Talent management as a strategic priority for competitive advantage.

A qualitative case study on talent management implementation within a Multinational Company.

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ABSTRACT

Talent management has become a management priority among business leaders as a result of the transition from a commodity to a knowledge-based economy. Organizations are entering a new era affected by demographical challenges, increased globalization and a generation shift in the labor market that forces organizations to rethink how they attract, develop and retain talented employees. Research predicts that there will be a shortage on labor as a result of the baby boomers retirement in the coming years. Talent management strategies and processes linked to the business strategy is a key to organizational advantage. Organization’s most critical assets are the employees and by having the right people who perform in the right jobs is essential to get a sustainable organization. The concept of talent management is often ill defined and underdeveloped and talent management practice appears to vary widely among organizations.

The purpose of this thesis is to get a deeper insight into the concept of talent management processes and framework. Through a single case study approach, this study explores how talent management practice and processes are implemented in a multinational knowledge-based company. The intention is to understand how line leaders and HR managers work with talent management activities by following a hermeneutic research method. A semi-structured interview method has been performed to collect the empirical data.

The empirical findings show that many of the talent management activities are implemented in a sophisticated organizational process called the EMS (Employee management system). Employees are rated and evaluated based on their performance throughout the year. Line leaders are mainly accountable for employees’ development and growth in the organization. Findings also show that line leaders are mentors, coaches and a guidance to employees in the daily work. Findings show that HR managers support both leaders and employees in the work with talent management. HR managers’ responsibilities are to influence and coach the leaders in decision-making, in addition to work for employees’ well-being at the work. The organization has presently low turnover. This affects both the recruitment of new employees and hinders presents employee development. The competence level in the organization is estimated to be high and the organization struggle to store critical knowledge.

Keywords: Talent management, Talent development, Workforce planning
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APPENDIX I

APPENDIX II
CHAPTER 1 – INTRODUCTION

The purpose of this chapter is to introduce and give the reader an insight in my topic along with the thesis statement and research questions. In addition I explain my choice of research along with the background of the case. Finally, delimitation of the study is presented.

1.1 Introducing talent management

The concept of talent management has developed to be one of the biggest challenges facing organizations on the global marked (Frank & Taylor, 2004). The demand for superior talent has increased as more and more companies are feeling the impact of competition for labor in a global market. The labor market has entered a new era as a result of innovation, knowledge development, globalization and increased competition (Sheehan, 2012). The rise of talent management focus in organizations is becoming more complex, turbulent and contradictory than ever before in addition to creating new strategies on how to manage talent (Cheese et al., 2008).

Talent management has become a frequent buzzword in corporate HR and has gained increased interest in question of creating peoples advantage to build organizational performance. Thus, increased focus on the area it is lacking clarity regarding the definition, scope and overall goals of talent management (Lewis & Heckman, 2006). The topic of talent management is often ill defined and underdeveloped and talent management practice appears to vary widely among organizations (Collings & Mellahi, 2009). However the concept of talent management acknowledged to be closely related to human resource management (HRM) concepts like human resource development (HRD), workforce planning and strategic human resource management (SHRM) (Lewis & Heckman, 2006).

A management evolution is leading to new forms of work and structural challenges in organizations. Employees and business leaders are facing a complex and unpredictable labor market, which forces organizations to rethink how they manage their workforce (Schriefer,
As a result of the transition from a commodity to a knowledge-based economy it has become clear that key competence is essential for organizational success. It is recognized that an organization’s most important asset, especially in knowledge-based businesses, is the individual’s (Nilsson & Ellström, 2012). Considerations about human assets, productivity and competitiveness of organizations are focusing on the quality of human resources, including managerial and leadership skills. Essential for business success is getting the right people, with the right knowledge into the right kind of jobs (Brown et al., 2003).

Businesses are entering a new era affected by economic challenges, globalization and a generation shift in the labor market. An organization depends on its employees for expansion of competitiveness and profitability in an increasingly global labor market (Frank & Taylor, 2004). In addition organizations are confronting external influencing factors like demographic change and the rise of the so-called knowledgeable worker (Vaiman et al., 2012). The concept of lifelong employment is going to retire along with the generation baby boomers and the concept of lifelong learning is increasingly taking over as the generation Y is entering the labor market (Brown et al., 2003). The baby boom generation is near to retire and there is predicted to be a shortfall in the labor marked on workers between the age 25-44 that will create a significant gap (Schriefer, 2005). The structural and global changes in the labor market have increased the interest for how businesses manage to attract, develop and retain skilled employees who are key factors in the work with talent management. These internal and external factors are boosting talent issues to the top of the corporate agenda and creating a paradigm shift in the labor marked (Boudreau & Ramstad, 2005). Business leaders recognize that employee’s knowledge, skills and abilities are a critical source to organizations competitive advantage. The employees are the company’s most important critical asset and access to success (Sheehan, 2012). To gain profitability and competitive advantages, human resource development has become a priority for organizations around the world (Collings & Mellahi, 2009).

“Make talent, not war” was the main message of a McKinsey Quarterly1 study conducted in the late 90’s, where 77 large organizations were investigated about the their talent difficulties in the global labor marked. "The War for Talent" was the first comprehensive global survey to highlight the future problems of managing talent and lack of leader development in

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1 The McKinsey Quarterly is a business magazine and covers recent developments within management and organizational theory. The magazine is edited and published by the management consultancy McKinsey & Company.
Every individual has talent in some matter, but from an organizational point of view, talent is considering an individual who possesses above average features within the framework of, competence, contribution and commitment (Ulrich, 2008). This type of talent often labeled as higher performers or high potentials and often represents a small percentage of the entire workforce (Swailes & Downs, 2012). Research stresses that multinational companies (MNC’s) often struggle to identify talented employees and manage these effectively (Guthrigde & Komm, 2008).

HR has grown to be an important support function towards leaders and their role is increasingly becoming a strategic business partner in organizations (Lawler & Boudreau, 2009). Research within HR highlight that one of the key areas HR is facing is the importance to improve the work of talent management to meet future demands (Boston Consulting Group, 2007). On the other hand Boudreau and Ramstad (2005) underline that HR tend to struggle with the definition of being strategic. For a long time period HR has been isolated from insight in strategic planning which has created a gap between HR and executives, this isolation has been a difficult trend to reverse. Many companies recognize today the value of HR being involved in organizational strategies and within close cooperation with line managers (Becker & Huselid, 2006). Becker and Huselid (2006) emphasize that SHRM has engaged a new emphasis in HR philosophies. Meaning that SHRM is focusing on organizational performance rather than individual performance with help from HRM systems as a solution to business problems. The core in SHRM is to build a sustainable competitive advantage to generate both financial and organizational performance (Becker & Huselid, 2006). HR practices such as recruitment, career development and employees retention are estimated to have an important effect on success in organizations (Nilsson & Ellström, 2012).

1.2 Choice of research subject

During my studies at the Human Resource Management program I have accumulated knowledge within different HR processes and practices that has made me realize how essential people-management is to an organization’s existence. During a trainee period working in a HR department the notion of talent management caught my attention and was a given choice in the selection of my bachelor thesis.
The concept of talent management has not been highlighted during my studies, which I found surprising, considering the growing focus on this area over the past years. However, through my education I have been introduced to other terms such as performance management, HRD, and SHRM to mention a few, that are closely related to talent management. One of many reasons I found talent management an interesting research area, is how managing people with the right tools and influence of staff performance can increase corporate advantages. Additionally, considering global, demographic and economical threats organizations are facing; thus management workforce structures to exploit employee potential is key to organizational survival (Lewis & Heckman, 2006). I want to know more about how talent management processes can be implemented in organizational structure and strategy to gain competitive advantage. Why has talent management in particular become a business priority in the question of meeting future demands? Soon to have a bachelor’s degree in HRM I consider being aware of the latest trends on the labor market is highly relevant for me, especially as research and literature predict managing talent to be one of HR’s most important task in the future.

1.4 Background

The investigated organization is a multinational knowledge-based organization located in Oslo, Norway. The Oslo site is part of a global corporation, where top management is mainly located in UK, and the majority of the line leaders and the HR managers report to them (the Country Manager reports to a Senior HRM in France). Despite being part of an international corporation, the Oslo site operates as an independent business in the global market. Line leaders and HR managers are the titles used by the employees in the organization and are also the work titles I use in my paper.

Within organization X, line leaders are responsible for direct management of their employees. How many employees line leaders have responsibility for, vary at leadership levels and in different departments. The line leader is the main person who is accountable for his/her employee’s development. Every line leader has to make his/her own assessment of the employee.

The HR function consists of three HR managers, each responsible for different business areas within the organization. Their purpose is to work as a sustainable business partner for senior
management and line leaders within their area. The HR managers they have no direct reports, but as their title indicate, they work as an employee manager. Each HR manager is part of a management team as a board member. In this case, HR’s main purpose is to work as a leader support within different activities, in addition to supervise and assist leaders when needed. The HR country manager leads the HR function and is the only HR employee in the unit with leadership responsibility.

**Employee Management System (EMS)**

The term talent management is not that frequently used in the company in the organization, instead the terms talent development, competence development and succession planning are more used. The global corporation has developed a performance management system as an ongoing annual cycle, consisted of different processes. This is referred to as their *Employee Management System* (EMS), an appraisal tool. The EMS process is an *internal resume* used to present one’s experience for career progression and facilitate performance reviews. The EMS process is a workforce overview to map the entire organization globally and based on each unit across the company.

This process consists of three parts:

- *Performance management cycle*
- *Employee differentiation*
- *Session C*

Each year, leaders have to evaluate their employee’s performance based on predetermined goals and objectives, which are customized for each employee. The leadership philosophy’s three fundamental themes: *we tell people what’s expected, we help them get there, and we hold them accountable*, aim to connect the people with the process. Within the performance management cycle, there are five objectives purposed to guide good employee performance.

- *Goal alignment* – ensuring every employee is working on goals aligned to the overall goals of the business
- *Accountability* – ensuring all are held accountable for their contribution to the business
- *Differentiation* – ensuring it happens based on performance and values
• *Development* – focused on developing every employee to contribute at a higher-level year over year. Build the skill level and competencies of employees to meet the demands of the business.

• *Coaching* – to ensure managers are coaching for performance improvement

The performance management cycle runs throughout one year, concluded through different stages and checkpoints. The process starts with the EMS discussion (for current employees) and definition of Goal and objectives for the year (for current and new employees).

*Employee differentiation* is the organization’s rating system, in which employees are rated and evaluated after two criteria’s that involves *performance* and *growth values*.

The first component reviewed is what an employee has accomplished during the year. An evaluation is based on employee’s goals and objectives. The second component is how the employee has accomplished these goals. This evaluation is based on employee growth values: *External focus, Clear thinker, Imagination & courage, Expertise and Inclusiveness*. These values equip leaders and employees with the behaviors necessary to overcome the challenges of today and tomorrow. Then employees are rated based on a three-point scale from each part: *Exceeds expectations, Consistently meets* and *Development needed*. Finally an overall rating is “calculated” based on the two inputs of *performance* and *growth values*. The overall rating is automatically calculated based on the performance and overall value ratings. The outcome of the overall rating cannot be manually changed or decided. The overall value ratings are based on the ratings of five individual values:

1. *Role Model*
2. *Excellent*
3. *Strong Contributor*
4. *Development Needed*
5. *Unsatisfactory*

*Session C* is an annual human resources review by each business with the Chairman, members of the Chief Executive Office and Corporate Human Resources. The session C includes: EMS, rating summary (Figure. 1) and Succession Planning.
The purpose of session C is to review the effectiveness of the entire organization, included functional succession plans (i.e. prime future candidates).

**Session C 9 Block**
- How overall ratings is used in session C

![Session C 9 Block](image)

**Figure 1. Session C 9-block**

After preparation and review of goal and objectives is drafted, employees submit their EMS review where they evaluate themselves after the elements mentioned above. Following the manager or leader review and drafts are submitted. Finally the manager approves and releases the employee review and rating. Employee acknowledges are then discussed between the leader and the employee. The purpose to performance management from EMS to the Session C reviews is all about holding people accountable.
1.5 Purpose of the study, aim and Research questions

The overall purpose of this thesis is to get a deeper insight into the concept of talent management processes and framework. Through a single case study approach, this study explores how talent management practice and processes are implemented in a knowledge-based organization. The intention is to understand how line leaders and HR managers manage their employees in order to facilitate performance and growth to gain competitive advantages in addition to meet future demands and challenges in the market.

The more specific aim of this study is to describe and understand how talent management is perceived and implemented in organizational practices and activities in a multinational knowledge-based company.

Research Questions

- How are talent management activities and processes included in the organization?
- What are the roles and responsibilities of the line leaders and HR managers in relation to talent management?
- How are practices pertaining to competence storage and talent retention in the organization?
- How are external factors affecting the work with talent management?

1.6 Delimitations

The paper follows a case study criterion where the study is concentrated on investigating one MNC. Additionally the study is delimitated to knowledge-based companies with production and supply chain structures.

The research perspective is delimitated to line leaders and HR managers work with talent management practices in the organization.

The term talent management is delimitated to the research approach, due the wide perspective of the term. Literature and theory presented in the paper is therefore related to the research questions and study perspective.
CHAPTER 2 - METHODOLOGY

This chapter provides information about my choice of subject and the pre-understandings, which laid ground for this study. The views on method procedure concerning, research approach, data collection, selection and participation, data processing and data analysis is also presented. Lastly, ethical considerations of the study are described.

1.2 Case study
I conducted a single case study, where I have investigated specifically one organization. The investigated organization is not mentioned by name in consideration of the research objectivity and is further referred to as organization X. The reason that I wanted to investigate this business in particular is because organization X is operating in a knowledge-based industry, where competent employees are crucial for the business to develop and survive in a competitive marked. Emphasized by Nilsson and Ellström (2012) employees are the most important organizational assets especially in knowledge-intensive organizations. Organization X has recently been through cutbacks on human and financial resources, which resulted in loosing important employees. The organization is constantly challenged by top-level management to simplify their work and deliver services on a high level with fewer resources. In addition the average age in certain positions is high and they are facing a retiring generation holding business critical knowledge.

The purpose of a case study is to collect empirical data that investigates a phenomenon within real-life context based on one object, group or an event. A researcher aims to provide an in-depth education of the study object (Stake, 1995). Concerning the use of a case study approach there is some limitations highlighted on how well the case study can be related to a bigger context. Stake (1995) mentions that external validity and generalizability is often questioned in single case studies, because sampling is often small and idiosyncratic, also there is no way to establish the probability that data is representative of some larger population. The risk that any case study findings are of little value for external use can occur. Furthermore, he highlights doubts about the researchers objectivity in aspects of being critical to own research data and judgments. With this in consideration I have tried to present adequate evidence, from the empirical data, supported by theory and literature within the study area.
2.1 Methodology and approach

The purpose of this study is to get a greater understanding of the concept of talent management. Therefore, I have chosen to use a qualitative data collection to get a deeper insight in this area. Characteristic for a qualitative study is to be descriptive and explore aspect of human experience in depth (Fejes & Thornberg, 2009). A qualitative study concentrate on the wholeness of experience and the purpose is to develop ideas and theories about human experience. The qualitative researcher wishes to understand the participants and their behavior, values, and beliefs. This method is regarded to be less structured, richer and deeper data is one of the desired outcomes of the approach (Bryman, 2012). A qualitative method fits well, because I tend to get a deeper understanding on how line leaders and HR managers are working with talent management implementation in processes and practice.

As a researcher, one can approach a qualitative research problem inductively, deductively or abductively (Fejes & Thornberg, 2009). Through the stage of my thesis I conduct an abductive approach. Abduction is located somewhere between the deductive and inductive approach. Abduction is deleted from empirical data as well as induction, but do not reject the theoretical notions and lies somehow closer to deduction (Alvesson & Sköldberg, 2009). Concerning my study I will collect empirical data from line leaders and HR managers to establish theory. The literature and theories on talent management lays ground for my research, where I use empirical findings and my pre-understandings to get a deeper understanding of the study phenomenon waving between data and theory (Bryman, 2012). Abductive approach can often be related to detective work, in which reasoning and conclusions are drawn through a constant interaction between deduction and induction, where general principals and single cases is tested against each other (Fejes & Thornberg, 2009).

2.2 Hermeneutics

The intention with the research paper is to get a deeper understanding of the concept of talent management, thus, have I adopted a hermeneutical approach. In hermeneutic methodology interpretation, insight and pre-understanding are key words in the process to build knowledge. Preconceptions, meaning my pre-knowledge, are given great flexibility in the interpretations of texts (Kvale & Brinkmann, 2009).
Hermeneutics is no precise approach, due to differences in perspectives and preconceptions. In this way different patterns of interpretation is available. Thus, central hermeneutic features are the dialectics between interpretations as part and whole. The intention of the so called part and whole principal is that texts can be seen as separate parts, they can refer to each other, but at the same time be viewed as a whole (Fejes & Thornberg, 2009). Meaning that knowledge will be transformed during the process and should yield a deeper understanding of the text. Further, a central part in the interpretation process is the *hermeneutic circle* also called the *hermeneutic spiral*. The purpose of the spiral is to successively get a deeper understanding within the research area. New understandings of a text demands a pre-understanding, at the same time a pre-understanding demand an understanding of the text. New knowledge is developed where the understanding refers back to an earlier pre-understanding and pre-understandings are fertilized by new the understanding of the text. The interpretation of the whole text is constantly developed by its part and equally the views of the parts are illuminated by the view of its whole (Alvesson & Sköldberg, 2009).

The parts from my interviews are viewed against the interviews as a whole and against my research questions. By collecting pieces to create a complete picture, gives a new and deeper insight in the area, as the hermeneutic spiral intends.

*Pre-understanding*

“Our pre-understanding is unique in the sense that it is connecting with historicity, our background and our experience as individuals” (Ödman, 1994, p 186)

In the application of hermeneutic method it is important to be aware of the pre-understanding that I as a researcher holds, in the investigated field. Pre-understanding is a unique feature within the hermeneutic method and can both hinder and help the researcher within then process of interpretation. We all have the conviction, prejudices and preconceptions that we carry with us and it is important to recognize these features in the recognition process. Even the read literature is a pre-understanding. The area or data that is interpreted will affect the researcher result consciously and unconsciously.

*My pre-understandings*

Talent management is term that was quite new for me in the starting process of my research. I had little knowledge of its content and context. My understanding of term concerned talent
development and training activities. I also knew that the term was strategically related to human resource management. My pre-understanding is used to develop a deeper understanding where the pre-understanding has been modified throughout the study process. As a result, my knowledge is richer and I have gained a deeper understanding of the complexity of the research area. My pre-understanding will be additionally affected in the research result.

As to my preconception of my study object, organization X are richer and my knowledge of the organization may to a certain extent affect my objectivity towards the empirical findings. I have previously worked within organization X and I have good knowledge of the organization’s structure and culture. I am knowledgeable about their history, background and what challenges they may be facing in the future. Additionally, I am familiar with employees within different functions. This pre-understanding may have an impact on the analysis of the respondent answers in the interpretations process. My pre-understanding is highly knowledgeable to me and I have tried to be both critical and as objective as possible in analysis of data.

2.3 Selection of participants

The process of selecting participants was conducted with the cooperation of my contact person at organization X. In the sampling process I was dependent on guidance and help from this person in order to select line leaders who had some knowledge and practical experience in the study area. I have conducted a purposive sampling method in which the selection of participants was strategically chosen, rather than selecting participants randomly (Bryman, 2012). Purposive selection is characterized as a non-probability form of sampling according to Bryman (2012). Further, he highlights that this selection approach is normal to use when the researcher want to ensure that the sampled participants is relevant for the research question within the study.

Together with my contact person we listed line leaders and HR staff who has a central role in the business. Then, we considered which leaders who could be predicted to provide rich information in the study area. We ended up with a list of nine leaders and three HR managers. Leadership level and employee responsibility differ among the leaders sampled. The participants where contacted by mail, where I introduced the study research, and myself in
addition to introduce the purpose of my study (Appendix I). A suitable time for both parties was scheduled. Seven line leaders and three HR managers were sampled. In dialog with my contact person I decided to concentrate on the main functions within the business, production and supply chain containing business critical competence and highly knowledgeable workers. These two functions account for 2/3 workforce of the organization. Conducting a selecting method under a non-probability sampling approach means that the results can only be generalized to the population in which the selection was made (Bryman, 2012), knowledge-based- and MNC’s with production or supply chain functions.

2.4 Selection of data
Collection of empirical data has been conducted through semi-structured interviews. The purpose of the semi-structured interview is to understand the participant’s explanations and meanings (Kvale & Brinkmann, 2009). The semi-structured interview form is contained by mostly open questions and gives the interviewee a great deal of flexibility in how to respond. The choice of semi-structured interviews was based on that I wanted to assume from a question guide to ensure reliability while maintaining the ability to ask follow-up questions (Bryman, 2012).

The interview guide is built on the research questions, in with different themes within the framework of the study areas is building the outcome of the questions (Appendix II). Some introductory questions about the participant’s position in the organization where added, to get a smooth and comfortable start. The introductory questions are therefore not reviewed in the research paper. I designed the interview questions and they have been reviewed by my supervisor from the university and my contact person at organization X. I wanted to ensure that the interview questions were as well formulated and as relevant as possible. After feedback from these two, the research questions were reformulated twice before a final interview guide was ready. I did not conduct a pilot study, but made the first meeting serve as pilot interview and this interview result is used in the paper. The interview time was predicted to range from 30-60 minutes each. The interviews were held in the participant’s office due to difficulties in finding available meeting rooms that matched the interview schedule. All respondents were asked if they agreed that the interview was recorded, something they all did. This may have affected their response, but usually the use of a recorder is forgotten after a
while (Kvale & Brinkman, 2009). I chose to record all interviews to ensure that the risk of misunderstandings and interpretation errors were minimized in the transcribing process.

I have used Umeå University research library and the research tools, EBSCO and Google Scholar to find relevant research papers and other literature. Keywords that have been considered are: Talent management, managerial talent, managing talent, performance management, learning and development, employee advantage, competitive advantage, succession planning, workforce planning, human resource development, competence, learning and knowledge, professional knowledge, strategic human resource management (SHRM), HRM in organizations, HRM and strategic development, Human resource advantages and employability.

In addition I have searched for relevant surveys and articles conducted by McKinsey & Company, The Boston Consulting Group; and through HR Norge home page.

2.5 Organization and analysis of data

To begin with I started to transcribe the recorded material in its entirety. My intention was to transcribe directly after each interview, but in some cases this was not possible because certain interviews were held directly after each other. In interviews where respondents have mentioned names or other organizational specific information I chose to not transcribe that information in order to secure confidentiality. Thus, relevant information about the investigated organization, without revealing their identity, was documented. I grouped all answers per question. Doing this I would not be affected by who said what in the processing of data. Intentionally, I left some space between the respondents answers in order to keep track on the transition from one respondents to another and also to follow the hermeneutics approach where the parts are interpret with the whole (Fejes & Thornberg, 2009). Additionally, this structure was to facilitate the process and analysis of the empirical material.

To get a more manageable data material, I have condensed longer meanings (Kvale & Brinkman, 2009). This technique means that the essence of what is said is written down,

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2 The Boston Consulting Group (BCG) is a global management consulting firm served to advise businesses and institutions.
3 HR Norge – Norwegian Federation for People Management. HR Norge counts close to 3000 companies and individual members from both private and public sector, thus constituting the country's largest HR and management network. Their monthly newspaper provides the latest HR trends, research, surveys and fact sheets within different HR areas written by their professionals on the area.
without removing important information. In the analysis I have used the hermeneutical framework in which I analyzed the parts against the whole.

2.6 Ethical considerations

Because I am studying in Sweden where the learning language is Swedish the ethical aspect taken into consideration in this paper is based on the ethical requirements from The Swedish Research Council⁴.

In the implementation of a research study, there are ethical issues that must be considered. I chose the four ethical requirements from The Swedish Research Council: secrecy, professional secrecy, anonymity and confidentiality (Vetenskapsrådet, 2009). Secrecy concerns that I, the researcher, have to inform the participants about the purpose of the study. Information about my study area and the research questions were piloted in the email send out to each participant (Appendix I). Professional secrecy implies that the participant have the right to decide if he or she wants to be sampled in the study. The participant have the right to self-determine to what extent they want to participate and on what terms they want to contribute. To meet this requirement, I have by email informed that participation is voluntary and that their participation can be terminated at any time during the research process. Anonymity or de-identifying involves giving participants confidentiality. I have de-identified all respondents' responses, so their answers cannot be linked to a specific person. Anonymity was offered and informed to all participants and audio-recording files were deleted immediately after transcription. The fourth and final requirement is confidentiality, which means that the data disclosed by the participants is only used for research purposes. I can assure confidentiality criteria have been followed and I intend to destroy the transcripts when the thesis has been examined.

2.7 Quality criteria

In a qualitative study it is important to raise the issue of evaluation. Reliability and validity are normally important criteria to establish and measure the quality in a quantitative research.

⁴ The Swedish Research Council, Vetenskapsrådet in Swedish, is the largest Swedish funding agency for basic research at Swedish universities, colleges and institutes.
Validity refers to whether the research purpose answers the study questions as is intended and reliability assess the replication of the study (Bryman, 2012).

Among qualitative researchers there has been an ongoing discussion on reliability and validity relevancy as a criterion in qualitative studies, since qualitative studies are based on human experiences and not numbers. However, some writers have suggested that qualitative research should be evaluated according to other criterion that offers an alternative to the terms reliability and validity. Two primary criteria are proposed, trustworthiness and authenticity. Bryman (2012) presents different ways to assess and evaluate qualitative studies. I have decided to focus on credibility, transferability, dependability and conformability.

Credibility
Credibility is concerned with assessing the trustworthiness of the study, whereas research observation corresponds with the theoretical theories established, compared to reality. Credibility parallels with internal validity and tend to be strengthened within qualitative research approach. As semi-structured interviews were conducted, which relied on the respondent’s own answers and arguments. The interview was carefully recorded after confirmation with the respondents, in order to avoid misinterpretations and mistakes (Bryman, 2012). One possible risk concerning research credibility is that empirical material has been translated and may have an impact on accurate empirical material, as some expression cannot be translated directly. By these measurements I believe that the credibility of my study is good.

Transferability
Transferability refers to the degree to which empirical findings can be generalized to any wider population, a typical problem in a qualitative research, as the sample group tends to be small. External validation may be problem with my study as I conducted a case study represented by one social setting. However, the objective with the study was not to generalize and apply findings to a wider population, but highlighted by Bryman (2012) findings should not be on generalize to population, instead to theory.

Dependability
Dependability, which parallels with reliability in quantitative research, employs techniques to ensure that, if the work were repeated, in the same context, with the same methods and with the same participants, similar results would be obtained.
By conducting a hermeneutical approach, it was important to ensure to my preconceptions to see if it affected the way I interpret what was said. An example would be to ask the same question to all respondents (Bryman, 2012). I have used an interview guide to ensure that I get the same information from informants, although supplementary questions may be present, which is not documented in the template (Appendix II). In addition, the research design and implementation is well described and recorded. I argue that the dependability of the research is satisfying taking these actions into consideration.

*Conformability*

The concept of conformability parallels with the researchers’ concern to objectivity and to what extend personal values and believes has not affected the research (Bryman, 2012). Although, I am aware that full objectivity is difficult to obtain conducting a qualitative approach. In order to avoid bias when analyzing the empirical data collected from the individual interviews it is for example important not to let my individual perception of the person interviewed affect how the answers are interpreted. It is important to assure that the participants have understood the questions as intended and that they feel secure during the meeting. I have tried to ask questions that are clear and easy to understand. If any misunderstandings occurred I try to use other words in order for the question to become more clear to the respondent. I believe based on these measurements that the conformability of my paper is sufficient.
CHAPTER 3 – THEORY

In this chapter key terminologies and literature about the study area are presented. First, I have elaborated different definitions and perspectives on key terms in the study, in order to give the reader a deeper insight in the research area. Following in the second part, a review on philosophy and practice of talent management from the written literature is presented under theory and practice. The second part includes former research, records on talent management principles, the leaders and HR’s role, and how to make talent a strategic priority.

3.1 Key terminologies

3.1.1 Talent Management perspectives

Lewis and Heckman (2006) identify three concepts of talent management that consist of a collection of HR activities, talent pools and generic talent.

A collection of HR practice and processes

The first perspective defines talent management to be associated with typical human resource practices such as recruiting, selection, training, development, and career and succession management (Heinen & O’Neill, 2004). The process comprehends attracting, recruit, develop and retaining talented employees (Rothwell & Kazanas, 2004).

Talent management is seen as a tool to strategically gain competitiveness and efficacy by incorporating and maintaining knowledgeable individuals. HRM practices like workforce planning and talent development, training and management are central components in the business strategy and are integrated into the everyday process throughout an organization. It is considered that this perspective is ensuring HR to become strategic business. This implies that the HR line managers and senior executive management are engaged in the talent management process through close cooperation with each other. Talent management is somehow a strategic process that combines traditional HRM practices as HRD, human resource advantage (HRA) and performance management. This involves working integrated
with talent development, talent acquisition, talent flow and talent planning.

*Talent pools*

The second perspective is concentrated around developing so-called *talent pools*. These pools consist of employees with exceptional talent for executive-level roles, rising stars, emerging leaders and local talents (Tansley, 2011). Central to this approach is to ensure an adequate flow of employees into specific positions throughout the organization (Burbach & Royle, 2010). The process is often related to succession planning and workforce development. Talent pool view is generally more internal than external. The main purpose is to nurture a *bench* of talented employees that can fill or grow into key positions. Furthermore this perspective requires an analysis of organizational needs and identification of talents in addition to meet future staffing needs (Lewis & Heckman, 2006).

*Generic talent, high-potential and high performers*

Within the third perspective on talent management two views on talent emerge. First, talented individuals are known as highly competent performers classified as *high potentials or high performers* without regard for their specific positions in an organizations (Becker & Huselid, 2006). This group of elite employees is to be sought, recruited and reward according to performance level. This view focuses on gaining competitive advantage by securing, develop and manage a few highly competent employees (Brown & Tannock, 2009). Second, talent management is regarded as a mind-set where generic talent held by the potential of all employees. This way of thinking ensures that each employee performs to the best of their potential (Nilsson & Ellström, 2012). This perspective of talent management is about working with the entire workforce.

*A forth perspective*

Collins and Mellahi (2009) is proposes a fourth perspective, in which key positions are identified to sustain competitive advantage for an organization rather than concentrating on individual properties and performance. Identified key positions would be filled with high performing potentials selected from a talent pool.

Despite a wide range of written literature with several suggestions on different perspectives in the area, the question on how to define, develop and manage talent remains unanswered: thus proposed definitions are imprecise. The practical usefulness of talent management is also limited described (Brown & Tannock, 2009).
3.1.2 Talent in organizations

*Talent* is a vague expression, generally used as a euphemism for individuals and often attentively defined (Lewis & Heckman, 2006). Regarding talent in corporate context there are different perspectives on organizational talent on today’s labor marked (Tansley, 2011). Nevertheless, some definitions on what is considered talent in corporate circumstances are available. Cannon and McGee (2011) define that: “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. 17).

In order to get significance from talent management practice an organizational agreement on talent definition desires to be established within the organizations matching the business goals, strategy, value and vision (Tansley, 2011). It is acknowledge that there is no universal definition of great managerial talent because talent wary depending on organizational context, including the nature of business, organizational culture and management style (Brown & Tannock, 2009). While there is no contemporary consensus on the meaning of talent, organizational talent generally refers to individuals who contribute to organizational performance and having the potential to reach a high level of achievements (Tansley, 2011; Lewis & Heckman, 2006). Lewis and Heckman (2006) use talent synonymously with people or assets that holds individual knowledge, attitudes or competence.

Tansely (2011) highlights three levels of talent in organizations. Talent is considered on an organizational, group and individual level. First, organizations needs to formulate an agreed upon organizational meaning of talent in order for talent to be identified, developed, visible, stimulated and nurtured. Talent may be relative and context bound. What is considerate talent in one environment, job or organization may not necessarily be talent in another setting (Heinen & O’Neill, 2004).

Second, talent may also been seen on a group level in a number of elements in an organization. *Leadership talent* includes those with high leadership potential; specialist, thought-leaders and individuals with rare skills. *Key talent* is a small group of an organizations best performers, typically represents around 10% of the staff population, assumed to improve performance output with 19 to 120% depending on the complexity of the job (Heinen & O’Neill, 2004). These so called *A-players* are rare on the labor marked and difficult to replace (Michaels et al., 2001) *Core talent* is the group that contains the majority of the employees who perform in the core of the business processes such as production.
Thirdly, individual talent is classified as someone who has behavioral aspects, knowledge, skills, competencies and cognitive capability above others (Tansely, 2011). Individual talent is often seen as unique or special employees. Talent on an individual level can be a certain behavior as a key element in defining a talent. Leadership skills are often a key behavior in talent perspective. Individuals that pose these particular skills are described as high-potentials and are most likely to progress into senior roles, principally holding leader responsibility. High-performers are another group within individual talent closely related to high-potential employees: some would even characterize these as synonyms with each other (Tansely, 2011). High-potential employees are showing a high level of expertise, leadership behaviors, creativity, aspiration and engagement linked to successful performance in a role (Nilsson & Ellström, 2012).

3.1.3 Learning, knowledge and competence

Talent is considered the actual ability related to an individual’s capability of performing a job. The substance of talent from which learning is understood is important to define considering the meaning of knowledge, skills and competence (Nilsson & Ellström, 2012).

Learning

Anderson et al. (2000) are suggesting an individual and social perspective in which learning is often understood. From a cognitive perspective knowledge is primarily associated with an individual learning from formal education and instruction. Cognitive knowledge is thereafter transformed and applied in other contextual settings. The situated perspective, learning is allied with social experience and cultural context in which the knowledge embedded (Anderson et al, 2000). Hence, the personal meaning of a concept or theory is shaped by a series of context in which it has been used (Eraut, 2009). Anderson et al. (2000) stressed the difficulties with the transformation of theoretical knowledge into practice and that situated experience can be context-bound and may have limited relevance in other circumstances.

Knowledge

Knowledge can be seen as part of the competence concept and divided into explicit and implicit knowledge (Eraut et al., 2000). The concept of implicit learning also mentioned as tacit knowledge, which means that knowledge is under-understood or otherwise unspoken. Tacit knowledge is described by Polanyi (1966), he claimed that we have much of the
knowledge within us and the fact that we know more than we can tell (Eraut et al., 2000) The implicit knowledge can be linked to the ability to recognize faces without knowing how we actually recognize them. In other words, it is impossible to explain a face to the point that a person can recognize him only by means of the description. Explicit knowledge is on the contrary, knowledge that is pronounced. The explicit knowledge, we can express and demonstrate that we possess (Haesli & Boxall, 2005).

Moreover, Eraut (2009) describes knowledge as a theoretical and practical component. In theoretical knowledge the object is separated from subject and is referred to as knowing that. This involves that the theoretical competent often is declarative, propositional or codified knowledge. As to the practical component, knowledge is hereby from experience witch is implicit or expressed only in practice. Practical knowledge is indicated as to know-how in the form of skills, self-knowledge, attitudes, values and emotions; thus, inseparable from actions and cannot be codified or explicitly formalized (Eraut, 2009). The development and management of knowledge within an organization can be tricky to store and transfer considering turnover, when knowledge can be linked with certain employees or embedded in the organizational culture through for examples routines (Haesli & Boxall, 2005).

**Competence**

Competence is a deliberated concept and has several definitions in different ways, different from each other. One view on competence, according to Ellström and Kock (2008) is considerate as attributes for the employee, ad a kind of human capital or a human asset that can be translated into a certain level of performance. Further, Ellström (1997) is defining the concept of competence more specifically as to the potential capacity held by an individual to act in relation to certain situations or complete a specific task.

The term on a more explicit level, Ellström (1997) deplete the notion of competence and that this capacity can be seen from the following five factors:

- *Perceptual motor skills* (e.g., agility, dexterity)
- *Cognitive factors* – knowledge and intellectual skills (ability or problem-solving skills)
- *Affective factors* (e.g., values, attitudes, motivation, engagement)
- *Personality traits* – conditions related to personality (e.g., self-confidence)
- *Social skills* (e.g., communicative and cooperative skills)
Competence can be both general and transferable. Additionally, competence is recommended to always be in relation to a specific job, situation or context make it possible to determine whether someone possesses a certain skill.

### 3.1.4 Individual and workforce performance

Behind the idea of increasing organizational performance, organizations needs to focus on activities and processes on building individual and workforce management (Collins & Mellahi, 2009). Within the performance management process HRM operates on more than one level aimed to manage individuals and build a functioning workforce. Both human capital, in the meaning of the individual can and will that is value-add to the business and social capital that’s is the relationship and network among the individuals and groups that is generating organizational value.

Boxall and Purcell (2008) demonstrate how to gain individual performance with a model they refer to as AMO. In the essence the AMO framework propose that employee performance is a function of the individual ability (A), motivation (M) and opportunity (O) to perform. Boxall and Purcell (2008) explains that individuals perform when they have:

- The *ability* (A) to perform – when individuals is able to do a job because of the necessary knowledge, skills and capacities they possess.
- The *motivation* (M) to perform – employees is willing is to do the job because they are adequately interested and incentivized.
- The *opportunity* (O) to perform- employee work structure and its environment provides the necessary support and possibilities for individual expression.

In order to get the best outcome for increased organizational performance, these variables need to be influenced positively in order for leaders to boost individual performance.

Additionally, performance needs to be managed on a collective level in order to build people advantages. This includes working to organize groups and manage the whole workforce by building work systems to coordinate individuals i.e. teams or project groups across departments, network operations or hierarchical. Along with various other work system
activities, like recruitment and development, workforce performance is attempted to construct workforce capabilities (Boxall & Purcell, 2008). Moreover, the authors suggest a key influence toward workforce performance is considering employee voice. A participation where employees can have their say in influencing corporate decisions that affect their interest to commit, that might affect overall organizational performance. Employee voice is a form of empowerment and motivation that can lead to increased productivity and maintenance. (Collings & Mellahi, 2009)

3.2 Theory and practice
3.2.1 Talent management evolution

“Talent management as a corporate area of focus has been building steadily. Like a fast-approaching car, the closer it gets, the more of it we are able to see clearly, despite the fact that there is no real roadmap and no single individual or group behind the wheel” (Galagan, 2008, p. 42)

The concept of managing people in organizations has been practiced for decades, but not in the same complexity and strategically meaning like today (Galagan, 2008). Capelli (2008) piloted that the 1940s and the 1950s practices like trainee management schemes, forced ranked-systems, 360-feedback, executive coaching and assessment centers would reincarnate into new talent management processes and create large pools of organizational talent. Before the 1980 the HR function, then called The Personnel Department, was the business function responsible for employee management that considered hire people, pay them and make sure they had the necessary benefits (Capelli, 2008). Entering the 1990’s organizations recognized that key to success and efficacy was through influencing people advantage that emerged the concept of strategic HRM. HR has been transformed more towards a business partner rather than a business function (Lawler & Boudreau, 2009). There has occurred a shift in talent planning techniques from traditional replacement planning to succession planning and is entering a new era of talent management where talent and brainpower are becoming a predominant currency (Heinen & O’Neill, 2004). The labor market has undergone a revolution in the type and nature of work and as to where value is added (Schriefer, 2005). There has been a shift in the formula for competitive success, from efficient operations and
low cost products to outstanding customer service and innovation is demanding to build processes to defining, discover, develop and deploy talented employees in which will create value for the company (Brown & Hesketh, 2004; Cheese et al., 2008).

**Former research**
In the late 1990’s Michaels et al (1998) by McKinsey Quarterly published a comprehensive research, concerning the challenges global corporate firms are facing to attract, maintain and retain the best employees. The study was conducted on 77 mainly large companies, investigating the rising demand for talent. At the time they predicted that companies was facing three qualitative challenges: a more complex economy that will demand sophisticated talent with global acumen, an emerge of efficient capital marked that will enable small and medium-size companies to rise and a job mobility increase. Their research showed that executive talent was the most undermanaged corporate asset. Further, the research suggested that companies that had managed their psychical and financial assets consistently and sophistically had not made the same priority with their employees. Their research numbers showed that 23% of surveyed executives agreed strongly that their company attract highly talented people, 10% answered that they retain almost all their high performers, only 16% think they who their high performers are and chokingly 3% answered that their organization develop employees effectively and quickly remove low performers (Michaels et al., 1998). Furthermore Michaels et al (1998) stressed that the question of how to identify, attract, recruit and retain outstanding talent was to become importance principals. As the majority of the workforce is becoming knowledgeable, to gain competitive advantage is about recruiting the best people. The war for talent is seen to reflect on complex managerial positions due to the globalization, deregulations and rapid changes in the technology, thus companies today need to manage who can respond to these future challenges (Brown & Tannock, 2009).

**3.2.2 Managing Talent from a global and demographic perspective**
Changes in the demographic composition of the workforce have increased the need to manage talent effectively (Frank & Taylor, 2004). Key demographic trends like declining birth rates and increased longevity are creating generational changes within the labor marked. Business leaders today are facing rising rates of retirements, that have to be filled by new people, but imminent shortage of executives and a dearth of young people in the developing world are causing gaps within organizations (Vaiman et al., 2012).
As more companies expand globally and move their focus to high-growth regions, companies are facing a growing skill and talent gaps. Companies have to think globally and act locally as to building competence and talent. A dynamic, uncertain and highly competitive global marked has led to changing in organizational demands for labor. Focus on strong technical commercial skills has been outdated with generic meta-competence; there has been a shift from know-how to learn-how (Eurat, 2004). Globalization has led to increased competition and pressure on organizations to use human capital as effectively and productively as possible. (Vaiman et al., 2012). In the next 15 years, McKinsey (2005) report that the demand for labor in the 35 to 45 age range will increase by 25%, while the supply of labor in that same age bracket will decline by 15%, leaving a shortfall of 40% if no action is taken. The calculation simply does not add up. Recruitment and selection has become an increasing challenge for organizations as a result of the continuing global skills shortage, the changing view of the world of work by Generation Y who are now entering the workforce. The rise of the knowledgeable worker is predicted to be the fastest growing talent pool in most organizations (Guthrigde, 2008). The millennial generation they have their own demands and peculiarities. Growing up in a technology and knowledge-based world the gen y cohort is the most and highest educated generation of workers today. This generation of workers is predicted to be challenging to attract and retain, due to focusing more on personal career development and are predicted to be less loyal to their employers (Jenkins, 2008).

*Nurturing the “EGG”*

Caye presents in a publication by The Boston Consulting group (2007) the EGG a word put together by the first syllable in three looming trends in the corporate world: the growing role of the Ego, the acceleration force of Globalization and the retirement of the baby boom Generation. Collectively these trends are creating a new HR landscape and pushing companies to switch from restricting HR strategy to a growth strategy. Due to the talent shortage business leaders need to develop talent locally within the organization in order to be able to fill the talent gaps that are emerges (Vaiman et al, 2012). First, Ego is concerning that high-talented employees is becoming more mobile, meaning they are more loyal to their own career than to their company and are most likely to move more frequent from one job to another. This shift in bias on personal development and career view is affecting organizational turnover (Caye, 2007). HR practitioners must rethink how they attract and retain talent in ways that fit the ego-thinking employee (Jenkins, 2008). The second trend that is creating changes and opens up for new creative thinking is globalization. A growing global labor in
marked in rapid chance is creating a complex issue for organizations, in which this opens up for a bigger pool of talented employees and talent sourcing goes global. For example there are an increased number of graduated engineers from countries like Brazil, China and India that is likely to fill the competence gap on the area that exists in the Western Europe. But the gold medal has its backside and the challenge of integrating talent from developing economies is due to language barriers and the top graduates are more likely to work for local companies or multinational global brands, as a result of little knowledge to western companies. Thirdly Caye (2007) is stressing the problem of an aging workforce and a generation shift on the labor marked that fill create knowledge gaps within several industries. At the same time as attracting new talent to the organization, companies has to generate the upcoming retirement of the baby boom and make replacement an succession planning as a part of their talent management strategy that again reflects on their business strategy. However, some workplaces are encouraging early retirements and forcing experienced employees trough layoffs while they are still facing a looming shortage of talent.

3.2.3 Talent management practice and framework
Talent management approach needs to be strategic, integrated and proactive to managing talent. First, in order to make talent management a strategic priority, Farley (2005) highlight that the business goals need to be translated into workforce needs in order to drive success. Heinen and O’Neill (2004 p.68) state: “to be successful, the talent strategy must be aligned with an organization’s business strategy and human capital context”. Second, talent management approach needs to be integrated in corporate and HR practice including the daily work processes. Talent management involves an array of interdependent policies and procedures that need to be well integrated - the organization will not achieve the desired level of human capital performance if talent management processes do not operate as a cohesive whole (Heinen & O’Neill, 2004). A desirable framework of integrated talent management, presented by several advocates, should include the following five major applications:

- Precise and objective talent selection (Attraction, employer branding and Recruiting)
- Rapid induction and core skills training (Onboarding and learning)
- Leadership and management capability development (Training and development)
- Performance management systems (Building individual and workforce performance)
- Retention and succession planning frameworks (Replacement planning)
The six “B’s” framework

Ulrich et al (2009) suggest a desirable talent management framework completed by six related phases; buy, build, borrow, bind, boost and bounce. This framework is a broad approach working with talent management, which includes working with the entire workforce, along with special attention on talented employees to drive company advantage. The six B’s framework take every single employee within consideration and makes sure that individuals perform to their best potential, develop accordingly and perform in the right jobs (Ulrich et al., 2009)

Buy acquires attracting the right people and new talent to the organization and to the job that is needed (Ulrich et al., 2009). Employees can be recruited externally or from other departments or division within the organization. A key part of the recruitment and induction involves positioning the organization as an employer of choice by shaping, developing and maintain employer brands and employee value propositions (Cannon & McGee, 2011). Doing this explicitly has been shown to have a real impact on the length of time people remain in the job the authors underline. Thinking strategically in the hiring process can give great value outcome in the long term; every new employee can potentially be the company’s next CEO.

Build is concerning the training and development of the employees in their present role, but also preparations for potential future positions. Offering training, education, formal job training, job rotation, special assignment, action learning, mentoring and coaching to develop talent within the organization. Offering staff on-the-job growth and development opportunity for examples to be involved in task forces, special team projects are reported as highly rewarding fro employees. Shaping this process so the development and learning reflect on the business needs, and take account for employee aspirations is expressed by Ulrich et al (2009) to building long term commitment.

Borrow is the phase where knowledge, know-how and skills are transferred internally within the organization and from external ventures, in partnership with consultants, vendors, customers and suppliers. Searching for knowledge externally allows organizations to tailor outside ideas to business, mitigate risks, accelerate innovation and may reach otherwise inaccessible talent. This phase allows organizations to learn from each other, share information, benchmarks industry performance and team up with similar companies to obtain mutual benefits. Borrow is also in the meaning of rotating employees within the organization
between different jobs or working tasks. This in-source process ensures that knowledge and competence is held by several employees, besides ensures that organizations not get that vulnerable in loosing critical knowledge in situations like long term sickness or liquidation of employees. Thus, Ulrich et al (2009) underline that the challenge is to know when to outsource and when to in-source.

*Bind* can be seen as the process to retain employees with growth potential and valued talent. The question here is concerning how to *bind* these employees to business critical positions or most important of all, how to nature and motivate them so they stay within the organization the authors emphasize. Top management, intermediate leaders and HR need to cooperate to find ways to keep these employees (Ulrich *et al.*, 2009).

*Boost* or promote employees into higher positions and move people through the organization. Retaining talent and business critical employees is a challenge and should be an every day effort. Is important to motivate, nurture, reward and acknowledge these employees in order for them to not seek better opportunities outside the organization Ulrich *et al* (2009) highlights. Through an effective reward system both financial and non-financial will motivate employees in the short term and engage them for the long run. Additionally to provide flexible and broad benefits like flexible hours, customized benefits, home-based jobs and customized benefits, also called awards selection, are sometimes a necessity to keep the best employees and make them feel special in competition with *average-performer* (Ulrich *et al.*, 2009).

*Bounce* is about removing poor performers from their job or from the organization if they do not fit anywhere. Best practice in *bouncing* presented by Ulrich *et al* (2009) is to create clear standards of what the organization expects from its people, and communicating when this is not achieved is important in question of profit. Low-performers or having the wrong person in the wrong job, can be extremely ineffective, a burden for their coworkers and an economical cost for the company. Underperformers have to be identified and removed, for the same reasons as organizational talent has to be identified, to ensure that the organization increase performance level.

Talent management is an ongoing strategic priority that is constantly under development and change to fit internal and external organizational changes. Talent Management is a set of integrated organizational HR processes designed to attract, develop, motivate, and retain productive, engaged employees. The goal of talent management is to create a high-
performance, sustainable organization that meets its strategic and operational goals and objectives (Collings & Mellahi, 2009). Skeie (2012) explains the talent management process as a tandem wheel where business strategy is aligned with the talent capability working together through a set of different activities to drive performance. The wheel has three main areas, talent planning, and talent deployment and talent engagement that are aligned and integrated with each other. The business strategy is the framework that has to be involved in every process. The HR department is illustrated in the middle is the core service in each of the components. Skeie (2012) links the three components of talent strategy within the wheel to what Dave Ulrich’s concept of the six B’s of talent management.

- **Talent deployment** – (Buy) describes how to attract, recruit and recognize talented people.
- **Talent engagement/development** – (build) describes how to develop, train and motivate employees and leaders to drive performance and efficacy
- **Talent planning** – (borrow, boost, bound and bounce) how to work consistently and targeted to ensure that human assets are utilized in an efficient manner for both firms and employees best in order to gain organizational advantage toward competitors.

It is essential that organizations provide consistent messages across all six B’s about what employees can expect, and what the organization expects from them. HR role is to be a support within all the six B’s and provide sustainable expertise for the leader in charge. (Dave Ulrich *et al.*, 2009)

### 3.2.4 Making HR an strategic business partner

There is stated that the most important organizational assets in order to drive change and competitive advantage is the employees that works within business (Heinen & O’Neill, 2004). As this organizational issue has emerged among business leaders they recognize that HR practices such as recruitment, employee training and development and maintaining talented employees are considered to be important factors to organizational success (Collings & Mellahi, 2009). Research show that the HR department is therefore increasingly becoming an important business partner concerning to drive business performance through people (Lawler & Boudreau, 2009). Farley (2005) suggests that business goals need to be linked to workforce
needs for talent processes to be of any value to the organizational profit. HR is playing a central role in the questions of managing workforce performance because they are in general responsible for talent processes like, performance management succession planning, talent reviews, development planning and support, career development and recruiting. Then, HR strategies are implemented in the organizations goals and objectives in order for HR processes to add any value (Rothwell & Kazanas, 2004). This implementation needs to be an initiative from senior management and they have to make sure that HR becomes a sustainable business partner within the organization. Further, HR should work in close cooperation with line leaders to be informed and be able to support in important business decisions (Farley, 2005).

Five HR roles
Ulrich and Brockbank (2005) suggest that the HR responsibility consist of five aligned roles: an Employee advocate, Human capital developer, a Functional expert, a strategic partner and a HR leader. Concerning the role as the employee advocate HR is playing the part as an employee spokesperson, in which contents activities like listening and meeting employee needs and interests. Still the organizations requests is first priority and HR is working as an informational source towards the employees according to telling what is required of them to develop and grow to sustain business performance. The authors suggest that HR responsibility is to look after that employee and leader relationship is good to maintain employee satisfaction at work that again is contributing to increased motivation. In order to build a viable future workforce HR has to work with developing the human capital within the business. By designing a workforce plan, that takes every individual in consideration, to develop and maintain people competence to meeting future demands in a fast changing world. The HR responsibility is indeed concerned by coaching and support leaders to make the right decision and increase motivational factors. Additionally, the HR roles consist of generate and deliver HR routines and processes by being a functional expert, to ensure that individual skills and knowledge is creating value to the organization (Ulrich & Brockbank, 2005; Lawer & Boudreau, 2009). Moreover, HR is according to Lawler and Boudreau (2009) a strategic business partner that provides leader support at all levels and where HR is directly involved in business decisions through membership in a senior management team. In cooperation with the line leaders, HR support and coach them to reach their goals and create valuable strategies. Finally, HR has to play a leading role by working as an HR-leader related to human resource questions. HR must lead and valuing its own function in order for anyone else to listen to them (Ulrich & Brockbank, 2005).
3.2.5 Making talent a strategic priority

A leadership responsibility

Every business critical decision-making is deliberated and decided from senior management and informed further on to leaders and the rest of the business. Talent management process and strategy should not come from any other place than executive leaders that is accountable for business planning and development. The so-called *top down approach* that Rothwell and Kazanas (2003) refer to is generally a good way to align talent management, HR plans and the strategic business plan. Heinen and O’Neill (2004) mention further a crucial step to a successful talent management program is by chief executive ownership. The chief executive owner (CEO) should be the *ultimate owner* in order to drive change and implement talent management strategy in the business goals and objectives. Together with senior leaders, line leaders and HR staff organizational talent has to be defined and customized into firm goals, strategy and future needs. Leadership values and framework should be created around talent management practice in order to establish guidelines for recruiting, managing, motivating, developing and rewarding talent. However, the CEO is the owner of the strategy, but leaders at all levels have to own the process and be accountable for talent identification, flow and growth (Boxall & Purcell, 2008). Line leaders are playing an important role in the daily work of talent management because they supervise the majority of the workforce and in general have greater influence on employee engagement, motivation and development and thus on organizational performance (Caye *et al.*, 2007).

In becoming a talent-focused organization a talent mindset and a clear definition needs to be integrated in the organizational culture, coming from supreme management, and a commitment for leaders at all levels (Cappelli, 2008). However, organizations that show commitment to employee growth in the long run, in addition to engage and show interest in employees mind, display an effect on retention of talented employees (Davies & Davies, 2010). Increased motivation and engagement from employees can be affected by the sense of feeling valuable, appreciated and recognized within the organization with affirmation from managers and leaders. Employee affirmation can be a powerful tool to influence the feeling of being part of a bigger group, in which employees’ interest and commitment are aligned with organizations interest (Cheese *et al.*, 2008). Ulrich (2009) suggest that building a good
employer brand, to attract the right people with the same attitudes, interests to align employees and organizational interest will create a united organization, where individual attitudes, values and beliefs reflect on the organizational culture.

*Linking talent strategy to business strategy*

In order for talent management strategies to have the best outcome, talent definitions must be linked to company structure, industry, needs, values, goals, culture and strategy in order for making talented employees a strategic component (Skeie, 2012). Organizational talent is identified within a framework, illustrated in Figure 2 of three employee prosperities suggested by Ulrich (2008): Competence referring to a person´s head, by having a deep understanding on how the business works and how values are built to perform on a high level based on formal knowledge. Be able to understand the big picture and make connections. Commitment is according to Skeie (2012) related to a person’s heart and instinct to engage and feel responsible for company achievements. The commitment to feel related to the business, coworkers and will to sacrifice for organizational success is essential. Contribution is a person spirit and inner drive in order to be an organizational contributor, a problem solver, passionate to make a difference and dedicated to drive change (Ulrich, 2008, Skeie 2012). These talent properties demonstrate a potential, which can make a different in delivering performance and organizational value.

![Figure 2. A framework for strategic talent (Ulrich, 2008)](image)
However, talent needs to be identified and managed in the right direction to maximize business performance. Farley (2005) highlight that business goals and objectives must be aligned with workforce needs and planning in order to align people and profit. Further, clear business goals and strategies, which in turn are communicated from senior management all the way through the entire workforce, is seen as building the ground for effective talent management processes and workforce planning (Rothwell & Kazanas, 2004). Moreover, processes and activities associated with talent management, like recruiting, performance management, succession planning, career development, learning and development, workforce planning, and recognition and rewards, should be designed to fit organizational strategy and needs, in addition to being connected to each other (Farley, 2005). Heinen and O’Neill (2004), suggest that it is favorable that talent management processes are having the same owner in order to match priorities to move in the same direction and work towards the same process outcomes. A typical model is that the HR function owns these processes with support from business leaders (Farley, 2005).

“In order to maximize performance and encourage employees at all levels to pull in the same direction, talent processes should reinforce the same message about performance excellence”. (Heinen & O’Neill, 2004 p. 69)

Talent review

To optimize people in talent processes and link these to corporate goals, conducting regular talent review are useful to map organizational capabilities and identify individuals that possess managerial talent (Heinen & O’Neill, 2004). To gain organizational value through talent strategies, talented employees must be identified in order to design and coordinate development activities and monitor employee progress (Burbach & Royle, 2010). The talent review process is an assessment tool for leaders and supreme management where employee performance, career interest, aspirations, and constraints are mapped and evaluated over the year. Heinen and O’Neill (2004) propose a four-digit talent review process that starts on the individual level. In which the employee prepares a summary of accomplishments over the past twelve-month, career interests, strength and weaknesses and needs of development. The immediate manager then reviews the summary, in turn, assess employees by the same features and provide feedback on future plan. In the next step Heinen and O’Neill (2004) explain is the process where managers evaluation by the employees are laying ground for an overall unit.
review on a business-unit level. Finally, the CEO or corporate management review business unit talent plans and a final evaluation on the entire workforce are done. In general high potentials are identified in this final step by a rating system. Carrying out regular talent reviews may additionally be a way to create sustainable talent pools within organizations (Lewis & Heckman, 2006).

The 9-box grid

Davies and Davies (2010) illustrate the 9-box grid (Figure 3), an assessment tool to map the workforce within an organization, whereas employee’s current performance to the organization and potential level of contribution is evaluated. This tool can be useful to identify talented employees and potential leadership skills. Figure 3 illustrates the 9-box grid as a simple table graphs that rate employee’s contribution from two variables. The vertical axis represents a qualitative assessment of employee behavior and potential, in which identifies the individual growth potential within the organization. The horizontal axis rates the employee’s level of performance and identifies whether the employee is below, meeting or exceeding performance in their current role (Davies & Davies, 2010).

Davies and Davies (2010) and Michaels et al. (2001) suggest four types of employees categorized as A-, B-, C- and D players.

- **A players** – delivers consistently a high level of performance and are often role models to other employees. Acquires organizational investment in high performing employees and focus for talent development.

- **B players** – solid performers and strong contributors to organizational supply and consisted performance level. Organizations need to affirm and develop these employees.

- **C players** – include in general the majority of the workforce that keep the production and organization running. Loyal employee, with average level of performance, but with little potential to drive change or growth to business result. These employees are not held in key position, but organizations still needs to focus on improve and maintain performance.

- **D players** – low-performing employees that may be at high risk for business growth. These are non-contributors and are not meeting the performance level in their current role. An organization needs to remove underperformers from their position, if
possible create a plan of development or remove from organization.

The 9-box grid provides judgment and assessment data of employees’ actual and potential performance, which gives a total overview of workforce performance level and status. The tool provides help in the work of designing individual development plan. Michaels et al (2001) suggest that a development plan for both high- and low-performing employees is recommended in order to build a strong and stabile workforce. In the development process employee’s manager and the HR department is collaborating in order to get the best outcome of a performance management plan (Davies & Davies, 2010).
CHAPTER 4 - EMPIRICAL FINDINGS

In this chapter the empirical findings collected from the interviews will be presented. The result follows the structure of the research question and finally an empirical summary is presented to remind the reader of essential findings.

4.1 Talent management activities and processes included in the organization

The meaning of talent management

The meaning of the term talent management is considered by respondents as different activities regarding employee growth and learning opportunities. One respondent describes talent management as the process where care about every employee is considered and to guide the employee in the right direction to match the organizational needs and the individual expectations. Another respondent ads that talent management is about getting people to grow and progress, not necessarily hierarchically, but also vertically within the organization by getting depth and width. This view differ from other respondents that means that talent management is an approach, which is concerned with the management of the entire workforce as one unit and taking every individual within consideration. Talent management is additionally described to develop those who already are performing well and to get these to perform even better, but at the same time working with employees who are struggling and are in special need for extra development to meet the organizations expectations and goals.

Furthermore, one respondent sees talent management as two aligned components that represent different views. First, talent targets employees who perform above average and supply a high level of value compliance. Secondly, management is about how these employees are maintained and managed. Another view a respondent expresses is to have knowledge about the organization’s needs presently and in the future, in order to stay competitive and retain a high level of competence among employees. Talent management is a way to give people a satisfying development in their job according to their wishes and personal needs is stated. Therefore, to highlight questions like: who is talented, how can
talented employees be identified and how can talents be build and developed further, are important questions to work with one respondent adds. Another respondent stresses that competence development is an important element of talent management. Further one respondent describes talent management as the activity to take care of talents, retain talented employees and to get these workers to perform as highly as possible.

“Talent management is to get talented candidates to blossom, be able to identify their potential and value and nurture them so they can live up to their potential”, is cited.

The respondents explain that the main purpose of talent management is to ensure that employees are having fun at work. Moreover that the employees are content with their work tasks and on the workplace in addition to feel that they flourish, but at the same time nurture the employees in order for them to want to stay in the organization and not look for other opportunities. Talent management is to know what kind of workforce and competence that is needed in the organization, in order to stay viable and gain competitive advantage. The majority of line leaders and HR managers define talent management as the activity where employees are motivated, valued, developed, challenged, given on-the-job training and are satisfied in their job. “Individual desires need to be heard and seen, although employee development must be linked to the business strategy and goals, while looking for solutions in the best interest of the organization”, one respondent states.

What is talent?

A talent is described as someone who performs above average and normally more than expected. One respondent underlines that a talented person is not only the young and promising employee, but also older employees can be considered as talents with undiscovered potential. Additionally, one respondent explains that it is not necessarily the best students who are the best employees. Another view on talent is someone that is not afraid to try out new things and to throw themselves into new situations. Examples on a talented person given by some respondents are a person that takes initiative, is not afraid to ask questions, is responsible and demonstrates an engagement above average. “Their value compliance is high and they are normally role models for others” is stated. A talented employee has a mix of formal knowledge, competence, social skills, and personal qualities. A talent has of course the expertise within their field, but talents are also measured by their personal properties one respondent explains.
Talent properties are further explained as outgoing, curious and inclusive. Another respondent mentions that a talented employee normally has excellent communicating skills; they are adaptable, infective, sociable, decision skilled and know how to approach different people in different formalities. “Someone that has potential to develop special competence within one area and contribute together with colleagues to meet business goals” is further stated. In addition another respondent view on talent is someone that understands his or her role and their position in the organization. Talents work well with others and make sure that everyone within the team progress together.

One respondent emphasizes that everyone can have a talent, but of different meaning and within variable aspects, it is about seeing the opportunities in each individual. Moreover a talent is someone that can evolve and chance by getting new knowledge, building new skills, learning new ways to work and learn, adapt to new situations quickly and personally challenges his -or herself. A talent, organizational speaking, is someone that has the will to learn and to adjust. Talent is expressed as someone who has an ability to exploit the potential they possess and take advantage of this potential in practice and be able to grow in a positive direction. One respondent underlines the organization has to be better to recognize talented employees and encourage them to use their potential at the workplace.

Further, one respondent describes talent as a content of three features; competence (knowledge), ability and willingness. In order for a person to be qualified as a talent, these three elements need to be present, the respondent explains. Moreover, another respondent characterizes a talent as a positive individual, who is adaptable, flexible, a problem solver, independent, self-going, works proactive and takes responsibility unsolicited and takes initiative. “This person is not waiting to be delegated, but takes responsibility in solving problems and is addressing the challenges” one respondent articulates.

Highlighted by one respondent different positions hold different talents. Different jobs acquires different prosperities and skills, it is why talent can be so many things dependent on context and industry.

All respondents have a personal opinion on what they think talent is. A talented employee according to the respondents is someone that has professional knowledge, good cooperation’s abilities and personal prosperities that is agreeable. This person has a special drive and is constantly reaching for new challenges and opportunities. They are working well in teams, but at the same time they are independent and self-going. Talents are often roles models for others.
and perform well above average. All respondents accept one mention that they are responsible for talented employees, and that some are working in business critical positions.

EMS Practice

The leaders are required through the annual EMS process to review and evaluate their employees throughout the year. Based on the annual overview, leaders rate employees on performance and accomplishment to find out what kind of learning and development needed. Several respondents’ have one-to-one meetings with each individual to discuss their wishes and goals according to what they want in their job and career path. Based on this talk they try to figure out strategies to comply with employee’s demands in line with the organizations future plans. Talent management activities or employee development referred by respondents is normally linked to the EMS process and session C. The EMS cycle is an implemented business process that is impossible to avoid working in the organization.

The respondents express different views to the EMS process. Like one respondent mentions that there are many good processes implemented in the organization, which facilitates employee’s development. As to one negative aspect, a respondent expresses the difficulties with the transformation from theory to practice. Due to the organizations complexity the system is perceived as being bureaucratic and decision-making or approval on issues can take weeks. “Approval on recruitments or employee participation on external courses or seminars can be difficult to push through the system” one respondent expresses. Another respondent highlight that economic issues sometimes can inhibit possibilities for leaders in the process of giving employees the development needed.

Employees often requests courses, especially external courses, in their wish to develop further one respondent mentions. Organization X has a self-developed education center with many internal e-courses offering a cost-effective solution to employee learning. On the other hand one respondent expresses, that in some cases an external development opportunity is needed to add additional value, when organizational knowledge and skills can be measured with others working within the same industry. HR expresses a mix of internal and external courses as favorable. Due to difficulties mentioned above, respondents express that it is often hard to match theory towards practice, especially under the pressure to work within strict economical boundaries and with fewer employees. “There is simply no time to participate on courses without the risk to fall behind in the job” is stated. Furthermore, one respondent highlights due to human resource shortage in some departments is a factor that affects employee’s
opportunities to learn on the job and job rotation. Further one respondent explains that this shortage gives the organization little flexibility to investigate time on on-the-job training activities. “A central part of learning and developing for an individual is to learn by doing in solving new task” is cited. Employee development and growth is not solely through courses or guidance one respondent expresses, but also to try and fail in the job and like this learn from their mistakes. This is mentioned as a limitation in order for people to advance and learn on the job, because of time and resource constraints. This opportunity to learn is currently not facilitated from in the organization because of constant cutbacks on employees from top-level management one respondent ads. Another respondent is concerned with the rating system within the EMS process. This system takes mostly hierarchical progress for employees in consideration. There is further expressed, that some employees may not be interested to advance hierarchically, but whishes to advance in the depth of one field. “Many employees are happy in the job they have today, but wishes to expand their knowledge and competence vertically for example to get a deeper understanding within one area and develop a broader field of expertise”, is stated. The system does not take this type of progress into much concern and often in order to advance to the next level it is related to increased leadership responsibility, one respondent explains.

Mentioned as a positive view on the EMS process, a respondent mention that the EMS framework is an excellent tool to map the entire workforce and get a status reports on employee performance. Other respondent mentions that the goals and objectives in the EMS process reflects on business strategy and are changed annually to meet the present -and future needs. The EMS process is a sophisticated process that everyone must follow; still most of the work with employee learning and development is through the daily work. “We have certain formal processes that are well implemented in the organizational structure and routines, but employee learning and growth are elements that one needs to have attention towards at all times” one respondent articulates.

A respondent mentions another development process, an initiative taken by HR, called Technical Career Patch (TCP), in which management of employee´s career development is systematically handled, but within the framework of EMS. TCP is a tool used to evaluate employee´s present career status and find out whether he or she want to advance to the next level or to another role. Thus it is within the leaders´ responsibility to drive this process, with HR as support, one respondent explains.
**Development opportunities**

Organization X has traditionally focused on employee training and development. Competence development is high in priority and practice is in general good. The organization has many internally developed courses and several courses offered are e-courses for new employees. Future and completed courses are reminded and documented on the employees “my learning” page online. It is easy to keep track of completed courses for both leader and the employee. Additionally, if employee learning or development is needed the courses will be listed in “my learning” as a tool to help the employee have control over which courses to take when.

The development opportunities in the business are by far good enough, but management does not communicate this well enough to the employees, a respondent highlights. Then again, it’s described by one respondent that it is the leader who is responsible for nominating employees through session C for courses that is not already mandatory through the system. Employees are responsible to express this desire to their immediate leader. One respondent cites that “the point with talent management is to provide opportunities as early as possible, even if it’s not relevant right now, but to build experience and knowledge related to future plans and prepare any person on new tasks or position”. Simply work proactive and see some years ahead, is further stated.

**Practice related to motivation**

The activity to motivate the employees is explained by one respondent as the most important task in the daily work and process. One respondent mentions examples that increase employee’s motivation, which can be to give increased responsibility, challenged and excited work tasks, leadership responsibility or a new job position. Another respondent emphasize that employees motivation can be boost by the feeling of being useful, make a difference, that employees use their knowledge and develop their professional knowledge within an area of interest. In order be a good coach and motivate accordingly leaders express that it is important to know their staff. “Employees are individuals with diverse features and capabilities, with different need for attention” one respondent mentions. The employees are therefore given tasks and responsibility related to their knowledge, skills and how they prefer to work. If the leader knows that one employee likes a challenge by solving new undiscovered assignments, tasks are delegated thereafter. “Everyone is treated after individual needs according to personal abilities with a tailored plan” one respondent ad. A respondent can tell that this is proved to be important aspects to boost employees’ motivation. Another respondent
emphasize that requirements and feedback are important parts to motivation. A leader is responsible to tell people what is expected in the job, but also increase motivation among the employees by courage them to take responsibility and seek new challenges outside their comfort zone to reach new heights.

4.3 The role and responsibilities of the line leaders and HR managers in relation to talent management

*Line leaders’ role and responsibility*

Line leaders’ role expressed by some respondents is to be a supervisor and an employee support, in addition to be a guide and a coach. Further, line leaders’ role is mentioned to be a facilitator, discussion partner and a mentor for employees within the EMS process and session C. One respondent mentions that close and systematic follow up of each employee is essential in a dynamic workday, where business goals and projects can change throughout the year and work priorities need to be changed accordingly. Further, one respondent articulate that people has to know what to do when they come to work with a clear framework and goals to follow.

Daily follow up, communication, an open dialog and help employees to prioritize their day are all mentioned as parts of a leaders tasks. Another respondent express, that a great deal of their workday is based on deliver services on time and keep deadlines. In this case leaders most important role is to see that the delegated task is done according to plan, prioritize and help employees if there is not enough time. Additionally one respondent adds to make sure that the employees are get what they need from the leader in order to do their job as good as possible. Another respondents announces that constantly know what is going on in the organization in order to follow the business plan and see how the needs can match the capacity in the function are essential to a leaders responsibility. To have a proactive approach in the job with a constant status report on where are we today, how is the employee capacity, are people overloaded, can we work better or somehow different in order to work more effective, where is extra attention needed and etc. Basically have hands on feeling and know each employee weakness, strength and capacity to stay flexible in a fast changing working day is stated as leader responsibilities. There are requirements from top-level management to work more effective with fewer resources in the organization. “In this case it is important to
know each employees capacity, that can have major impact on performance and supply level” a respondent states.

Another respondent explains that it is essential to build trust and have a good relationship with the employees. “Know them both professionally, but also personally and be a leader that is caring, visible and available, but at the same time not be a monitor, cited by one respondent. Another respondent says that a leader responsibility is to see the employees and give people the opportunity to develop. Give them the possibility to try out new task in order to grow and to expand their knowledge. “I see myself as a facilitator, where my job is to get their job to flow and where I am working as the oil that keeps the engine running” a respondents is stating related to leaders role toward the employees.

Working with talent management is explained encompasses all activities related to attract, develop, motivate, engage and retain talented employees, including making sure that identified talents get special attention by making them flourish in a wider aspect. One respondent, mention as a first step to meet employee’s needs is through career path conversations with each employee concerning their goals and wishes. One respondent underline that every employee has different development needs and has different ambitions for their career. Therefore, another respondent adds, it is important to listen and be up dated on what the employees want for the future and see what opportunities there are within the organization.

Several respondents claim that it is an advantage to know the employees both by their personal abilities and as to what they are capable of according to skills and knowledge. Essential elements in a good relationship are through an open dialog and a close communication in order to meet employee’s demands and at the same time meet organizational goals and objectives. Further one respondent emphasizes that is important for the relationship between employee and leader to have an open door policy so trust can be build. Some leaders express that they have appointed one-to-one meetings weekly, others monthly and a few respondents has not that frequent contact with their employees. One-to-one meetings vary between individuals and are based on employee’s needs and on leadership practice. However, it is further expressed that the purpose to have frequent one-to-one conversation is for the leader to constantly stay updated on where employees are headed and to strengthen the relationship on the job.
One limitation to employee learning and development emphasized by several respondents is the pressure from international management to work more effective with fewer assets. There are little economical support for employees to participate on external courses is stated. This forces the leaders to think alternative in the learning and development process for their employees to find internal and cost-effective solutions. Job rotation is mentioned as a cost-effective learning solution that additionally can be experienced as a motivation to employees when new and challenging tasks are given. “Job rotation can increase employees understanding of a colleagues work and may further have an impact on the value to the persons originally job” one respondent expresses. Additionally, one respondent ad, that job rotation will increase a person’s level of knowledge that again leads to more experience and distributes new employee competence, which will reflect on the organizations performance level and vigor. On the job training is another development activity that is mentioned as a nurturing solution for many employees and a cost-effective method to meet the individual wish of development. In practice this means by learning from others, often more experienced employees, but also learning from each other by working in teams or on projects respondents explain.

**HR manager’s role and responsibility**

The HR role is, expressed by one respondent, first of all to provide help and support to the line leaders in the process of manage and lead their employees. One respondent explains that that in the process to attract and recruit talented employees HR managers has a central role and help leaders with related duties like; research on the labor marked, talent scan, run interviews or background checks. The HR role is further explained to be a facilitator and a sustainable support within the organizational processes that concerns workforce planning and retention. A second view on the HR role explained by another respondent is to maintain employees and constantly make them perform at their highest level. Additionally, HR is with close cooperation with the leaders work to develop and educate employees with new knowledge and task so they have something to strive after. A third view explained to the HR role is to build and provide systems, processes and procedures that are effective and operative to create a good framework to work after. To provide a good system for career paths, support with measurement that will increase employee competence like, courses, conferences, seminars, presentations and other related activities are some examples mentioned by one respondent as the HR managers’ responsibility. HR is also responsible to arrange courses that are needed in the organization. The HR managers cooperate to map the need within every
section in the organization and make a list on relevant courses based on the demand. A course calendar is created with focus on what people request, what people need and what gives impact on corporate performance. One respondent state, “in the process of selecting courses it is to look for what is needed in the future and not only relate to what is already existing”. Look for new inspiration and be updated on the latest trends is expressed as central aspect when the courses are selected. Further a respondent underline that is valuable to attribute some external courses as well. “This can create inspiration, motivation and useful knowledge to our employees that again will benefit the organization in a bigger perspective” one respondent cites.

The HR managers are expressing that they always link their work to goals and objectives and tie this to business strategy. One example mentioned by one respondent is the development of the TCP program that is built on questions on how it can give impact to the business and how the business can draw advantage from this. However, one respondent explains that strategies and goals on how the organization wants to work to attract new talents is there little or no focus on. Much of the reason for that is explained by organization low percentage of turnover and recruitment is often internally or through networks. “This is a cost-effective way to recruit new people,” a respondent emphasize. Another respondent can tell that there is now started a talent acquisition project in cooperation with the Nordic units, a recruitment function that will work as the organizations own headhunter for the Nordic companies. The local unit has little practice on employer brand in order to attract new employees and especially talents. “Implement the employer brand in talent management work is something we have to work on in order to attract the best employees in the future”, one respondent states.

HR role and responsibility is mainly to educate and support the line leaders within the different processes and motivate them to use it right. Several HR managers express that their role is to be a support, but also to work as a supervisor and a mentor or a collocutor not only for leaders but also for all employees. One respondent highlights that HR has to work proactive and be visible in organization in order to catch any dissatisfaction or friction to an employee development. Another respondent ads that HR’s main function is to be available and work for everyone’s well-being. “Sometimes HR can catch up situations or talented employees before it is known for the leader” one respondent states. Another respondent express, “I do my reviews on what I think is the need for each department and individuals”. In that case the HR manager take the initiative to talk to the leader and see what opportunities that is available. Moreover one respondent explains the organization has a comprehensive
review related to the session C, where HR gives advice and guidance related to the need for each department and at the same time meets the employee needs and desires. Further, another respondent emphasize that the task to motivate and facilitate employees happens generally through someone else. In this case this person is the employee’s closest leader that again is the HR manager’s closest interlocutor. As one respondent states, “As the employee’s closest supervisor, it is through dialog with the respective leader that HR has to make an impact and guide the leaders to motivate their employees directly”. The HR managers has to be observant and capture signals that are given by the leader, but also throughout the EMS process to get identification on which measures that need to be made. One example given by a respondent is to encourage the leader to promote one of their employees. “My mission is to have eyes and ears open, plus guide and support the leader in this process”, another respondent states.

One respondent is mentioning the value for HR managers to be a board member in the management group on leadership level in the organization. With this membership HR is constantly updated on information from internal and external stakeholders, in addition to be close to the decision-making on the leadership level. One HR manager mention that it is crucial to have a close relationship to the supreme leader and have an agreement with this person on strategies to move the team forward and motivate the line leaders accordingly. Further emphasized by one respondent in order for this work to go smoothly and be efficient a good dialog between leader and HR has to lay ground for good cooperation. “This is not something I do or can do alone, it is within collaboration between managers and HR and therefore it must be a good dialogue between us” the respondent express.

Another HR role, mentioned, is to make sure that annual processes like session C and EMS are effective and good. In these processes HR expressed as an important support to the leader. Further, it is expressed that leaders has normally a lot to do besides their human resource responsibilities and can easily be immersed in operating activities, then HR remind, support and help leaders on these topics, so employee development does not lose its priority. One respondent states “that remind the leaders in a busy working day how important talent management is”. Another HR manager responsibility, mentioned is to urge leaders to get to know their employees and department to see if there is any hidden talent that can needs special attention and can match the organizational needs. “Push the leader to map his or hers organization and make leaders to courage people to take on responsibility” cited by one respondent. To coach and motivate leaders are highlighted as some of HR’s most important tasks in order to get the best out of every employee and give them responsibility and
opportunities to strive after in reaching new heights. The HR responsibility also, mentioned by another respondent, to communicating and expresses the message around the importance with on-the-job training to develop competence to both leader and the employees. HR managers needs to highlight the experiences that is learned thru the daily work and projects internally in addition challenge leaders to think alternative and work cost-effective. Further HR managers also, guide and coach the employees to use their work experience to their advantage in the future.

4.6 Organizations practice on pertaining competence storage and talent retention

Competence transformation- and storage
For leaders to know what kind of competence is needed in their organization in order to get the best outcome of the talent management work one respondent stresses the importance to map the competence each employee possesses. This documentation provides valuable information to the leader on what competence and knowledge that is in place and can review if there are any gaps that needs to be filled. Another respondent ads that focus on competence reviews, employee development and retention are key elements in talent management work. “Essential to good leadership is to manage and develop employees and know what competence is needed in order to stay competitive” is stated by one respondent. Another respondent emphasize the activity to retain the competence within the organization as well maintain a high level of competence as the most critical activity for survival. In addition to have talented employees that perform at high a level, employee competence is the most important aspect within the organization is further mentioned. “It is people’s skills and knowledge that can take the organization to the next level” is cited. At the same time another respondent mentions that key competence makes the organization extremely vulnerable if only one person possesses this knowledge. Several respondents mention the importance to work with knowledge transformation by measurements like employee and task rotation that secures that important knowledge stays within the organization. Additionally, work proactive to meet future demands and challenges. One respondent are concerned with the silo think in the organization, in which business critical competence is linked to one single employee or a specific position. “If a person holds such a unique competence where to come across an
accident and not be able to go to work, that will most likely inhabit the organization’s effectiveness and performance level. This is something that the organization cannot afford” expresses one respondent.

Employee retention
Employee recognition is mentioned as an important factor to retain performing employees. “So simple, but at the same time it is often the aspect that is most frequent forgotten”, one respondents express. Several respondents’ mentions that highlight people's achievements are important to communicate within the work of keeping good employees. Performed employees needs get a confirmation on when good work is accomplished and make these employees visible. “Visible good achievements daily and communicate this directly to the employee” is cited by one respondent. Additionally, it is express that the closest leader is responsible to practice acknowledgements of employees when they perform well and not only through the EMS review. “The daily contribution is as much of importance and to get acknowledgement from someone else when positive attributions is performed” another respondent ad. One respondent is stressing that the organization has a bad practice on employee recognition in the presents, while keeping talented employees is stated as crucial in meeting business goals.

A respondent mentioned that through rewards and salary are additional measurements to keep the best employees. Employee salary is also controlled through the rating system in the EMS process. “Those who is recently is defined as unique in skills gets a pay raise” a respondents ads. Other measurement to keep the best employees expressed by some respondents is to be sensitive in relation to job satisfaction and quickly catch any dissatisfaction. “If there are any concerns, I try to talk to the person and try find a solution and make sure that their resources is used on the job and not going around being dissatisfied” one respondent expresses. Expressed as other measurements to employee maintenance are to prioritize employee’s wishes and needs and make sure that their knowledge is valuable to the business, additionally to use their competence and skills in the right place. One respondent try to give restless employees new challenges that can give them further development and learning on the job and delegate tasks that they find interesting. One example is to place employees on projects to get more leadership experience and be challenged to solve new tasks. “Learn from other employees that are more experienced can also be valuable and stimulated to some” underlines one respondent. Another respondent mentions that close relationship and open communication
with the employee, in addition to regularly check if they are happy in their job so they remain inventive and innovative are also essential to employee retention. Further, to keep the inspiration at a high level leaders express that they try to find alternative solutions so high-performed employees can develop further to drive organizational advantage. Like, offer employees new assignments, place them in relevant projects or find secondments⁵. “As far as possible I try to delegate exciting tasks and give my employees more responsibility that is matching their needs to maintain their interest and curiosity in the workplace” one respondent explains.

Moreover, monitoring and feedback is also mentioned as important activities to prevent people to leave the organization. One respondent mention that regular meetings with the employee to get a status report on the persons well-being in the organization and to examine how the situation is today, how satisfied is the person at work, is there something that the employee wants to work more with are important to know. “Make sure they are in challenged roles and that they get acknowledgments and is visible in the organization” one respondent states. Another respondent ads that try to eliminate tasks that inhabit the employee to do their job and facilitate so they can perform at their best. Find work that adds value to business growth and to employee development is further mentioned.

Other aspects like work environment and relationship with colleagues are important aspects in relation to the satisfaction in the job and to employees blossom at work. However, one respondent highlight the fact that employees that are not getting the personal satisfaction by given opportunities in there presents work and developments desires is not fulfilled, they will either way seek for new opportunities outside the firm. The organization cannot create one position in order to keep talented employees is said. “Is the organization not capable to give the employee what he or she desires to develop, unfortunately one has to let them go, dissatisfied employees are not performing individuals” stated by one respondent.

Another side to how to retain competence quality and keep well-performed employees is due to the problem around resource limitations. One respondent mentions the risk is that high performing employees are overloaded with work due to shortage of human assets and they are to ambiguous to see their own limitations.

⁵ A temporary transfer to another job or post within the same organization
One solution mentioned is to develop and educate someone else that can take some of the workload. Thinking strategically to develop employees that can take over roles in the business, when people moves forward in the organization. Here competence transformation is mentioned by one respondents as central practice so business critical competence and knowledge stays within the organization. Extent, as much as possible the competence on plural employees to minimize the firm’s vulnerability and to develop an organization that is vigorous. Measurements, mentioned by respondents, like work rotation and task variation may additionally increase stimuli and create an exciting work environment for the employees and give the opportunity to learn something new and get deeper insight in other positions that again can lead to better understanding of the work and increased efficacy. “This creates competence backup for the organization, but at the same time it may ad stimuli and learning opportunities for the employees” one respondent state.

4.7 External factors affecting the work with talent management

The work toward an effective and competitive organization

High competent people and high-performed employees are expressed as the most important organizational assets. The human resource quality has to be top notch in relation to external and internal stakeholders one respondent describes. Talent development activities are seen by some, strategically most important to an organization. In order to survive in a strongly competitive marked and have the best employees is crucial to the organizational performance. “Talent management work and employee development is some of the most important things we work within the organization. If we do not have skilled employees that affect the overall organizational performance, we will deliver on a lower level” one respondent articulates. At the same time others articulate that integrated routines and strategies around how to attract, develop and maintain the high performing employees are scarce in the practical work.

One respondent describes that in order to work effective and goal orientated, the work needs to be systematically organized and planned in order to obtain organizational value. “Ad hoc thinking and bursts every now and then, give little purpose and is ineffective” is stated. The respondents think generally it is important to work with talent management -and development to stay competitive, but also to increase organizational advantage and maintain a well-
prepared crew. Seen from a competitive perspective to have the right person in the right job is crucial they say. The organization is dependent on talented employees who perform well. “We have to deliver sustainable performance to be able to survive”, a respondent cites. Further another respondent articulates that the organization is dependent on having the right competence and good employees, but for extended impact employees must be in the right job at the right time. Manage people right and maintain competence is seen by several respondents as everything to survive as a business and be competitive. “The key is to maintain the competence level and add new with the old and old with new” one respondent says. Additionally, make sure that employees get the right education and learning that is required for them to do their job well. Leaders’ role here is to make sure that employees know how to handle systems, processes and work equipment so processes and productivity runs smoothly. Give employees motivation and support is expressed as important to be a viable and effective organization. “Employees perform better when they feel that the organizations has focus on employees well-being and that the organization provides opportunities to grow, in addition to be addressed” one respondent state.

Within HR talent management is without doubt an important element to work with and has a central role in the strategic work of workforce management. One respondent expresses that to work goal minded with talent management strategies affect the organization positively. Further, focus on getting the most out of the employees depend on organizational growth and is viewed as a strategic advantage. “In order to deliver and perform on a high level, we have to have people who are satisfied in the job and develop in relation to organizational needs and future goals” highlights a respondent.

Talent management work to meet with future challenges

The organization face low turnover, according to one respondent this leads to fewer opportunities for new and talented employees. “The younger generation today is not that patient and the risk that they leave before a promoting opportunity opens up is increasing with every year,” a respondent explains. Many of the top leader positions are held by an elder generation that soon retires, still that can be in five years or so. The ambiguous talent that grows fast and is hungry for more will not wait these years for a possible opening. Another respondent thinks these challenges makes the work with talent management even more important in order to build and prepare future candidates for new roles and positions. “It is important to have a plan for these employees and show them that they matter. Invest time and
money on talent that motivates them to still work hard and towards future goals”, a respondent says.

Emphasized among the majority of the respondents the organization is dependent on having talented employees who are impatient and ambitious to drive the organization forward and working towards future goals. Further some express that it is important to recruit the right people into the right jobs and get new employees who add new input and think differently. “To get new and external impulses to look at how we can do things differently, so we do not fall back on old patterns that inhabits creative thinking”, one respondent states.

Respondents tell that the organization struggle with a slight hierarchic and old fashion organizational structure that can inhabit the flexibility and profitability from changes in the marked. Additionally, the unit competes internally with other units within the corporation and they constantly have to convince top-level management based internationally that they run a profitable business with highly competent employees and achievement increases the organizational advantage. “This competition aspect and pressure has to be integrated in every decision that is made every day, year after year and must reside in the mind at all times. We have to work proactive to meet future demands”, is articulated.

Due to downsizing the past couple of years the organization is facing a future to work more effectively with fewer resources. Yet perform well to convince top-level management that the organization is profitable. Respondents mention that the organization face both internal challenges as to knowledge retention due to generational changes and external challenges like rapid changes in the marked and an increased competition for the best employees. Building a good employer brand among potential employees will be important to attract the right people. One respondent states “The organization need good people and stars in order to reach new organizational heights”. Also, focus on leadership development in the future in order to have the right leaders in the right positions. One respondent explains that good employees have left the organizations due to dissatisfaction with their closest leader and no action was made from the organizations side to deal with this problem. “The leader is extremely important for each employee. Research has shown that almost 2/3 quits because of their leader. Leadership education is something that needs extra attention in the future” a respondent highlight.
4. 9 Empirical summary

The talent management process within the organization varies depending on the leader and each department’s resources and needs. There is no specific organizational definition on talent management work and activities. Still, elements of talent developments, performance management, learning and development is integrated in the EMS and session C processes. Besides having the annual evaluation of employees, in which their level of performance is rated and a development plan is made based on the rating system in the EMS process. The responsibility of the daily work of motivating, delegating and giving development opportunities depends on the employee’s immediate leader. The leaders express that focus on talent management work is sometimes difficult to handle due to much operational work and little time. Highlighted by several respondents there are little room during a hectic working day to strategically plan future succession planning, employee development or talent management, much because people are already overloaded with operational work. The organization have to supply services with fewer resources and still deliver and perform at their best possible level in order to be stay profitable. Some departments are understaffed and some leader express that they are struggling with giving their employees the development and learning they need to perform at the high level that is demanded from international leaders and stakeholders.

The general competence level in the organizations is considered by several to be quite high. Hence, some critical future challenges is to transform business critical knowledge and competence on several employees to make sure that important knowledge stays within the organizations when employees quit or when the baby boom generation is soon to be retiring. Another future challenge mentioned is to develop future candidates that can take over business critical roles and drive business performance. Even some leaders do not think that talent management will be the survival kit in meeting future demands. However, the majority realizes the importance with maintain key competence and developing future leaders is one of the most importance areas in order to still have a job in five to ten years. HR is putting pressure on the line leaders to map their organization and know their employees in order to know which competence gap to fill and who needs extra attention. The daily focus on talent management is scarce among some line leaders, but certain due to their long leader experience express to they try to integrate employee development and learning in daily routines, by having frequent contact with their employees and career discussions. Still all leaders is forced to have some attention on managing and develop talented employees due to the EMS process.
that is a big part of the performance management work. Outside the EMS and session C processes leaders are accountable for employee growth and to finding suitable opportunities that is linked to organizational needs. Rigor economy, time issues and limited human assets are frequently expressed by most of the respondent’s as reasons that inhabit the strategically work with talent development.
CHAPTER 5 – ANALYSIS

In this chapter an empirical analyze in relation to relevant literature and research on the study area is highlighted. The analysis is related to the research questions and is presented accordingly.

5.1 How are talent management activities and processes included in the organization?

Talent management is not a frequently expressed word among the line leaders and the HR managers in the organization. Instead notions like performance management, succession planning and talent development are organizational terms that include the work with talent management. Line leaders and HR managers mention a set of different activities that they believe cover the work with talent management: attract, recruit, develop, motivate, engage and maintain talented employees, included make sure that identified talents get special attention by make them flourish. These organizational activities can be included in Farley’s (2005) implication of the concept of talent management as she suggests contains different organizational and HR activities like performance management, talent review, career development, succession planning and workforce planning.

Collings and Mellahi (2009) highlight that the concept of talent management has no clear conceptual boundaries and vary widely amongst organizations. No clear consensus is stated about the notion of talent management, explained by all the different views given by the respondents on it’s conceptual meaning. Although, meanings on talent management features and activities vary in some degree among the respondents, there can be drawn an overall common view of the concept: talent management contains working with employee development and growth, as well as working with workforce planning and succession planning to meet future organizational demands. The respondents aligned perspective on talent management is closely related to one of three concepts proposed by Lewis and Heckman (2006). They suggest that talent management is a set of typical human resource activities, such as recruitment, training and development and employee retention.
Recruitment in the organization is often done through internal networking and therefore internal candidates often fill key positions. Heinen and O’Neill (2004) highlight that a high percentage of internal recruitment is not optional when external candidates may generally provide other perspectives and new competence to an organization. External recruitment is seldom practiced in the organization, which may explain why there is no organizational employer brand strategy. The recruitment practice does not share Ulrich et al (2009) concept of buy, in which they suggest that it is favorable to recruit both externally and internally to build a good employer brand to attract the best candidates. In a long-term perspective to meet future organizational staffing needs the organization has to think strategically on the hiring process, which is also highlighted by Ulrich et al (2009) to add value to business results. However one respondent mentioned that there has recently been started a Nordic talent acquisition project to attract and recruit new and talented employees. Vaiman et al., (2012) argue that due to the rapid changes in the global market more alternative and flexible forms of global staffing may replace traditional recruitment processes.

Although, little focus on attracting and recruiting talented employees, the organization has excellent practice and sophisticated processes to make sure that employees perform and develop according to department needs and organizational demands. The EMS process is a well-integrated cycle that is reflected in organizational goals and objectives, which creates the outline of the process. According to Collings and Mellahi (2009) human resource processes should be linked to business strategy to achieve sustainable success. The EMS process is certainly linked to business strategies about employee performance and development. The process provides the system and aid to managers, but it is up to each leader to implement the process in daily routines to monitor their employees throughout the year to know what development is sought and which accomplishments are reached. This can be compared to Davies and Davies (2010) suggestion to provide a 360°-feedback as one of many talent development activities.

Farley (2005) emphasizes the importance of translating corporate goals into workforce needs and link people and profit in order to optimize the process. Farley (2005) message sounds clear and easy, but several respondents highlight the difficulties in the translation between theory and practice. Due the EMS complexity and a bureaucratic decision structure, requests can often take time to be approved because of a hierarchical approval process. One respondent tells that the hierarchic and old-fashioned organizational structure can inhibit the organization’s flexibility and profitability. The decision-making process where international
leaders often have to be involved can sometimes harm the organizations agility. Activities concerning economical subsidiaries are not decided locally, such as new hires or attendance at external seminars needs to be approved by international leaders. This often inhibits talent management work in the unit. Boxall and Purcell (2008) propose a long-run agility concept to secure organizational flexibility. Further they express that long-run agility is hard to achieve once an organization has established it’s structure, since core features can be well established and be hard to change unless radical measurements are taken. Moreover, respondents can tell that some departments are short on staff and give them little flexibility in investing time in on-the-job training activities. One respondent highlights that a central part of employees learning and developing is through learning-by-doing on the job. Employee development is not solely through education or courses, but learning from mistakes is seen as an important way to get experience. Like Nilsson and Ellström (2010) mentioned as result in the shift from a commodity- to a knowledge-based economy education is no longer the primary source of learning.

Several respondents express that they have one-to-one meetings with each individual to discuss their wishes and goals according to future career path. Based on this meeting they discuss strategies to meet employee’s demands in line with the organizations future plans. When its time for the EMS review, employees conduct a summary on their accomplishments and contributions based on the goals and objectives, in addition to express career interests. They are asked to evaluate their individual performance level and review areas of strength and growth, aspirations and constraints. Then the line leader evaluates his or hers employees’ performance throughout the year and provide feedback on employees contribution and accomplishments. This evaluation is then published in the EMS system and a unit review conducted by the CEO for the evaluation of the entire workforce. The EMS process can be linked to Heinen and O’Neill’s (2004) talent review process, which is similar to the EMS process in that it is an organizational tool to map employee performance level to plan and coordinate development activities. But the main purpose of the EMS process differs somehow from Heinen and O’Neills (2004) talent review as it is more closely related to Lewis and Heckman (2006) perspective on building talent pools. Whereas the EMS process is to build a sustainable workforce by mapping the entire organization through individual development and planning with processes like performance management and succession planning. The performance management evaluation is the first part in the EMS process, which lays the groundwork for employee differentiation process through the second part that is called session
C. Session C is the organization’s rating system whereas employees are rated based on five individual values: Role Model, Excellent, Strong Contributor, Development Needed and Unsatisfactory. While the organization has chosen to identify five types of employees, Davies & Davies (2010) and Michaels et al. (2001) suggest four types of employees categorized as A-, B-, C- and D players into the assessment tool they call the 9-box grid. The purpose of session C is to review the effectiveness of the entire organization, including functional succession plans and to identify prime future candidates. This is in line with Davies and Davies (2012) 9-box grid, in which they explain that the tool is useful to identify talented employees and potential leadership skills. As to develop managerial talents, Sheehan (2012) suggests that central to the part of talent management is identification of key talent positions in an organization rather that individuals who reflect on a differentiation between roles. The empirical findings do not show that the organization has any present practice of this differentiation.

EMS is expressed as an excellent tool to map the entire workforce and see what measurements that is needed for employees to develop new competence and grow further. However, line leaders and HR managers emphasized that employee learning and development in the organization mostly happens through the daily work, with frequent contact with each employee. Hence, a good relationship between leader and employee is mentioned as a primary source to learning and development and employee satisfaction. This view is also shared by Heinen and O’Neill (2004) who highlight that the relationship employees’ have to their immediate leader is a key factor in the degree of employee commitment, growth and development. Further, with an open and close dialog leaders can get an insight in employee contentedness and get to know them on a personal level. It is highlighted as an advantage to recognize employee’s personal abilities and what they are capable in order to delegate the right tasks and find suitable development opportunities.

5.2 What are the roles and responsibilities of the line leaders and HR managers in relation to talent management?

Within the organization line leaders and HR managers play different roles in the work on employee performance and managing talent. Line leaders are accountable for work delegation and employee learning and development, while the HR managers’ purpose is to support and influence within theses activities by implementing processes to manage leaders and employee
performance towards a profitable organization. HR managers’ focus is to drive business performance through people. Farley (2005) implies that in order to gain positive impact on business results there needs to be cooperation and dialog between line leaders and HR. Respondents explain that it is crucial in workforce planning and talent development to have a close relationship to line leaders. A respondent states the following: “This is not something I do or can do alone, it is within collaboration between managers and HR and therefore it must be a good dialogue between us”. An aligned agreement between HR strategy and line leaders’ strategy on how to move the team forward is important in order to work towards reaching the same goals. Lewis and Heckman (2006) is considering that integrating HR activities in the business strategic management is a way to ensure that HR professionals become a strategic business partner to increase their credibility and recognition within the organization. This practice is supported by the empirical findings and respondents express that the teamwork between line leaders and HR is sustainable, because HR managers are permanent members in each respective management group. Through frequent meetings HR managers are constantly updated on internal and external issues and are close to the decision makers. Additionally, HR and line leaders cooperate to develop and educate employees with new knowledge and tasks so they have something to strive for. Like Nilsson and Ellström (2012) imply that the HR department, line managers and senior executive management are engaged in the talent management process through close cooperation with each other.

Line leaders’ role in employee development and growth is explained as a supervisor and a supporter and also as a guide and a coach for the employees. Leaders are responsible for holding the employees accountable as well as provide learning and development opportunities in order for employees to deliver on the job. Leaders are also responsible for distributing important information from top management. Also a leader’s role is to delegate and make sure employees perform and deliver so deadlines are met. Further, respondents articulate that the line leaders role is to be an employee facilitator, discussion partner and a mentor within the EMS process and session C. Caye et al (2007) states that line leaders play an important role in the daily work of employee development and growth in talent management activities. Because leaders are employees’ closest supervisor and the primary influence for employee engagement, motivation, and development: thus organizational performance. Another line leader responsibility explained by some respondents is the most important part of the daily work, motivating the employees. A leader’s responsibility is to tell people what is expected, but also increase motivation among the employees by encouraging them to take responsibility
and reach new heights through challenges and go outside their comfort zone. Motivation is a central part in Boxall and Purcall (2008) AMO framework for increased individual performance. In addition to have the ability (A) and the opportunities (O) to perform, employees needs motivation (M) to perform at their best possible level and leaders need to influence these three variables in order to boost employee performance. In order to influence and increase motivation among employees, leaders express that to provide increased responsibility, challenges and exciting tasks, leadership responsibility or a new position, some motivational measurements are practiced. Further one respondent emphasize that motivation can come from the feeling of being useful, making a difference, make employees use their knowledge and develop their professional knowledge within an area of interest.

HR managers primary role is explained as providing sustainable support and facilitate line leaders in the process of managing and leading their employees. This includes, being a strategic business partner in human resource decision-making and provide support within organizational processes and talent activities. Like recruiting, provide learning and development courses, facilitate and sustain support within workforce planning and employee retention. In addition to be a leadership support HR manager’s role is also to nurture employees and constantly make them perform at their highest level. Ulrich and Brockbank (2005) suggest that the HR responsibility consists of five central roles: employee advocate, human capital developer, a functional expert, a strategic partner and an HR leader. As playing the role of employee advocate respondents explain that the HR manager’s role is to support and nurture employees and provide for their well being at work in the job. In addition, to work as a communicator and a problem solver between leader and employees to make sure that satisfaction from both sides is maintained. The human capital role is covered by providing learning and development opportunities through courses and events, but also by working with succession planning and TCP. Further, respondents express that they coach, motivate and influence the leader in their work of managing employees and motivate leaders to focus on talent management activities by implementing these in the daily routines. By providing a good system for career paths, supported by measurement to increase employee competence like, courses, conferences, seminars, presentations and related activities HR managers are indeed a functional expert. The HR role is further explained to build and provide systems, processes and procedures that are effective and operative to provide a good framework. HR managers are also playing the role of a strategic partner as member of the management group and to have a central role in the EMS, session C and workforce planning.
Respondents express that they have constant focus on overall intentions and how processes and activities can impact and create value on organizational outcome. The last HR role that Ulrich and Brockbank (2005) present is the role of being an HR leader, a role that HR managers in the organization meet by constantly reminding the leaders that their most important job for organizational advantage and survival is manage, develop and retain good employees and build a sustainable workforce in order to drive change. They live, work and breath for all employees satisfaction and growth in the organization with having a strong and viable HR department.

5.3 How are practices pertaining to competence storage and talent retention in the organization?

The competence level within the organization is estimated overall to be high, although competence and knowledge are not assessed or benchmarked in relation to external organizations. However, measurements to store important knowledge and routines around competence transformation between employees is practiced to a small degree in the organization which Ulrich et al (2009) refers to as important activities in the stage borrow. The authors also mentioned that borrow is to rotate employees between working tasks to ensure that knowledge is held by several employees. Respondents explain that this is seldom practiced in the organization due to silo thinking. Line leader and HR managers express that the competence some people possess is specific and job related, whereas skills and knowledge is built through many years of experience. Eraut (2004) explains this type of knowledge as implicit or know-how and the competence is context bound. Further, it is highlighted that key competence is often connected to one person that makes the organization vulnerable. Recently the organization experienced loosing critical competence and experienced the organizational effects of being reliable of work specific competence and important employees. Critical organizational knowledge that is implicit and personal can make turnover damageable and a costly affair, according to Nilsson and Ellström (2012).

Due to staff shortage in some departments respondents express that there is little flexibility and simply no time for learning and development through on the-job-training or job rotation for the purpose to maintain important knowledge within the organization. Respondents further expressed that the organization has little practice in competence transformation to sustain a viable competence level to meet future demands. Haesli and Boxall (2005) propose a simple
method to store and transform explicit and formal knowledge by codifying or storing knowledge in accessible databases that can easily be transferred to other employees in the organization. Empirical findings show no evidence of such storage of knowledge. Although, several respondents emphasize that talent activities by retaining the competence within the organization as well maintaining a high level of competence as the most critical activity for survival. Vaiman et al (2012) highlight the fact that organizations typically recognize the work of talent management, but often fail to implement theory into practice and manage the practice effectively. Which can explain why some respondents articulate difficulties within the translation from theory to practice.

Employee recognition and affirmation are highlighted by several respondents as one of the most important measurements in keeping talented employees. To keep good employees it is important to highlight their achievements. Affirmation and visible employee performance, according to Cheese et al (2008) can be a powerful tool in retaining high performing employees. Recognition can be an influence variable for employees to feeling that their contribution meaningful. Respondents express that performing employees need get a confirmation on what they are doing well and make them visible. Further, respondents articulate that to get personal confirmation on accomplishment from the closest leaders, recognition should be articulated directly and not only through the EMS process. Davies and Davies (2012) think that getting affirmation from managers or leaders can increase motivation and engagement in the sense of feeling valuable, appreciated and a contributor to the organization. Some respondents mean that the leader has a central role and is held accountable for employee recognition and is responsible for verbally communicate that the work and employee’s contribution is appreciated. Respondents emphasize that it is important to constant motivate, nurture, acknowledge and listen to employee needs in order to keep talented employees. Activities that Ulrich et al (2009) also are mention as important to the phase boost so these employees do not seek other opportunities.

5.4 How are external factors affecting the work with talent management?
It is emphasized that the organization is struggling with low turnover and this leads to fewer opportunities for employees to grow and move forward in the organization. Some respondents mention that they realize it is a challenge to nurture and young employees, who are impatient and ambitious. They also express, that to give young employees opportunities to grow and
develop in the organization is presently difficult because many of the higher positions are held by a generation soon to retire. Caye (2008) predicts a rise of the *Ego* role in the labor marked. In addition he explains that the young ego generation today is more loyal to own career and personal needs than the employer, and that they are more likely to change jobs frequently. “The younger generation today is not that patient and the risk that they leave before a promoting opportunity opens up is increasing with every year,” a respondent articulates. Jenkins (2008) highlights that organizations need to rethink how to attract and retain talent in order to meet the Ego-thinking employees.

Several respondents express that to retain a high organizational competence level and to have high performing employees are important to meet future demands from external and internal stakeholders. They express that to survive in a strong competitive marked, the organization depend on having high performing employees who can drive the organization forwards and increase organizational performance. Seen from a competitive perspective, respondents further highlight, that to have the right person in the right job is crucial. Working strategically with talent management and development to stay competitive and maintain a well-prepared staff. But respondents express that strategic talent management work is increasingly getting more difficult due to corporate downsizing and pressure from top management. There is pressure to work more effectively with fewer human resources and there is a strong internal competition to show a profitable business to convince corporate leaders to not shut it down. One respondent highlights that the internal competition often can be stronger than the external one, and internal elements can hinder optimal work with talent management issues.
CHAPTER 6 – DISCUSSION

In the following chapter I discuss the methodology and the empirical findings. This section offers some final thoughts and serves as the closing summary of the paper and finally I present suggestions for further research in the area.

6.1 Methodology discussion

My original purpose with this paper was to map how executives and HR work with talent management and employee development. Based on their answers the idea was to conduct a survey, which was to be distributed to all employees to examine development planning and career opportunities from an employee perspective. Do the data match or are there gaps between the different viewpoints? Are there always two sides to a case? With the research questions mentioned above, I could conduct a control study and see if leaders really follow the desires of their employees and take their development needs into consideration. Due to time limitations such a study would be difficult to finish. With guidance from my supervisor at Umeå University I decided to focus on the leader and HR perspective in the work of talent management. I still think this thesis rises an interesting and relevant approach.

The choice of conducting a case study was one way to delimitate my study sample. I believe that with collaboration and guidance from my contact person at organization X, the sample of participants has helped me to get respondents who are knowledgeable and relevant in relation to the research questions. I argue that a non-probability form of sampling was the best way to get interesting empirical findings and I experience that this approach has not affected the study validity. I do not see this delimitation as a problem concerning validity and reliability in my study. On the other hand conducting a purposive sampling affects the degree to generalize the research findings to any wider population according to Bryman (2012).

Due to the case study design it was important for me to meet the respondents face-to-face. By meeting them in person I hoped to establish engagement and interest in the study area, which can be difficult to document through for example telephone interviews. The personal meeting is preferred when the number of questions are many, when questions are complex and open-
ended, and when there may be a need to vary the order and logic of the questions (Bryman, 2012).

Regarding the number of interviews, I feel that it was an appropriate number when I got a result that I consider satisfying. If I had the time to carry out more, it had possibly led to additional perspectives on the study, but it is not something that I believe was essential to the research quality. One solution to get a broader perspective could have been to conduct a survey with fewer questions answered by all line leaders and HR managers. On the other hand the risk with conducting a survey is that the qualitative purpose loosens its intention. I believe that the interview as a data collection method was the best option for my study because my intention was to get a deeper understanding.

Before the interviews were realized, it is recommended to perform a pilot interview, something that I did not do. I made sure that my questions were relevant and did not contain any misunderstandings by letting my supervisor and my contact person analyze the interview guide and provide feedback. Further I wish I had prepared two different interview guides, one targeted for leaders and another for HR managers in order to get a better view on the two roles in the work of talent management. During the interviews I realized that some questions might have not been that relevant to ask the HR managers. Like the questions: How is the work on motivating the employees? and Do you have you any employees you consider a talent?

To some degree the study’s conformability can be discussed. Have I, the researcher, maintained my objectivity during the collaboration of the data since I have previously worked in the organization? As I mentioned in my pre-understandings, this is something I have been fully aware of during the entire research process and I have tried to remain critical and neutral in my analysis of the empirical findings. In addition, I believe that my research responds to my purpose and that I have answered the research questions.

**Language limitations and criticism**

I agree that there may be some criticism due to the fact that some of the research data collected is conducted in a foreign language, while at the same time I am wrote the thesis in English. All the interviews and email conversations were held in Norwegian, as well as the interview guide. Translation is inevitable, as I need to use citations and expressions from the interviews in the thesis. Further, I realize that it is of great importance that I understand and interpret the respondents’ answers correctly, in order to translate the material in the best manner. Also, I understand that some Norwegian expressions are not transferable to the
English language and this is the reason that I at some point needed to make my own judgments of how to best capture the essence of the selected Norwegian expressions.

6.2 Empirical discussion

I consider my research area to be of high relevance in the global labor marked concerning the emerging attention on the concept of talent management. Although, managing people in organizations is not a new concept, managing talent to drive organizational change has yet become a business critical priority in many MNC’s. The Boston Consulting Group global survey (2012) show that the three topics organizations ranked as most critical in meeting future demands were: managing talent, improving leadership development and strategic workforce planning. The empirical findings show the same concerns. The respondents recognize the importance of having talented employees in critical positions. This is important for organizational change and will impact on the organization´s survival in a long-term perspective. Further, the respondents emphasize that leadership development needs more attention in the future in order to have skilled leaders who make the right decisions. A leader is the nearest supervisor and mentor for the employee, they should be role models and provide good development opportunities. There are many examples in the corporate world where talented people resign, due to bad leadership. The organization´s work with strategic workforce planning will probably be the most challenging as international top management is increasingly forcing the organization to work with fewer resources. Several departments are short on staff and people are overloaded with operative work and are struggling with meeting present demands. The time and economy for strategic planning and development measurements are causing management problems for many leaders. I believe that HR can play a central role in influencing leaders to focus on talent management and implement talent activities in the daily work.

I experience that the strategic thought around talent and employee development and retention is present among the respondents, but due to time issues and international decision-making it is a problem to realize the thoughts behind making talent a strategic priority. Still, I believe besides the EMS process that contains many talent processes, the organization can work on implementing a talent mind set locally. It seems that HR is aware of the importance behind working with talent management to meet the future. HR managers already see negative outcomes where talent management has not been present and one has seen examples of bad
leadership. One issue is that HR is not the owner of many talent activities and they have little control over the final decision-making. Although, HR managers express that they try to coach and influence the leaders as much as possible in constantly thinking on development possibilities and giving special attention to high performing employees. A global McKinsey & Quarterly survey (2001) showed that companies that do the best job of managing their talents deliver far better result for their shareholders. Another finding to highlight the importance of managing and retain talent show that the best 20% of the work staff, the so called A-players (including managers), raise operational productivity, profit and sales revenue much more than average performers (McKinsey & Company, 2001).

During my research some issues have come to my attention, especially the organization’s lack of prioritizing and focus on talent management. Respondents express that competence development and maintaining above-average good performers are critical activities in order to maintain the high level of knowledge in the organization and supply performance at a high level. Yet, apart from the EMS process that contributes to employee performance and growth, the daily work and attention to attract and recruit new employees is almost non-existing. It is surprising to me that they have little focus on employer branding, when attracting new talented employees is the first crucial step towards a sustainable talent management strategy. Even though respondent’s express that the competence level within the organization is high, they need to think in the long term perspective and focus more on workforce planning in order to meet internal and external future demands. The organization has to start to think globally, but act locally in talent acquisition. The leaders of tomorrow need to be developed today. So learning and development opportunities must come at an early stage to prepare potential candidates for future roles. Michaels et al (1998) highlighted the importance of building tomorrows talents by stating the following: “Superior talent will be tomorrow’s prime source of competitive advantage. Any company seeking to exploit it must instill a talent mindset throughout the organization, starting at the top”. (p. 48)

The organization’s EMS or performance management system is a well-integrated and sophisticated process that is valuable for the organization. This process indicates which employees are contributors to the organizations, who needs development and who needs to be faded out. The EMS process may be an excellent example to other similar organization on how to manage and assess employee performance and growth related to the work of building a viable workforce, in addition to identify high performers or high potentials.
I have conducted a single case study with a qualitative approach that does not allow any application of the research findings to a wider population outside the research sample. Still, I believe that my paper can be useful reading for other MNC’s within supply chain and production. Several advocates highlight that there has been few empirical research studies and case studies on how companies implement talent management in the organization. My research paper can contribute to this gap and be useful information to companies that want to benchmark talent management work with other companies. However, most important of all, my research paper can be a valuable document for the investigated organization as to their future work with talent management. My paper can be seen as a review on how talent management within the organization is lead today from a leadership and HR perspective. I believe that my study can be a useful status reports on which processes are working today and witch areas may need special attention. My paper conducts a review on the latest literature and theories about talent management strategies and may be an inspiration or help in the future work with talent processes. Hopefully, my research paper will be an eye-opener and give a positive impact to the investigated organization.

6.3 Final words

Talent development, performance management, workforce planning, succession planning, human resource development, whatever terms organizations choose to use, they all contain the work with talent management. Research shows that the concept of talent management gains remarkable attention from business executives as they recognize that managing talent is key to drive competitive change in an increasingly global word. Managing talent and workforce strategies to fit the organization structure and strategies in a fast changing labor marked has become a top corporate priority. Moreover economic challenges, demographical change and increased globalization are some of the most challenging external elements affecting organizational structure and forcing business executives today to rethink their workforce planning and to build long term development strategies. Today there is no clear definition of the term talent management. The practical implementation of the work with talent management has no clear conceptual boundaries and in terms of outcome, processes and decision alternatives are defined inconsistently. Hence, talent management is a concept that different companies embrace in different ways. Managing people in different social settings varies widely depending on organizational context and culture. No clear definition
has resulted in many different approaches and practices. Nevertheless, it seems that the goal of talent management is to increase business performance and gain competitive advantage in addition companies must choose how talent management efforts should be targeted based on business strategy and strategic challenges. A well-implemented talent management strategy is tailor-made to the organization structure, workforce needs, external and internal stakeholders, in addition to reflect on business goals and objectives. A talent management mind set has to engage all the way from senior management, via line leaders to HR managers. This is to secure employee engagement and positive contribution to the organization. The concept of talent management must engage the entire organization through a set of different processes, patterns and approaches.

Talent management is likely to be a global challenge, not only for MNC´s, but also for smaller firms that wants to survive in the fast changing global marked.

6.4 Further research
I think it would be interesting to investigate further how talent management is seen from an employee perspective. Talent management is in general a management and a leadership concern, but talent management is in fact about how to manage employees in the best possible way to make them perform. Therefore, I think conducting a study based on employees´ perspective could present new insight and interesting empirical findings. By conducting a comparative study where management and leadership perspectives are compared with employees´ perspective to see if there is a gap between the two sides. Another interesting approach can be to investigate a number of MNC´s and small companies with talent management practices and see if the organizational work with talent management, perspectives, approaches and outcome on managing talent differ between small and large companies. One final example on further research would be based on the investigated organization, but on a corporate level across countries. It would be interesting to compare talent management activities with other units in the same corporation. Either, looking at how talent management is perceived from international top management and how the strategies are implemented in the different units on a local level. Another interesting perspective would be to compare talent management activities and approaches between the different units within the Nordic counties.
REFERENCES


Hi!

My name is Nicoline Baartvedt and I study Human Resource Management at Umeå University. In relation with my bachelor thesis within pedagogics, I hope that you will participate in an interview. The interview time is estimated to last between 30-60 minutes.

Following is a presentation of the study purpose and the research questions, in order to give you, as a participant an insight on the research agenda:

The aim of this study is to describe and understand how talent management is perceived and implemented in organizational practices and activities in a multinational knowledge-based company.

- How are talent management activities and processes included in the organization?
- What are the roles and responsibilities of the line leaders and HR managers in relation to talent management?
- How are practices pertaining to competence storage and talent retention in the organization?
- How are external factors affecting the work with talent management?

I wish to record the interview to make sure that important information gets documented and to be fully present during our meeting. I will emphasize that the recording is only for personal use, and I can assure that no else is going to be party to this information. The recordings will be deleted after the completion of the study. I hope this will not be a problem, in addition you as a respondent is offered full anonymity and confidentiality. Participation is voluntary and you have the right at any time cancel your participation.

If the appointed time is not suitable, please come back with suggestion on a new time that suits you time schedule better.

With regards

Nicoline Baartvedt
APPENDIX II

INTERVIEW GUIDE

Introductory questions

• What is your position in the organization?
• How long have you been working in the organization?
• How long have you had your current position?
• How many employees are you responsible for?

Learning and development

• What is talent management in your perspective?
• How are the processes and activities related to talent management?
• How are priorities around skills development in the organization?
  - How important is this priority according to you?
• What is the most important task you do related to talent development?
• How is the work on motivating the employees?
• How are employee learning and development opportunities in the organization?
• How is the organization working with talent management strategies?
  - How important is the work with talent management?
  - What is your role in this area?
  - How is the focus in this area?
• How is your focus on talent development?

Attracting and recruiting

• How does the organization attract talented people?
  - Are there strategic goals in the area?
• How is the hiring situation today?
• What aspects are most important to you when you recruit a new employee?
• When recruiting, how is the competition from other companies?
Competence- and talent retention

- What is your view of competence?
- How does the organization retain key skills?
  - What is your role in preserving key competences in the organization?
- How is competence storage important to stay viable?
- How do you work to preserve a high level of competence in the organization?
- Have you any employees you consider a talent?
  - What characterizes such a person?
  - What do you do to keep these people?
  - What role are you playing in relation to talent retention?

- From a competition perspective, how important is it to have the right persons in the right place?
- To what extent has talent management importance for the business results?
- How important will talent management be to meet future demands?