

The Future of Talent Management

Liubov Mosienko



Author Liubov Mosienko	
Degree programme Multilingual Management Assistants	
Report/thesis title The Future of Talent Management	Number of pages and appendix pages 32 + 4
<p>Talent management becomes a vital term in existence of any organization, after all to manage talents means to attract and retain the best employees, and also to effectively use their potential for corporate purposes, while spending less resources. Thus, employers need to be aware of the newest and most efficient talent management practices.</p> <p>This thesis is commissioned by company WorldWide Partners Inc. It describes how talent management processes proceed in commissioning company and how they can be improved.</p> <p>The main purpose of my studies is to show to employers from WorldWide Partners Inc. how talent management changes with time and to describe potential practices that company could use.</p> <p>As an objective of my research, I put the goal to find out the most efficient talent management practices for Worldwide Partners.</p> <p>Theoretical framework gives an opportunity to get a deeper understanding of Talent Management, definition of term “talent”, emergence and development of Talent Management concept and its key practices and models.</p> <p>The empirical part was written with the help of Interview which second interview showed the HR specialist’s professional point of view on this topic.</p> <p>In conclusion, after researching and understanding the nature of talent management, the commissioning company is advised to use the plan of Talent Management system with such main aspects as trust, creativity encouragement and trainings.</p>	
Keywords Talent, Talent Management, Human Resources, Employee, human capital, personnel	

Table of contents

1	Introduction	1
1.1	Choosing of the topic	2
1.2	Objectives of the study.....	2
1.3	Research limitations.....	3
1.4	Introduction to the case company.....	3
2	Talent management	5
2.1	Definition of talent in concept of talent management	5
2.2	Emergence and development of talent management concept	6
2.3	Key practices and models of talent management	8
3	Conducting the research	18
3.1	Data collection	18
3.2	Research questions	18
4	Findings and interview results	19
4.1	Hiring process	24
4.2	Managing process.....	25
4.3	Retaining process	26
5	Conclusion and recommendations	27
6	References.....	29
	Appendices.....	31

1 Introduction

Nowadays, well-organized Human Resource management has become an indispensable part of successful organization.

Human resource is the basis of any organization and its main wealth. Nowadays, people are the key and the most valuable resource in developed countries. The level of personnel development directly influences the capabilities and competitive advantages of companies. In this regard, enterprises strive to make a full use of employees' capabilities by creating conditions for realization of their potential and their intensive development. However, on practice, ineffective use of talents and shortcomings in their management are important factors that cause failures in the activities of many organizations. This situation is due to the fact that a significant number of heads of enterprises and organisations have a poor understanding of the specifics of talent management in a constantly changing business environment.

In an economy based on knowledge, large corporations are somehow drawn into the war for talents, so those companies that cannot cope with their talented employees, obviously have an unfavourable competitive position. Talent management is a relatively new interdisciplinary research area, which for several reasons has gained special popularity within the framework of international companies' strategic management theory.

First of all, it is more and more important for companies to have competent talented manager capable of ensuring the success of international companies in the context of increasing competition in the world market and increasing the need for international training and development of international companies' development. In addition, there is a growing awareness of the need for talent management at the international level in order to develop a competitive advantage of the firm in the world: companies begin to understand that talent can be found at any level of organization's international operations. The constant tightening of competition in the labour market due to the struggle of corporations for the same talents as a result of the internationalization of their work, determines the third cause, which is the emergence of the talent's lack problem. This problem is very common in international companies' HRM department.

Recent reports show that about seven out of ten corporate leaders spend more than 20% of their working time to activities related to talent management. Nevertheless, according to Boston Consulting Group, despite the importance of talent management in the organization, companies show the least success exactly in this area (Boston Consulting Group, 2015, 19). According to researches, international companies can rarely identify which of

their employees can be considered as a talent and in which part of the company they are located. These facts show that the question of talent management is not so widely studied, which once again emphasizes the relevance of this work.

1.1 Choosing of the topic

This thesis is written for commissioning party Worldwide Partners Inc. On 6th semester of my studies in Haaga-Helia I was doing obligatory internship in Finnish agency of this company on a position of assistant of executive director, Lisa Kettman-Kervinen. During this work placement I became very interested in this company and decided to write thesis for Worldwide Partners Inc. When we were discussing the subject of thesis, my supervisor suggested me to plan thesis connected to employees of the future. But at the end, after a small consultation, we agreed on topic "Future of talent management" in order to connect thesis more to the company's activity.

In a competitive market, talent management is the main factor for the organization's success. In a broad sense, the talent management system is the implementation of integrated strategies and systems aimed at improving productivity in the workplace by developing improved ways to attract, develop, retain people with the necessary skills and capabilities to meet current and future business needs. Business models that worked well in the past quickly age, as a result of technological innovations, evolving trading platforms and changes in the global economy. That is why this thesis shows current issues of successful talent management that will be still significant in the future.

1.2 Objectives of the study

The main purpose of my studies is to show to employers from WorldWide Partners Inc. how talent management changes with time and to describe potential practices that company could use.

As an objective of my research, I put the goal to find out the most efficient talent management practices for Worldwide Partners.

In order to achieve the goal of thesis, I set a number of tasks:

1. Create a theoretical basis for research by analyzing a number of concepts and models in talent management,

2. To develop a research methodology: to determine the method of research, the objective of research, to develop interviews for carrying out an empirical study,
3. To formulate the main conclusions and results.

The study consists of 4 main parts: introduction, where there are main ideas of thesis and description of commissioning company; theoretical part, including Talent Management specification; empirical part, containing talent management issues in frames of commissioning party's activities and conclusion, where final thoughts and recommendations are.

1.3 Research limitations

There is only one limitation for this thesis: it is limited to one office of WorldWide Partners Inc. which is established in Finland, Helsinki. Though I decided to make a research for only this office, most of the recommendations for successful talent management processes can be used for the whole company. Moreover, it is necessary to follow some rules, suitable for every organization in the world.

1.4 Introduction to the case company

Worldwide Partners Inc. is a company, helping start-ups and big companies to develop their businesses by providing them with professional services. Worldwide Partners Inc. consists of more than 65 partner agencies in 50 countries in Asia, Africa, Latin America, North America, Europe and the Middle East, as shown on a table below. Company works in fields of B2B, B2C, Pharma, Digital, Experiential and Social Media. Table below shows number of WorldWide Partners' agencies and countries where they operate.

Country	Number of agencies
Australia	1
Brazil	2
Canada	3
China	1
Colombia	2
Costa Rica	1
Egypt	1
Finland	2
France	3
Germany	2
Guatemala	1
Hungary	1

India	1
Indonesia	1
Italy	1
Jamaica	1
Japan	1
Malaysia	1
Mexico	1
Philippines	1
Poland	1
Russia	1
Saudi Arabia	1
Singapore	1
South Africa	1
Spain	1
Sweden	1
Switzerland	1
Taiwan	1
Thailand	1
Trinidad & Tobago	1
Turkey	1
UK	2
Ukraine	1
US	22
Vietnam	1
TOTAL	66

Table 1: WorldWide Partners Inc. agencies and countries of activity.

2 Talent management

In recent years, the topic of talent management has gained some popularity among the world scientific community. The talent management issues are thoroughly examined in conceptual works and empirical studies in the context of European, Asian and North American countries. A number of scientific works are devoted to the analysis of the management concept of talented employees in general, among which the most widely accepted studies are those of C. Ashton and L. Morton, K. Mellahi and D. Collings, R. Schuler and I. Terrique. Despite the fact that nowadays exist a number of talent management practices; the scientific community highlights only three main areas: attraction, development and retention. Different models (e.g.: models of I.Terrique and R. Schuler, K. Mellahi and D. Collings, Stahl, etc. and R. Schuler unite these practices, as well as describe the general interaction of companies and talented employees.

2.1 Definition of talent in concept of talent management

Before proceeding to the study of management of talented employees, it is important to understand what is commonly understood by the term "talent". Analysis of scientific literature showed that at the moment there is no single definition of talent. In addition, in some sources used other, different from talent, terms, by which similar categories of employees are understood. It can be noted that at the present time in the articles defining talent, there is no uniformity in the question of research's object: if some authors characterize talent as a person, others refer this concept to personality characteristics. The overwhelming majority of researchers define talent, first of all, through the employees' demonstration of consistently high working results.

There are object and subject approach to talent's understanding. The object approach defines talent as a characteristic of the personality; within the framework of this approach, additional subcategories are distinguished, such as understanding of talent

1. As a natural ability
2. As craftsmanship
3. As an involvement
4. As a conformity

In the case of the subject approach, characterizing talent as a person, there are generalizing and differentiating approaches. A general approach involves applying the definition of talent to all employees of the company, including potential ones. Whereas in a differentiat-

ing approach, using the concept of talent, a certain group of employees is allocated, such as: employees who demonstrate the highest results of labor; or those who have great potential.

In the interest of the current research, the following definition of talented employees will be used.

Talented employees are employees who make the greatest contribution to the creation of a company's value by:

1. Demonstrating extremely high labor results
2. The use of knowledge and skills that are relevant to the current and future needs of the company in the work
3. Having high potential for professional development and growth.

2.2 Emergence and development of talent management concept

In recent years, the management of talented employees is recognized by practitioners as a key management activity in the organization. For the first time the term "talent management" appeared in the late 90's in an article written by David Watkins, CEO of Softscape. Talking about the concept in common, while some professionals (e.g. : (Cappelli, 2008)) as a starting point for the emergence of talent management systems consider the improvement of the economic situation after the end of the Second World War, there is a much more common point of view that the talent management concept became widely known after the McKinsey consultants group which created the expression "war for talent" in 1997, described later in the books of E. Michaels, H. Handfield-Jones and B. Excelrod (Axelrod, Handfield-Jones, Michaels, 2002). As well as the reason and time of the concept's emergence, the boundaries of management of talented employees are actively challenged by the academic community. For example, recent work on the topic, including the publication of K. Ashton and L. Morton (Ashton, Morton, 2005, 30), notes that there is no agreed clear definition of the management of talented employees. Nevertheless, a more detailed study of the issue shows that there are at least three key and one developing lines of thoughts on this topic.

First of all, some authors use the definition of Talent management as a synonym for the term Human Resource management, and as a result they are often limited to studying specific practices such as hiring, leadership development, career planning and so on. The second type of authors emphasize the importance of talent pools development focusing on reflecting the needs of employees and managing their development through the

career ladder; among them, for example, R. Lewis and R. Heckman (Lewis, Heckman, 2006, 140). The works of such authors often rely on the literature on the planning and development of personnel.

Finally, the third type of authors pays special attention to the management of specific talented employees, for example, J. Heinen and S. O'Neill (Heinen & O'Neill, 2004, pp. 67-82).

Currently, the fourth direction of thought has been developed by K. Mellahi and D. Collins (Collings and Mellahi, 2009, p. 304). It identifies key positions, contribution of which directly affects the company's achievement of a competitive advantage in the world market, the development of the so-called "Pool of talents", which is a list of employees with high potential and high performance indicators that are able to occupy these positions, and the creation of a personnel management system, that would give to a company an opportunity to fill key position with the best possible candidates and, in addition, ensure the further contribution of these employees to the company's development. For example, the focus on this topic is made by D. Collins and K. Mellahi (Collings, Mellahi, 2009, 21-27), J. Bodroux and P. Ramstad (Boudreau, Ramstad, 2005, 132-133), M. Huselid (Huselid, 1995, 2-3) and others. In works of this category, the starting point for building a management system for talented employees in the organization is definitions of those positions, which must be primarily filled by category "A" candidates (Huselid, Beatty, & Becker, 2005, 4-6). In development of this theory, the definition of Talent management was connected with transnational companies, by affirming that they a priori have a more advantageous position in the market than local companies, since they have access to a more diversified talent pool, which allows them to expand the knowledge base within the company. Since the moment of inception of the talent management concept, it has been a significant change in understanding the origin of talented employees in the organization. Some sources try to pay attention on internal talent by noting that the possibility of discovering the managerial talent of those who are already making their way up the career ladder within the company is as high as of those who can be invited to senior position. Other sources also emphasize the importance of internal seek of talents by informing that companies can fail in tries to make money on possibility of strategical success, which team of talented managers can bring. Moreover, they pay special attention on underestimation of the concept of talent management in modern organizations (Joyce, Slocum, 2012, 185). Their findings, based on a ten-year study of 200 organizations from 40 different industries, show that managers are the most important assets of companies, and their work on attracting and retaining talented employees in the firm has a high importance for the com-

pany. Talent management processes are especially important in the context of the strategic capabilities of the organization.

2.3 Key practices and models of talent management

The search for talents can be carried out both on the internal and external labor market. Search on the foreign market involves holding contests, interviews and examinations with potential employees of the organization that came to you from outside. Search for "talents" in the external market is much easier because the choice there is much more than the domestic market. The internal market is the organization itself, its employees. Career growth implies that a company employee can occupy any higher place at the moment when it is released, but often it lacks professional qualities for this. Then you have to apply to candidates from the external market.

With the competent management of personnel, it is always necessary to have a staff reserve to fill key positions in the company. At the same time, planning should go for several years ahead. After all, sometimes bringing up a young "talent" to the level of a certain key position can take a lot of time.

Required components of the talent management process:

- Information and PR - involves conducting an advertising and information campaign to attract potential "talents"
- The process of selecting and evaluating candidates (Talent Review, Performance Appraisal, additional activities to obtain objective results, for example, the Evaluation Center) - as soon as potential "talents" are attracted, the selection begins to ensure that the company is really the best
- Employee development programs - a set of activities to develop the key skills of company's employees, necessary for the most effective implementation of the task
- Planning the career of "Talents" in the organization - as already mentioned above, the planning of the personnel reserve should go ahead of time for several years
- The implementation of appointments / promotions is the result of the implementation of the talent development program: as soon as the "talent" reaches a certain level, it is, if possible, promoted further along the career ladder and again begins its further development.

Speaking about systems of management of talented workers, it is necessary to take a look at some specific practices of talent management. In modern literature it is common to describe three basic categories of practices: practices connected to:

1. Attraction
2. Development
3. Retention of talented employees

Attraction of talented employees includes a wide range of activities, including: creation and development of company's positive reputation in Human Resource Management, attraction of talented employees thanks to interesting job, staff selection to key positions and others. Employer's brand and reputation became an object of research of several academic works connected to Talent Management topic. For example, V. Vaiman and his colleagues are proving an importance of employer's brand, formation of which is a result of all organisation's attempts to distribute their reputation of a desired work place not only in attracting, but also in retention of key employees (Vaiman, Scullion, Collings, 2012). Research, dedicated to reputation, defined as a collective assessment of engaged philosophical parties, company's policies and practices (Hannon, Milkovich, 1996), prove that company's positive reputation in HRM sphere can nicely influence the company's capability of attraction of employees, who are defined as talents (Holland, Sheenan, DeCieri, 2007). Part of works, dedicated to this topic, are studying how companies can build employer's brand or create a reputation that could attract talented employees. One of those researches is work of Ferris, Perrewé, Ranft, Zinko, Stoner, Brouer, et al., 2007.

Along with researches in a sphere of brands and employer's reputation, there is a range of works, dedicated to a simplified model of company's attractiveness on labor market. There are some researches describing findings and studies of specific factors on organizational and individual levels, that influence the candidate's final choice of company as an employer.

Development of talented employees usually includes multiple components, including teaching, career management and development and organizational development. According to findings of T. T. Garavan, R.R. Carbery A. Rock, there are four types of programs that company uses for talented employees development:

1. Formal programs of development
2. Development as a result of relationship building experience
3. Development on account of work completion
4. Informal programs of development

The first type is developed for middle and senior managers and for talented employees having expert knowledge relevant to business needs. It includes a wide range of programs, such as development of professional skills and competencies and a program of personal growth (Conger, 2010; Garavan, Carbery, Rock, 2012).

The second type of programs includes business communication with colleagues, employers, senior managers, consumers and providers. It is the key program type in talent management, because practices used in its framework help employees to open new levels and look on habitual things with a new sight.

It is possible to manage the third option, if comply several requirements while setting tasks for talented employee:

- Violation of employee's comfort boundaries
- Ensuring the cross-functional nature of the work

Finally, the last type of programs includes a training that has not been planned and does not have a clear result. Usually it is a collective training, becoming more and more popular in modern business community.

Many researches, studying practices of talent management development, are focused on company's activity which prepares future business leaders. For example, research dedicated to studies of common trends and cross-cultural differences in preparation of future top managers (Dickson, Hartog, Mitchelson, 2003), to competencies allowing to work on international market and, as a result, what is necessary to search and develop in top talents (Bartlett, Ghoshal, 2003). Finally, many authors offer their models of competencies development (Stahl, Björkmam, Farndale, et al., 2007; Caligiuri, DiSanto, 2001). Some researchers are describing such options of talented employees development, as short- and long-term appointments to positions in other countries, participation in international teams, cross-cultural trainings (Morrison, 2000). Researches in which beneficiaries of talent development processes are critically evaluated are practically important. For example, one research is impugning that benefit of this practicum is equal for all participants (Caligiuri, Tarique, 2009). In an earlier research of P. Caligiuri he affirms that only the training and development in which employees are set for success from the very beginning is successful (Caligiuri, 2000). Finally, it is very important to note that System of talent management can firmly root in an organization and become its source of competitive ad-

vantage only when talent development practices are integrated into company's culture and get enough support from organization's top management. It is especially true for practices dedicated to development of future managers' leadership skills (Seigel, 2008; Novicevic, Harvey, 2004).

Speaking about *retention*, so here many articles are dedicated to ways of increasing employees' involvement in the firm's work. Special interest is going from the researches that do not concentrate on separate areas or companies, but representing a wide range of common practices of involvement increasing. The most important practice is awareness of cultural and national features of country for which methods are developed. As an example of research for this topic, can be used studies of N. Lockwood (Lockwood, 2008). Moreover, many researches are dedicated to talents retention in context of international business, in particular, reduction in staff turnover as a result of return to motherland. The importance of this problem is described in several researches (Lazarova, Cerdin, 2007; Yan, Zhu, Hall, 2002; Lazarova, Caligiuri, 2001). Moreover, it is possible to add classical practices of talent retention to managing results of activities and work with remuneration system (DeTuncq, Schmidt, 2013; Stahl, Björkmam, Farndale, et al., 2012).

In talent management used practices are not as important as perception of those practices by employees. In a research of M. Hoglund, he evaluates employees' perception of their remuneration as a demonstration of talent's qualities and their influence on employees' thrive to develop their skills (Hoglund, 2012). Results of research showed that disruption of psychological contact with employees leads to undermining of trust between employer and an employee and enlargement of possibility of talent lost. The research of M. Sonnenberg and M. Brinks showed similar results. In addition to assessment of impact of employees' perception of talent management practices on such indicators as involvement or desire to quit work, authors prove that employees' and employers' views' on belonging of employee to talents discrepancy is a mediant.

Despite the fact that in earlier works on the topic of Talent Management there is no emphasis on the global nature of this issue, one way or another, most of the research was carried out in the conditions of companies that have operations abroad. In later works examining the talent management in a global context, this concept is directly related to the theory of international human resource management (HRM). In particular, with those of its coils, in which the emphasis is placed on the strategic nature of international HRM. Thereby, talking about the global talent management, it is important to clearly delineate these concepts, which are described in detail in the work of I. Terrique, R. Schuler and J. Gon (Tarique, Schuler, Gong, 2006). In a broad sense, under the global talent management, they understand the entire list of the company's actions to attraction, selection, de-

velopment and retaining the best employees who occupy the key positions for the organization at the global level. The definition of global talent management reflects the differences between the strategic objectives of international companies and the talent management peculiarities in host countries [Journal of World Business, 2010]. I. Tarique and R. Schuler supplement the classical definition, focusing on, first of all, the need for a systematic use of international human resources management practices, secondly, on the need for coherence of used practices with the common strategy of the firm, and, in addition, identifying talents as individuals with a high level of human capital (Tarique, Schuler, 2010).

In addition to expanding the definition of global management of talented employees, I. Tarique and R. Schuler in their work defined the framework of this concept (Tarique, Schuler, 2010). First of all, the authors consider the main tasks of international human resources management, which should be solved by the introduction of global talent management practices. Tasks identified on the basis of the work of K. Roberts, E. Kossek and S. Ozeki, are identified the most accurately (Roberts, Kossek, Ozeki, 1998):

1. The rapid movement of people to the place where their skills are required for business development
2. On-time distribution of new information, knowledge and practices of international companies, regardless of their place of origin
3. Identification and development of talented employees at the world level.

The concept of talent management, according to the authors' thoughts, contains 4 basic elements:

1. Exogenous drivers, which cause problems of global talent management
2. Endogenous drivers, which cause problems of global talent management
3. Activities in the field of international human resources management
4. The effectiveness of international talent management

The first category includes external for the organization factors, such as globalization, population demographics, the gap between demand and offer in the labor market. The second category is the internal factors that influence the practice of talent management, such as regiocentrism in making decisions about the organization's personnel, the company's participation in international strategic alliances and the competencies required for

the successful business operation. As the main activity in the field of international HRM, I. Tarique and R. Schuler highlight traditional practices for attracting, developing and retaining talents. Finally, the authors consider it efficient to measure the effectiveness of international talent management using three criteria: increase of employees' enlargement, competitive advantage achievement and talents' positioning.

Also, an important contribution to global talent management was made by K. Mellahi and J. Collins. They determined how ignoring or, on the contrary, too close attention to talented employees can negatively affect the performance of the organization in common. By focusing attention on the work of international companies, as a basis for creating a competitive advantage, the authors define the inclusion of talents from various company's geographically dispersed divisions into the management team. They also explain the reasons for the failures of international companies in creating culturally diversified management teams within the framework of the head office. In their explanation, authors rely on 2 theories: the theory of bounded rationality and agent theory [Mellahi, Collings, 2010]. Authors managed not only to conceptualize the concept of talent management failure, but also to reveal the reasons for this or that behavior of corporations' top management in relation to talents. This research can be considered as a starting point in the search for the connection between the talent management practices and the company's ability to find and absorb new knowledge, because, in authors' point of view, one of the most dangerous consequences of company's mistakes in working with talents is the uneven training of employees.

As a result of research in 2012, G. Stahl, I. Björkman and others offered their own model for the effectiveness of global talent management [Stahl, Björkman, Farndale, et al., 2012]. Based on a mixed study, conducted in 33 large corporations with head offices in 11 countries, the authors identified six principles that allow to build a truly effective system for working with talented employees. These principles include: 1) compliance of the applied practices of the company's main strategy; 2) internal consistency of practices; 3) compliance with cultural characteristics; 4) managers' involvement in the processes; 5) balance of local and global business needs; and 6) building an employer brand through differentiation in the labor market.

Using these principles, authors build their model of talent management, presented on Figure 1.



Figure 1 “The Talent Management Wheel” (Stahl, G., Björkman, I., Farndale, E., Morris, S., Paauwe, J., Stiles, P., Trevor, J., Wright, P. (2012) Six Principles of Effective Global Talent Management. MITSloan Management Review: 27p.)

In the center of the wheel there is an understanding of talent. Authors concentrate their attention on two approaches of definition: generalizing and differentiated, described in research. Researches think that organization should primarily decide who would be considered as a talent and to whom, as a consequence, talent management will be directed.

The middle part of the wheel - the guiding principles mentioned earlier - should form the basis for interaction with talented workers. It is possible to achieve the goals set by organization only by using these principles in the development, implementation, use and adjustment of talent management systems.

Finally, the outer ring - the practices of talent management - is the specific actions made by the organization during problem solving in talent management. G. Stahl and others highlight six practices: selection, development, management of performance, retention, reward and review. According to the authors’ opinions, each of the practices implemented by the company should be closely related to the six principles of efficiency.

The main drawback of the analyzed work is the insufficient disclosure of the model given above. Concentrating on the description and disclosure of principles, the authors practically do not pay attention to the study of their connection with specific practices, which complicates the application of the results of the research in practice. Nevertheless, the work

gives a general understanding of the trajectory of motion when developing a management system for talented employees.

A little later, R. Schuler had already independently perfected his previous work by proposing a model for managing talented employees, "5-C".

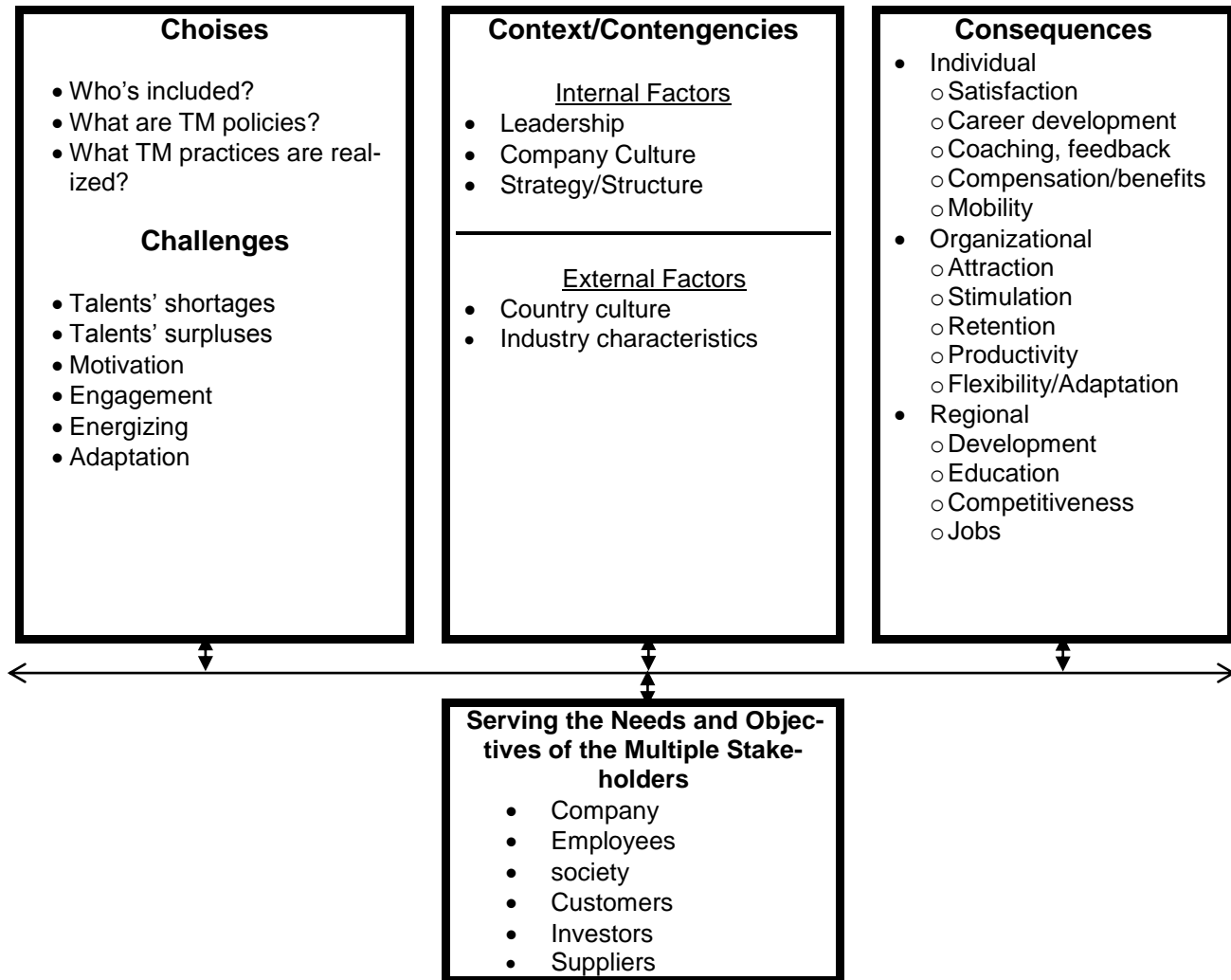


Figure 2 " The 5-C framework for managing talent." Organizational Dynamics, 44: p. 48 R. Schuler (2015)

The author assumes that all the programs related to talent management implemented in the firm can be described with the help of 5 elements: choices, considerations, challenges, context and consequences.

One of the most important elections of the company concerning the construction of talent management systems, R. Schuler sees the choice of the management object. This can be all employees of the organization (a general approach to talents' identification), or a cer-

tain group, for example, employees of the "A" category, employed in the same category (differentiated approach).

Further choices of top management, concerning talented employees, R. Shuler shares in accordance with the elements of the proposed model. Such choices include: the number and content of applied talent management practices; the number of employees directly involved in the talent management system, as well as those who are aware of it; zones, which include the talent management practices, among which we can identify individual units, divisions in a particular country or a company in a global context.

In addition to the list of decisions to be made by the company, R. Schuler also describes a number of challenges which organization faces in talent management process. It is interesting that the challenges offered by the author are partly contradictory: for example, one of those is a lack of talent, but at the same time R. Schuler points to an excess of talents. Nevertheless, this contradiction is easily explained, if we address to reasons of each challenge: whereas the problem of talents' lack is mostly relevant for the early periods of globalization of companies, as well as for countries belonging to developing markets, the problem of their overabundance is due to economic instability in the world, leading to a rapid reduction in the companies' budgets. In other words, while the urgent need for talented employees is caused, rather, by the natural needs of the firm, the problem with their overabundance is determined by external factors. In addition, R. Schuler highlights such challenges as higher costs on talented employees in order to maintain their motivation and involvement; the need for a more careful choice of the business operations place in connection with the different cost of hiring talented employees of the same qualification; increased requirements for talented employees' adaption to the constantly changing organizational realities.

The next element of the model - Context- the author examines from the sides of internal and external factors affecting talent management. Internal factors include the leadership style adopted in the organization, corporate values and organizational culture, the state of the employer's brand, the strategy and the organizational structure of the firm. To external factors, the author ascribes, first of all, the competitiveness of the country, in which the work of the company was organized. In accordance with M. Porter's model, under competitiveness of the country, author means the size of labour market, including the size of talents' labour market; unemployment rate; the quality of education; level of labor compensation; labor regulation; quality of infrastructure; and the level of innovations (Porter, 1990). In addition, external factors include the cultural characteristics of the country, the level of

its economic development, as well as the characteristics of the industry, such as, for example, specific knowledge and skills.

Finally, the last element of the proposed model - the consequences - R. Schuler divides into three levels, reflected on Figure 2: individual, organizational and regional. According to author's point of view, managing all levels of consequences, the company is most fully able to meet the expectations of all interested stakeholders, from employees, customers and the organization itself, its employees and customers, to suppliers, society in common and others.

This model is important, because, first of all, it offers a specific list of aspects that require attention in the process of developing and implementing a talent management system in the organization. The use of this model allows avoiding mistakes of blind copying of talent management practices from more successful companies, by paying management attention to important details and features of a particular business.

3 Conducting the research

To solve the set tasks, a set of complementary research methods was used: methods of theoretical analysis of research problem literature; methods of studying, summarizing and analyzing the experience of existing management practices; qualitative method of collecting empirical information.

3.1 Data collection

In order to make this research more detailed, I decided to gather information from different sources and conduct personal interview. The interview was held with an HR specialist of The Switch – A Yaskawa Company, Ulla Mäkinen, in order to clarify an expert opinion and suggestions of HR specialist on this topic.

3.2 Research questions

The main questions of the interview are formulated as follows:

1. How to make the recruitment process successful and make sure to choose the right candidate?
2. There is always the possibility to make a mistake in choosing the applicant to a position; what should be done in that case?
3. How to help talents develop during work?
4. What to do in order to not hamper employee's development?
5. What's the organizational difference between TM plans and executive team development plans?
6. What is the most important issue in employee retention?
7. How to encourage creative thinking in a company?
8. What is the biggest TM challenge facing managers nowadays?
9. Should leader check in with their employees often to see where they are at on projects?
10. What are the biggest advantages, of accomplished talent management system?
11. Estimation of duration of the whole recruitment process?
12. How do you think top management/employees usually accept the system?

4 Findings and interview results

Results of interview with HR specialist, Ulla Mäkinen

1. Q. How to make the recruitment process successful and make sure to choose the right candidate?

A. There are many factors for creating successful recruitment process. First, you need to formulate the job announcement as clear as possible and publish that in right channels to find the right candidates. Publishing the job post should be also in right time so that HR and superior has all the time needed to read applications and do the preselection. This should happen quite fast, so the applicants don't get feeling that their applications are sent for nothing. If you must delay the recruitment process, always inform all applicants. If you are unsure about some candidates, you can always ask more information from them to decide if you want to invite them to interview.

It is always good to have at least two interviewers (preferably HR & future superior) so you can evaluate the candidate in different ways. If you are still unsure after first round of interviews, you can always invite candidates for second round and even change the interviewer. The interviewers must prepare themselves properly for each interview and check references.

After the right candidate has been found, let all applicants know as soon as possible about the result of recruitment process and give feedback when possible.

2. Q. There is always the possibility to make a mistake in choosing the applicant to a position; what should be done in that case?

A. Yes, it is possible, but you can minimize the risk by using professional interviewers and by checking references etc. But if that still happens, in Finland we have now 6 months of probation period. You should evaluate the new employee for example after 3 months and give constructive feedback if everything is not going ok. Before the probation period ends, do the evaluation again and discuss with the employee about continuation. It is possible to end the contract in probation period if you see that the employee is not in a right position.

3. Q. How to help talents develop during work?

A. There are many ways to develop talents and the best ways can be really different in different companies and in different positions. For example, in our company we have made a research and found out that our personnel appreciate internal training the most and they find that the best way to improve their knowhow and motivate them. Outsourced trainings are also good way to support talent management in some cases. For example, it is easier to train personnel in finance department through general trainings than personnel in product development who usually needs very specified training which can be impossible to have outsourced.

One of the most important thing is that superior encourages employees to take initiative and motivates them to develop themselves. This gets even more important in expert organizations when a lot is expected from employees themselves.

4. Q. What to do in order to not hamper employee's development?

A. Superiors has quite big role in this issue. If superior doesn't encourage employees to develop themselves and even worse, if superior declines all trainings, it is possible that employees start to look work from somewhere else. That's why it is important that company (management & HR) supports superior trainings for them to understand how important is to develop and motivate the talents. Encouraging and giving feedback is probably the most important things when it comes to talent management.

5. Q. What's the organizational difference between TM plans and executive team development plans?

A. There shouldn't be any difference because TM plans should support organizational strategy as well as executive team development plans.

6. Q. What is the most important issue in employee retention?

A. Organizational culture and values should be in line with employee's own values and that is the core of everything. Team spirit and atmosphere in workplace is also one of the most important things as well as good superior work and good relations between employee and superior.

7. Q. How to encourage creative thinking in a company?

A. All begins with the management and organizational culture. If management supports creative thinking and creative culture it helps a lot. HR and superiors are also in a big role for sharing this culture. HR can provide for example some workshops relating this and superiors can encourage to think creative & innovative in everyday work by showing example.

8. Q. What is the biggest TM challenge facing managers nowadays?

A. First challenge is to find right peoples to right positions. It can be hard sometimes especially in technology business when some very specific knowhow is needed. During the employment challenges may come if the company values doesn't match with the employee's own values. Lack of information and experience in leaders can be shown as challenges at some point. That's why it is important to train superiors again and again in leadership field.

9. Q. Should leader check in with their employees often to see where they are at on projects?

A. If that is the case, I think that leader doesn't trust the employee and then there is bigger problems. So, if the trust is there, the employees should be able to manage projects quite well by themselves. Of course, this depends on the nature of project and organization level.

10. Q. What are the biggest advantages, of accomplished talent management system?

A. Improved retention rate and wider knowhow in the company which leads usually better results when it comes to employee satisfaction and productivity.

11. Q. Estimation of duration of the whole recruitment process?

A. It depends a lot about the position. If it is recruitment of factory worker, the process can be quite fast. Sometimes when recruiting person to higher position it takes more time because of several interviewing rounds and personality tests.

12. Q. How do you think top management/employees usually accept the system?

A. Talent management process must be accepted by management team beforehand, so they are committed to that and supports the system well. Employees are most likely satisfied when it comes to developing their skills.

The organization should develop a strategic approach to talent management that meets their requirements, which will make it possible to effectively use the potential of employees.

For developing a strategic approach, I suggest to use the scheme of combined external and internal organizational factors of talent management.

Here are some findings on basis of an interview.

Talent management projects involve three main levels:

1. Search (identification) of employees with high potential in the team
2. Realization of development program
3. The use and retention of these employees in the company

On the figure below factors, affecting talent management strategies development are shown.

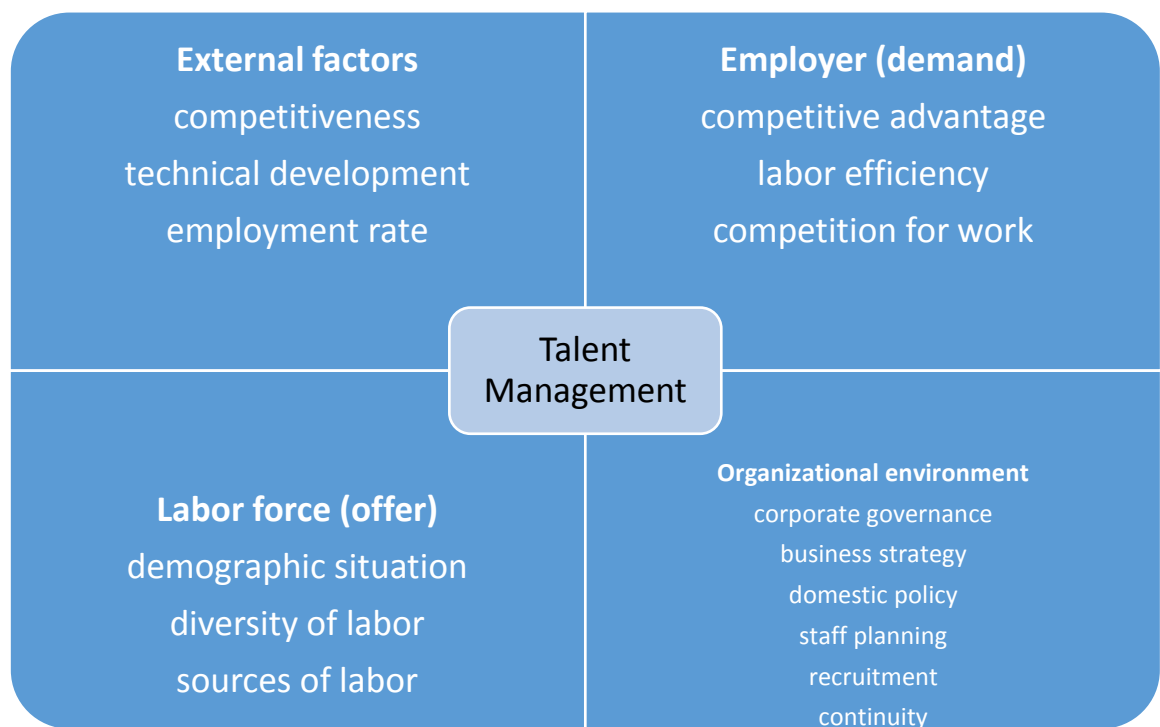


Figure 3: Factors that influence TM strategies.

The search for talents can be conducted at any level, but in the vast majority of cases, projects relate to leadership. This is due to their high cost. Therefore, employee's efficiency after training should be correspondingly high.

Example of capacity assessment in talent management:

1. Sales Manager should be client-oriented, influential and confident.
2. Accountant has to be attentive to details, punctual and able to work with numerical information.
3. Manager has to have ability to plan and control, decision making and stress resistance.

In connection with the foregoing, the attention of management should be focused on creating a situation in which each employee has the opportunity to show their abilities. Here arises the most important question: what does a talented worker expect from the organization?

The expectations of talent in most cases can be characterized by the following main areas:

- the possibility of constant personal growth;
- choice;
- meaningfulness of actions and their result;
- the opportunity to maintain self-esteem;
- recognition of the individuality of each employee
- ease of relations, lack of rigid hierarchy.

Constant search for new ideas and effective work aimed at their implementation - this is the role of leaders in "talent management", in ensuring their fruitful activity in order to achieve the organization's goals. Any attempt to implement changes may fail, but if people - creators and leaders believe in them - the firm is accompanied by success. Leaders of organizations will create an atmosphere in which people believe in strategy, in management decisions.

When establishing a "leader-talent" relationship, one of the key conditions is the leader's ability to encourage creativity. A high assessment of creative diversity creates an atmosphere that encourages the employee to reveal their own potential.

Creativity is the generation of new ideas in response to perceived needs of the organization or available opportunities.

Creativity is the first step towards innovation, a vital factor in the organization's long-term success. Many inventors and innovators are creative people who saw through the shroud of everyday life the unique technical and organizational capabilities and used them.

Everyone has the ability to create. Creative individuals are distinguished by originality of views and approaches, openness, curiosity, perseverance, receptivity to new ideas, they are able to concentrate on the essence of emerging problems.

Principles of creating a creative environment in an organization:

- The allocation of general directions, and not the specification of tasks
- Encouraging the willingness to assume responsibility and independence in decision-making
- Encourage of dissent
- Organization of a structure that provides real opportunities for the manifestation of initiative and creative work
- Attentive attitude to new ideas
- Organization of work at the intersection of disciplines
- The constant promotion of free movement of information.

4.1 Hiring process

The search for talents can be carried out both on the internal and external labour market. Search on the external market involves holding competitions, interviews and examinations with organization's potential employees that came from outside. Search for talents in the external market is much easier because there the choice is much bigger than in the internal market. The internal market is the organization itself, its' employees. Career growth implies that an employee can occupy any higher place at the moment when it is free, but often employees lack professional qualities for this. In this case, company has to address to candidates from the external market.

With the competent human resource management, it is always necessary to have a staff reserve to fill key positions in the company. At the same time, planning always should go

for several years ahead. After all, sometimes bringing up a young talent to the level of a certain key position can take a lot of time.

4.2 Managing process

The head of the company should be engaged in continuous upgrading of all employees, but in reality, employers are usually limited in resources. Thus, it is necessary to assess the organisation's ability of developing its own talents, but at the same time, it is important to put some force in this sphere. First of all, the implementation of the talent development program will require funds and staff time. The first point is necessary for the payment of teachers, software and other means of employee development. Employees themselves cannot often learn without taking their time off from work, which means that they will have to sacrifice their working time.

Stages of implementing a new talent management system in the organization:

1. Identification of key positions in the organization;
2. Search for "talents" for key positions in the internal and external labor markets;
3. Developing a talent development program and allocating resources for it;
4. Realization of programs for the development of "talents";
5. Continuous monitoring and evaluation of the implementation of development programs and adjusting them if necessarily.

Evaluation of the talent management system's effectiveness for significant indicators and process optimization.

There are several methods for assessing the effectiveness of talent development program in the organization. To begin with, employer should determine how much more effectively a particular employee or division began to work. For example, employer can compare a sales plan before and after implementing a talent development program and thus test their success.

This is the simplest and most effective way, but there are other options. For example, company can conduct a survey of department heads on whether the talents really work better after participating in the development program. For the talents themselves, testing can be done to determine how they learned the program.

After the evaluation of the development program for "talents" is made, it is possible to proceed to processes' optimization. This involves redistributing the resources available in the organization for a specific development program. In this regard, funding may be increased or decreased and the terms of its implementation may be changed. Also, some talents that could not be successful in the development program can be excluded from the program.

Thus, the basic definitions and descriptions of Talent Management, as a new and actively developing discipline, are rapidly changing and improving.

4.3 Retaining process

Planning of employees' development and retention is related to the approval of the project budget. And the investments are not limited to the cost of trainings. By investing in the professional development of key employees, the company raises their value in the market, which means that competitors are also paying attention on them. Therefore, observing the professional growth of employees, it is necessary to track their "value" in the market and, accordingly, to build an individual scheme of motivation. When developing such schemes, employers need to understand what motivates these employees to stay in the company. Each employee has their own motivation, and employer needs to know it in order to manage them skilfully. Despite a large number of recommendations for retaining talents, it is necessary to remember - there is no universal way. Methods of motivating valuable employees should be studied at all levels of the organization, more often be revised and adjusted.

5 Conclusion and recommendations

In my opinion, in order to prevent talent crisis in Worldwide Partners Inc., company should observe following rules:

1. First of all, on the strength of development strategies, company should understand what outstanding abilities and skills employees will need. This requires 3 questions:
 - How does the company look like at this moment?
 - How should it look in 5 years?
 - What kinds of people are needed for this?

When these questions are answered, company should invest in right people.

2. Focus on leadership model. The hierarchical structure, in which some employees of the company are subordinate to others, still performs its functions of organizing effective work in the company. However, the future lies behind cooperation and a horizontal system of subordination, controlled by bright, ideological and charismatic leaders.
3. Employers should give employees freedom for action – this speed up their development process. A lot of employees, especially young people, prefer that they have different paths and opportunities for professional realization, rather than a planned path to the goal. By having a certain level of freedom, they develop more readily and quickly.
4. Employers should unlearn from excessive rigor in corporate culture. For talents it is not enough just to have a salary and to move along the career ladder. They want to work in comfort conditions and have access to many benefits, including freedom of movement.
5. Also company should gradually convince public that it is a dream job. It attracts uncompromising and aspiring people.
6. Finally, company should not ignore social media. Activity in social media is not only a marketing issue, but also a matter of forming a company's image in the eyes of potential employees. Moreover, the network can be used in order to find talents that company needs. Young talents, for whom employers soon will start "fighting", differ from their predecessors, as they grew up in the internet era. And they should be caught exactly there.

The approach to talent management, offered by this research can significantly increase productivity of WorldWide Partners Inc, as well as bring a greater profit.

Of course, even with the right talent management, the company still needs strong product promotion strategies, competent negotiations and the right segmentation of consumers. However, talented employees can, in many ways, ensure the success of these actions. A capable and talented, and most importantly, competently managed personnel is able to help in finding innovative answers to various problematic issues, which arise in the process of the company's activities.

The ability of the company's management to take into account all the circumstances and create appropriate conditions for talented employees determines the company's ability to attract them and create opportunities to display and develop their talents. This, in the long run, allows the company to develop its innovative potential through talent management mechanisms, and as a result to be in the market.

A successful organization must constantly try to hire and retain new talents, and then one can expect that "bright heads" will be at every level of the company. Mutual obligations of the employer and the employee will become one of the most important components of the organization, which in turn should contribute to the creation of an atmosphere that would keep talented people.

It is important to understand that talent is a scarce resource, as well as a resource that often goes unnoticed. Managers should equally identify the hidden talents of their employees and hire new talented people. The creative process is often chaotic in many cases, but in organizations that rely on innovation, there are persistent people who implement projects.

6 References

B. Axelrod, H. Handfield-Jones, E. Michaels. 2001. The War for talent, 8-88.

R. Barnett. 2000. Supercomplexity and the curriculum, 255-265.

C. A. Bartlett, S. Ghoshal. 1989. Managing across borders: The transnational solution

Harvard Business Review, 2003. Bartlett, C. A. What is a global manager URL: <https://hbr.org/2003/08/what-is-a-global-manager> Accessed: 20 August 2017

Human Resource Management Journal, 2007. Björkman, I. Transferring HR practices within multinational corporations. URL: <http://onlinelibrary.wiley.com/doi/10.1111/j.1748-8583.2007.00048.x/full> Accessed: 20 August 2017

Boston Consulting Group, 2007. The future of HR: Key challenges through 2015. URL: <https://www.bcg.com/documents/file15033.pdf> Accessed: 20 August 2017

P. Caligiuri, 2000. Personnel Psychology. 67-88.

URL:

<http://www.culturalagility.com/sites/default/files/The%20Big%20Five%20Personality%20Characteristics%20as%20Predictors%20of%20Expatriate%20Desire.pdf> Accessed: 29 August 2017

M. A. Huselid, 1995. The impact of human resource management practices on turnover, productivity, and corporate financial performance Academy of management journal, 635-672.

URL: http://www.markhuselid.com/pdfs/articles/1995_AMJ_HPWS_Paper.pdf Accessed: 20 August 2017

R.E. Lewis, 2006. Talent management: A critical review. Human Resource Management Review, 139-154. URL: <http://isiarticles.com/bundles/Article/pre/pdf/1680.pdf> Accessed: 23 August 2017

K. Mellahi, 2010 The barriers to effective global talent management: The example of corporate elites in MNEs. Journal of World Business. 143-149.

URL: <http://isiarticles.com/bundles/Article/pre/pdf/1693.pdf> Accessed: 20 August 2017

M.Porter,1990. The Competitive Advantage of Nations. URL: <https://hbr.org/1990/03/the-competitive-advantage-of-nations> Accessed: 20 August 2017

K.Roberts, E. Kossek, C. Ozeki, 1998. Managing the global workforce: Challenges and strategies. Academy of Management Executive, 93-106.

URL:https://www.researchgate.net/profile/Ellen_Kossek/publication/234021856_Managing_the_Global_WorkforceChallenges_and_Strategies/links/5626b91a08ae4d9e5c4d4630.pdf Accessed: 20 August 2017

R. Schuler, 2015. Organizational Dynamics, 47-56.

D. R. Briscoe, I. Tarique, and Randall Schuler, 2006. International Human Resource Management: Policies and Practices for Multinational Enterprises, 207-224.

Appendices

Appendix 1

Interview

1. How to make the recruitment process successful and make sure to choose the right candidate?

There are many factors for creating successful recruitment process. First, you need to formulate the job announcement as clear as possible and publish that in right channels to find the right candidates. Publishing the job post should be also in right time so that HR and superior has all the time needed to read applications and do the preselection. This should happen quite fast, so the applicants don't get feeling that their applications are sent for nothing. If you must delay the recruitment process, always inform all applicants. If you are unsure about some candidates, you can always ask more information from them to decide if you want to invite them to interview.

It is always good to have at least two interviewers (preferably HR & future superior) so you can evaluate the candidate in different ways. If you are still unsure after first round of interviews, you can always invite candidates for second round and even change the interviewer. The interviewers must prepare themselves properly for each interview and check references.

After the right candidate has been found, let all applicants know as soon as possible about the result of recruitment process and give feedback when possible.

2. There is always the possibility to make a mistake in choosing the applicant to a position; what should be done in that case?

Yes, it is possible, but you can minimize the risk by using professional interviewers and by checking references etc. But if that still happens, in Finland we have now 6 months of probation period. You should evaluate the new employee for example after 3 months and give constructive feedback if everything is not going ok. Before the probation period ends, do the evaluation again and discuss with the employee about continuation. It is possible to end the contract in probation period if you see that the employee is not in a right position.

3. How to help talents develop during work?

There are many ways to develop talents and the best ways can be really different in different companies and in different positions. For example, in our company we have made a research and found out that our personnel appreciate internal training the most and they find that the best way to improve their knowhow and motivate them. Outsourced trainings are also good way to support talent management in some cases. For example, it is easier to train personnel in finance department through general trainings than personnel in product development who usually needs very specified training which can be impossible to have outsourced.

One of the most important thing is that superior encourages employees to take initiative and motivates them to develop themselves. This gets even more important in expert organizations when a lot is expected from employees themselves.

4. What to do in order to not hamper employee's development?

Superiors has quite big role in this issue. If superior doesn't encourage employees to develop themselves and even worse, if superior declines all trainings, it is possible that employees start to look work from somewhere else. That's why it is important that company (management & HR) supports superior trainings for them to understand how important is to develop and motivate the talents. Encouraging and giving feedback is probably the most important things when it comes to talent management.

5. What's the organizational difference between TM plans and executive team development plans?

There shouldn't be any difference because TM plans should support organizational strategy as well as executive team development plans.

6. What is the most important issue in employee retention?

Organizational culture and values should be in line with employee's own values and that is the core of everything. Team spirit and atmosphere in workplace is also one of the most important things as well as good superior work and good relations between employee and superior.

7. How to encourage creative thinking in a company?

All begins with the management and organizational culture. If management supports creative thinking and creative culture it helps a lot. HR and superiors are also in a big role for sharing this culture. HR can provide for example some workshops relating this and superiors can encourage to think creative & innovative in everyday work by showing example.

8. What is the biggest TM challenge facing managers nowadays?

First challenge is to find right peoples to right positions. It can be hard sometimes especially in technology business when some very specific knowhow is needed. During the employment challenges may come if the company values doesn't match with the employee's own values. Lack of information and experience in leaders can be shown as challenges at some point. That's why it is important to train superiors again and again in leadership field.

9. Should leader check in with their employees often to see where they are at on projects?

If that is the case, I think that leader doesn't trust the employee and then there is bigger problems. So, if the trust is there, the employees should be able to manage projects quite well by themselves. Of course, this depends on the nature of project and organization level.

10. What are the biggest advantages, of accomplished talent management system?

Improved retention rate and wider knowhow in the company which leads usually better results when it comes to employee satisfaction and productivity.

11. Estimation of duration of the whole recruitment process?

It depends a lot about the position. If it is recruitment of factory worker, the process can be quite fast. Sometimes when recruiting person to higher position it takes more time because of several interviewing rounds and personality tests.

12. How do you think top management/employees usually accept the system?

If this question is about talent management; Talent management process must be accepted by management team beforehand, so they are committed to that and supports the system well. Employees are most likely satisfied when it comes to developing their skills.