering change, they would probably want to change everything, because everything needs to be improved. Some processes are good for the organisation at the moment, however considering their constant growth they require to have processes in place that would increase their efficiency.

Company K has for the past four years expanded vastly, which has required a more structured approach to Talent Management, in order to communicate internally of what they do and what they do not do, and how they develop people. Talent Management was chosen because it is defined by the respondent as a very broad concept and is more or less the entire HR system. The initiative to pursue Talent Management came from their CEO. Future changes would consider increasing diversity, however, HR work is never finished, it is always in constant development. Maintaining the current culture is a challenge and ensuring that HR does not work in isolation is crucial.

Table 10. Summary of Talent Management in place and from where the initiative came from.

| Company | Years with TM | Where the initiative to pursue TM came from |
|----------------|----------------------|--|
| A | 15 | HR organisation |
| B | 4 | Management |
| C | 10 | Board and executive team |
| D | “several years” | Top management |
| E | 10 | Top management and HR |
| F | 5 | CEO |
| G | 0,5 | Executive management and country managers |
| H | 8-9 | Central purpose development group |
| I | 3 | HR organisation |
| J | 7 | - |
| K | 4 | CEO |

4.4 Alignment of Talent Management to Strategy

Following section strives to conclude empirical findings of the link of Talent Management to strategy in the companies. An identification of the top management's involvement in Talent Management work is presented, followed by the informants' judgement of linkage between Talent Management and strategy. Finishing off with the importance of Talent Management in the future.

Company A states that top management is involved in Talent Management work. They have annual talent reviews for the top team and for every division management team also have their independent talent review meetings. Implying that the data of the talent reviews are assessed in a broader sense and a rather strategic function. Talent management is very much linked to the strategy. Having talent in place implies that the organisation can deliver on the strategy, for it is the capabilities and competences assisting in the implementation. Furthermore, having talent pools of various competences and capabilities enables creating a stronger link between talent and activities, as the execution of strategy requires the right people. The respondents indicate that Talent Management is very important for the future, it is of importance in order to grow people. If a non-systematic way of rotating people is not in place the organisation risks losing the right people.

Company B agrees and states that top management is involved in the work of Talent Management, they are currently working with strategic workforce planning and value the competences and capabilities of people they need. Further confirming the link between strategy and a holistic view of the organisation, they need to consider the plan for the changes in business and from there plan the individual level in Talent Management. By ensuring that they have clear plans of the required organisational capabilities they need to consider the workforce, if the competences are in-house or if they should search outside the company. Talent Management is a natural evolvement for their organisation for the future, for without the people there will be no success.

Company C has top management involved in Talent Management, management teams have discussions regarding the matter dedicated to solely discussing the people, they call this the "people day", which occurs once a year. Four times a year they further discuss the resources status and connect to talent reviews. Talent Management has a straight link to the organisations strategy, and enables the strategy implementation because the talent reviews stem from the business strategy and all the people are mirrored against those requirements. From the reviews the outcome is an understanding of the people have the required competences to realise the strategy. In the case they do not meet the requirements development actions can be directed. For example, the leadership development programs are created by directly linking them to the business strategy in order to ensure that the right people participate. Company C further implies that the importance for talent in the future will only increase and become more important. The challenge is to find different kinds of solutions on how to utilise the concept of Talent Management in relation to every country they are active within.

Company D confirm that Talent Management is absolutely linked to the strategy, there is an understanding that without talents and skills strategy can not be made into reality. In the future they strive for an approach where the strategy does not come first, meaning they can create a strategic evolution if the capabilities they have would drive the strategy instead. In consideration to the future of Talent Management, the role is seen as very crucial. They claim that there is a

global shortage of talents, therefore they can not take for granted that talent will always be available.

Company E state that Talent Management is linked to the overall strategy, and that the top management is very involved in it. Talent Management can contribute a lot, as well as the strategy creation or strategy development. They consider strategic initiatives as opportunities for talents to develop even more. The future direction should consider the strategic ambition, and thinking from the capabilities point of view which is a part of their strategy renewal/creation or strategy projects. It is important to have a framework of capabilities and organisational resources to enable the strategy to take place, have a process and systems, in addition this creates the culture and competences in the way they work. Refining the ability to match resources and capabilities to the strategy are very important. Declaring further that the link to strategy is very direct, they need to reassure that their resources are there to implement and to further develop the business and this is why Talent Management is important.

Company F agrees that the top management is involved in the Talent Management work, it gives input to the business plans. They view Talent Management as linked to the overall strategy. They further claim it is how strategy is defined that highlights the implementation of strategy, the organisation is decentralised with decentralised strategies, however, Talent Management is vital in the overall business. With the right people they can secure that they can deliver. For the future of Talent Management, it is increasing in importance, facing several difficulties of attracting the right competences they need.

Company G claim that top management are very much involved in the Talent Management work, they are currently working with several parts of the organisation in order to view the broad sense of the organisation and how they can make people grow. During the time this interview was conducted their Talent Management was still in development phase. Furthermore, the Talent Management they are striving for Talent Management to be linked to the strategy. It is one thing to consider behaviours and cultures however, today their strategy has shifted focus from a product-based to focus more to culture and behavioural value set. Within this new type of strategy talent takes part, clearly because it is about the people and where they are that strengthens the strategy. For the future it is very clear for them what they want to see more of, and that is people behind the success. The way they act and behave in the organisation is the way to the success of the organisation, and Talent Management is mechanism behind that.

Company H explains they map talents on every level of the organisation, in order to establish a compilation of all talent in the organisation. They further agree that Talent Management is connected to the strategy, the overall strategy needs to be broken down for HR and people per country and business area. Top management can further identify areas where talent is needed. The mapping process the organisation conducts, allows identification of where talent is and can thus be allocated in correct positions.

Company I agrees that top management takes an active part in Talent Management, which is derived from the top management to the different business areas and then into the individual level. Whenever a new talent initiative is taken, top management is always involved. Their talent strategy is linked with the overall strategy, however, Talent Management is supporting the business through the people who are engaged to their organisation and are innovative. They

recently became a global HR organisation, and are changing to combine strategy and people into one function. The “red thread” is there for employees to understand clearly what the objectives are for personal, manager and organisational settings. The view of importance of talent for the future is very critical. Company I also identifies the market competitiveness as a crucial component in attaining talent. Furthermore, they add that making the entire organisation engaged in the questions concerning Talent Management is important.

Company J states that more or less Talent Management is what the top management does, the respondent portrays that about 95 % of top management’s work is to focus on how they can recruit more fantastic people and how to define new ways of developing them. Talent Management is the overall strategy of the company, and is considered as an implementation factor to the strategy. Considering future restraints, Talent Management is what limits them, continuous expansion is only limited by their own ability to attract and employ the right people, thereby crucial to their future success.

Top management of Company K is involved in Talent Management, and the overall strategy is not only linked but driven by Talent Management. In comparison to a company with tangible assets, company K is even more driven by the people they have, as most of their assets are intangible. They state that they most importantly have their brand and their people. They state that the acquisition of talent will grow in terms of importance for the future. Having talent does not necessarily mean having the people with the highest university grades, rather having talent implies having the best people who live by the values of the organisation and works together as a team will drive innovation and high performance.

Table 11. Summary of alignment of Talent Management to strategy.

| Company | Link between TM and Strategy | Future of TM |
|----------------|--|--|
| A | TM very much linked to strategy, having talent implies that the organisation can deliver on strategy. The execution of strategy requires the right people. | TM is very important for the future, in order to grow people. If a non-systematic way of rotating people is not in place the organisation risks losing the right people. |
| B | From a holistic point of view they need to consider the plan for changes in the business and from there plan the individual level in TM. | TM is a natural evolvement for their organisation for the future, without the people there will be no success. |
| C | Enabling the strategy implementation, because the talent reviews stem from the business strategy and all the people are mirrored to those requirements. | The importance of TM will only increase, the challenge is to find different solutions on how to utilise the concept of TM in relation to every country they are within. |
| D | Without talents and skills strategy can not be made into a reality. | Global shortage of talent. |

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| E | TM linked to the overall strategy, strategic initiatives as opportunities for talents to develop even more. | The future direction should consider strategic ambition, and thinking from the capabilities point of view which is a part their strategy renewal/creation. |
| F | TM gives input to the business plans, with the right people they can secure delivery of strategy. | TM is increasing in importance, facing several difficulties of attracting the right competences needed. |
| G | TM should be linked to the overall strategy, talent strengthens the strategy. | They want to see the people behind the success, the way they act and behave in the organisation is the way to success of the organisation. |
| H | The overall strategy needs to be broken down to HR and people in all business and country units. Their mapping process enables a way to assess talent within the organisation. | The mapping process shows where people are and where they can be placed. |
| I | Their talent strategy is linked to the overall strategy, and TM is supporting the business. | Market competitiveness in the attainment of talent. |
| J | TM is the overall strategy. | TM is what constrains the company, continuous expansion is only limited by their ability to attract and employ the right people. |
| K | TM drives the overall strategy, the people of their company is what drives them. | Acquiring talent. |

5 ANALYSIS

This chapter incorporates the analysis of the three main concepts identified at the end of the theoretical background chapter. These concepts are Talent Management, view on talent and strategy. The analysis follows the structure of the framework in order to discuss the relationships between the concepts more in depth. In each section, all the companies are analysed together to find patterns that are of value for eventually answering the research question. The first part presents an analysis of the relationship between view on talent and Talent Management, followed by the analysis of the relationship between strategy and Talent Management, and ends with analysing the relationship of the view on talent and strategy.

5.1 Relationship of View on Talent and Talent Management

In order to analyse the empirical findings on the relationship between the view on talent and Talent Management, a table was created where the findings are summarised and grouped based closely on the framework of Bolander et al. (2014). This is to further bring structure to the answers of the case companies, establishing a more thorough platform for further analysis.

Table 12. View on talent and Talent Management (derived from Bolander et al., 2014).

| Company | Subject versus Object | Inclusive versus Exclusive | Acquired versus Innate | Input versus Output | Context - dependent versus Transferrable | Principle practice |
|----------------|------------------------------|-----------------------------------|-------------------------------|----------------------------|---|---------------------------|
| A | Subject | Exclusive | Acquired | Output | Context | Identification |
| B | Subject | Inclusive | Acquired | Output | Context | Identification |
| C | Subject | Inclusive | Acquired | Both | Context | Development |
| D | Subject | Exclusive | Acquired | Both | Context | Identification |
| E | Subject | Exclusive | Acquired | Output | Context | Identification |
| F | Subject | Exclusive | Acquired | Both | Context | Development |
| G | Subject | Exclusive | Acquired | Output | Context | Identification |
| H | Subject | Exclusive | Acquired | Both | Context | Development |
| I | Subject | Inclusive | Acquired | Both | Context | Development |
| J | Subject | Inclusive | Innate | Output | Transferable | Recruitment |
| K | Subject | Inclusive | Innate | Output | Transferable | Recruitment |

Based on the exemplification of the different tensions introduced by Dries (2013), there is clear differences in the answers and views organisations have on talent. This is further in line with claim by Ulrich (2011) that talent can mean whatever the business practitioner wants it to mean and argument by Bolander et al. (2014) that the characterisation of talent is not self-evident. On the same note, majority of organisations did not state to have a clear statement of what talent actually is, even though they do discuss talent in the organisation and the different tensions could be analysed based on the interviews. All the companies can be identified to have a subject approach. Dries (2013) also states the distinction of talent as an object to be difficult to make since

characteristics of a person cannot be independent from the person as a whole, which seems to be the way these case companies also see to be true.

Tension between acquired versus innate seems to be in the case companies fairly unanimous. As can be seen from Table 12, most companies leaned on more towards understanding talent as something to be acquired, and emphasised development activities and identifying the employees who can be talent, rather than focusing on recruiting the people with the innate nature of being a talent as companies J and K characterised their understanding of talent. This is much to as Dries (2013) characterises the tension. There was a similarity between the companies that considered talent as acquired to further see it as context-dependent, whereas as case companies that see their talents to have an innate nature for talent, consider it to be transferable and thus focus on recruitment activities. The connection can be clarified as Dries (2013) argues the tensions to be interrelated and Bolander et al. (2014) has grouped companies based on these tensions, the approaches showing a connection between the context-dependency and innate versus acquired tension.

The main disparity can be seen with the tension on inclusive versus exclusive view on talent as well as the tension on output versus input. Exclusive view considers just a part of all the employees as talents, whereas the inclusive view sees everyone to be talented in their own way. Tansley (2011) argued this to be the main debate around the nature of talent, which is prominent in the overall answers of the case companies. Stahl et al. (2012) argued organisations to use both approaches but the empirical findings based on the case companies did not give indication to this. Companies with exclusive view on talent had set the focus of their Talent Management activities to the identification of those who are considered as top talents and development activities were focused on those individuals only. On the contrary, those companies with inclusive view on talent had Talent Management activities planned to understand the skills of all the employees and everyone would be understood as a talent. Some of the companies made a distinction on whether the talent is potential or already there, as there was an emphasis by many of the case companies, that being a talent is not a static state but rather dynamic and can change quickly.

The distinction from the interviews was quite difficult to make on the input versus output tension, as several companies seemed to be concerned of both views. No company could be interpreted to have an input view, meaning that they would solely consider an individual's motivation or drive to be the determinant of talent, as Church and Rotolo (2013) state the abilities, i.e. output of employees to be the sole focus in most organisations. In accordance to this claim, in most of the companies, assessments were mainly done on the performance of the employees, relating to the output view. However, several companies considered both input and output of the individual to be a determinant of the talent. This means that despite the companies would look for certain level of performance from those considered as talents, the inner motivation and ambition was still considered as an important factor, which Dries (2013) states to be highly valued and important in the continuation of individual talent. As talents, those individuals are expected to want to be the talent, referring back to the statements about talent as a dynamic concept, the individual needs to make sure they stay being a talent by having the motivation and in that way show their determination and then be able to perform well.

Deriving from the Bolander et al. (2014) framework on approaches to Talent Management, the views on talent can be classified within the three approaches and considered in contrast to the

humanistic approach, competitive approach and *entrepreneurial approach* named by Bolander et al. (2014). Even though Dries (2013) has summarised the different tensions found in regard of defining talent within the academic literature, there is no clear definition or terminology for talent. Thus, we have used the terminology from the framework of Bolander et al. (2014) to clarify the categorization of the different views on talent, as it gives good reference and terminology to discuss the views on talent further. Hence, the approaches defined by Bolander et al. (2014) are to be named as *humanistic view, competitive view* and *entrepreneurial view* to emphasise that this classification is done based on the view on talent section of the framework. Only two of the companies, namely C and I fell directly under the *humanistic view* on talent. This comes to show that organisations have unique approaches to defining talent, or more so to explaining and considering talent, as it came apparent from the interviews that most organisations do not have a clear definition for talent. Despite this, the terminology of the *humanistic view, competitive view* and *entrepreneurial view* can be used, as we classify the companies based on the view they reflect the most. In addition to C and I, companies B, D, F and H were also considered to lean more towards the *humanistic view*, as these companies has most of the traits described as part of the humanistic view, such as focus on talent as acquired and context-dependent. A, E, G, J and K reflect most closely the *competitive view* on talent, J and K almost fully and the A, E and G had most traits described within the competitive view, such as focus on the output of the employees to determine talent. None of the case companies can be classified to reflect the *entrepreneurial view*.

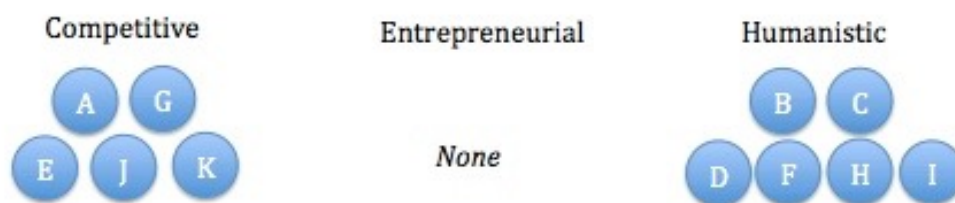


Figure 3. Summary of the view on talent.

After the discussion on the view on talent, the principal Talent Management practices of the companies can be analysed in reflection to the view on talent. Bolander et al. (2014) have the principal practice as part of their approaches to Talent Management. The idea here was that the distinction between the view on talent and Talent Management would be made more clear, thus the discussion above led to the approaches of Bolander et al. (2014) to be derived into the views on talent. To further analyse whether the identified views on talent do reflect Talent Management as referred to in the framework of Bolander et al. (2014), the principle practices of each case company were identified. As Cappelli and Keller (2014) emphasise Talent Management to imply having a set of established practices aiming at getting the right person in the right job, this approach to the analysis is chosen to show what the effect of knowing who the “right person” is can have on the “set of established practices”.

The most dominant practices in Talent Management can be concluded to be identification, recruitment, training and development, staffing and succession planning and retention management (Dries & Pepermans, 2008; Stahl et al. 2012). The interpretation of principal practices was done based on this clarification of Talent Management activities. The exemplification of certain practices is to be understood as a guiding principle as Stahl et al. (2012) stated, not only as simply descriptive of practices based on previously found success stories, as

Sparrow et al. (2014) on the contrary emphasise. The case companies all had very different ways of expressing their Talent Management activities and attention was given in the analysis to understand which activities were emphasised the most. Three activities came across as the principal practices within the case companies, namely identification, development and recruitment.

Identification was the most common principal practice, but did not directly follow the reasoning by Bolander et al. (2014) as it being the principal practice of competitive approach. Identification includes the systematic practice of regularly reviewing talent. From the empirical evidence within this study, it can be concluded that the approach of Talent Management contributes to an overview of where a company has talent within their organisation. For example, some of the companies stated to be working with “9-Box-Matrix”, with potential and performance axes to identify who are the potential talents to be, and the already existing talents, other worked with certain predetermined gateways that employees needed to pass in order to be qualified as talents. The next prevalent principal practice was development, which according to Bolander et al. (2014) is the principal practice of companies with the humanistic approach to Talent Management. As the analysis on the different views on talent shows, this is not the case with the case companies in this study. Companies in this category are characterised by the focus of developing talent within the organisation and the management is expected to facilitate the development opportunities.

Recruitment was considered as the principal practice of only two of the companies, and it is not discussed in the Bolander et al. (2014) framework in relation to the different approaches to Talent Management. However, for these two companies it was their main focus. It can be somewhat linked to the identification practice, but only as identifying the external talents. This seems to describe companies that are much in the “war of talent” –thinking and are fighting over the best talents in the market. The common denominator with the companies that considered identification as their focus, is the output view, where the level of performance is everything. However, the focus on recruitment takes the focus on performance somewhat further, as the similarity between these two companies was that they also have an innate view on talent – it is something that is within an individual (Dries, 2013) and thus development should not be the focus but rather finding those individuals that are talents from the get go. Moreover, the recruitment focused companies consider talent to be transferable, which is why the belief that recruitment is rather important. This is the opposite for identification and development, as the companies with these principal practices regard talent to be context-dependent and thus can imagine to find the talent from within the company or develop it.

Interestingly, the principal practices seem to be highly correlated to the input versus output tension, as most of those companies that are focusing on identification and all the ones focused on recruitment, have a focus on the output and the companies focusing on development have a focus on both input and output. This could relate to the factor that output is all about performance and thus the value of talent is purely based on the performance, as Dries (2013) characterises the output approach, thus the focus is to identify or recruit the individuals with high level of performance. Somewhat on the contrary, when the focus is on development, then also those individuals who show motivation and drive to succeed are considered to be potential talents and thus it is seen as important to rather offer development opportunities for everyone who shows the passion to perform better and bring value to the organisation as a talented individual.

However, the ambiguities around Talent Management and talent brings about challenges if the managers and HR professionals have not clearly decided what they are looking for and employees are not fully aware of what they should aspire towards (Anders, 2010; Gallardo-Gallardo et al., 2013). This can further undermine the possible benefits of Talent Management as a value adding SHRM process (Garrow & Hirsh, 2008).

5.2 Relationship of Talent Management and Strategy

Table 13 below presents a summary of the empirical findings related to the strategic alignment of Talent Management as well as other relevant topics from the data collection that allowed the analysis on the relationship between the Talent Management and strategy. This is to further bring structure to the answers of the case companies, establishing a more thorough platform for further analysis. Table 13 leads to the analysis of the maturity of Talent Management in relation to the strength of the connection it has to strategy and the level of systematism Talent Management can be perceived to have.

Table 13. Talent Management and strategy.

| Company | Years with TM | Top Management involved in TM | TM linked to Strategy | Comment |
|---------|-----------------|-------------------------------|-----------------------|--|
| A | 15 | Yes | Yes | "Talent management manages to deliver on strategy" |
| B | 4 | Yes | Yes | "... enables to work more holistically" |
| C | 10 | Yes | Yes | - |
| D | "several years" | Yes | Yes | "without Talent Management strategy cannot be made a reality" |
| E | 10 | Yes | Yes | "Talent Management can contribute a lot to strategy creation" |
| F | 5 | Yes | Yes | - |
| G | 0,5 | Yes | Yes | - |
| H | 8-9 | Yes | Yes | "enables a talent overview" |
| I | 3 | Yes | Yes | "supports the business function" |
| J | 7 | Yes | Yes | "it is the overall strategy" |
| K | 4 | Yes | Yes | "strategy is not only linked, it is driven by Talent Management" |

Overall, the companies are in different phases on the development of Talent Management. Companies D, C, F, G and I expressed to be in the phase of either renewing or developing from the start their Talent Management, whereas companies A, B, E, H, J and K declared to have an established Talent Management in place, with the regard that Talent Management is constantly evolving alongside the business requirements. However, all companies replied yes to the question that considers their Talent Management to be linked to the overall strategy, which Armstrong (2011) clarifies to give strength for the strategic role of Talent Management. Several companies

explain that Talent Management enables strategy to be realised and it to be a valued support activity in ensuring the company to have the right people in the right place. These findings are in line with Armstrong's (2011) statement this to be one crucial factor for organisations to understand, as the development of Talent Management activities can turn the strategy into action. Furthermore, this gives support to the claim by Silzer and Dowell (2010) that Talent Management has become more than just one of the HR programs and is given the required strategic focus. The case companies further claim there to be involvement of top management in the Talent Management work, even though the initiatives are not necessarily pursued by the top management in all of the companies. As Al Ariss et al. (2014) claim, the executives have the key role and simply having Talent Management does not necessarily mean that organisations are successful in managing their internal talent because the importance of Talent Management is easily overlooked and capitalizing on the opportunity for strategic success is not realised.

The *best fit approach* entails there to be a need for organisations to understand their current position to succeed with their Talent Management approach (Silzer & Dowell, 2010; Stahl et al., 2012; Corbridge & Omotayo 2013, p.98). Thus, the Talent Management processes and practices look very different in each of the case companies, in some being more systematic than in others. This relates back to the claim that Talent Management can be a strategically important differentiation factor when practices and processes are unique enough so that competitors cannot be copy or duplicate them (Ashton & Morton, 2005; Stahl et al., 2012). However, as clarified by Thunnissen et al. (2013), Talent Management should still be a system or a set of practices and activities that are complete and interrelated. Thus, to analyse the system of activities in the case companies, Figure 4 summarises the case companies in relation to the degree of systematism in the set of Talent Management practices and processes in place. When referring to a *systematic approach*, the Talent Management practices and processes are fixed, well organised and structured, whereas a *non-systematic approach* includes processes and practices that have yet to be well established and structured, in some cases because the companies belonging to this cluster are still in the development phase.



Figure 4. Systematic approach to Talent Management.

Most of the case companies were analysed to have a *systematic approach* to Talent Management based on the descriptions of the Talent Management processes and practices given during the data collection phase. The shared attribute of the case companies A, B, C, E, H, I, J and K is that they all have a well structured and fixed method in place to attract, develop, and retain people. In addition, these companies have set annual and monthly processes of Talent Management and even top management and the executive board is devoting time on these matters. These case companies add that having a *systematic approach* enables them to constantly assess talent in the company

and evaluate the situation to build and ensure the necessary following steps. This way, the companies can build Talent Management to be a more valuable part of the overall strategic management processes of the company (Silzer & Dowell, 2010; Armstrong, 2011).

In comparison, those case companies with a *non-systematic approach* do not have systematic processes in place to the same degree as those companies considered to have a *systematic approach*. This is not to say that the companies D, F and G of *non-systematic approach* do not have Talent Management processes and practices in place, rather these processes and practices do not conform with the clearly set system of activities. Based on the empirical data gathered, these companies were considered to have somewhat scattered Talent Management activities or perspective on Talent Management did not come across clearly. This can be considered in the light of ambiguity surrounding the terminology (Lewis & Heckman, 2006; Dries, 2013; Thunnissen et al., 2013; Bolander et al., 2014; Sparrow, Scullion & Tarique, 2014) These ambiguities can bring about challenges and not add the value it could when fully functional (Garrow & Hirsh, 2008; Anders, 2010; Gallardo-Gallardo et al., 2013). Although some of the companies have had Talent Management for several years, such as companies D and F, the Talent Management can still be undergoing development to fully fit it to the organisation and see the systematic approach of it to be fully functional, as Festing et al (2013) clarifies that it can take time before the Talent Management activities play out and the benefits can be realised. Company G was placed into the *non-systematic approach* as they seemed to consider Talent Management as a substitute terminology for HRM, and thus for the purpose of this analysis, the systematic approach to Talent Management is deemed low. However, as with case companies D and F, company G is also reconstructing their Talent Management, and were only in the initial stages of developing a more systematic approach to Talent Management.

Sparrow et al. (2014) argue that formulating Talent Management systems can be challenging since there are many options on how to combine different policies and practices available. Therefore, it should be considered that many systematic tools for Talent Management can also be costly, difficult to use as well as timely to maintain and implement (Anders, 2010; Oracle, 2013). However, finding the unique Talent Management can develop into a differentiation factor if build well and fit to the company's strategic aims. Although, most of the case companies stated not really measuring the success of their Talent Management, despite deemed successful by many companies. Boudreau and Ramstad (2005) suggest that to facilitate the success of Talent Management, it should be made explicit and for example, investments and interventions should be followed up on a more central level and relevant measures should be collected and further analysed to interpret the success of Talent Management in the light of the integrated strategic framework. In some of the companies, the lack of measures was related to early stages Talent Management is still in.

The discussion about the level of maturity of Talent Management by Corbridge and Omotayo (2013) can give some direction to understanding the different development phases of Talent Management in the case companies. The identification of the companies' maturity level is presented below in Table 14. This represents our assessment in comprehending the relationship between Talent Management and strategy within the case companies. Concluding a level of maturity of Talent Management enables an analysis of the current stage of managing talent and illustrates the strategic emphasis on Talent Management and how systematic the actual Talent

Management activities are in relation to strategy. To distinguish where the companies in this study are placed in terms of maturity, the definition and the overall aim of Talent Management are added to Table 14 in order to achieve an overall comprehension.

Table 14. Level of maturity of Talent Management (derived from Corbridge & Omotayo, 2013, p.98).

| Level of Maturity | Company |
|-------------------|---------------|
| 1 | None |
| 2 | C, D, F |
| 3 | G |
| 4 | B, H and K |
| 5 | A, E, I and J |

None of the companies in this study have a complete lack of Talent Management strategies, policies or formally developed practices, as this was the main condition on the sample selection. All companies do have a some degree of Talent Management in place. Therefore, none of the companies included in this study are placed in level 1. However, we did identify some of the companies to only have isolated, tactical or local pockets of Talent Management activities but with no overall strategy or plans for Talent Management. Thus, companies C, D, and F are placed in the level 2 of the maturity of Talent Management. The ambiguity of what Talent Management is and consists of is apparent. Company C further states that they work more hands-on rather than focusing on definitions, a philosophy is followed as a foundation and declare that if they had defined what Talent Management is, it would be identifying from the business strategy the talents that they are required to have. Company D recently initiated a change initiative of their Talent Management to become more systematic with their process. Striving for a Talent Management that captures the value of its people in connection to their strategic objectives. Company F states that due to their decentralised business units Talent Management can mean many things, and only rather informal processes are in place, they follow talent reviews and consider the larger scope in the sense that competence development drives culture change.

Company G is placed at level 3 of maturity, the company is in the middle of developing their Talent Management. Since, their Talent Management is in development phase, the Talent Management activities cannot be stated to yet fully be integrated and coordinated within the whole organisation. However, Company G is actively striving to develop their Talent Management to become an integrated part of the organisation in order for them to have Talent Management as a tool to evaluate where talent is within their organisation and to serve a broader purpose in benefiting the company.

Level 4 of maturity combines the strategies of HR and corporate Talent Management initiatives, reflects the corporate level to the HR level and combines a synergy effect of the two components. This level is comprised by well established practices and processes of Talent Management. Companies B, H and K can be characterised to have these attributes as these companies allow HR to act as an integrated part of their corporate strategy. The Talent Management practices and processes are guided by the strategy of the company, ensuring that the required competences and capabilities for the business are in place within the employees delivered by the Talent Management practices and processes. Another step further is level 5, where the Talent

Management is not only vertically relevant for strategy planning, but further informs and is informed by corporate strategy. Companies A, E, I, and J are placed in level 5, as the common attribute amongst these companies is that talent is understood as a crucial part of and is taken into consideration in the strategic process. In addition, the companies in this category focus on constantly adapting to the dynamics of their employees. More specifically, the companies, more or less, aim at exploiting their talents by allowing them to prosper at their individual unique capabilities and competences and drive the company forward.

5.3 Relationship of Strategy and View on Talent

Even though the academic literature identifies talent as a strategic asset, representing something valuable, rare, inimitable and non-substitutable, and even as the enabler of the implementation of value creating strategies and achievement of sustainable competitive advantage (Huselid, et al. 2009, p.7; Silzer & Dowell, 2010), the nature of talent is not as self evident (Gallardo-Gallardo et al., 2013; Bolander et al., 2014). This was also apparent from the empirical data and illustrated in Table 12 in section 5.1. Furthermore, there is not much theoretical discussion on the connection between the view on talent and strategy. The resource-based view gives some ground to understanding the relationship, as Grant (2013, p.105) argues that identifying the unique strengths of an organisation provides a basis for selecting a strategy that exploits the key resources and capabilities of an organization. Thus, organisations can outperform and differentiate themselves from competitors and that way generate competitive advantage by letting these differences guide their strategic designs (Grant, 2013, p.12; King & Glowinkowski, 2014, p.63). This should be given the required attention by organisations particularly as the talent shortages are identified to be prevalent not only today but also in the future (ManpowerGroup, 2015). Therefore, the relationship between strategy and the view on talent is further analysed, and in order to embark on increasing the understanding of the connection, two clusters are constructed, based on the nature of the organisation's approach to the overall strategy. The clusters are identified based on the similarities between the case companies, and are named as *people-led approach*, *business-led approach* and *transformative approach*.

People-led cluster consists of companies that were interpreted to have an approach to strategy, which emphasises the importance of their internal composition of people. Within the *people-led approach* the basis for analysis is centered on whether the way the companies were discussing the strategy in the interviews was characterised by the people of the organisation. Interpreting the empirical data, the emphasis of companies A, E, I, J and K seemed to be strongly on people and that the strategy is driven by the employees of the organisation. Companies in this cluster share strong motivation of having a high transparency of objectives and expectations, their processes and practices within their Talent Management have clear levels of each of individual, organisational and manager objectives. This cluster follows the premise that without the people the company cannot execute its strategy and thus emphasises the value of its people. Some of the companies in this cluster stated that their strategy depends on their people and the people can even be considered to determine the future direction of strategy and thus the company. Overall, this approach is highly dependent on the characteristics of the employees in the organisation and the people are a central focus to the realisation of strategy. It is more likely that in the companies with the *people-led approach*, an organisation-wide talent mind-set can be created, which then can increase the commitment and motivation of the talents (Bethke-Langenegger et al., 2011),

bringing out the best in everyone (Pfeffer, 2001) and contributing fully to the success of the organisation. This segment of companies reflects the *people-led approach* and is placed in the right-end of Figure 5.

The companies with *business-led approach* came through in the interviews as of discussing strategy in the sense that there was a higher focus on what the company strives towards and was oriented around what they do rather than the people, who were not discussed as strongly as the drivers of the business as in the *people-led approach*. This cluster consisted of companies B, D, F and H. This is not to say that the people were not regarded as an important resource, however, the degree of focus to the internal human resources was interpreted to be much less than in the companies clustered within the *people-led approach*. The strategy was set and the people of the organisation were aligned and developed to fit the organisation. Even though, talents were identified and Talent Management strategies were set, the realisation of the ultimate benefits Talent Management can bring are not necessarily fully realised with the *business-led approach*, as the downside of it might be that the employees, even if considered as talents, are not regarded as the strategic assets and placed the importance that they maybe would deserve. This can lead them to feel disengaged and the full potential of the employees might not be reached (Pfeffer, 2001; Corbridge & Omotayo, 2012). However, as Tansley et al. (2007) pointed out, talent is specific to an organisation, as the definition is influenced by the industry and the nature of the internal work dynamic. Reflecting on the factor that some organisations might be better off having the *business-led approach* as opposed to the *people-led approach*. Further reflecting the best fit approach argued for strongly by many researchers (Pfeffer, 2001; Boudreau & Ramstad, 2005; Collings & Mellahi, 2009; Sparrow, Hird & Balain, 2011; Vaiman et al., 2012; Dries, 2013; Festing et al., 2013; Bolander et al., 2014). The *business-led approach* cluster of companies are placed in the left-end of Figure 5.

The *transformative approach* came across as companies that were not possible to cluster into the aforementioned clusters of *people-led* or *business-led*. Interesting points taken from these companies are the initial stages of how Talent Management is developed within a company and the how there is a shift of focus from what the company does towards the people and talent in particular. Companies C and G were placed in this section because these companies are striving towards the *people-led approach* but have not yet reached that state. Currently, these companies are creating Talent Management and undergoing fundamental developments of the concept. Thus, the development of their Talent Management is still too premature to place these companies into the far right of Figure 5, but as their approach is guided by the *people-led approach*, it would not be appropriate to place these companies in the far left of Figure 5 either.

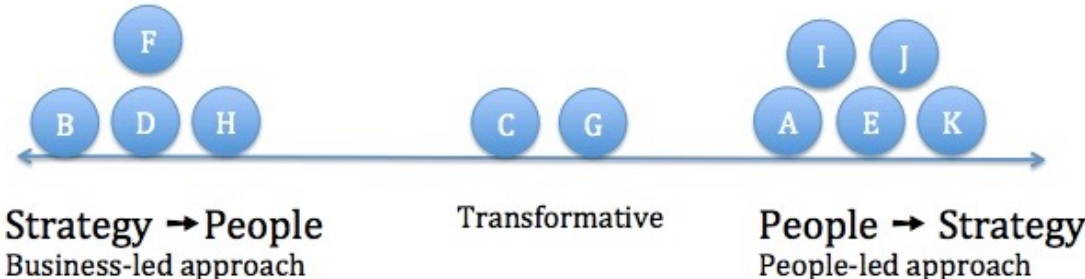


Figure 5. Approach to strategy.

5.4 Application of Conceptual Framework and the Identification of Patterns

After analysing the relationships between the concepts separately, the analysis moves to understanding the framework as a whole. View on talent was discussed to have an impact on how the Talent Management activities are set, however, the view on talent is not always so clear cut and the Talent Management in the company can give implications on the nature of talent sought in the respective organisation. Furthermore, the connection between strategy and Talent Management, and its importance, has been shed light to in previous academic research and thus the focus was to understand the depth of it and whether the systematic approach of Talent Management can be of improvement to the relationship. Last was the discussion on the connection of strategy and the view on talent, which is not explicitly researched in the academic literature yet and can contribute to increasing the empirical research and understanding within Talent Management.

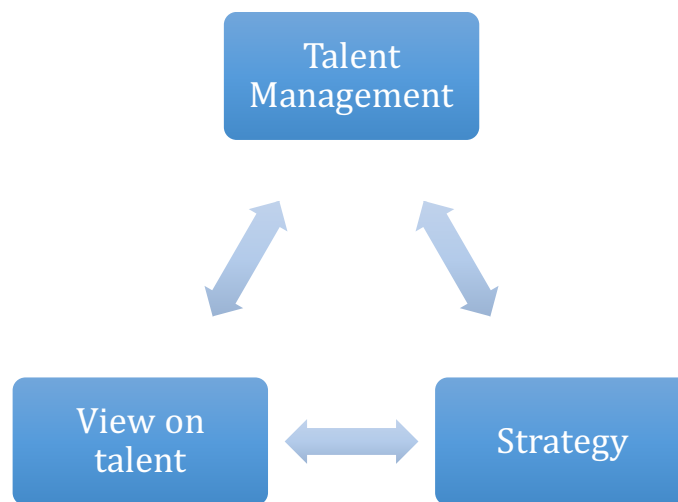


Figure 6. Talent Management relationship framework.

As it was stated in the beginning of this thesis, the purpose was to find similarities or differences between the case companies to create a basis for the improvement of current theoretical frameworks within Talent Management as well as to increase the understanding of the relationships between view on talent, Talent Management and strategy. Therefore, in order to find patterns or deviations, a table was created, summarising the findings from the previous sections of the analysis and allowing the discussion of the developed framework as a whole. Table 15 below illustrates the found patterns but also deviations that became apparent from the summary of the empirical findings.

Table 15. Patterns identified based on Talent Management relationship framework.

| Clusters | Company | Strategy approach | View on talent | Talent Management | | |
|------------------------------------|---------|-------------------|----------------|--------------------|---------------------|-------------------|
| | | | | Principal practice | Systematic approach | Level of maturity |
| People-led and Competitive | A | People-led | Competitive | Identification | Systematic | 5 |
| | E | People-led | Competitive | Identification | Systematic | 5 |
| | J | People-led | Competitive | Recruitment | Systematic | 5 |
| | K | People-led | Competitive | Recruitment | Systematic | 4 |
| Business-led and Humanistic | B | Business-led | Humanistic | Identification | Systematic | 4 |
| | D | Business-led | Humanistic | Identification | Non-systematic | 2 |
| | F | Business-led | Humanistic | Development | Non-systematic | 2 |
| | H | Business-led | Humanistic | Development | Systematic | 5 |
| Deviant results | C | Transformative | Humanistic | Development | Systematic | 2 |
| | G | Transformative | Competitive | Identification | Non-systematic | 3 |
| | I | People-led | Humanistic | Development | Systematic | 5 |

People-led and Competitive Cluster

Companies with a *people-led approach*, namely A, E, J and K, indicated having a competitive approach, implying that the case companies have a focus on the people of the organisation when considering strategy. In addition, in certain case companies the people are even argued to enable the future direction of strategy. Thereby, it is of outmost importance that the company has the “top” talent, explaining the competitive view on talent. Bolander et al. (2014) argue that companies with competitive view on talent tend to see the war for talent as an issue and focus more on “buying” talent rather than “making talent”, as half the principal practice of companies’ J and K is recruitment. However, identification as the principal practice of A and E can also be seen as suitable representation of the competitive approach, implying that companies constantly assess where in the organisation they have their talents who can drive forward the organisation. Thus, the common attribute of recruiting and identification can be interpreted to be in the finding of the “right” talent, whether it is in the company internally or recruited externally. From the interviews it was clarified that recruitment in companies J and K is not necessarily focused on the “best” in the sense of highest grades from the best universities or alike, but rather ensuring that the person that they recruit is the best fit to their company in specific and thus in adherence with the company’s culture, values etc. Identification in companies A and E was characterised as highly depended on performance, which is in line with the competitive view. In addition to this, the practices and processes of Talent Management are assessed as systematic in all of the case companies in this cluster. The systematic practices and processes are in place to ensure that the company finds and recruits the right talents. It is also identified in this cluster that the level of

maturity of the Talent Management is high for all the case companies, which further explains the importance of having well established practices and processes in place to ensure the right talents are recruited or identified.

Business-led and Humanistic Cluster

On the contrary from the *people-led approach*, the companies with *business-led approach*, namely B, D, F and H was found to have a humanistic view on talent. The companies with a *business-led approach* discuss strategy with a higher focus on what the company strives towards and is oriented around what they do rather than around the people - the strategy is set and the people of the company are aligned and developed to match the requirements. From the empirical findings, it can be interpreted that the companies in this cluster have a rather holistic view on talent, considering all the employees in order to fully assess where in the organisation talent is. Furthermore, these companies consider talent to be acquired, which is in line with the humanistic view, as all employees can have the potential to learn or to be taught to be talents. The principal practices of these companies are identification and development, which can in turn explain the companies' ambition to view the overall composition of employees internally to identify the different talents and place the right person to the right job or further develop them to fit the job. Furthermore, companies with the *business-led approach* strive to develop their employees to increase the alignment to the strategy. It is noticeable that in this cluster there are both non-systematic and systematic approaches to the practices and processes of Talent Management. This derives from the different level of maturity of Talent Management the companies have, as it was earlier clearly identified that the level of maturity is relative to how systematic the approach to Talent Management is.

Deviant Results Cluster

Companies C, G and I are somewhat deviant from the previously clustered findings. For companies C and G, the deviation can be explained because these companies are still in the development phase of Talent Management or restructuring Talent Management to have a higher focus on talent and the management of it within the company. This is also reflected on the findings on the level of maturity of Talent Management, as these two companies were analysed to have a fairly low level of maturity.

Company I on the other hand deviates from the main patterns of the findings, as they have a humanistic view on talent whilst having a *people-led approach* to strategy. Furthermore, the approach to Talent Management is systematic and mature, and company I has a focus on development activities. From the empirical findings it can be interpreted that the people in company I are regarded as the drivers of the strategy and talent is considered in a humanistic view, seeing the potential in many, as talent can be learned or taught and the motivation of the employees is also emphasised alongside the performance. A possible explanation for this deviation from the other findings could be the typical and required characteristics of individuals in the industry company I operates in, which differ from the other companies operating in different types of industries. However, the industry consideration is out of the scope of this thesis and thus will not be discussed more in depth.

6 CONCLUSIONS

This section of the thesis summarises the analysis and states the conclusion. Therefore, based on the analysis and drawn conclusions, the research question set in the beginning of this thesis is finally answered and the purpose of this thesis fulfilled. Furthermore, managerial implications and suggestions for future research are indicated at the end.

This thesis embarked on contributing to the empirical research on Talent Management. More so, to clarify the alignment of Talent Management and strategy, and to further enable the creation of a conceptual framework. Complementing and challenging the previous ideas and frameworks, much so the one of Bolander et al. (2014), the purpose of this thesis was to further develop the conceptual frameworks of Talent Management based on the empirical findings. After the development of a conceptual framework, derived from the previous research on Talent Management, and a thorough and reflective analysis, the research question *Why are there differences or similarities in how organisations align Talent Management to fit the organisation's strategy?* was able to be answered. The two sub questions, *Why are there different approaches to Talent Management?* and *What are the differences and similarities in how organisations align Talent Management to fit the organisation's strategy?*, were set to clarify the main research question and to guide the analysis, to further enable conclusions to be drawn and ultimately answer the main research question.

As previous studies indicate, there are differences in how Talent Management is constructed, and the main focus of Talent Management activities varied between the case companies. The strategic importance of Talent Management became explicit from the empirical findings, however, depending highly on the current phase of the development of Talent Management, i.e. the maturity of Talent Management. Thus, Talent Management was found to be very much context-specific and the *best fit approach* argued in the previous literature was supported. Certain patterns were found as to how organisations align Talent Management to fit the organisation's strategy, as two distinct clusters were found. These clusters were based on the empirical findings, which indicated there to be a relationship between the company's focus on strategy and the view on talent. There was further an indication that this relationship affects the focus of the Talent Management activities. Thus, it can be concluded that there are different approaches to Talent Management because the companies had different views on talent and different strategic approaches, guiding how the Talent Management is set.

As mentioned, the empirical findings indicated there to be two main clusters within the case companies. The first cluster consisted of companies with *people-led approach* and a competitive view on talent, a systematic Talent Management in place and a high level of maturity, i.e. a clear connection between Talent Management and strategy has already been established. The second cluster of companies consisted of companies with a *business-led approach* and a humanistic view on talent. In this cluster, half of the companies were interpreted to have a systematic Talent Management in place and the other half of the companies were considered to have a non-systematic Talent Management. This difference can be explained by the level of maturity, as the ones with non-systematic Talent Management also have a lower level of maturity, and vice versa. The difference between the two clusters can be argued to stem from the approach they have to

strategy, which is connected the way talent is viewed and further affects Talent Management. Therefore, it was found that the principal practices somewhat varied depending on which cluster the companies were in. This can be explained by the factor that the companies in the first cluster are more focused on identification or development as those are internal activities and the strategic approach of the company is emphasising that kind of view on talent. Whereas the second cluster is focused on identification or recruitment which can be understood as trying to find the ultimate best top talents, whether it is within the company or outside of it.

6.1 Managerial Implications

Talent and Talent Management were not explicitly stated in most of the companies, which is interesting as it was stated in previous research that the ambiguities around Talent Management and talent can bring about challenges in reaping the benefits of Talent Management and undermining the strategic importance of it. However, these findings illustrate that despite the companies are not necessarily explicit about defining talent nor Talent Management, most of the companies seem to understand what the specific requirements for the human resources are that stem directly from the company's strategy, i.e. what are the competencies required to realise the strategy and who are the talents to strive forward the company now and in the future. Therefore, most of the case companies identified talent to be of crucial importance for future success. Hence, one of the most important implications to management is that talent is highly linked to strategy and developing Talent Management practices and processes requires the understanding of the unique requirements that stem from the strategy to guide the characterisation of talent. However, management should consider whether talent could even be part of determining the direction strategy takes.

The view on talent can also affect the management style and the way performance measures are set and emphasised. Also, on the individual level, understanding what talent is and how Talent Management can benefit the individual, is something management should consider. Therefore, it could be beneficial for companies to explicitly state what talent is and what it implies not only for the sake of the managers and HR professionals but to ensure the individuals are aware of what it entails to be a talent. Furthermore, Talent Management should be understood as a positive process, so that the individuals are motivated to pursue being talents, contributing to creating a talent mind-set and a culture that can strive organisational success. Thus, the way talent is defined or understood, sets a tone to the whole organisation. Distinguishing the terminology contributes clarification of what the company requires from its human resources to function and can work as an important factor in achieving the benefits of Talent Management. More specifically, a clarified usage of terminology communicates to everyone in the organisation what talent is, where it comes from and what it entails.

Talent is by nature a dynamic, thereby it can change quickly and often. The managerial implication is to consider how to keep Talent Management activities up-to-date and functional when requirements for talent are changing. Moreover, it takes time to realise the benefits of Talent Management, and it is time consuming as well as costly to set the Talent Management systems in place. It can be stated that measuring the actions of Talent Management is complex, establishing relative measurements for the success of processes and practices or the measures of identifying the talented individuals can be challenging, yet important. Discrepancies in strategy, the view on talent and Talent Management activities can contribute to demotivation and communication

issues, leading to difficulties in realising the benefits of Talent Management. Thus, sound leadership is essential for the processes and harnessing the potential value of Talent Management. Thus, managers need to understand the role they play in the development and execution of successful Talent Management.

6.2 Suggestions for Future Research

This research had some limitations that were discussed in the methodology chapter in more detail, giving indication to further research possibilities. The empirical data collection relied on a fairly limited amount of companies, hence, further empirical research with a larger sample size would bring more validity for the findings of this research and the conceptual framework developed could be tested more in-depth. Furthermore, future research could explore the effect of different organisational characters on the findings of this research, such as size, industry, culture etc. For example, in particular knowledge-intensive industries could bring new perspectives on Talent Management.

This research had relied strongly on the HR perspective, which can be considered as something that can be further challenged by conducting research based on other perspectives. For example, the perspective of employees or top management, or even the talents themselves could be of interest and bring new insight on the research field of Talent Management.

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APPENDIX 1

Interview: Talent Management

1. Background of the interviewee(s) (6)

What is your position and what are your responsibilities in the company?

How long have you worked in the company?

1.1. Background of the company

What are the core competencies of your company?

How would you describe the company culture?

Could you please describe the organisational structure in terms of centralised/decentralised and level of hierarchy?

How involved is HR in the strategic decision making?

2. Talent Management (14)

Does your organization currently have a formal definition of talent in place?

Has your organization identified the required key talents?

Can you briefly tell us how you define Talent Management?

What would you describe as the aim of the Talent Management strategy of your company?

Can you describe the Talent Management process?

What do you consider as the most important part of Talent Management?

What do you consider as the benefits of Talent Management?

What are the main challenges your company faces regarding Talent Management?

Do you use Talent Management success indicators (e.g. KPI/MOS)?

How would you describe the success of the Talent Management strategy as it is now?

2.1. Development of Talent Management

When did the company start using Talent Management in your company?

Why did the company choose to work with Talent Management in specific (as opposed to focusing on other HRM activities)?

Where in the organisation did the initiative to pursue Talent Management come from?

Is there anything you would like to change or improve concerning the implementation of Talent Management in your company?

3. Alignment of Strategy and Talent Management (4)

Is the top management involved in Talent Management work?

Do you think Talent Management is linked with, or part of, the overall strategy?

In your opinion, what kind of contributions can Talent Management bring to the company strategy implementation phase?

What is your vision on the importance of talent to the future of the company?

