

# **Strategies to secure & promote talent retention of millennials – Case: Gigantti Oy**

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<p>The research focuses on talent management and talent retention processes. The commissioning company for this thesis is Gigantti Oy, part of the Elkjøp Group, which operates across the Nordics under three different brands.</p> <p>The overall purpose of this thesis is to contribute to the ongoing employer branding project of the case company Gigantti Oy by establishing a theoretical framework from which talent management can draw upon to develop its processes and specifically to reinforce strategies that secure and promote talent retention of millennials.</p> <p>A coherent theoretical framework is established through a literature survey on talent management and talent retention, which is then used as a basis for the empirical study. Talent retention is investigated more deeply to identify core concepts and approaches introduced by Festing and Schäfer (2013) on talent management and the psychological contract, Pandita and Ray's (2018) 4E framework, Allen, Bryant and Vardaman's (2010) retention management strategies and Martin, Mactaggart and Bowden's (2006) motivation theory.</p> <p>The selected methodology for this research is a qualitative study using semi-structured interviews as a data collection technique. Two sets of interview questions were designed to elicit how the employees' views differ from the employer's perspective on the topics selected relevant to the study. Thematic analysis was used as the approach to data analysis.</p> <p>The findings of the empirical study indicate that employees in the case company place a high importance on personal development, job content, atmosphere at work, and employment conditions. Although salary, job stability and quality of management were mentioned positively, these appear to be less important. The employer similarly values personal development and a good work atmosphere, but also strongly highlights factors related to the importance of leadership and managerial work and their role in facilitating and fostering the above. The findings, together with the theoretical framework of this thesis, can be used to ground a strategy for implementation and contribute to Gigantti's employer branding project.</p>	
<b>Keywords</b> Talent retention, talent management, employee turnover, psychological contract, motivational factors	

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# 1 Introduction

Talent management, as a function of the organisation, is shaped and developed by evolutionary and revolutionary factors that are contingent upon the organisation's circumstances and context (Pilbeam and Corbridge 2010, 2-6). Such factors include global trends (demographics, economic climate), mobility, diversity, and business transformation. These factors have also brought about a development in the corporate view of employees and the sources of economic value to the organisation (Collings and Mellahi 2009, 304; Philips 2008, 26). Developing a successful talent management strategy (and talent retention strategy in particular) is therefore essential with a view to driving value, sustaining competitiveness, and overcoming the challenges posed by today's talent market.

The shift from viewing employees as 'units of labour' to the present day, where employees have become a key differentiator and source of value to the organisation highlights the notion that talent management decisions need to be increasingly aligned with business strategy in order to ensure the acquisition and retention of human capital assets, or 'talent'. Organisations who fail to develop appropriate strategies to retain their talent face substantial costs. These costs are not only reflected in the uncompleted work and recruitment costs, but also the 'soft costs', i.e. lost knowledge and expertise. Consequently, it is important for companies to identify the type of and reasons for employee turnover and in turn develop effective retention management. (Bersin 2013; Allen, Bryant & Vardaman 2010, 48; Vaiman 2008, 173.)

This thesis was commissioned by Gigantti Oy, the Finnish subsidiary of the Elkjøp Group, which operates across the Nordics in the sale of consumer electronics and mobile phone products. The case company's ongoing employer branding project was implemented to "establish and strengthen communications strategies with existing and potential employees", "establish the employee value proposition" and "build an employer branding platform" (Gigantti 2020b). The overall purpose of this thesis is to support part of this project by identifying processes that can be developed within talent management and particularly talent retention. Therefore, the specific aim of this thesis is to propose strategies that secure and promote talent retention of millennials.

Chapter 2 presents the aims, objectives, and scope of the thesis in more detail. Chapter 3 begins with an introduction to the operating environment and case company, and presents the theoretical framework based on a literature survey. Topics central to talent management and talent retention in particular are presented with relevant theories and approaches. Chapter 4 presents the methodology. The implementation and outcomes are

presented in Chapter 5 with the results from the empirical study. The results are analysed and discussed, with the research findings. Chapter 6 presents the conclusions of the research as well as suggestions for further research.

## **2 Objectives**

This chapter outlines the aim of this research, the expected outcomes, the research questions and the scope of the research.

### **2.1 Research aim and expected outcomes**

This thesis supports part of the case company's ongoing employer branding project by focusing on processes of talent management and specifically talent retention. Accordingly, the aim of this thesis is to propose strategies that secure and promote talent retention of millennials.

The outcome of this research is a coherent conceptual framework which can be used to give a clearer understanding of the underlying concepts of talent management and particularly talent retention in relation to the case company. Furthermore, this thesis provides employee/employer comparative views on factors important to retention, which provides an insight into the importance of aligning and developing retention strategies within Gigantti's employer branding project. Thus, the thesis allows the case company to make more informed decisions in developing its retention processes.

### **2.2 Research questions**

The research problem is based on the suggestion to determine which strategies can secure and promote the retention of younger employees, particularly millennials and those that are employed at the headquarters. Based on a discussion with the Head of Human Resources of the case company, the research problem was agreed as:

Which strategies can secure and promote talent retention of millennial employees?

The research questions for this research problem include the following:

1. As a talent management process, why is talent retention important to the organisation and specifically the case company?
2. What factors promote talent retention and how can talent retention strategies be developed?
3. What is the current talent retention strategy and how (if at all?) is it implemented?
4. How do employees' views of retention factors differ from the employer's views?

### 2.3 Scope

The focus of this research is on the case company Gigantti and the strategies used to secure and promote talent retention of young employees in the age group of 25-35 years (i.e. millennials) working in the Finnish headquarters.

The employer branding project was presented to the local chains (i.e. local HR departments) in spring 2020 and the aim of the project was described as follows:

- Map and define co-worker journeys throughout the company to identify challenges and opportunities in how we meet and communicate with existing and potential employees.
- Through external and internal research, discover what is unique about Elkjøp as a company and workplace – conclude on EVP.
- Build an employer branding platform consisting of messages and tools (templates, presentations, visuals etc.) to be used in day-to-day communication, utilizing potentials and needs in recruitment and the co-worker journey. (Gigantti 2020b)

The background of the employer branding project was described as follows:

- The sum of existing co-worker's likelihood to stay in the company, combined with the willingness of potential new co-workers to start, makes up the value of our employer brand.
- To identify, build and strengthen our employer brand, we need to understand what people appreciate about working in our company, as well as what potential co-workers think of us and what they generally are looking for in an employer. The conclusion of these insights will shape our employer value proposition (EVP).
- Knowing what people look for and what makes our workplace and company unique (EVP), is the basis for describing our employer brand and the creation of tools and targeted communication activities throughout the co-worker journey – helping us to retain and attract crucial talent. (Gigantti 2020b)

Accordingly, the scope of this thesis is specifically set around the case company's aims. However, the thesis presents the underlying theory, which is applicable to similar organisations, therefore making the research relevant to other companies as well.



### **3 Theoretical framework**

This chapter begins with a brief overview of the external operating environment and labour market, and the case company is then presented. The theoretical framework is presented in three main parts. The first part presents the development of human resources, i.e. from managing resources to managing talent and how this paradigm shift underpins the management of talent today. The second part presents central approaches to talent management and its processes through concepts and models. The third part focuses on talent retention more closely as a process of talent management and presents approaches and conceptual frameworks that can be used to promote talent retention strategies.

#### **3.1 Operating environment and case company**

This section includes a brief overview of the Finnish economy and labour market. In addition, the case company is introduced.

##### **3.1.1 Finnish economy and labour market**

Finland experienced a strong economic downturn in the early 1990s and went into recession. A combination of external and domestic developments caused the crisis. Firstly, economic output declined for four consecutive years. With the collapse of the Soviet Union, Finland lost overnight export trade agreements, representing 15-20% of Finnish exports. Other export markets for Finnish products weakened as European countries decreased their imports due to their own economic difficulties. Secondly, rising costs and the stronger Finnish currency reduced the competitiveness of Finnish companies. The global overproduction and cost crisis in the paper and pulp industry had a significant impact on the economy, as this was the most important sector at the time. Thirdly, the crisis in the financial sector caused a collapse in domestic demand and production, resulting in layoffs and a soaring unemployment rate, which reached approximately 20% within three years. Lastly, domestic economic policies (financial market deregulation, fall in asset prices, high interest rate) worsened the situation and created problems for banking and private sector firms. (Honkapohja & Koskela 2003, 4-13; Vartiainen 1998, 14-16.)

The recession had a clear impact on the Finnish labour market, not only in terms of the unemployment rate, but in terms of the structure of the labour force. Downturns in heavily impacted sectors, such as construction, brought about shifts in employment across industries to other sectors. New service sectors, such as business services,

manufacturing of equipment and the electronics industry experienced strong growth during the recovery period, consequently creating a labour shortage in terms of the new skill requirements, i.e. a lot of the unemployed workers lacked the necessary skills and education for the growing service sector. Tuomiari (2001, 244) similarly notes that the globalisation and internationalisation of Finnish firms influenced the structure of labour demand after the recession.

In this respect, it can be argued that the changes in the structure of the labour market caused by the recession in the early 1990s led to developments in the type of labour demanded. Internationalisation of Finnish firms changed the structure of the employed labour force while globalisation resulted in a shift towards new types of exports (e.g. IT driven revolution by tech companies like Nokia with digital development). With the Finnish accession to the EU in 1995, the ideals of the Maastricht Treaty, which laid out the basis of the referenda held across Europe in the early 1990s became a reality in Finland. EU membership brought among other things the free movement of goods, services, labour and capital. The freedom that the single market brought therefore also affected the structure of the labour market. Along with these changes, other sectors like education also saw reforms, with harmonisation of degree education, emphasis on competency-based curricula that better matched labour market needs, and the mobility of students.

Clearly, the education sector had responded to the European Commission's policy of upgrading education to match labour market needs and put Europe back to work, e.g. Europe 2020 strategy, which is the EU's strategy for growth and jobs for the current decade. New opportunities in education, especially with the shift towards higher vocational degrees aim to produce a better matched workforce. These developments illustrate the dynamically changing macro-environment of the firm as well as the challenge facing the workforce to gain an education or upskill in an ever-increasing competitive employment market. The mismatch of jobs and skills, the need to upskill or retrain remain the focus of EU directives and policy making in education. (Eurostat 2020.)

The ManpowerGroup's employment outlook survey (2020), which measures employers' intentions to increase or decrease the number of employees in their workforce, reports that 19% of employers in Finland anticipate employment to increase, 6% a decrease and 74% expect no change in the near future. In terms of organisational size, the strongest labour market forecasts are by medium and large sized companies, which anticipate a 28% and 23% increase in hiring respectively. (ManpowerGroup 2020.)

According to EURES (2020), the majority of the Finnish labour force is employed in the service sector, i.e. retail trade, hospitality, catering, transport and education, and

employment in this sector is expected to increase. In contrast, most unemployment and oversupply of labour is in the administrative and office work sectors. On the one hand, this implies an employer's market for labour in these sectors. On the other hand, 45% of Finnish employers from all industries report difficulties in filling vacant positions due to the lack of the right technical skills and human strengths, as technology is increasingly changing how work gets done and creates new roles that require new skills. Furthermore, a third of employers report a lack of applicants to fill vacant positions. (EURES 2020; ManpowerGroup 2018.)

The difficulty in filling vacant positions and lack of applicants can partly be explained by the trends shaping the labour market, the changing nature of work, as well as the changing composition of the workforce and work expectations. According to Fernandez-Araoz (2014, 49-50), the labour or talent market has entered a new era. Jobs have become more complex as a result of technology and industry convergence, suggesting that experience, competencies and past performance (attributes previously deemed important in the hiring process) have become less important and insufficient. In addition, the entire business environment has changed to one which he terms as a 'VUCA' environment, i.e. an environment characterized by volatility, uncertainty, complexity and ambiguity. In practice, this implies that things that make an employee successful in a particular role today might not tomorrow.

As the nature of work has become increasingly knowledge-intensive, it is crucial that organisations recognise this and develop talent development functions that can ensure the availability of competency needs relevant to their business. In a survey conducted by Forbes, ranging a wide spectrum of industries, 69% of respondents said that talent development is either important or extremely important. However, 54% said it remains a significant challenge to implement. This means that companies recognise and acknowledge that it is the employees who enable them to achieve their business goals, however, many companies nonetheless struggle to implement development processes and are therefore more likely to face, e.g. higher rates of employee turnover or as the survey findings point out, lower rates of growth. (Millar 2013, 15.)

According to Festing and Schäfer (2013, 264), today's workforce comprises three different generations: Baby Boomers (born 1946-1964), Generation X (born 1965-1981) and Generation Y or Millennials (born 1982-1999) each of which have their own views, characteristics and work-related values and expectations. Considering the labour market trends mentioned earlier, this has implications for employers. For example, upskilling and providing opportunities for development is relevant for all generations, but even more so

for the Baby Boomers and Generation X who did not grow up in the digital age and are less tech savvy. Career goals are also generation specific. For younger employees, challenging work, work-life balance and career advancement are priorities. For middle-aged workers, flexibility and job satisfaction are important. Workers of older generations are generally more concerned with job security. Consequently, it can be argued that these different workforce generations have a significant impact for the processes of attracting, developing, motivating and retaining employees.

Although it can be said that there is an employer's market in parts of the Finnish labour market, the lack of applicants and difficulty of filling vacant positions signals that companies need to develop new and more meaningful ways to appeal to the generation-specific values and employment relationship expectations of potential candidates. For existing employees, a consideration of generation-specific employment relationship expectations serves as a means to secure and promote job satisfaction, engagement and consequently retention.

Despite it being an employer's market, given the unemployment rate is 7.7% (Statistics Finland 2020), the dilemma appears to be finding the right person to fit the right job. According to ManpowerGroup (2018, 7), 27% of employers say applicants lack either the competencies or human strengths they need, while another 20% say candidates lack the necessary experience.

### **3.1.2 Case company Gigantti Oy**

The commissioning company for this thesis is Gigantti, the Finnish market leader in the sale of consumer electronics and mobile phone products. Gigantti is part of the Elkjøp Group, which operates across the Nordics under the Elkjøp, Elgiganten and Gigantti brands. The Elkjøp Group is part of the multinational consumer electrical and mobile retailer Dixons Carphone plc. In total, the group employs 42 000 people and operates in 8 countries under 14 brands. (Dixons Carphone 2020, 7.)

Gigantti has around 1 200 employees in total out of which 60 are employed at the company headquarters. Gigantti has a fairly young workforce, where 8% of employees are less than 20 years old, 29% between 20-26 years old, 21% between 26-30 years old, 26% between 31-40 years old and the remaining 17% are 40 years old and above. Data concerning the average length of employment as well as the employee turnover rate were not made available. Furthermore, figures related to the headquarters in particular were also not available at the time of the research. (Gigantti 2020c.)

### 3.2 From managing resources to managing talent

Increasing globalisation, changing demographics, an increased shift towards knowledge economies and more knowledge-intensive work, increased labour mobility and mature markets mean that companies operating in international business environments are facing greater competition on the labour market. Furthermore, digitalisation of the labour market and scarcity of talent are also trends affecting the talent market and the ways in which work is completed/conducted. These drivers and trends have brought about a development in traditional thinking of ‘workforce planning’, where employees had been seen as units of labour towards the ‘management of talent’, where employees are viewed as individuals who are an organisation’s most important asset. Collings and Mellahi (2009, 304) point out that the more recent emphasis on talent management represents a paradigm shift from more traditional human resource related sources of competitive advantage towards the management of talent.

The paradigm shift mentioned by Collings and Mellahi (2009) is appropriately illustrated by Philips (2008) in Figure 1 below.

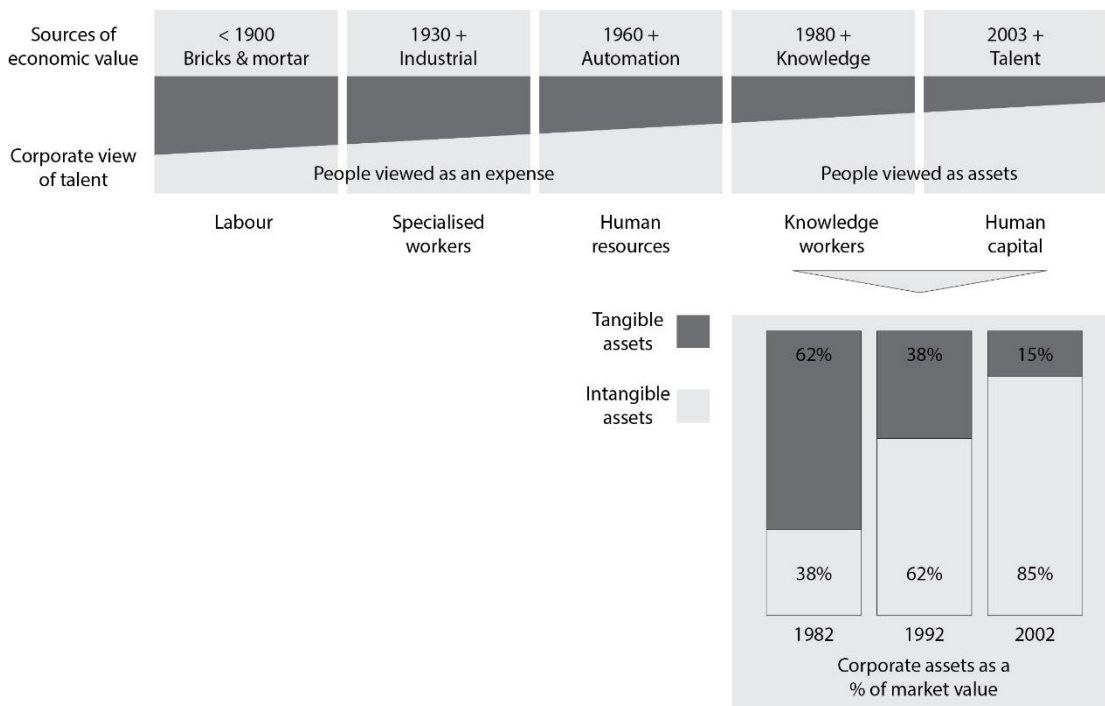


Figure 1. Evolution of the talent age (adapted from Philips 2008, 27)

According to Philips (2008, 26), the corporate view of employees and the sources of economic value have evolved. As can be seen in Figure 1 above, the corporate thinking of talent has evolved from viewing employees as ‘units of labour’ (i.e. an expense), to the

present day, where employees are regarded as 'human capital' and corporate assets. What can also be seen is the change in the source of economic value, where presently corporations increasingly see 'talent' (i.e. their employees) as the prime source of value and how corporate assets as a percentage of market value have clearly shifted from tangible to intangible assets. This highlights the notion that talent management decisions need to be increasingly aligned with business strategy in order to ensure the acquisition and retention of human capital assets, or 'talent'. Philips (2008, 28) underlines that HR is undergoing a transformation from managing HR processes to managing 'talent' to drive value and meet business goals.

In the McKinsey landmark report 'The War for Talent' (Chambers, Foulon, Handfield-Jones, Hankinn and Michaels, 1998), McKinsey consultants conclude that human resources should be redefined, as talent will be tomorrow's prime source of competitive advantage (Chambers et al. 1998, 48). The term 'talent' had come to mean something new and signify the paradigm shift. Ashton and Morton (2005, 31) call this the 'era of talent' and point out that the term 'talent' is not just a new word for old HR work, but they underline the significance of managing that talent as a strategic imperative. Thus, talent management has become a much broader and complex process that reaches beyond the traditional personnel or HR department.

Pilbeam and Corbridge note that changes in Human Resource Management (HRM) are a result of evolutionary and revolutionary factors that are contingent upon the organisation's circumstances and context. As markets mature and competition increases, organisations are forced to change and adapt to sustain their competitiveness. Internal responses to such trends take many forms, but inevitably they have an impact on the way work is organised internally. As Pilbeam and Corbridge argue, it is the context within which employees are managed that changes, and this in turn has implications on HRM. (Pilbeam and Corbridge 2010, 2-6.)

Similarly, Earle (2003, 244-245) finds that organisations in highly competitive markets have become increasingly customer-centric in order to sustain their competitiveness. Customers' increasing influence, e.g. over the quality of service or products, can have implications on organisational structure, as organisations need to become more agile and responsive to satisfy customer needs.

In the literature, changing demographics are frequently mentioned as drivers of change in HRM (Earle 2003, 245; Strack, Caye, Leicht & Villis 2007, 2-6; Pandita & Ray 2018, 186). Interestingly, Earle (2003, 246) points out that workforces predominantly comprise three different generations. Organisations face the challenge of creating appropriate HR

strategies to appeal to all three different generations. It is therefore crucial to understand the needs and expectations of different workforce generations in terms of, e.g. recruitment, development, engagement, and retention. For example, older workers are likely to be less receptive to practices intended to improve the retention of younger workers, as employment relationship values and expectations are generation specific.

Other trends such as talent shortages, increased competition, digitalisation, globalisation and ageing demographics are also frequently acknowledged as drivers of change in HRM (Bhatnagar 2007, 640; De Smet, Lund & Schaninger 2016, 32; Manpower Group 2018, 5). The result of this has culminated into the notion that human capital, or talent, has become a key differentiator and source of value for organisations.

### **3.2.1 Human resource management**

Although HRM is a widely used term, academics point out that there is ambivalence over its scope, definition and processes. Beardwell and Claydon (2007, 5) note that in its broadest sense, HRM is used as a generic term to describe any approach to managing employees. Pilbeam and Corbridge (2010, 11) state that HRM is used to describe a more contemporary approach to managing people, as opposed to traditional personnel management. According to Dessler (2017, 39), HRM is concerned with the processes of acquiring, training, appraising and compensating employees. Torrington, Hall, Taylor, and Atkinson (2011, 6-8) describe HRM by identifying four main objectives to be achieved: staffing objectives, performance objectives, change-management objectives and administration objectives.

Beardwell and Claydon (2007, 5) maintain that different interpretations of the concept of HRM has led to the emergence of different terms, as academics attempt to clarify the approach to managing people being described. For example, 'soft' and 'hard' variants of HRM have been identified in the literature, where 'soft' HRM is used to describe approaches that are geared to improving commitment and quality of employees, while 'hard' HRM describes approaches with emphasis on strategy to achieve business goals or strategies associated with cost minimisation. Guest (1997, in Beardwell and Claydon 2007, 6) sees that the absence of a universally agreed upon definition is due to the lack of theoretical basis for classifying HRM practices and policies. In classifying HRM theories, Guest (1997) identifies three categories of theory about HRM: descriptive, normative and strategic theories, each of which originate from a different theoretical base: contingency theory, systems theory and motivation theory.

Pandita and Ray (2018, 191) similarly state that there is ambiguity concerning the definition of HRM and mention that the terms 'human resource' and 'human capital' are often used interchangeably. More importantly, they acknowledge a 'paradigm shift', where HRM is moving away from thinking of employees as resources towards the notion of employees being individuals who must be valued and treated as such. Pandita and Ray (2018, 189) also point out that this change in thinking is supported by a change in stance by HRM, away from control and authority and towards a sense of shared accomplishment.

### **3.2.2 The concept of talent**

In the literature, there are competing definitions and perspectives about talent. The exclusive perspective advocates that certain individuals in the organisation are talented and fundamentally different from others in terms of competencies, performance, and potential (Mensah 2014, 547). This perspective implies that the organisation identifies certain high-performing employees that are more valuable than others and focuses their resources on developing and retaining them. Mensah (2014, 547) and Collings and Mellahi (2009, 305-306) point out that advocates of this approach agree that talent comprises a certain percentage of the workforce that are high performing and high potential.

In contrast, the inclusive perspective asserts that all individuals in the organisation have the potential and capability to display talent. In this view, employees are not sorted or segmented according to their performance or potential, as the entire workforce is seen as the organisation's talent (King & Vaiman, 2019, 196). Stahl, Björkman, Farndale, Morris, Paauwe, Stiles, Trevor and Wright (2012, 26-28) and King & Vaiman (2019, 197) note that it is common for organisations to recognise both exclusive and inclusive perspectives to defining talent and adopt a hybrid approach. A hybrid approach regards the entire organisational workforce as its fundamental talent pool as well as the management of specific workforce segments as specific talent pools for business strategic requirements (King & Vaiman 2019, 196).

Gallardo-Gallardo, Dries and González-Cruz (2013) researched the different approaches to the conceptualisation of talent specifically within the context of the world of work. They group the theoretical approaches to talent into 'object', (i.e. characteristics, abilities and attitudes demonstrated by individuals) and 'subject' (i.e. talent as people) and propose a framework for its conceptualisation. This is illustrated in Figure 2 below.



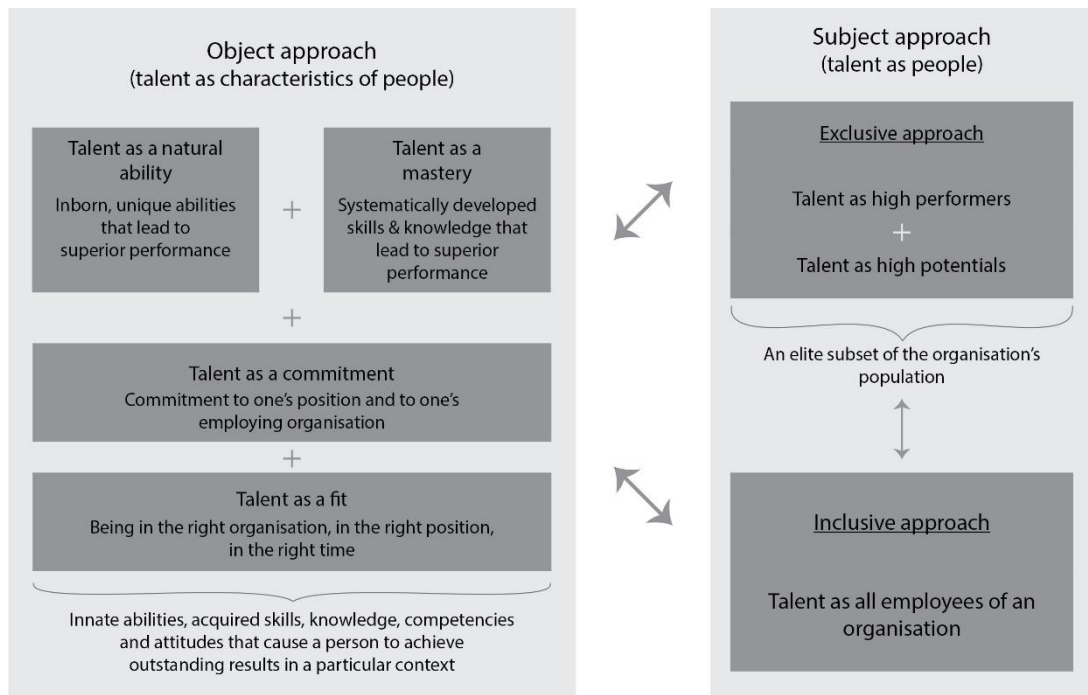


Figure 2. Framework for the conceptualisation of talent within the world of work (adapted from Gallardo-Gallardo et al. 2013, 297)

As can be seen in Figure 2 above, Gallardo-Gallardo et al. (2013) posit that talent can be conceptualised into two broad groups each of which contain sub-approaches. Within the 'object' approach, they identify approaches that conceptualise talent as natural ability, approaches that regard talent as developed skills that lead to high-performance, approaches that associate talent with commitment, and approaches that recognise the importance of the employee's talent and the organisational context and position. Gallardo-Gallardo et al. (2013, 297) underline that these sub-approaches are complementary to each other. The 'subject' approach considers both inclusive and exclusive approaches to talent, and talent can thus be associated with either an 'elite subset' of the workforce or with the entire workforce.

Gallardo-Gallardo et al. (2013, 197-198) conclude that the beliefs held by organisations about the degree to which individual characteristics are fixed as opposed to being adapted have a strong impact on the assessment of talent. It is therefore important for organisations to take a position as to the extent to which they want to focus their talent management efforts on talent identification versus talent development.

As is pointed out in the following section, talent management is organisationally and contextually specific. In this respect, it can be argued that whether an organisation takes an 'object' or 'subject' approach to define their talent will to some extent be determined by the organisation's culture, mission, and vision. For the purpose of this research, an

inclusive interpretation of talent is adopted as this perspective acknowledges that all employees have their own strengths and thus can potentially add value to the organisation. Furthermore, this approach can also be argued to support and encourage personal development at all levels of the organisation, rather than focusing on a single segment of employees. This approach is also better suited to the vision and mission that the case company wishes to promote.

The definition of talent adopted for this research is that of Chambers et al. (1998), who define talent as:

The sum of a person's abilities – his or her intrinsic gifts, skills, knowledge, experience, intelligence, judgement, attitude, character and drive and his or her ability to learn and grow (Chambers et al. 1998, 49).

### **3.2.3 Defining talent management**

Although the concept of talent management is increasingly common in the field of HRM, academics point out that a clear definition and conceptualisation is still lacking. Adding to the difficulty of defining the concept is the fact that it is organisationally specific and influenced by the type of industry in question, as is the definition of 'talent' (Collings & Mellahi 2009, 304; Aston & Morton 2005, 30; Pilbeam and Corbridge 2010 101-102; Ariss, Cascio & Paauwe 2013, 173; Lewis and Heckman 2006; 140-143). Gallardo-Gallardo et al. (2013, 290) posit that the confusion about the meaning of talent has hindered the establishment of widely accepted talent management practices and theories.

Generally speaking, talent management is concerned with the strategic management of employees and is considered a way of differentiating and creating value for the organisation by optimising the performance of human capital. In a practical sense, talent management practices comprise talent planning, talent acquisition, talent development, talent deployment, talent retention and talent evaluation (Pandita & Ray 2018, 186). Evidently, talent management is to some degree perspectival. Therefore, it is necessary to explore the different attempts to conceptualise talent management, as presented in Section 3.3.

### **3.2.4 Evolutionary paradigm**

Building on Collings and Mellahi (2009), Beechler and Woodward (2009, 283) present an inclusive evolutionary paradigm to attract, develop, motivate and retain talent. This is illustrated in Figure 3 below.

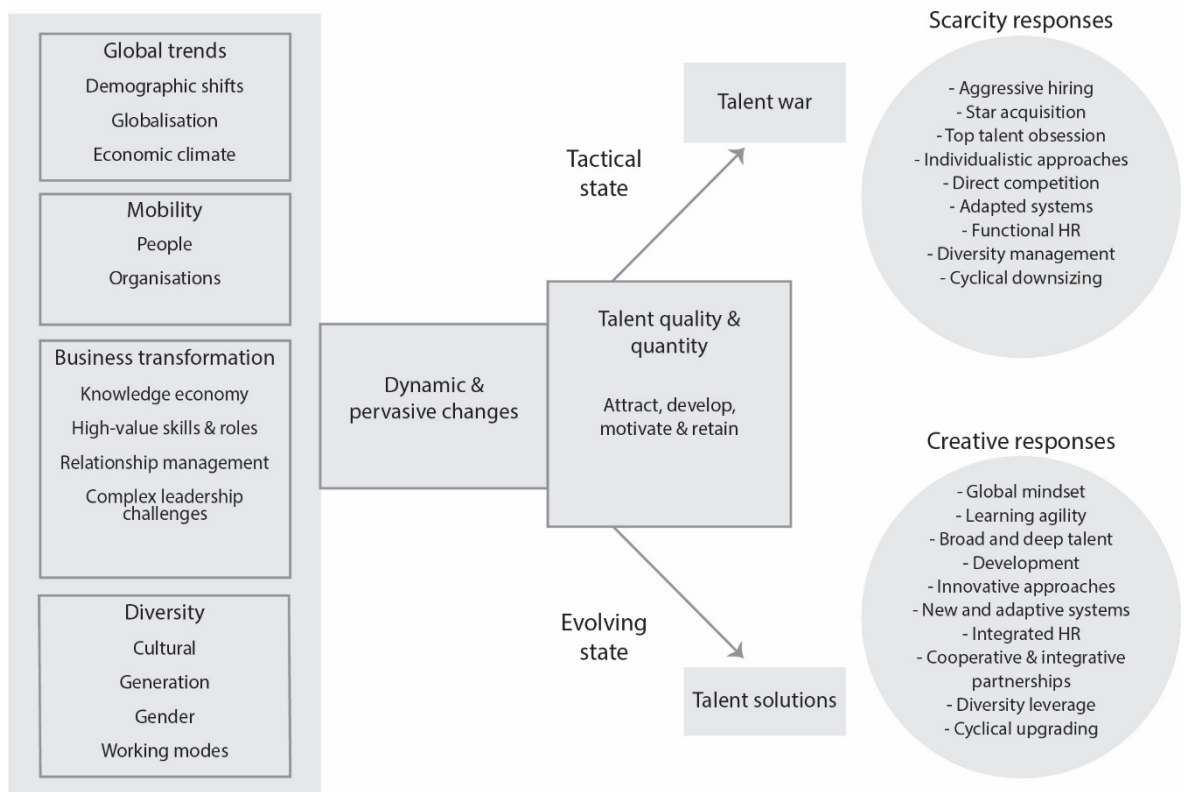


Figure 3. Talent response dimensions (adapted from Beechler and Woodward 2009, 283)

According to the evolutionary paradigm, ‘dynamic and pervasive changes’ will continue to affect the organisation as well as the talent market. This means organisations must seek innovative ways to leverage talent. This is in line with the trend where people are increasingly seen as intangible assets contributing greater corporate market value. Therefore, talent is leveraged by more creative responses by talent management in addition to the earlier or more traditional approach of responding to market conditions of the time. Beechler and Woodward (2009, 283) advocate solutions that encompass a more adaptive, diverse, cooperative and generative approach to talent management.

Fittingly, Haar and White (2013, 116) show that the VRIO business analysis framework that dictates how something can be a source of competitive advantage for a firm encourages a shift towards a focus on the characteristics of employee skills and their contribution to value creation. It is argued that companies should focus on the development of such ‘intangible’ assets as they are these which are of value, rare and difficult to imitate. This suggests that human capital is critical to the long-term success of an organisation and calls for talent management to develop this asset.

### 3.3 Concepts and frameworks of talent management

This chapter is focused on the concept of talent management and introduces different attempts to define and conceptualise it in the academic literature. The concept of talent management received greater attention after the McKinsey consultants' report 'The War for Talent' (Chambers et al. 1998) as previously described in Section 3.2.

#### 3.3.1 Strategic talent management

According to the paradigm shift away from traditional HR management towards strategic talent management, Collings and Mellahi (2009, 304) propose a concise definition and a theoretical model, in which they characterise 'differentiated human resource architecture'.

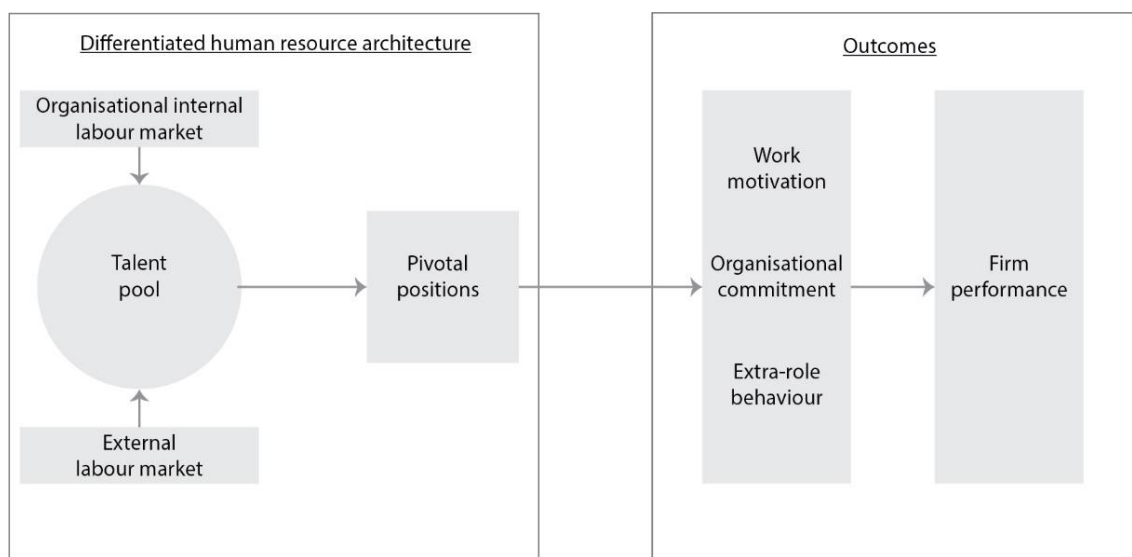


Figure 4. Strategic talent management (adapted from Collings and Mellahi 2009, 306)

According to their definition,

Strategic talent management are activities and processes that involve the systematic identification of key positions which differentially contribute to the organisation's sustainable competitive advantage, the development of a talent pool of high potential and high performing incumbents to fill these roles, and the development of a differentiated human resource architecture to facilitate filling these positions with competent incumbents and to ensure their continued commitment to the organisation (Collings and Mellahi 2009, 304).

Collings and Mellahi (2009, 306-307) further propose that a talent management system requires the identification of 'pivotal' talent positions. Having identified these positions, the key for strategic talent management is to develop a talent pool to fill these positions. For

those in the talent pool, HR practices should emphasise motivation, commitment, and development in order to achieve firm objectives and improve performance. This process is outlined above, in Figure 4.

It is evident that an organisation’s talent management strategy can have far-reaching implications and ultimately affects the organisation’s ability to attract, develop and retain key talent. This in turn has an overall effect on the company’s ability to sustain competitiveness. It is therefore argued that developing a successful talent management strategy is necessary with a view to long-term growth. Increasingly, companies will need to equip themselves with better abilities to attract, manage and retain their talent in their organisations.

### 3.3.2 Coalesced framework of talent management

Building on Colling’s and Mellahi’s (2009) strategic talent management framework, Mensah (2014) proposes a coalesced framework of talent management and employee performance which combines talent management concepts and employee performance to develop a conceptual framework.

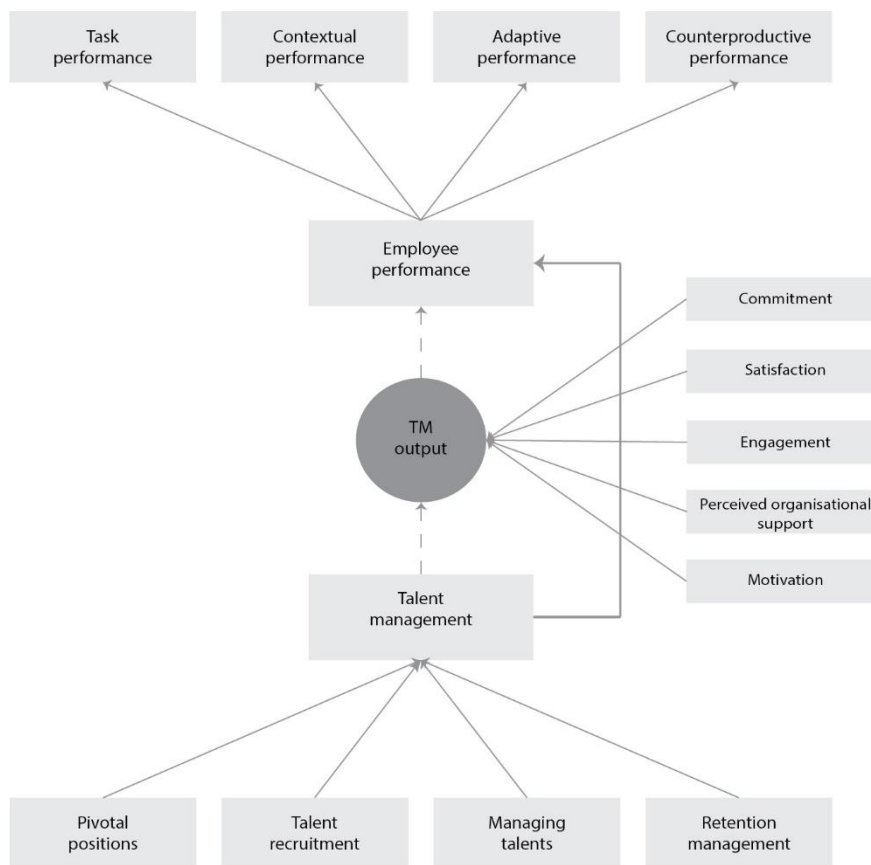


Figure 5. Coalesced framework of talent management and employee performance (adapted from Mensah 2014, 555)

Mensah's framework in Figure 5 above is based on three components: talent management, talent management output, and talent management performance. The framework identifies all the dimensions of employee performance, which aims to help the organisation implement a talent management strategy and understand how talent management will influence these dimensions. Mensah attempts to show how all the dimensions of employee performance are mediated by talent management.

### 3.3.3 The talent management wheel

In contrast, Stahl et al. (2012) conceptualise talent management practices as a wheel and state that successful talent management strategies are based on six key principles: alignment with strategy, internal consistency, cultural embeddedness, management involvement, balance of global and local needs, and employer branding through differentiation.



Figure 6. The talent management wheel (adapted from Stahl et al. 2012, 26)

Figure 6 above illustrates how each of the guiding principles should be equally applied to the main individual talent management practices, i.e. recruitment and selection, development and training, performance management, talent review, retention, and compensation and rewards.

According to Stahl et al. (2012, 26-27), corporate strategy should be the starting point for focusing on talent management, as it is the organisation's business planning process that dictates the type of talent that is needed. Alignment with strategy also allows the organisation to adapt its talent management strategy with changing business conditions.

The principle of internal consistency refers to the way in which the main talent management practices of an organisation operate with each other. Stahl et al. (2012, 26-27) advocate that the practices are not mutually exclusive and should operate as a process, e.g. if the organisation invests heavily in recruitment, it should also at the same time focus on developing and retaining those employees.

The integration and promotion of values and beliefs into the organisation's talent management process is represented by the principle of cultural embeddedness. This is an important principle, as Stahl et al. (2012, 28) suggest that attitudes, personality traits and values can act as better predictors of employee performance and retention. Therefore, the framework suggests that companies should make a focused effort to integrate their values, culture and beliefs in their talent management processes. It can further be argued that such practices can attract more suitable talent to the organisation and act as a means of evaluating the candidate's cultural fit. Furthermore, it may allow the organisation to identify and adapt to changing workforce needs and preferences.

The principle of management involvement suggests that leaders and management should take an active role in talent management processes. In practice, Stahl et al. (2012, 29) point out that this means involving managers in recruitment and selection and making them accountable for developing the knowledge and skills of employees.

Companies with cross-border operations are frequently faced with the challenge of standardisation and local integration. For talent management operations, Stahl et al. (2012, 30) maintain that a 'global template' is necessary to ensure consistency, while allowing subsidiaries to develop locally adapted approaches that are aligned with cultural norms and institutional differences. Consequently, this allows the organisation to attract a more diverse pool of candidates while taking advantage of its global standardised HR policies.

The sixth and last principle, employer branding through differentiation, is closely linked to recruitment and selection. Stahl et al. (2012, 30-31) posit that in order to attract the right talent and skills, organisations need to differentiate by means of employer branding as they are often competing for the same talent. Organisations have a vast array of methods at their disposal, but ultimately the talent requirements will dictate how the organisation

decides to differentiate. This can be achieved by emphasising career and development opportunities, compensation and rewards or, e.g. social responsibility in order to appeal to the values and expectations of candidates.

In conclusion, Stahl et al. (2012) advocate that successful talent management is based on internal alignment of practices guided by six key principles. How an organisation defines its pool of talent varies and dictates how talent is managed. The alignment proposed in the framework ensures consistency, adaptability and a means to differentiate, which in turn has implications on competitive advantage. The overlap and inter-relatedness of the principles with the main talent management practices adds to the understanding of managing human capital strategically, in contrast to conventional HRM-centric orientation. Although the authors acknowledge that companies need to adapt to changing work preferences, shifting demographics, new technologies and a need to sustain a talent pipeline, the framework itself is largely oriented towards internal, micro-environmental elements of talent management, and therefore does not account for such external, macro-environmental factors, which can either constrain or complement the organisation's objectives.

#### **3.3.4 Macro-contingent approach to talent management**

By contrast, a more recent study by King and Vaiman (2019) draws attention to the external environment and factors that affect an organisation's talent management strategy. Given that talent management has been shaped and developed by evolutionary and revolutionary factors that are contingent upon the organisation's circumstances and context (Pilbeam and Corbridge 2010, 2-6.), it can be argued that there is a need to consider the impact of external macro-environmental factors on the organisation's talent management strategy. Therefore, the six principles introduced by Stahl et al. (2012), which are associated with internal factors, require a broader perspective that takes account of the external macro environment.

In their study, King and Vaiman (2019) introduce a macro-contingent view of talent management (Figure 7). The framework is based on the premise that the forces and systems which shape the available supply, composition, and flow of talent into and out of the organisations has become increasingly complex as a result of organisations' cross-border operations and global competition. King and Vaiman (2019, 194) maintain that organisations exist within one or more external contexts known as macro talent management (MTM) systems which are characterized by the economic, political, regulatory, and cultural conditions which in turn influence the organisations in them.



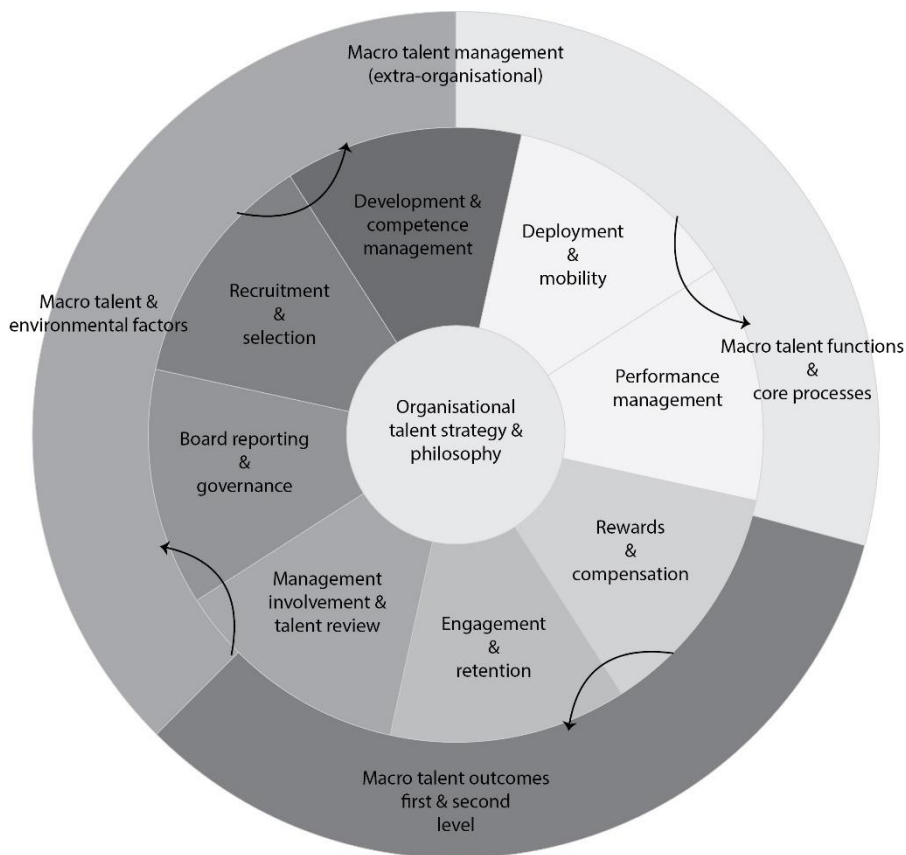


Figure 7. Macro-contingent approach to talent management (adapted from King and Vaiman 2019, 200)

The macro-contingent approach (Figure 7 above) emphasises a wider external context (extra-organisational), within which the organisational or micro talent system is embedded (intra-organisational). In this respect, the macro talent system has a direct influence on the micro talent system. Thus, the two are inter-related in terms of activities, outcomes, and inputs, i.e. organisational talent management (a firm-level system) and macro talent management (an extra organisational system).

This division shows how the micro talent system is embedded in a macro talent context, which directly influences the organisation, i.e. the outcomes generated at a macro-level have an influence at the micro-level. Furthermore, the cross-over arrows indicate that the two systems are interactive and dynamic. For example, conditions in the macro talent context and environmental factors may have an influence on the organisation's ability to attract talent. A high level of competition may restrict the supply of talent and force the organisation to focus on employer branding activities to differentiate. Similarly, a high level

of competition for talent may call for increased actions to engage and retain talent. (King and Vaiman 2019, 200-201.)

It is important to note that King and Vaiman (2019, 199) base their conceptualisation of talent management on two theoretical foundations: contingency and systems theory. Based on contingency theory, the approach to organising should be based on the context in which the organisation is operating. Therefore, an organisation's talent management is likely to be more effective if it is influenced by the context in which it operates. According to systems theory, the interaction of the main elements in a system will result in outcomes in that system. This supports King's and Vaiman's (2019, 200) view that the macro and micro level contexts are interactive, dynamic, and generate change.

The macro-contingent approach to talent management by King and Vaiman (2019) highlights the notion that a firm-level orientation to talent management in global and competitive markets, characterised by a number of changes, is not sufficient for effective talent management. It is evident that overlooking the impact of macro-level factors on a firm-level can lead to unforeseen barriers or opportunities and can thus either restrain or complement the organisation's ability to attract, develop, and retain talent.

Interestingly, Stahl et al. (2012) also describe the need for local adaptation to tap into more diverse talent markets as well as alignment of talent management strategy with changing business conditions. However, it can be argued that the macro-contingent approach to talent management offers a more practical and contemporary view on how to manage talent effectively in fast-changing and increasingly global markets. It therefore broadens Stahl's (2012) conceptualisation of talent management. In addition, King and Vaiman (2019, 200) consider two additional talent management practices that are not considered by Stahl et al. (2012): board reporting and governance, and deployment and mobility.

As recent literature shows above, the conceptual understanding of talent management extends beyond traditional human resource management within the firm itself to the macro external environment, i.e. the global context within which the firm operates. In addition, talent management practices, including recruitment, development and retention, mediate all dimensions of employee performance. The perspectival understanding mentioned earlier should therefore encompass an integration and alignment of talent management practices that are geared to the firm's strategy. Additionally, implementation of a talent management strategy should be guided by the set of principles proposed by Stahl et al. (2012) that are consistent with the firm's strategy and culture.

Furthermore, macro trends are increasing the complexity of the talent market, and talent management practices need to be aligned to ensure the firm's competitive advantage for long-term organisational success. Talent management is therefore of strategic importance. Consequently, part of this strategy means investing in talent in the long run, which implies the need to retain the organisation's talent as a key asset.

### **3.4 Employee turnover**

The level of employee turnover and the damage caused as a result of this varies from industry to industry, i.e. some industries can sustain higher rates of turnover than others. Knowledge-intensive and professional service industries, on the other hand, where building personal relationships is key to business success, cannot sustain high employee turnover rates and thus it is necessary to develop practices and policies to counter turnover. (Torrington et al. 2011, 61.)

Pilbeam and Corbridge (2010, 109) note that employee turnover is generally attributed to 'push' and 'pull' factors. Push factors are unfavourable conditions that come about as a result of employee dissatisfaction with work, e.g. insufficient development opportunities, poor management, or job insecurity. In contrast, pull factors are attractive opportunities that are offered by alternative employers, e.g. better salary or improved career development.

Allen, Bryant and Vardaman (2010), offer a more detailed explanation and utilise three dimensions to define employee turnover and identify the type. Allen et al. (2010, 50-51) claim that turnover can either be initiated by the employee or employer and is thus either voluntary or involuntary in nature. To further identify the type of turnover, Allen et al. (2010, 50-51) make a distinction between functional and dysfunctional turnover. Functional turnover is used to describe the exit of easily replaced employees, whereas dysfunctional turnover, and often the main focus of organisations, describes the exit of high-performing employees who are difficult to replace due to their competencies and skills.

Furthermore, Allen et al. (2010, 50-51) maintain that some degree of turnover is either avoidable or unavoidable. This distinction describes whether the organisation has control over the turnover outcome. When the organisation is able to influence the employee's decision to stay or leave, turnover is avoidable. However, some employees will still leave due to e.g. personal reasons and thus there is always a level of unavoidable turnover that the organisation cannot control.

### **3.4.1 Human capital and social exchange theory**

Al-Emadi, Schwabenland and Wei (2015) use human capital and social exchange theory to explain employee retention and turnover. Human capital theory considers the costs and benefits that arise as a result of turnover. According to this theory, an employee's decision to stay with the organisation or leave depends on an assessment of the perceived psychological and monetary value. If the perceived value outweighs the psychological and monetary costs of leaving, the employee will be motivated to seek other employment. Similarly, if the perceived value does not exceed the costs, the employee will most likely not change jobs. From an organisational point of view, the theory proposes that retaining a position will be reduced if the advantages associated with staying are low and the costs of changing employment are low. (Al-Emadi et al. 2015, 9.)

Social exchange theory concerns an assessment of social behaviour and interactions between the employee and employer. The theory is based on the premise that employees exchange desirable behaviour (such as loyalty) and outcomes if they see that management values and implements strategies that reinforce this. Consequently, the retention practices used by the employer will impact the employee's decision to leave or stay. This theory underlines the importance of investing in human capital in order to establish and maintain a relationship where both the employer and employee reciprocate. (Al-Emadi et al. 2015, 9-10.)

### **3.4.2 Voluntary turnover model**

Allen et al. (2010, 52-53) point out a different yet related view to human capital and social exchange theory and develop a voluntary turnover model to illustrate the turnover process. According to the model, employees will stay in their jobs as long as the inducements offered by the organisation (e.g. job characteristics, working conditions, remuneration, development opportunities) are equal to or greater than the contributions required by the employer. Furthermore, employees evaluate these inducements considering alternative opportunities and the ease of pursuing employment elsewhere.

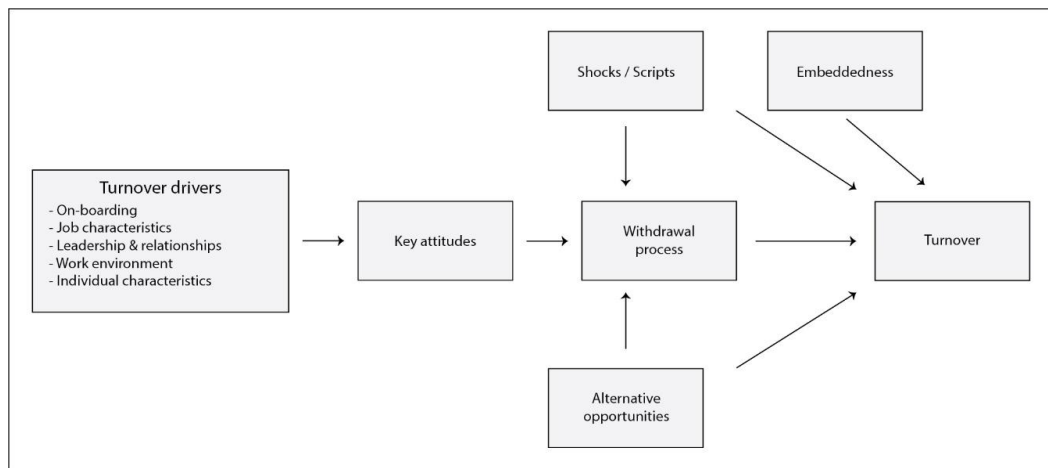


Figure 8. Voluntary turnover model (adapted from Allen et al. 2010, 53)

As can be seen in Figure 8 above, both tangible and intangible factors act as turnover drivers which in turn affect key job attitudes such as satisfaction and commitment. Allen et al. (2010, 53) posit that these attitudes lead to a withdrawal process where thoughts of changing jobs and looking for alternative opportunities come about. Alternatively, turnover intentions can be initiated by expected or unexpected ‘shocks’ or ‘scripts’. These in turn can either be employer-related (e.g. acquisition or merger) or employee-related (e.g. an alternative job offer).

The concept of embeddedness is concerned with the relationships and connections that employees develop within the organisation. Employees with strong relationships and multiple ties to the organisation are seen as more ‘embedded’ in the organisation, which in turn has an effect on the turnover decision. For a highly embedded employee, the costs of seeking employment elsewhere may outweigh the perceived benefit. From the organisation’s point of view, it is critical to retain such employees and develop practices and policies to maintain those relationships with respect to turnover. (Allen et al. 2010, 53.)

According to a survey conducted by De Vos and Meganck (2007), the top five reasons for employee turnover are related to financial awards, career opportunities, work-related stress, job content, and mobility.

Table 1. Ranking of most frequently cited reasons for leaving, staying and retention practices reported by HR managers (De Vos and Meganck 2007, 50)

Reasons for leaving (%)	Reasons for staying (%)	Retention practices (%)
1. Financial rewards (64%)	1. Social atmosphere (51%)	1. Training (59%)
2. Career opportunities (47%)	2. Job content (43%)	2. Career management (48%)
3. Work pressure/stress (19%)	3. Financial rewards (41%)	3. High potential management (41%)
4. Job content (19%)	4. Career opportunities (41%)	4. Internal mobility (38%)
5. Mobility (19%)	5. Job security (22%)	5. Financial rewards (27%)
6. Headhunting (17%)	6. Training (17%)	6. Benchmarking promotions (24%)
7. The management (16%)	7. Company image (16%)	7. Bonus system (18%)
8. Work-life balance (14%)	8. Company culture (14%)	8. Performance benefits (18%)
9. Labour shortage (11%)	9. The management (8%)	9. Benefits (14%)
10. Opportunities elsewhere (9%)	10. International opportunities (9%)	10. Communication (11%)

Whilst there is no clear overlap between reasons for leaving and reasons for staying, it is interesting to see that the reasons for both leaving and staying are connected with job characteristics or extrinsic factors, as are retention practices, with little or no emphasis on motivational or intrinsic factors which are discussed in Section 3.5.7.

### 3.4.3 Costs of employee turnover

Organisations are also faced with the high costs associated with employee turnover. The real cost of losing an employee is not only reflected in the work that is not completed, but also the cost and time concerned with recruitment (advertising, interviewing, screening, hiring), on-boarding costs, loss of productivity, and the costs associated with training the new employee (Bersin 2013). Allen et al. (2010, 48) claim that the costs that arise from recruiting and training the new employee often exceed 100% of the annual salary of the position being filled. Furthermore, Vaiman (2008, 173) posits that the real costs of losing an employee are actually even higher due to the 'soft costs' or tacit knowledge that is lost, i.e. personal knowledge, customer relationships, shared experiences, and expertise of the employee. Pandita and Ray (2018, 191) note that there can be a negative impact on the morale of the employees who stay behind in addition to lost communication and collaboration.

The graph in Figure 9 below by Bersin (2013) illustrates the value of an employee and the related costs.

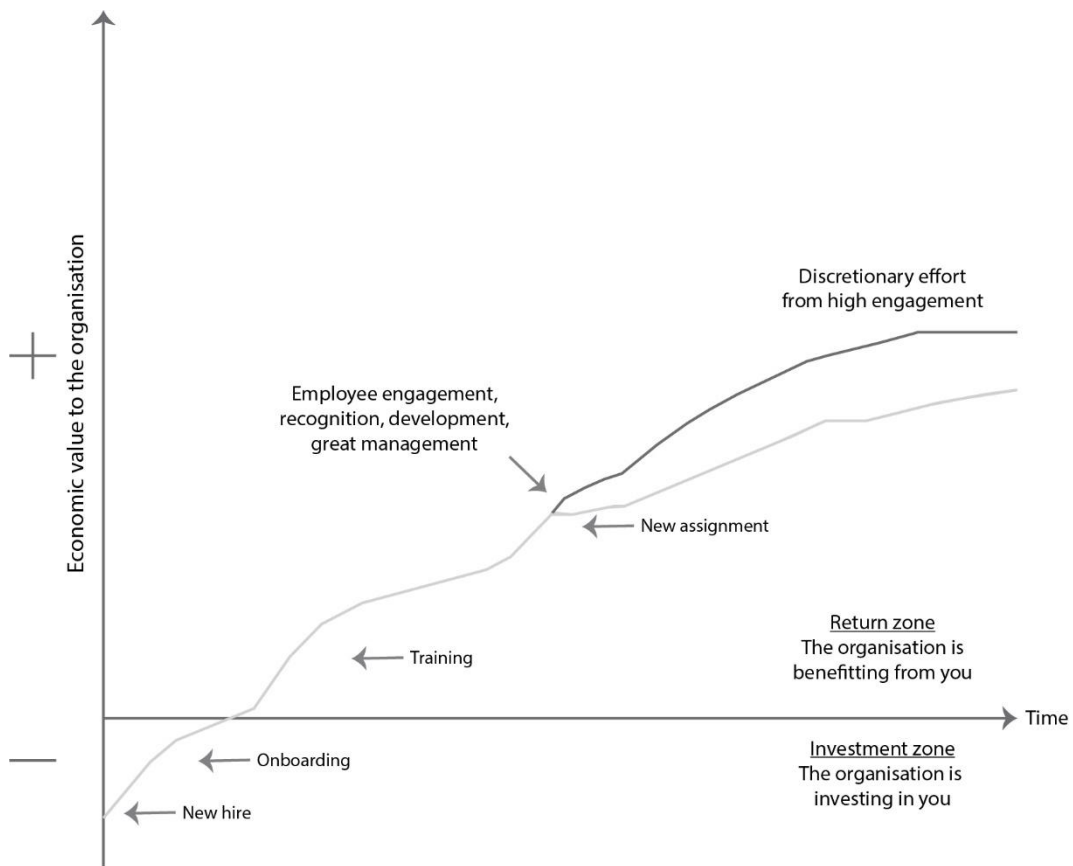


Figure 9. Cost to value of an employee (adapted from Bersin 2013)

As Figure 9 above shows, at the hiring and on-boarding stage of the employee life cycle, employees are initially a 'cost' to the company (investment zone). However, over time, the employee becomes more valuable to the company through training, coaching, teamwork and completing assignments, etc. The employee is also accumulating personal and tacit knowledge during this phase. This is the stage where the organisation is benefitting from the employee. In this respect, it is in the company's best interest to keep talented employees and move them up the curve as fast as possible.

Seeing that employees, their knowledge, and competencies are the most valuable resources in today's business world, and that companies incur substantial costs as a result of losing valuable employees, it can be argued that developing and more importantly retaining those employees is critical with a view to long-term growth and competitive advantage. In this respect, it is important for companies to identify the type of and reasons for employee turnover, ultimately enabling them to develop effective retention management.

### 3.5 Definitions and approaches to talent retention

Today's labour market is characterized by more frequent change of jobs and short-term employment. Building long-lasting relationships with talent at an early stage has become critical to businesses. Furthermore, re-hiring has become an important means of securing access to long-term talent and has been identified as a source of significant cost-savings and productivity improvement. In addition, a mobile and fragmented talent market means that companies must compete for talent and create long-term relations with their top employees. (Universum Global 2013, 4.)

Companies are also faced with the challenge of attracting and retaining employees comprising three generational cohorts, each of which have different preferences, views, attitudes, values, and expectations concerning the employment relationship. It is also noted that many countries are at a 'demographic scissor', i.e. a decline in population growth accompanied by an increasingly aging population and a higher rate of older workers. This puts further pressure on talent shortages and highlights the importance of attracting and retaining talent. (Festing & Schäfer 2013, 262-264.)

According to a report by the ManpowerGroup (2018), technology is one of the underlying causes for the requirement of new skills on the labour market. In addition, 67% of large and medium-sized organisations claim that they face difficulties in filling vacant positions. Interestingly, Finland is rated as having an above average difficulty in hiring, where 45% of the surveyed employers report a difficulty in filling positions. Coupled with an increase in hiring demand in 42 of the 43 countries surveyed, talent shortages have reached an all-time high since 2006. (ManpowerGroup 2018, 4-5.)

Therefore, the wider macro conditions, previously outlined with the macro-contingent model, can reveal insight on how retention strategies may need to be re-aligned with business strategy. Talent management strategies that are informed by the wider external context may also provide the organisation with a means to improve its talent retention strategies.

In the review of the literature so far, the frameworks and definitions introduced in the previous chapter show that talent retention is one of the main talent management processes.

Cascio (2003) defines talent retention as

“Initiatives taken by management to keep employees from leaving the organisation, such as rewarding employees for performing their jobs effectively, ensuring



harmonious working relations between employees and managers and maintaining a safe and healthy work environment” (Cascio 2003, 415).

Yamamoto's (2011, 3550) definition, however, focuses on high-performing employees. He describes talent retention as the entire human resource management policies for retaining the current or expected high-performing employees within organisations for long periods of time, which enables them to exercise or develop their capabilities. According to these definitions, it can be argued that talent retention encompasses all the approaches used by an organisation to prevent employees or those identified as 'talent' from leaving the organisation.

Consequently, it is important to note that talent retention is not an isolated process within an organisation's talent management strategy. Rather, it is argued that talent retention is a complex and dynamic process that is intertwined with other talent management processes. For example, recruitment and selection or employee development practices will have a direct impact on the level of employee turnover and thus on the organisation's ability to retain its talent.

Although academics acknowledge that employees need to be managed as individuals, they also recognise that today's workforce comprises different generations that exhibit different characteristics. Older generations (i.e. baby boomers and generation X) have different work-life experiences and expectations based on ideas of job security, career progression through experience, and longer employment often with the same employer. By contrast, the work-life of younger generations' (i.e. generation Y or millennials) is characterised by more frequent mobility between jobs in seeking career advancement, a more competitive labour market with an emphasis on education for career progression, and greater exposure to external opportunities due to digitalisation. Therefore, retention strategies need to address issues related to generational differences, as one size does not fit all.

The following sub-sections present different conceptual frameworks that help to understand some of the central aspects in approaches to talent retention.

### **3.5.1 Psychological contract**

Festing and Schäfer (2013, 261) point out that a consideration of the generation-specific individual expectations, needs and values of the employment relationship are often neglected and under-researched. To address this research gap, Festing and Schäfer (2013) developed a social-exchange based framework with a specific focus on talent retention. This is illustrated below in Figure 10.

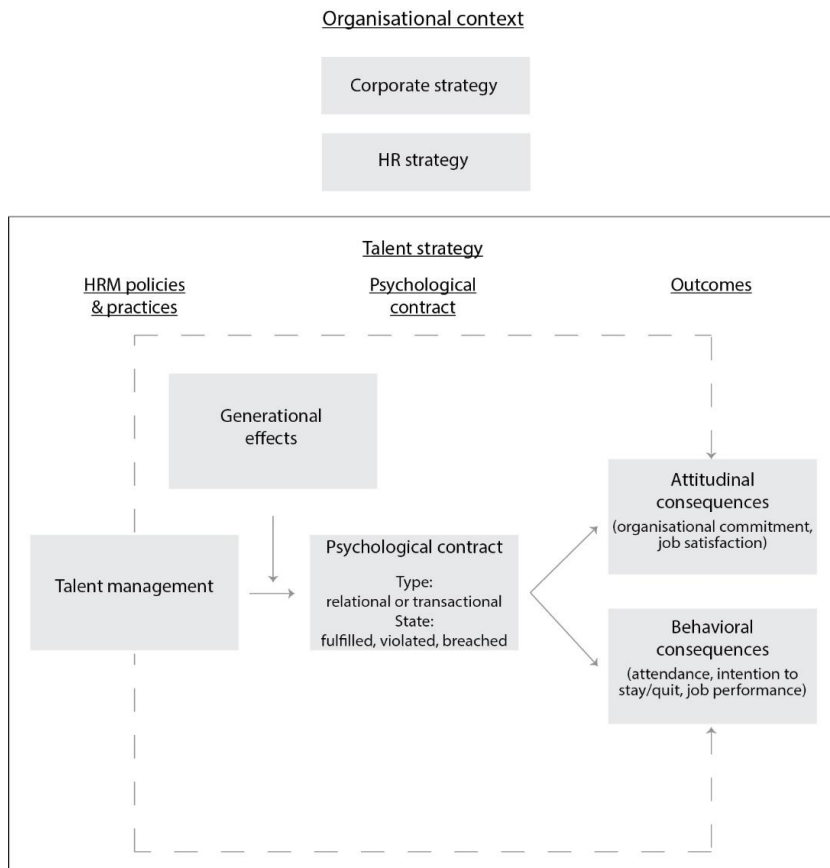


Figure 10. Framework explaining the impact of talent management on the psychological contract moderated by the role of generational effects (adapted from Festing & Schäfer 2013, 265)

The framework, developed by Festing and Schäfer (2013), explains how talent management practices affect the psychological contract between ‘talents’ (i.e. employees identified as talent by the organisation) and employers. Festing and Schäfer (2013, 266-267) see that organisations’ talent management practices can be interpreted as actions to meet employees’ expectations and fulfil their part of a psychological contract. Consequently, the more talent management practices the organisation employs, the more employees perceive that the organisation values talent. This, in turn, impacts the level of psychological contract, and ultimately the level of job satisfaction, commitment and intention to stay or quit, as illustrated by the attitudinal and behavioural consequences in the framework.

As the framework considers generational effects, Festing and Schäfer (2013, 268) maintain that talent management practices should include variations based on generational cohorts in order to achieve a positive impact on talent retention. Pandita and Ray (2018, 188) similarly note that while implementing retention strategies, the target group must be considered in terms of demographics and other variables. For younger

employees, challenging work, work-life balance and career advancement are priorities. For middle-aged workers, flexibility and job satisfaction are important. Workers of older generations are generally more concerned with job security. These findings further support the view that generational differences need to be accounted for to meet the psychological contract between the employee and employer.

### **3.5.2 4E framework**

Pandita and Ray (2018, 188) take a different approach to explaining talent retention strategies. They divide talent management strategies into two groups to show the practices that focus on talent attraction and those that focus on talent retention. The reason for this, they argue, is the necessity to focus on attracting the right talent in the first place before thinking about retention.

As attraction is considered the first step to successful retention, the concepts of organisational culture, employer branding and employee value proposition (EVP) are important in order to create a brand image that resonates with the talent the organisation wants to attract and ultimately retain. Pandita and Ray (2018, 190) underline the importance of these concepts to ensure that the employer's needs and expectations are matched with those of the employee, as attrition can be attributed to a mismatch between employee expectations and, e.g. an inadequate job description or employer image.

Based on their findings, Pandita and Ray (2018, 195) propose a framework for improved talent retention which is cyclical.

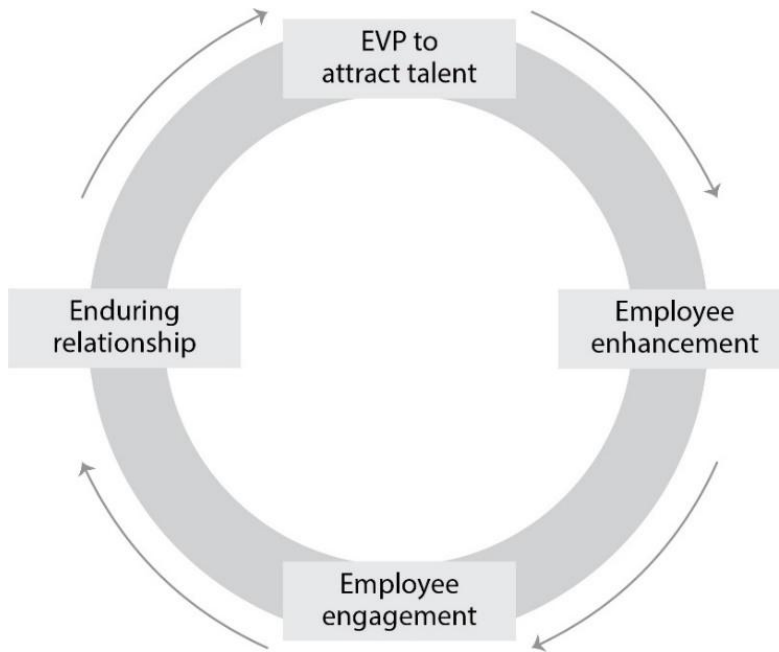


Figure 11. 4E Framework for improved talent retention (adapted from Pandita & Ray 2018, 195)

Pandita and Ray’s 4E framework for improved talent retention (Figure 11) shows how talent attraction and the employee value proposition are essential to attract the talent that the organisation needs. Once the talent has been onboarded, it is necessary to develop their skills and competencies and ensure that they are offered challenging opportunities in the organisation. As a result of attracting the right candidates and enhancing their skills, the organisation develops and maintains a pool of committed and engaged employees. When employees are engaged, it can be argued that the organisation is meeting the needs and expectations of its employees. Thus, employees are more likely to remain in the organisation, thereby improving retention. This cyclical process results in a strengthened employee value proposition.

### 3.5.3 Evidence-based retention management strategy

Allen et al. (2010) similarly underline the importance of organisational-context in their conceptualisation of retention strategies and propose an evidence-based approach to retention management. This approach involves utilising a broader decision frame and multiple sources of information in order to develop targeted retention strategies which are based on organisation-specific turnover drivers. Such an approach can lead to more informed decision-making and cost-effective retention strategies. Allen et al. (2010, 58) posit that organisations need to have an understanding of the causes, nature and type of turnover as well as the affects it has on the organisation. As mentioned earlier, not all

types of turnover are harmful, but can in fact be functional. Figure 12 below shows the steps towards developing an evidence-based approach to retention management.

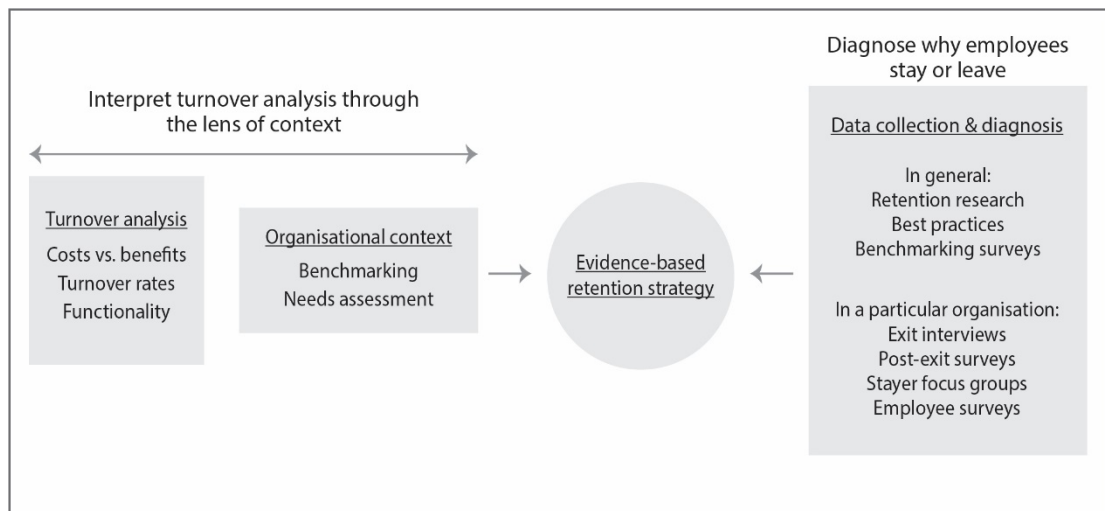


Figure 12. Developing strategic evidence-based retention management strategies (adapted from Allen et al. 2010, 58)

As can be seen from Figure 12 above, Allen et al. (2010) advocate for a more targeted approach to retention strategies rather than a general or 'systemic' one which targets the entire employee base. In other words, the organisation takes an approach which addresses a particular turnover problem and turnover of certain segments of employees, therefore promoting more informed decision-making.

Allen et al. (2010, 58-59) see that evidence-based retention strategy should commence with a thorough turnover analysis to identify the extent to which turnover is a problem in the organisation. This involves an analysis of the costs and benefits, the turnover rate, and type of turnover. This is followed by an interpretation of the data with particular consideration of the organisational context. Lastly, it is necessary to understand the reasons for turnover and identify cause-effect relationships.

It can be argued that Allen et al.'s (2010) approach to developing retention strategies could be used as a prerequisite to Festing & Schäfer's (2013) social-exchange based framework. The frameworks complement and support each other in that an evidence-based approach to retention strategy development offers an informed understanding of turnover in the context of a specific organisation. However, in line with the labour market trends and composition of workforces, it is also critical for the organisation to consider the generational effects to develop effective retention strategies.

### **3.6 Promoting talent retention**

As was pointed out in the previous section, it is evident that the talent retention strategies (i.e. actions and practices) employed by the organisation need to be organisationally specific. The mix of factors related to company characteristics (extrinsic) and factors related to motivational characteristics (intrinsic) must be determined in order to develop a retention management strategy. This mix includes factors such as differences in the age groups of the workforce, organisational culture, industry (i.e. knowledge-intensive vs. labour intensive), employee value proposition and psychological contract. In the academic literature, the suitability and effectiveness of the retention strategies depend on the organisation's ability to develop ones which are specific to that organisation and valued by the employees.

#### **3.6.1 Employer branding**

In line with Pandita and Ray (2018), who advocate that talent attraction forms the foundation for successful retention, the practice of employer branding promotes the organisation from the point of view of the psychological contract.

Branding is the process of giving a company or product an identity, which allows the creation of a differentiated position in the market as well as in the minds of stakeholders. Branding strategies aim at defining a company's core values and beliefs. In this respect, branding enables companies to communicate the benefits and value that a product or service offers, which in the long run forms the foundation of the company's very identity, or brand heritage. This concept can also be applied to human resources, and is known as employer branding, where the focus is on promoting the company as the employer of choice, and communicating what makes it different and desirable as an employer, thus contributing to the psychological contract (Fischer 2013; van Mossevelde 2014).

In this respect, employer branding comprises an internal identity, i.e. company identity and culture, and external image, i.e. employer associations. This relationship is illustrated below in Figure 13.

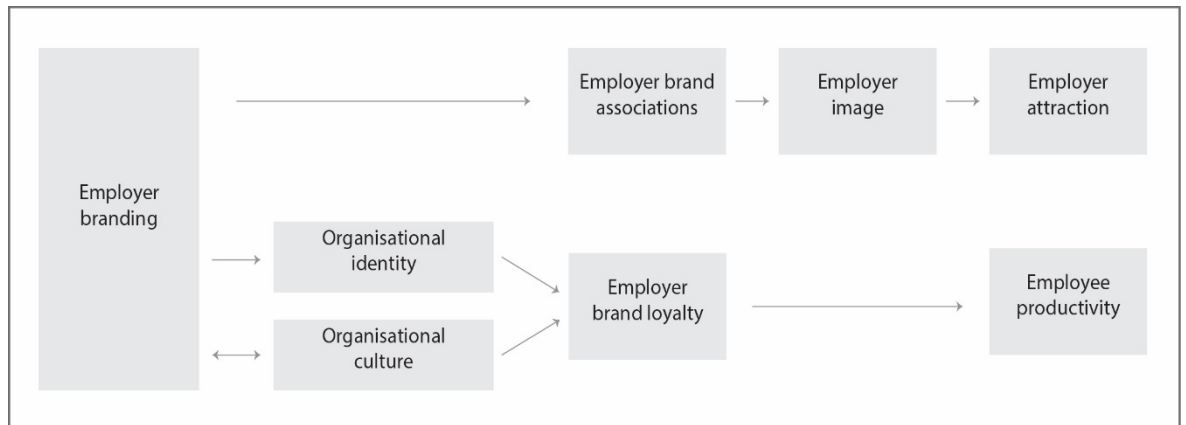


Figure 13. Employer branding framework (adapted from Backhaus & Tikoo 2004, 505)

According to Backhaus and Tikoo (2004, 504-509), employer branding results in employer attraction and employee productivity. Brand associations are concerned with the external employer image and thus relate directly to the attractiveness of the employer to potential employees. Potential employees create an image of the employer based on how they associate with that employer and the perceived benefits of employment with that brand. Brand loyalty, on the other hand, is the result of the internal organisation's identity and culture and relates directly to employee commitment and productivity. If employees can relate and identify with the company's values and goals, they are more likely to remain in the company and work more productively, rather than search for an alternative employer.

### 3.6.2 Employee value proposition (EVP)

When implementing effective employer branding as a tool for employee attraction, recruitment and retention, it is critical to identify and understand the expectations of potential and current employees and how these can be aligned with the strategic objectives of the company. Therefore, clear communication of the employer value proposition should highlight how the organisation is different from other employers. Backhaus and Tikoo (2004, 511-512) point out that the employee value proposition has both an internal and external function. Internally, it enhances and supports the brand promise and values established by the organisation. Externally, it is used to attract potential employees and convey the organisation's identity as an employer.

Pandita and Ray (2018, 190) define employee value proposition as all tangible and non-tangible benefits that potential employees stand to gain from when joining the organisation. Backhaus and Tikoo (2004, 502) further add that the value proposition is formed from the corporate culture, qualities of current employees, management style and other elements that bring value to employees.

As the employer determines its values and expectations, the employee similarly assigns values and expectations in this transaction. This 'matching' of employee value proposition requires the employer to identify the elements of job characteristics (extrinsic) and employee motivational elements (intrinsic) to affect the desired talent transaction. Therefore, talent management processes must not only take into account the match between intrinsic and extrinsic factors, but also clearly communicate the job description which encompasses both intrinsic and extrinsic factors such that there is parity in employer requirements and employee expectations in the transactional exchange, i.e. there is no underlying cause for employees to leave resulting from an inadequately defined job description.

### **3.6.3 Employee motivation factors**

With a view to turnover and retention practices, it is interesting to consider these issues from the employee's point of view. Although the factors that affect employee turnover are well documented in the academic literature, De Vos and Meganck (2007, 47) point out that studies mostly consider the employer's point of view and omit how retention strategies impact the individual employee decision-making process. Maertz and Griffeth (2004, 672) similarly posit that employee motivations for staying or leaving the organisation are under-researched. This implies that organisations may be limiting the effectiveness of their retention practices and the extent to which they lead to the desired result by neglecting the importance that employees place on those practices.

De Vos and Meganck (2007) compare the organisation's and employee's views of the factors affecting employee retention and turnover. In their research, they apply the perspective of the psychological contract and find that organisations pay greater attention to factors believed to cause employee turnover rather than to those believed to impact retention. Organisations reported that the main reasons for voluntary turnover can be attributed to lack of career opportunities and financial rewards. In terms of retention practices used, the most frequently cited ones included training and development, creating opportunities for career progression and facilitating internal mobility.

From the employee perspective, the findings revealed that employees place most value on factors related to career development, followed by job content, work atmosphere, financial rewards and work-life balance. Table 2 below shows how HR managers and employees in the study ranked the importance of retention factors.



Table 2. Ranking of retention factors (De Vos and Meganck 2007, 56)

HR managers	Employees
1. Training	1. Career development opportunities
2. Career perspective	2. Social atmosphere
3. Financial rewards	3. Job content
4. Performance management	4. Financial rewards
5. Communication	5. Work-life balance

As can be seen from Table 2 above, there are differences in terms of importance placed on retention factors. While organisations place most importance on training, the employees surveyed place most importance on career development opportunities. Similarly, organisations, perhaps surprisingly, rank financial rewards higher than employees. Moreover, employees rank social atmosphere as second most important which is not even recognised at all in their factors, not to mention work-life balance. Clearly, employees' perspectives of retention factors stretch well beyond the extrinsic nature of their work employment contract and include elements related to wellbeing.

The findings of the study support the notion that practices used to reduce turnover can be more effective if organisations are able to identify the employee motivators for retention and the value they attribute to them. Although 'generic' retention practices may be effective in reducing voluntary turnover, it can be argued that retention practices that are in line with what employees value are more effective in improving retention and reducing dysfunctional turnover.

Ott, Tolentino and Michailova (2018, 18) similarly underline the importance of tailoring retention practices to the needs and goals of the organisation. However, they also recognise that a consideration of contextual differences and the needs and wants of the individual are necessary. In addition, they highlight the importance of corporate culture to the employees. According to Ott et al. (2018, 17), employees are increasingly interested in understanding their employer's corporate culture. Furthermore, corporate social responsibility is also a growing concern for many employees. It is therefore important for organisations to develop a strong corporate culture and clearly communicate their practices, policies and position on such issues.

Ott et al. (2018, 17) also point out that employees want to feel that they are part of their organisation's strategy. They underline that this is of particular importance because

employees develop an emotional attachment and a strong level of commitment when they feel that their values match that of the organisation. For organisations, this implies a need to clearly communicate the values and mission which again supports the notion of developing a strong corporate culture. This is further supported by De Vos and Meganck's (2007) study which showed that employees place a high importance on the social atmosphere, which evidently is shaped by the organisation's corporate culture.

In their study on barriers to recruitment and retention, Martin, Mactaggart and Bowden (2006, 383-384) combine Maslow's (1943) hierarchical theory of needs with Herzberg's dual-factor theory (1959). Maslow's hierarchy of needs describes human motivation on five levels from lowest to highest: physiological, safety and social needs, with self-esteem and self-actualisation needs at the top. Herzberg's dual-factor theory recognises that motivation is divided into so called extrinsic 'hygiene factors', i.e. job characteristics such as pay, and intrinsic motivating factors, such as the nature of the work itself and recognition etc. This is illustrated below in Figure 14.

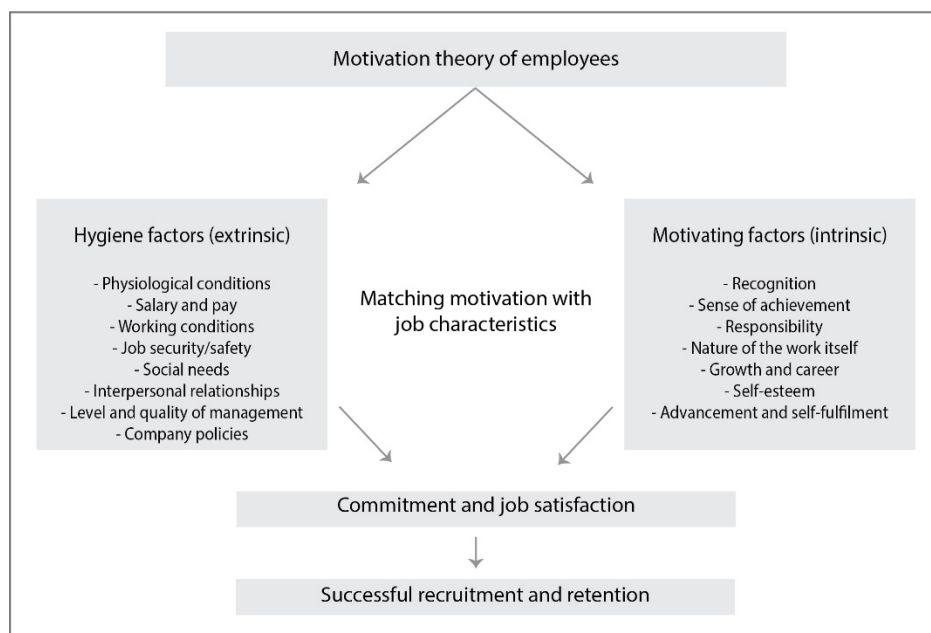


Figure 14. Herzberg's and Maslow's motivation theory and their relationships with job satisfaction, and successful employee recruitment and retention (adapted from Martin et al. 2006, 384)

Martin et al.'s (2006) model developed from Maslow's and Herzberg's theories illustrates the need to combine and match job characteristics with motivation. According to Martin et al. (2006, 383-384), increasing hygiene factors may reduce job dissatisfaction but not necessarily lead to direct motivation. However, the motivating factors create job

satisfaction. Therefore, ways to extrinsically and intrinsically motivate employees can promote employee retention.

In keeping with Martin et al.'s (2006) framework, the Measuring Quality of Employment Report (2010), conducted by the UN Economic Commission for Europe, aimed to develop a concept for statistical measurement of quality of employment. The taskforce gathered reports from nine countries (including Finland) that tested the validity of the proposed set of indicators grouped in seven dimensions. Workplace relationships and work motivation comprised one of the seven dimensions for the measurement of quality of employment. This dimension is further sub-divided into workplace relationships and work motivation, with assigned indicators. This is shown in Table 3 below.

Table 3. Dimension of workplace relationships and work motivation (United Nations Economic Commission for Europe 2010)

Workplace relationships and work motivation	
(a) Workplace relationships	<ul style="list-style-type: none"> <li>- Share of workers who feel they have a strong or very strong relationship with their co-workers</li> <li>- Share of employees who feel they have a strong or very strong relationship with their supervisor</li> <li>- Share of workers who feel they have been a victim of discrimination at work</li> <li>- Share of workers who feel they have been harassed at work</li> </ul>
(b) Work motivation	<ul style="list-style-type: none"> <li>- Share of workers who are able to choose order of tasks or methods of work</li> <li>- Share of employees who receive regular feedback from their supervisor</li> <li>- Share of workers who feel they are able to apply their own ideas in work</li> <li>- Share of workers who feel they do "useful" work</li> <li>- Share of workers who feel satisfied with their work</li> </ul>

Following Martin et al.'s (2006) framework, these indicators belong to intrinsic factors, i.e. motivational factors rather than job characteristics, which contribute to employee retention. Furthermore, the report states that work satisfaction as described in the dimension (workplace relationships and work motivation), improves work performance, leads to reduced turnover, reduced absenteeism and higher morale. Evidently, this demonstrates that when intrinsic factors are recognised by HR retention strategies, the benefits can be seen in terms of improved productivity and more effective investment in human capital.

As one of the pilot countries in the UN Measuring Quality of Employment survey, Finland concludes, citing Herzberg’s two-factors theory, that job satisfaction was strongly connected to feelings of one’s job being significant and important, to development opportunities at work as well as to the feeling of being a valued member of the work community.

### 3.7 Summary

This chapter presents a summary of the theories previously introduced, which are applied to produce a cohesive and coherent understanding to talent retention.

According to the **evolutionary paradigm** (Beechler and Woodward 2009) introduced earlier, ‘talent solutions’ call for creative responses to talent management, building on the earlier or more traditional approach of responding to market conditions of the time. They see the drivers as dynamic and pervasive changes. Creative talent solutions encompass a more diverse, cooperative and generative approach to talent management. They therefore present an inclusive evolutionary paradigm to attract, develop, motivate, and retain talent as shown in Figure 15.

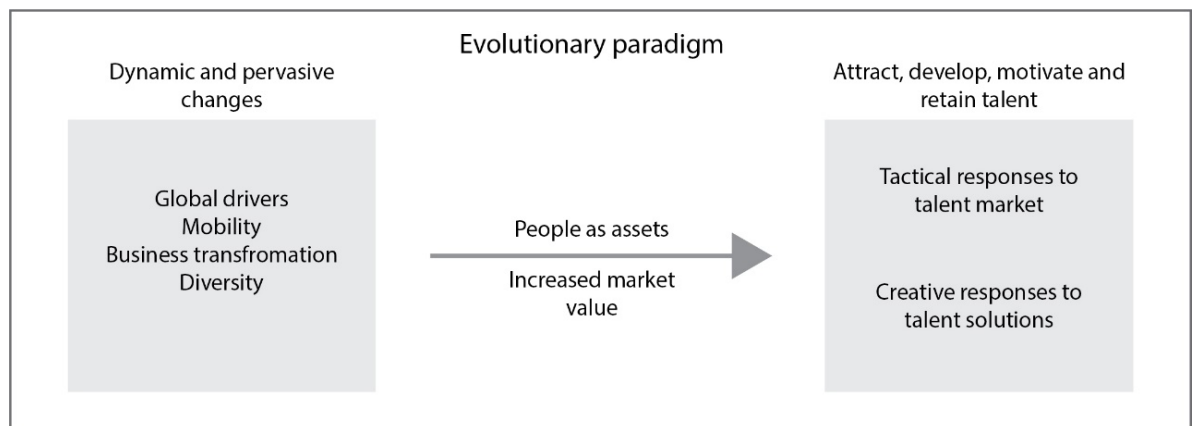


Figure 15. Evolutionary paradigm (figure by author)

This evolutionary paradigm is taken as the reference point from which the organisation should determine its approach to developing its talent management processes. The approaches to talent management previously presented can be seen to support this evolutionary paradigm:

- **Strategic talent management** (Collings and Mellahi 2009). This theoretical model emphasises identification of key positions and development of a differentiated human resource architecture to contribute to the organisation’s sustainable competitive advantage.

- **Coalesced framework for talent management** (Mensah 2014). This framework identifies all the dimensions of employee performance, combining talent management concepts and employee performance to help implement a strategy. In focusing on employee performance, the framework incorporates creative responses.
- **The talent management wheel** (Stahl et al. 2012). This conceptualisation identifies six key principles of successful talent management strategies which allows the organisation to adapt its talent management strategy with changing business conditions. The alignment proposed in the framework ensures consistency, adaptability and a means to differentiate, which in turn has implications on competitive advantage.
- **The macro-contingent approach to talent management** (King and Vaiman 2019). The framework is based on the premise that the forces and systems which shape the available supply, composition and flow of talent into and out of the organisations have become increasingly complex as a result of organisations' cross-border operations and global competition. Talent management exists at a wider macro-level external context (extra-organisational) within which the organisational or micro talent system is embedded (intra-organisational). Therefore, an organisation's talent management is likely to be more effective if it is influenced by the context in which it operates.

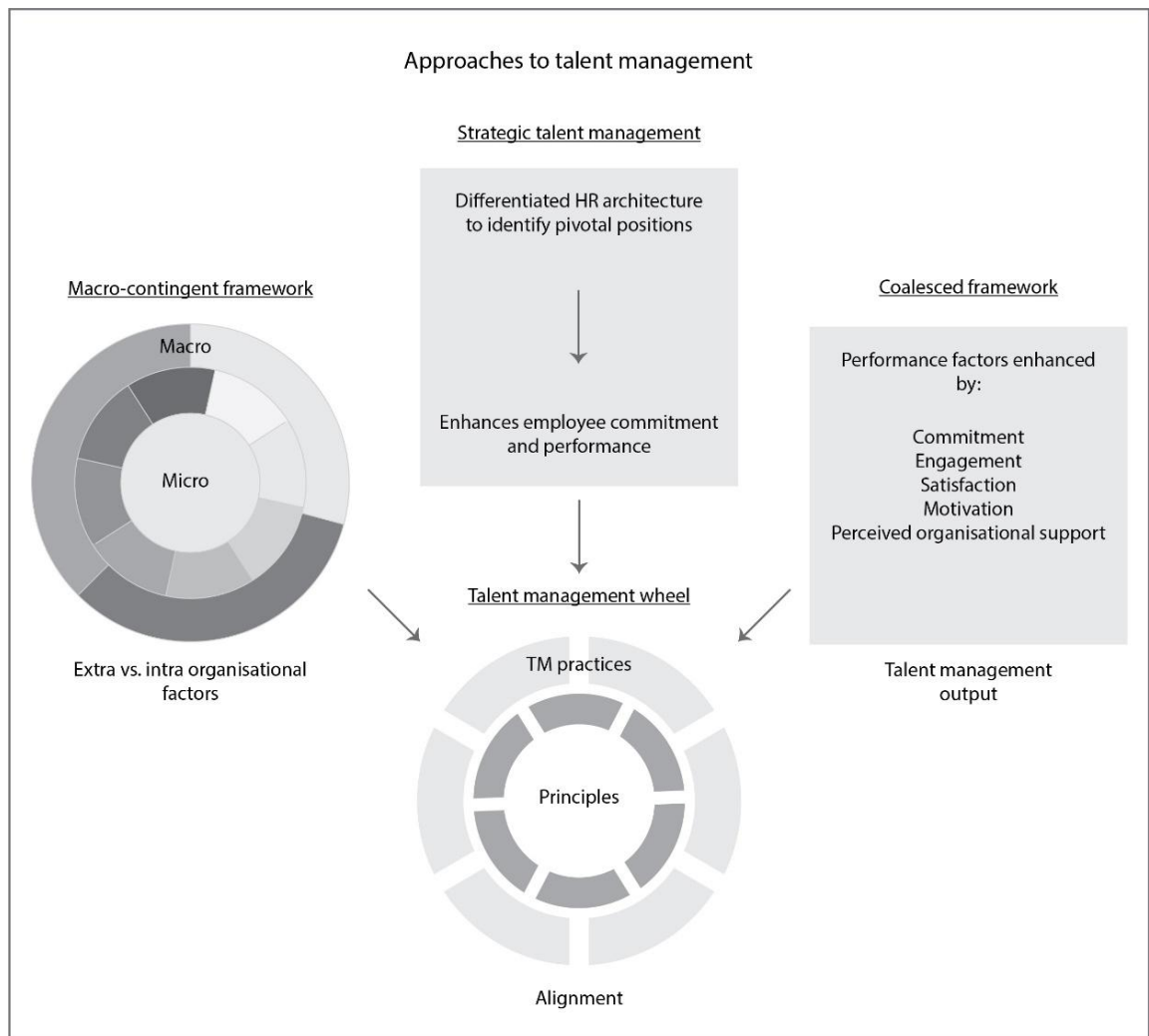


Figure 15. Talent management frameworks (figure by author)

As can be seen from Figure 15 above, these frameworks complement each other. Together, they can be adapted into a concept that shows how talent management can develop its strategy to meet the challenges of an evolutionary paradigm. HR architectures need to encompass macro-contingency planning as well as respond with creative talent solutions where talent management output coalesces performance and employee commitment. Incorporating these steps into talent management strategies provides a way to align principles and practices. The talent management frameworks above can be applied to develop practices, one of which is talent retention.

Approaches to talent retention strategies are identified as key elements in formulating a talent retention strategy that can be implemented within talent management.

- **Psychological contract** (Festing and Schäfer 2014). This social-exchange framework explains how talent management practices affect the psychological contract between employees and employers. The framework considers generational effects, suggesting that talent management practices should include variations based on generational cohorts in order to achieve a positive impact on talent retention.
- **4E Framework** (Pandita and Ray 2018). This framework shows how talent attraction and the employee value proposition are essential to attract the talent that the organisation needs. The framework is built on the premise that attraction is considered the first step to successful retention. The 4E's are: employee value proposition to attract talent, enhance employee capabilities and experience, employee engagement, and enduring relationship.
- **Evidence-based retention management strategy** (Allen et al. 2010). The evidence-based retention strategy commences with a thorough turnover analysis to identify the extent to which turnover is a problem in the organisation. The aim is to develop targeted retention strategies which are based on organisation-specific turnover drivers, i.e. identify cause-effect relationships.

The talent retention strategies introduced earlier are adapted and combined into a conceptual framework as shown in Figure 16 below.

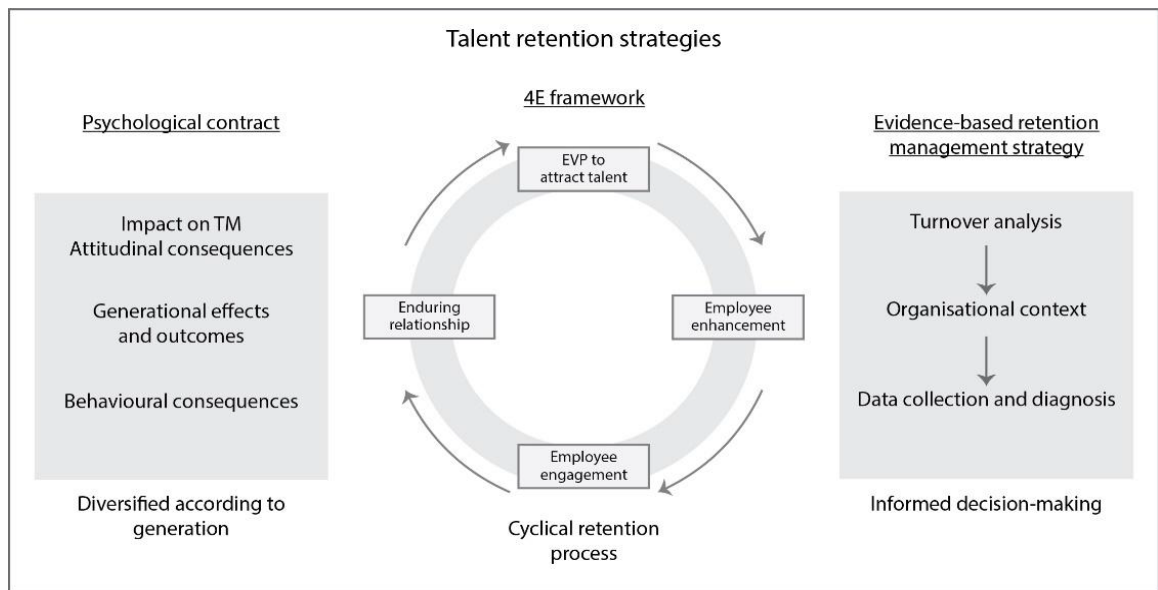


Figure 16. Talent retention strategies (figure by author)

Pandita and Ray (2018) propose a cyclical framework of improved talent retention. Central to their framework is the concept of employee value proposition, which can be seen as consisting of intrinsic (motivational characteristics) and extrinsic factors (job characteristics). Overall, talent retention is regarded as cyclical and constantly evolving. Therefore, the psychological contract highlights the importance of incorporating diversified and generational factors. Consequently, informed decision-making from evidence-based analysis helps produce targeted retention strategies. Evidence-based data on retention and attrition on the one hand helps to internally reinforce the brand promise and values established by the organisation, i.e. communicating the employee value proposition. On the other hand, it helps to externally attract potential employees and convey the organisation's identity.

Combined, these approaches to talent retention strategies highlight the importance of incorporating motivational factors. This helps to identify the mismatch in expectations and priorities, and therefore helps align the job characteristics (extrinsic) with motivational factors (intrinsic). This is illustrated below, in Figure 17.

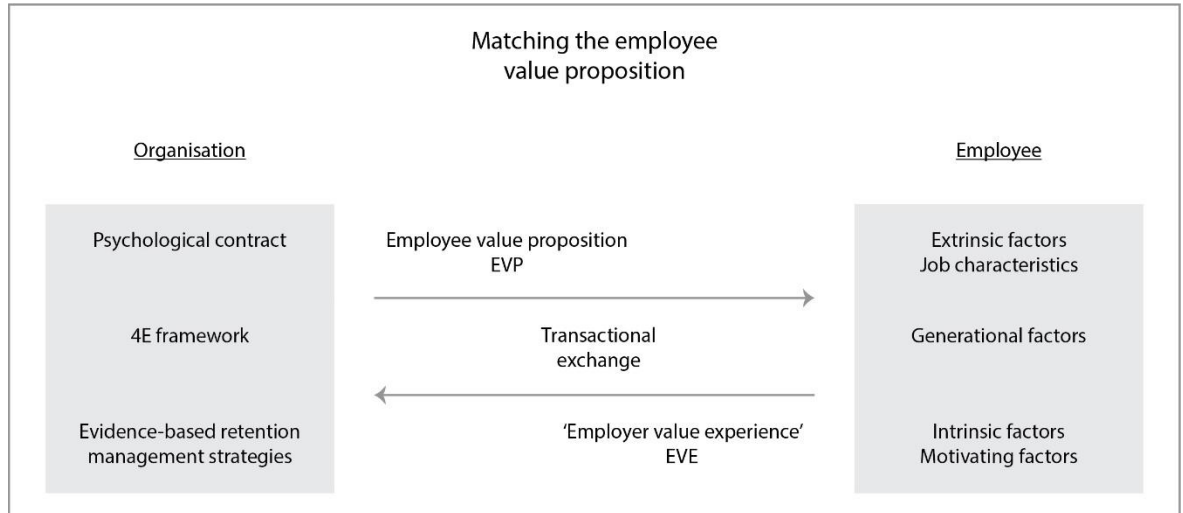


Figure 17. Matching the employee value proposition (figure by author)

Motivation theory (Martin et al. 2006), based on Herzberg's (1966) dual-factor motivational theory and Maslow's (1943) hierarchy of needs theory, is applied to help identify and distinguish extrinsic and intrinsic factors. These factors together form the employee value proposition, which is used externally to attract talent, as well as internally to enhance and support the brand promise and values established by the organisation. Consequently, the transactional exchange can be seen as the matching of employers' and employees' expectations, i.e. employee value proposition (EVP) equals 'employer value experience' ('EVE'), respectively. Better alignment of the employee value proposition and employer value experience results in improved job satisfaction, commitment, talent attraction and retention.

To conclude, the theories presented here can be combined to form a conceptual framework. According to Forman (in Pandita and Ray 2018), talent management is a cyclical process consisting of five main processes, one of which is talent retention. Employee expectations are influenced by both intrinsic and extrinsic factors, which in turn are determined by generation-specific factors. From the derived conceptual framework, the organisation can identify the determinants of talent retention and set out a retention strategy.



## **4 Methodology**

This chapter presents the researcher's philosophical standpoints and underpinnings, the research approach, the methodological choice and research strategy applied to this study. This chapter concludes with a presentation of the research procedures and a discussion concerning the validity and reliability of the research.

### **4.1 Philosophical standpoints**

In order to show how the researcher understands and interprets the research problem and questions, it is necessary to present and establish the ontological, epistemological as well as the axiological assumptions of the researcher (Saunders, Lewis & Thornhill 2016, 124-125). The set of assumptions and beliefs discussed next presents the researcher's philosophical standpoints and underpinnings relative to the development of knowledge in this study. This, in turn, guides the choice of research approach, methodological choice and research strategy presented in the latter sections of the chapter.

#### **4.1.1 Ontology**

According to Saunders et al. (2016, 127), ontology refers to the assumptions about the nature of reality and as such determines and shapes the researcher's approach to the study in terms of what and how to research.

The ontological assumption of this research is that talent retention is essential to maintaining competitiveness with a view to long-term company success. The objective of this research is to determine and identify which strategies are best geared or suited to improving talent retention and through this provide the case company with recommendations for future action and development. Due to the changes in the talent market, the primary focus of talent retention should be on the millennials and the way companies may need to develop their talent management strategies accordingly. The researcher argues that companies that are unable to retain their best talent are more likely to incur high costs, the loss of intellectual capital and the capability to innovate. Therefore, the researcher further argues that high employee turnover that is dysfunctional is damaging to organisations, and companies should focus on strategies to improve talent retention.

From this ontological perspective, it is necessary to identify the employment relationship values and work expectations of employees. This will help determine which strategies should be developed or are best suited to meet those expectations. The researcher considers employment relationship values and work expectations as individual, and

influenced by a number of factors such as length of employment, position, age, education, personal life etc. Furthermore, it is likely that these factors change over time and are shaped by social interaction.

The fact that the researcher is an employee of the case company can influence the perceptions and interpretation of the data collected. For example, it is possible that as a result of the researcher's own perceptions, values and beliefs, the data analysis and interpretation can be prone to the researcher's subjectivity. Consequently, one challenge is to remain impartial.

#### **4.1.2 Epistemology**

Epistemology is concerned with the assumptions that are made about knowledge and what constitutes acceptable, legitimate and valid knowledge (Saunders et al. 2016, 127).

For the purpose of knowledge creation in this research, it is necessary to understand the cohort group's employer relationship values and workplace expectations in order to determine which strategies can be applied to improve and/or develop the case company's talent retention strategy. Therefore, employees' individual opinions and understandings need to be considered to gain a deeper insight into the phenomenon. Generalisations cannot be made, as the researcher argues that different groups of employees in the organisation experience their work differently and are therefore likely to have different workplace expectations and values.

#### **4.1.3 Axiology**

According to Saunders et al. (2016, 128), axiology refers to the role of values and ethics within the research process.

In this research, the quality of the data collected is of great importance as it provides rich in-depth data upon whose analysis a concrete action plan for the case company can be developed and implemented. As the nature of the research is complex (considers individual meanings, experiences and interpretations of employees), the axiological implication of this is that the researcher's own beliefs, interpretations and values play an important role throughout the research process. Furthermore, as the researcher is part of what is being researched, it is difficult to adopt an objective stance. In this respect, the research is highly value-bound. This indicates that it is important to be critical about value-judgments, as such judgements have the potential to influence the conclusions that are drawn in the study.

## **4.2 Philosophical underpinnings**

When conducting research, it is necessary to be aware of and establish the philosophical position that is taken, as this inevitably impacts the manner in which the research is undertaken and the way the researcher understands what is being investigated. Saunders et al. (2016, 130-131) explain that research philosophy refers to a system of beliefs and assumptions about the development of knowledge, and thus forms the basis for the methodological choice, research strategy, data collection, and analysis because the researcher's assumptions shape how the research questions, methods, and findings are interpreted.

In this research, the researcher's philosophical stance leans towards the philosophy of pragmatism. According to Saunders et al. (2016, 151), pragmatism asserts that concepts are only relevant when they support action. In other words, theories, concepts and findings are considered in terms of their practical solutions and outcomes. The research is value-driven and emphasises solving a problem and contribution to future practice of the case company.

## **4.3 Research approach**

Saunders et al. (2016, 157) note that the approach to theory development is important for three main reasons. Firstly, it allows the researcher to make informed decisions about the research design, which in turn influences data collection, analysis, and how the data is interpreted to provide answers to the research question. Secondly, it helps to make an informed decision concerning the most appropriate methodological choice and research strategy for the research. Lastly, knowledge of the different approaches enables the researcher to make changes to the research design in case of constraints that may arise during the research process, such as quality or lack of data.

According to Saunders et al. (2016, 154), theory development can be classified either as deductive, inductive or abductive. Deductive reasoning involves developing a theory that is tested through a series of propositions. In other words, the data collected is used to evaluate propositions related to an existing theory. Furthermore, deduction is an approach that is characterised by structure, generalisation, quantification, testable propositions and most likely a positivist research philosophy.

In contrast, inductive reasoning is data-driven and involves collecting data to explore a phenomenon and consequently creating a conceptual framework. Induction is particularly concerned with the context of what is being researched. Therefore, as it is data-driven, it may allow the researcher to identify alternative explanations to what is being studied, as

opposed to a deductive approach which is constrained by a structured research design. Induction is characterised by the importance of interpretations and thus is commonly underpinned by an interpretivist research philosophy. (Saunders et al. 2016, 154-155.)

The abductive approach, which is applied in this research, combines elements of both deductive and inductive reasoning. In practice, the abductive approach is both theory and data-driven. A phenomenon is observed and explored, and theory is used to explain this. Data collection is used to test the theory which allows to build a new theory or alternatively modify an existing theory. (Saunders et al. 2016, 155-156.)

In the context of this research, the phenomenon investigated is talent retention in the case company. The purpose of the literature review is to identify and explore theories and concepts found in academic literature related to talent management, talent retention and motivation theory. By using existing theories and combining them where appropriate, suitable strategies geared at developing or improving talent retention in companies are identified. The data gathered in the empirical part is analysed and conclusions are drawn in light of the theoretical concepts identified earlier. These findings form the basis of a strategy that can be proposed and implemented for retention management. This abductive approach is also chosen because it allows for greater flexibility while also enabling the researcher to identify alternative explanations to what is being studied, i.e. talent retention.

#### **4.4 Choice of method**

Saunders et al. note that research interviews can be classified in terms of their structure, the number of participants, and the interview mode. A commonly used typology to describe the differences and nature of research interviews differentiates between structured, semi-structured and unstructured research interviews. Saunders et al. further point out that each type of research interview has a distinct purpose. Structured interviews are commonly used to gather data which will then be quantitatively analysed, while semi-structured and unstructured interviews are more commonly associated with data that is subject to qualitative analysis to understand the 'what', 'how' and 'why', for example as a part of case study research. (Saunders et al. 2016, 436-443.)

The methodological choice for this research is a qualitative study using semi-structured interviews as a data collection technique. According to Saunders et al. (2016, 436-437), semi-structured interviews are guided by predetermined themes (and key questions related to those themes) which are influenced by the source as well as the philosophical stance of the researcher. In this research, the themes and key questions used to guide

the semi-structured interviews are derived from the theories and concepts presented in Chapter 3 and are thus theoretically based. Concurring with the philosophical stance of the researcher (i.e. pragmatist), the approach to conducting the interviews is structured and consistent. This allows to test the theories in the context of this research and identify comparable data obtained from the interviewees in order to present practical solutions and outcomes to the case company.

This choice of approach is further supported by the purpose of this research which has both exploratory and evaluative elements. On the one hand, it is necessary to clarify and gain insight into the current state of talent retention (exploratory), but on the other hand, it is also necessary to assess the effectiveness of the current processes geared to improving and securing talent retention (evaluative). Saunders et al. (2016, 443-444) similarly posit that using semi-structured interviews is advantageous in both instances as they provide the opportunity to 'probe' a response where it is seen as necessary for the interviewee to explain or build on their response. This in turn allows for the collection of more detailed and rich data.

#### **4.5 Research strategy – single case study**

According to Saunders et al. (2016, 184-185), a case study is an in-depth inquiry into a topic or phenomenon within its real-life setting. Yin (2003, in Baxter and Jack 2008, 545) defines case study research as an empirical inquiry that investigates a contemporary phenomenon within its real-life context using multiple sources of evidence. In other words, case study research aims to provide an understanding of the topic or phenomenon being studied with consideration of its context. Therefore, determining the unit of analysis (i.e. the 'case'), the boundaries of the study as well as understanding the context is fundamental to case study research. Saunders et al. (2016, 197) point out that that the unit of analysis can be a person, group or e.g. organisation. To ensure reasonable scope for the study and indicate the breadth and depth, boundaries to the topic can be set by time, place, activity or by definition and context (Baxter and Jack 2008, 546).

According to Yin (2003, in Baxter and Jack 2008, 545), case study research should be considered when the focus of the research is to answer 'how' and 'why', when the context is believed to be relevant to the topic of study and when the boundaries are not clear between the context and phenomenon. An advantage of case study research is that it has the potential to identify what is happening and why, and also to understand the implications for action. Furthermore, Merriam (1998, in Brown 2008, 3) maintains that case study research is particularly useful when one needs to understand a situation or problem in-depth.

In this research, the case is an organisation, i.e. the case company Gigantti. To ensure reasonable scope, this research focuses on the millennial employees working in the headquarters and excludes those working in the retail outlets. Case study research was chosen as the research strategy because of the nature of the case as well as the fact that this strategy is particularly useful when one needs to understand a situation or problem in-depth. In this respect, case study research is the most appropriate strategy for the purpose of this research.

## **4.6 Procedures**

The following sections outline the interview participants, the data collection method and data analysis process used for the study.

### **4.6.1 Sample**

In order to gather the necessary data, eight face-to-face interviews were carried out using purposive sampling. Purposive sampling was chosen as the choice of sampling technique due to the type of research as well as the small sample size. This choice is supported by Saunders et al. who point out that purposive sampling is often used in case study research when working with small samples and where the researcher wants to select cases that are particularly informative. Although purposive samples cannot be considered statistically representative of the entire target population, the basis for selecting this sampling technique was dependant on the research questions as well as the type of data needed in order to reach the research objectives. (Saunders et al. 2016, 321.)

As the research only concerned a sub-group of employees of the entire organisation (i.e. millennial employees working at the headquarters), the employees chosen for the interviews were all representative of this population. Furthermore, to gain insight regarding the current talent retention practices, three employees from the HR department were interviewed. This also allowed the researcher to gain data concerning the organisation's side of the 'psychological contract'.

The background data of the interviewees is illustrated below in Table 4.

Table 4. Interviewee background data

	<u>Interviewee</u>	<u>Position</u>	<u>Gender</u>	<u>Length of employment (years)</u>
<u>Employees</u>	Interviewee 1	Assistant sales manager	Female	6
	Interviewee 2	Assistant sales manager	Male	6
	Interviewee 3	Sales manager	Male	19
	Interviewee 4	Finance controller	Female	6
	Interviewee 5	Communications manager	Female	7
<u>Employer</u>	Interviewee 6	HR manager	Female	6
	Interviewee 7	HR manager	Male	20
	Interviewee 8	People development manager	Male	7

#### 4.6.2 Data collection – semi-structured interviews

As explained in Section 3.5.5 (Employer branding), “if employees can relate and identify with the company’s values and goals, they are more likely to remain in the company and work more productively”. Further, in 3.5.6 (Employee value proposition EVP), it was established that “Internally, it [EVP] functions as a means to enhance and support the brand promise and values established by the organisation”. Therefore, Gigantti’s brand messages as seen in the illustration below, are used as a point of reference and approach for the interview questions. Consequently, the interviews with the employees and employer, respectively, are conducted in order to elicit the extent to which there is a match between the employee value proposition and *employer value experience* (author’s own term). Since the sample comprised employees representing the employer (HR) and employees, the two sets of interview questions were also designed with respect to the research questions.



Figure 18. Gigantti brand messages (Gigantti 2020a)

All interviews were carried out face-to-face between June and July 2020 and took approximately one hour each. The interviews were all recorded with the consent of the interviewees and the researcher made notes during or shortly after each interview in order to produce an accurate account of what was discussed. Saunders et al. (2016, 463) point out that audio-recording and making notes during and right after the interview are also a means to control bias and produce more reliable data.

#### **4.6.3 Data analysis – thematic analysis**

The non-standardised and complex nature of qualitative data has implications on the process of analysis. Typically, qualitative data is large in volume and complex, as meanings are derived from words which in turn often have multiple or unclear meanings. As Saunders et al. (2016, 640) point out, this indicates that the quality of qualitative research depends partly on the interaction between data collection and data analysis to allow these meanings to be explored and clarified in order to address the research objectives and answer the research questions. It is therefore necessary to use a qualitative analysis technique to make sense of and understand what the qualitative data means.

In this research, Thematic Analysis was used as the approach to data analysis. Saunders et al. explain that the main purpose of thematic analysis is to code the qualitative data and search for and identify themes or patterns for further analysis that are related to the research questions. Furthermore, due to the flexible and systematic nature of thematic analysis, it is a suitable approach to analysing large amounts of qualitative data leading to



rich explanations and descriptions, thus allowing to draw and verify conclusions. (Saunders et al. 2016, 651.)

Thematic analysis was chosen as the analysis technique due to its flexibility and adaptability. It also offers the methodological basis and approach to theory development used in the research. Saunders et al. point out that thematic analysis can be used irrespective of whether an inductive, deductive or abductive approach to theory development is used. Furthermore, thematic analysis can be considered a standalone analysis technique, as it is not tied to a particular research philosophy or part of a methodological approach. (Saunders et al. 2016, 652.)

Saunders et al. (2016, 652-653) suggest the following procedures to undertake thematic analysis: familiarisation with data, coding data and searching for themes and recognising relationships. These elements were applied to this research to ensure a consistent approach to data analysis and are outlined below:

- Familiarisation with data – all interviews were transcribed, and short summaries were made to develop familiarity with the data. This helped identify recurring themes and areas of focus.
- Coding of data – data gathered from the interviews was fragmented to make it more manageable to assign codes to data with similar meanings and consequently group similar units of data from different interviews.
- Searching for themes and recognising relationships – after all data was coded, codes relating to one another were assigned to broader themes. This allowed to condense and organise the coded data into more logical categories (themes). The themes were formed from key concepts identified in the codes that were related to one another and relevant to the research questions.

#### **4.7 Reliability and validity**

In order to find out if the research findings are credible, the reliability and validity of the study must be assessed. Research is considered reliable if a researcher can replicate the research design and reach the same findings. Therefore, reliability is also concerned with repeatability and credibility. Validity, on the other hand, considers whether the data collection method chosen for the study is appropriate for the intended purpose. (Saunders et al. 2016, 213-214.)

Due to the choice of method for this research (semi-structured interviews), it is evident that data quality issues can exist. Saunders et al. (2016, 447) note that data quality issues in semi-structured interviews are influenced by validity and reliability, generalisability and transferability, and forms of bias.

To overcome the issue related to reliability in relation to the data collected from the semi-structured interviews, Saunders et al. (2016, 449) note that the findings are not necessarily meant to be repeatable as they reflect the reality at the time they were collected. As the interviews focused on topics concerning motivation, commitment, and job satisfaction (among other things), it is evident that these are factors which can change over time and are shaped by a number of things, such as experiences, individual motivators, career goals etc. It can therefore be argued that the findings produced are reliable although they may not be replicated by another researcher.

Although this research only examines the nature of a single case (i.e. the case company) and thus has implications for generalisability and transferability, the data collected from the interview participants was representative of the scope of the study. Seeing that there are only 60 employees working at the headquarters, and that the research only concerns a sub-set of these 60 employees (millennial age group), it can be argued that a qualitative case study is likely to produce valuable findings. Also, the intention is not to make a statistical generalisation, as the findings are only relevant to the case company and a sub-set of employees. Furthermore, the findings of this research are discussed in the light of pre-existing theory and therefore have theoretical significance.

To ensure validity and credibility, clarifying questions and probes were used to ensure that interviewees understood the questions and that a sufficient amount of data was collected. The interviews were also recorded with the consent of the interviewees and the researcher made notes during or shortly after each interview in order to produce an accurate account of what was discussed.

Lastly, as the researcher is part of what is being researched, it is necessary to recognise that human error and bias are possible. Similarly, interviewee bias may also affect the data collected. To overcome data quality issues concerning interviewer bias, the researcher aimed to remain as objective as possible, but it is evident that some degree of bias is unavoidable as the data collected is 'filtered' by the researcher. To minimise interviewee bias, the interviewees were supplied with information about the study before the interview so that they could familiarise themselves with the interview topics. Furthermore, the actual interviews were held at times appropriate to the interviewees and in a location that made sharing of information that may be regarded as private or sensitive easier. The researcher was also prepared for the interviews and knowledgeable of the interview topics, which according to Saunders et al. (2016, 447) can positively influence interviewees' perceptions about the interviewer and thus decrease interviewee bias.

## 5 Implementation and outcomes

This chapter presents the results of the empirical study. As described in the methodology (Section 4.6.1), the sample comprised employees and employees representing the employer (i.e. HR) in order to elicit how the employees' views differ from the employer's perspective on the topics selected relevant to the study (i.e. the interview questions), and to further identify specific themes arising from the interviewees' responses, as shown in Table 4. Consequently, this required having two sets of interview questions (Appendix 1, Appendix 2). The topics covered in the interviews were the following: company values and brand messages, motivation, commitment and job satisfaction, employee potential and competencies, and employee retention. Furthermore, the employees representing the employer were also asked about the management of talent, the threats to talent retention as well as the development of HR strategies in response to market changes. The employee and employer interview questions (with respect to the research questions) are presented below in Table 4.

Table 4. Employee and employer interview questions

Employer & employee interview questions		
Employee interview questions	Q1) Gigantti's vision and values are strongly customer-focused. Can you describe how Gigantti applies these values and brand messages to you specifically as an employee?	RQ 2
	Q2) Apart from monetary rewards, what other aspects of your employment do you feel are important to your sense of commitment, motivation and job satisfaction?	RQ 3
	Q3) All employees have potential and competencies. How do you think your potential and competencies are fully employed?	RQ 4
	Q4) What actions do you see Gigantti taking to keeping its employees?	
Employer / HR interview questions	Q1) Gigantti's vision and values are strongly customer-focused. Can you describe how Gigantti applies these values and brand messages to its employees?	RQ 1
	Q2) Apart from monetary rewards, what other aspects of employment do you feel are important to promoting employees' commitment, motivation and job satisfaction?	RQ 2
	Q3) How does Gigantti identify employees' competencies and skills and nurture them with a view to retention and future planning?	RQ 3
	Q4) How does Gigantti manage talent from the point of view of generational differences?	RQ 4
	Q5) How has Gigantti developed/aligned its HR strategies in response to the dynamic changes in the market ?	
	Q6) What actions does Gigantti take with a view to understanding why employees stay or leave and what do you consider the greatest threats to retaining talent?	
RQ1) As a talent management process, why is talent retention important to the organisation and specifically the case company?		
RQ 2) What factors promote talent retention and how can talent retention strategies be developed?		
RQ 3) What is the current talent retention strategy and how (if at all) is it implemented?		
RQ 4) How do employees' views of retention factors differ from the employer's views?		

The following sections present the results from the employee and employer interviews, and groups the responses from the analysis to identify the different themes, which are also summarised in Table 5 in Section 5.3 (Research findings).

## **5.1 Employee interviews**

The following sections show the results from the employee interviews. Five employees representing different departments were interviewed. The interviews were held face-to-face and each lasted for approximately one hour and they were recorded.

### **5.1.1 Company values and brand messages**

The aim of this question was to gain an understanding of how employees see their employer applying the values and promoting the brand messages of the company specifically to them as employees. The interviewees were presented with the values and brand messages and asked to describe how they think the employer applies them. In addition, interviewees were asked to share any specific examples they may have from their experience working with the company.

The responses revealed that none of the interviewees were able to specifically describe how Gigantti applies its values and brand messages to them as employees:

*“I can’t really mention anything specific, it’s just present in everyday work”*

(Interviewee 1)

*“I find it difficult to mention anything concrete”* (Interviewee 2)

Furthermore, none of the interviewees were able to describe any concrete actions they think the employer takes with a view to promote the company values or brand messages internally:

*“At the moment I feel that these are just words”* (Interviewee 5)

*“In the onboarding process these are talked about, but I am unsure how these are brought up after. This is a difficult question. Maybe in our meetings but I think this is more about creating a good feeling rather than promoting our company values”*

(Interviewee 2)

However, all interviewees were able to relate to the values and brand messages, and thought that they guide and characterise the ways of working in the company. It was also pointed out that the values can be related to in a more practical sense (guide the way

work is done) than the brand messages. As mentioned by one of the interviewees, the brand messages are broader and function as a means to 'synchronise' and align the business operations across the other Nordic chains. Interestingly, another interviewee further pointed out that the values and brand messages should be developed and talked about on an ongoing basis:

*"I can see them in the daily work that everybody does. It's not just something very distant or high-level corporate jargon. I see signals of these values transferred into the daily business"* (Interviewee 3)

*"I consider these important and can see how they are visible in how our team does its work"* (Interviewee 1)

*"I consider the values as my own but in my own bubble"* (Interviewee 5)

*"The feeling of team building and doing things together is quite high on agenda. I think this is especially visible in our team meetings"* (Interviewee 2)

*"On an organisational level, these should be talked about and discussed on a continuous basis. Nothing has been done for quite some time. They need to be kept alive."* (Interviewee 5)

Most interviewees found it easy to relate to the company values and brand messages but found it difficult to mention any concrete examples or experiences of how the employer promotes these directly to the employees, or how the employer applies the company values and brand messages specifically to the employees. However, there was a general agreement that these are communicated effectively to the external (customer) audience. A common theme mentioned by all interviewees was of *working together as a team, strong team spirit and a feeling of belonging*. This suggests that the social atmosphere and interpersonal relationships are important in the work community and the brand messages support this to some extent. It is evident that commitment and responsibility are well-grounded values among employees.

### **5.1.2 Motivation, commitment, and job satisfaction**

The second question of the interview aimed to gain an understanding of what aspects of employment are considered important to the sense of commitment, motivation, and job satisfaction.

Numerous aspects of employment were mentioned by all interviewees and the main themes that emerged were related to *job content* (variety of tasks, interesting tasks,

meaningful work, freedom to make choices, flexibility), *social atmosphere* (treating people as individuals, committed and motivated colleagues, team spirit, trust, recognition, easily approachable management, feedback), *growth and career* (learning and developing, gaining more responsibilities, career progression, new challenges, a developing work environment) and *employment conditions* (monetary rewards, job stability, company values).

*“I have been able to continuously learn new things. This has been very important to me. We also have a very good team spirit and it feels good to come to work”*  
(Interviewee 4)

*“Definitely recognition and a thank you from my manager or colleague. Feedback is also important...job stability”* (Interviewee 2)

*“Salary is important and has to reflect the level of responsibility but it is very important to me how people are treated and the values the company has...It is very important to me that the employer cares about its employees and shows this in different ways”* (Interviewee 5)

*“Autonomy is important. By this I mean that I am trusted and that I can work in peace”* (Interviewee 5)

*“I feel it is very, very important that I can learn new things and develop. I feel committed because I have been offered opportunities to develop”* (Interviewee 1)

*“The most important aspect for myself is that by doing my job well I have been at some point offered new possibilities...the freedom of being able to define how you work and how you complete your tasks is important. I hate micro-management”*  
(Interviewee 3)

*“Working with a team of very motivated and positive people is definitely the number one motivational factor”* (Interviewee 3)

Clearly, intrinsic motivating factors contribute to employees' sense of commitment, motivation, and job satisfaction. Extrinsic factors such as salary, job stability, and quality of management appear to be less important from the motivational point of view, but were clearly identified positively by the interviewees, i.e. style of management. In conclusion, motivation, job satisfaction and commitment are strongly connected to the work atmosphere, development opportunities, as well as to feelings of one's job being significant and important.

### 5.1.3 Potential and competencies

This question asked interviewees to describe how their potential and competencies are fully employed or why they may think they are not being fully employed.

The analysis showed that there is a general agreement that employees do not feel that their potential or competencies are restricted. However, half of the interviewees thought that they could contribute more if they were made aware of and included in, e.g. ongoing projects and in the decision-making process of different business developments relevant to their work tasks. Some interviewees also thought that their position in the organisation restricts their ability to contribute.

*“I believe that there are things I could add value to from my education and past experiences but I feel this is difficult because my work tasks are so intensive and time-consuming” (Interviewee 1)*

*“In a way it would be nice if projects would be discussed more openly so that employees could contribute. I believe that a lot of employees would be able to contribute if they were aware of on-going projects and other developments...other people should also be given the opportunity to take part and not only those that have worked for a long time or are in a certain position. This also affects commitment and satisfaction.” (Interviewee 1)*

*“At times it could be wise to gather a project team from outside the normal hierarchy” (Interviewee 3)*

This notion of unused potential is supported by the majority of interviewees who claimed that it is up to the individual to make the employer aware of skills and competencies that are not used.

*“If they have something that is not fully used or potential that is not used enough in their current position I would say it’s wise and recommended to come up with a suggestion or some signal that what could be improved or how could this be changed” (Interviewee 3)*

*“I don’t feel that my skills or competencies are restricted. I would say it is more up to the individual to speak up and someone will notice it” (Interviewee 2)*

*“I see that mostly I can use my competencies quite widely because my responsibilities are so wide. My position requires a lot of responsibilities and competencies...one of the biggest areas for development for me personally is that*

*communications would be made part of the decision-making processes. I think this would improve the quality of our communications” (Interviewee 5)*

*“I don’t feel I get to use my full potential and expertise when I am not included in the decision-making or other organisational processes” (Interviewee 5)*

Based on the responses, the common theme that emerged was the importance of *personal initiative* and *inclusion in decision-making processes*. It can be argued that a work community characterised by the freedom and ability to develop and learn new things (that interviewees agreed on), requires a level of conscious self-initiative from the employee perspective. This notion was clearly reinforced by one of the interviewees:

*“The counter-effect from the free way of working is that when there is less micro-management you have to let go of knowing all the details of how employees are feeling. It requires feedback and communication. Freedom comes with the responsibility to speak up and take action”. (Interviewee 3)*

The responses revealed that there may be unused potential if the individual employee does not take the initiative and make it known to the management. Clearly, it would be beneficial to both the employee and employer to gather this information, e.g. in a competency database.

#### **5.1.4 Employee retention**

Lastly, interviewees were asked to talk about what actions they think the employer takes to keep (i.e. retain) employees.

The majority of interviewees mentioned that they think the employer wants to keep good employees, and they also pointed out that many employees have a long work history in the company. Concrete actions the employer takes with a view to retention that interviewees mentioned included giving competitive monetary rewards, favouring strong internal recruitment, organising non-work related events, giving employees the freedom to decide how they work, having one-to-one discussions, and providing career progression and development opportunities.

*“I would say development opportunities and variety in work tasks. Also, the organisational culture that the employees create.” (Interviewee 4)*

*“I would say opportunities to develop and recruiting a lot from inside the company keeps employees here. I also think the events Gigantti arranges outside of work*



*are important to employees. It shouldn't only be about coming here from 9-17 and otherwise not being involved at all with the employer" (Interviewee 2)*

*"I think the salary is competitive and that keeps people here. I also think that a lot is done to get people onto the team when they are hired." (Interviewee 4)*

*"I would say the freedom and responsibilities for own actions and decisions. We can also define how we work" (Interviewee 3)*

Other reasons considered by interviewees as contributing to employee retention included nurturing a strong sense of team spirit, managing changes in business operations brought about by the dynamic industry within which the company operates, promoting organisational culture and variety in work tasks. The analysis revealed the main themes that could be identified as *company policies*, *career development* and *employee well-being*.

## **5.2 Employer interviews**

The results from the employer (HR) interviews are presented in the following sub-sections. Two HR managers and the People Development Manager were interviewed. The interviews were held face-to-face and each lasted for approximately one hour and they were recorded.

### **5.2.1 Company values and brand messages**

This question aimed to identify how the employer sees the company values and brand messages being applied internally to its employees.

In terms of applying the company values and brand messages, the analysis showed that all interviewees agreed and thought that they are not actively promoted, discussed or communicated enough internally. It was also pointed out that the values are brought up more frequently among store staff during trainings etc., but less so with the staff working at the headquarters.

*"I personally think that they are not visible enough in our operations... These are things which should be brought up in recruiting but also during onboarding and all trainings." (Interviewee 6)*

*"At the moment, we don't promote the values or brand messages at all... We have these three posters here" (Interviewee 8)*

*“We don’t really communicate these much at the office... We talk about these too little” (Interviewee 7)*

Furthermore, two out of three interviewees said that when the values are discussed, ‘effective’ is the driving value while the other softer values (committed, responsible) appear less important. These interviewees thought that the other values are under-represented.

*“As an organisation, we don’t really talk about these things apart from ‘effectiveness” (Interviewee 6)*

*“All our communications lean mostly on ‘effectiveness’ and this in my opinion is wrong” (Interviewee 8)*

The main themes that emerged from the analysis were related to the need to *improve internal communication of values*, and *interpretation and understanding of values*. In other words, the interviewees agreed that there is a need to improve the internal communication of the company values and brand messages particularly among the staff working at the headquarters. In addition, interviewees pointed out that the values and brand messages should be brought up more frequently to gain an understanding of how they are interpreted across different teams and departments. Interviewees further noted that using single words to describe values and brand messages can be vague and thus they need to be talked about.

Lastly, there was concern among interviewees related to the strong communication of ‘effectiveness’ overriding the softer values. Interestingly, one interviewee pointed out that the ‘balance’ between the communication of values needs re-evaluation.

*“I think our driving value should be ‘committed’ as this brings along effectiveness, responsibility and satisfaction. If we have committed employees, it means they enjoy their work, they are satisfied and they are more effective. A committed employee is also effective, a committed employee is also responsible” (Interviewee 8)*

### **5.2.2 Motivation, commitment, and job satisfaction**

This question aimed to gain an understanding of what aspects of employment are considered important by the employer to promote employees’ sense of commitment, motivation, and job satisfaction.

Similarly, to the employee interview responses, numerous aspects of employment were mentioned by the interviewees as contributors to employee commitment, motivation, and job satisfaction. The main themes that emerged from the analysis were *personal development, work atmosphere and community, impact of own work, leadership and management and monetary rewards and other benefits.*

*“If the employer focuses on developing its employees, the employees will be more satisfied and are more likely to remain in their jobs. I also think that training is key. One of the most important things is also talented managers who are able to listen to their subordinates”* (Interviewee 8)

*“Every worker here at the office should be able to see how important their contribution is to the business. This increases commitment. The work community is also crucial to job satisfaction and commitment”* (Interviewee 6)

*“I think that continuous personal development and being part of different processes is important... It is important for the employee to see where we are going. Of course, good management and leadership and the work community are very important.”* (Interviewee 6)

*“I would say the work community and atmosphere is important. Also, the low hierarchy we have means that employees can find it easier to express their opinions and be heard. Being able to affect decisions. I also see that the events we organise are considered important to employees.”* (Interviewee 7)

*“I think work-life balance is important. I think being able to work from home contributes to employee well-being and commitment. Employees have more time to themselves to do other things”* (Interviewee 7)

Although monetary rewards and other benefits were mentioned, all interviewees agreed that these are only effective in the short-term with a view to motivation, commitment and satisfaction. One of the interviewees even pointed out that relying on monetary rewards and other benefits as a means to improve job satisfaction can be risky. Good leadership, work community and meaningful work were regarded as more important than monetary rewards and other benefits.

*“We only talk about money and this is very risky. I don’t think it is very motivating.”*  
(Interviewee 6)

*“You give money, and this improves satisfaction until it becomes the norm. Then you have to pay more again. Rewarding is a lot more than giving out money”*  
(Interviewee 8)

*“I don’t think that anyone works for benefits. The person enjoys the job if there are good colleagues and managers. A meaningful job is more important.”* (Interviewee 7)

### **5.2.3 Potential and competencies**

Interviewees were asked how the employer identifies employees’ competencies and skills and nurtures them with a view to retention and future planning.

All interviewees agreed that there are no tools or processes in place to identify, monitor or plan the skills and competencies of employees working at the headquarters. It was pointed out that a lot of focus is put on developing the store staff, but little is done to address this issue at the headquarters.

*“We don’t really have anything in place for this. There might be something within the teams.”* (Interviewee 8)

*“I think we don’t have a process in place for this, but we should. We don’t really have a way of documenting this either.”* (Interviewee 6)

*“We are not very good at this at the office. We are so focused on the store staff that we have forgotten about our employees here.”* (Interviewee 7)

Interviewees unanimously agreed that there is a need to address this issue and mentioned that one-to-one discussions between the managers and employees are key as a first step. However, it was pointed out that there are no tools in place to see how the managers talk to their subordinates in these discussions and no way of documenting it. In relation to this, two of the interviewees highlighted the importance of the quality of managerial work and support from the managers in order to identify the individual skills and hidden talent of employees. It was further pointed out that everyone should have an equal opportunity to develop their skills and competencies, but currently the processes and decisions that are made are dictated by a strong focus on sales and getting the everyday work done.

With a view to nurturing skills and competencies, one interviewee noted that there is a need to document the required skills and knowledge of each position as this would provide the necessary insight into what should be developed on the individual level.

*“If we have not identified the skills and competencies of our employees, how can we develop them? It is impossible to develop them if we don’t know what to develop. It is necessary to identify what types of skills are needed for each position... everyone should have an equal opportunity to develop” (Interviewee 8)*

*“All our employees should have an equal quality one-two-one discussion and all managers need to talk about the employees’ development plans and areas of development and bring them forward but we don’t know how our managers do this and we don’t have proper coaching for this... I feel that our leadership is not at the level which would allow this” (Interviewee 6)*

Based on the analysis, there is a need to identify employee’s skills and competencies but there are no tools in place to do this. Interviewees mentioned the need for coaching of managers and managerial support to ensure that employee’s skills and plans for development are noted and brought forward. A system for identifying the necessary skills and competencies required for each position was also mentioned as a necessary step to identification of the individual skills and competencies that require development. In this respect, the analysis revealed the following themes: *importance and quality of managerial work, desire to identify and develop employees and lack of tools and resources.*

#### **5.2.4 Managing talent from a generational point of view**

Interviewees were asked how the employer manages talent from the point of view of generational differences.

Interestingly, two interviewees (belonging to the older generation) said they do not think recognising age groups is relevant in this case. However, they did note that it is important to understand that individuals are different and motivated by different things. In contrast, the interviewee belonging to the millennial age group was more aware about different generations in the workplace and pointed out that career planning and an understanding of skills and insight into the future career aspirations would be important to consider with the younger employees, while older employees’ knowledge and know-how should be maintained and updated.

*“I don’t think it has anything to do with what generation the employee belongs to. It is taken for granted that everyone is motivated by monetary rewards.” (Interviewee 8)*

*“I think it is more of a hidden thing. I don’t really see this as a generational thing... but it is important to understand that people are motivated by different things. I don’t think these things are tied to age groups here.” (Interviewee 7)*

*“I don’t think generational differences are recognised in any way here... For younger and developing employees I think it would be great to plan their careers and find out what position they would like to be in in the future. This way we could find out what skills we need to develop. Older employees we have to maintain and update their knowledge.” (Interviewee 8)*

Based on the analysis, generational differences are not considered when managing talent. Although the interviewees acknowledged that the work community comprises different age groups and that individuals are motivated by different things depending on their situation in life, experiences and aspirations, they stated that age groups are not considered so relevant when managing talent. Only one of the interviewees thought it necessary to consider the management of talent from generational differences, while the others found it necessary to discuss other things apart from monetary rewards, such as individual motivators and more opportunities for horizontal movement within the organisation.

The analysis revealed the following themes: *career planning, maintaining knowledge and importance of understanding individual motivators.*

### **5.2.5 Alignment and development of HR strategies**

Interviewees were asked to describe and talk about how the HR strategies have been aligned and developed in response to the dynamic changes in the market.

It was mentioned that recently the focus has been on developing HR systems related to workforce planning, employee development and better alignment of HR with the operations and sales departments in order to strengthen communications. In addition, the ongoing project related to employer branding was mentioned, which aims to improve communications with existing and potential employees, identify the employee value proposition and build an employer branding platform.

*“Employee development at work has been on the agenda... We have also focused more on aligning the HR strategy with our operations department to strengthen our communications. Rapid changes in the market also requires us to work more closely with the sales departments so that we can better support them.”*  
(Interviewee 8)

*“The last developments have been around the HR systems. Also, the employee survey that is being done now...” We want to know what types of employees our employees think we should recruit.” (Interviewee 7)*

Interviewees also had a lot to say about what should be developed and the current development areas for HR. These included clearer communication of the corporate culture and how to nurture it, identifying and defining what it means to work for Gigantti, establishing what equal quality managerial work is, and developing a strategy for recruitment.

*“Strategy for recruiting is needed... from where we recruit and how... and how can we affect employee turnover. We also need to establish what an ok level of turnover is, so we know when it becomes a threat. We also defined managerial work as a development area.” (Interviewee 6)*

*“There is a need to define what our culture is, what we offer our employees and how to maintain this.” (Interviewee 6)*

*“A target we set in our HR strategy is that everyone working at Gigantti should be able to develop themselves and develop processes.” (Interviewee 6)*

Based on the interviewee responses, it is evident that the main developments in HR strategies have been related to updating HR systems, improving and strengthening communications, bringing HR into closer co-operation with other departments to support them and employer branding. The on-going and planned development areas are concerned with employee development, recruitment strategy, managerial work and corporate culture. The main themes identified as a result of the analysis are *alignment of HR strategy, employer branding, employee development and recruitment strategy*.

### **5.2.6 Threats to talent retention**

Interviewees were asked what actions the employer takes with a view to understanding why employees stay or leave, as well as what they considered the greatest threats to retaining talent.

Interviewees mentioned that a lack of job satisfaction, shortage of new positions and the competitive labour market as the main threats to talent retention. In addition, the interviewees said that maintaining an inclusive and enjoyable work environment, a transparent and low hierarchy, and good management and leadership as key in retaining employees.

*“I think the greatest threat is lack of job satisfaction and with it, managers’ leadership skills. If leadership skills are good, then managers are able to affect job satisfaction and vice versa... the sense of belonging needs to be improved a lot so that people feel that they are part of this group.”* (Interviewee 8)

*“I feel that a threat is the labour shortage and competition on the labour market. I also think that we have very little open positions for growth at the moment.”* (Interviewee 6)

*“The greatest threat to retention I think is if we are unable to maintain an enjoyable work environment and other fun. I think if we become too ‘effective’ and number oriented it can be a threat. We should maintain an easy-going and low hierarchy work environment.”* (Interviewee 7)

In terms of understanding why employees stay or leave, interviewees all mentioned the annual employee survey which measures different elements of employment, as well as exit surveys and interviews which are carried out when an employee terminates his or her contract. Interviewees all expressed the need for a better understanding of why employees leave as well as a system for documenting this data but that currently there is no process in place for this because of such a low level of employee turnover. One interviewee also pointed out that rather than understanding the real reason for people leaving, the organisation leans too heavily on the assumption that employees leave because of the lack of development opportunities.

*“Our annual employee survey is one way we try to understand this. We also have exit surveys and interviews.”* (Interviewee 7)

*“We don’t really have planned actions for understanding why people stay or leave because we have such low turnover here.”* (Interviewee 6)

*“I don’t feel we try enough to get feedback from the employees that leave... I think it is also important for us to ask the right questions in the exit interviews and survey... I think we assume too much that people leave because they want to develop rather than identifying the real reason.”* (Interviewee 8)

As can be seen from the analysis above, the interviewees mentioned both macro and micro (i.e. intra organisational) factors as threats to retaining talent. To overcome these threats, the interviewees noted the importance of maintaining and promoting an inclusive and enjoyable work environment and ensuring good management and leadership skills as key to ensuring job satisfaction. With respect to understanding why employees stay or



leave, it can be said that the organisation relies on standard processes such as exit surveys and interviews to collect this data. However, a challenge the interviewees mentioned is the lack of a structured process to document and collect these findings. An interviewee pointed out that such a process is needed in order to identify the real reasons for turnover as well as examine the data over a longer period of time.

*“This data should be documented... If I would like look at data from the past two years, it is not documented in any way. This is data that we are missing. In this respect we have to improve our processes.” (Interviewee 7)*

As a result of the analysis, the main themes identified were *importance of job satisfaction, work atmosphere, management and leadership* and *HR process development*.

### **5.3 Research findings**

This section is an analysis of the data gathered from the empirical study. Results from the interviews (i.e. themes) are analysed in light of the theory presented in Chapter 3. The structure of the discussion is based on the four research questions posed in Chapter 2.

The themes that were identified from the analysis of the responses are shown in Table 5 below. Key related words and the research questions were used to categorise the responses into identified themes, as shown in the table. The themes are used to help interpret the findings and identify how they are relevant to implementing a talent retention strategy for the case company, as well as support the ongoing employer branding project.

Table 5. Employee and employer interview themes

Employee & Employer Interview Themes		
Interview topics	Employees	Employer
Values & brand messages	<ul style="list-style-type: none"> <li>• Strong team spirit</li> <li>• Importance of team work</li> <li>• Feeling of belonging</li> </ul>	<ul style="list-style-type: none"> <li>• Communication of values</li> <li>• Understanding &amp; interpretation of values</li> </ul>
Motivation, commitment & job satisfaction	<ul style="list-style-type: none"> <li>• Social atmosphere</li> <li>• Job content</li> <li>• Employment conditions</li> <li>• Growth and career</li> </ul>	<ul style="list-style-type: none"> <li>• Work atmosphere &amp; community</li> <li>• Personal development</li> <li>• Impact of own work</li> <li>• Leadership &amp; management</li> </ul>
Potential & competencies	<ul style="list-style-type: none"> <li>• Importance of personal initiative</li> <li>• Inclusion in decision-making processes</li> </ul>	<ul style="list-style-type: none"> <li>• Desire to identify &amp; develop employees</li> <li>• Quality of managerial work</li> <li>• Lack of tools and resources</li> </ul>
Employee retention	<ul style="list-style-type: none"> <li>• Company policies</li> <li>• Career development</li> <li>• Employee well-being</li> </ul>	<ul style="list-style-type: none"> <li>• Management and leadership</li> <li>• HR process development</li> <li>• Importance of job satisfaction</li> <li>• Work atmosphere</li> </ul>
Managing talent		<ul style="list-style-type: none"> <li>• Maintaining knowledge</li> <li>• Career planning</li> <li>• Understanding individual motivators</li> </ul>
HR strategy development		<ul style="list-style-type: none"> <li>• Alignment of HR strategies</li> <li>• Employer branding</li> <li>• Recruitment strategy</li> <li>• Employee development</li> </ul>

### 5.3.1 As a talent management process, why is talent retention important to the organisation and specifically to the case company?

As discussed in the theory, talent retention has gained importance and the attention of organisations due to a changing labour market, a talent shortage, and increased competition for employees due to the requirement of new skills brought about by technology, amongst other things. Furthermore, and as Vaiman (2008, 173) discussed, the real costs of losing an employee are associated with the ‘soft costs’, or loss of tacit knowledge. In other words, organisations who can retain their employees and foster long-term employment relationships stand to gain from significant cost-savings and productivity improvement. Therefore, with a view to long-term growth and competitive advantage, it is increasingly important for organisations to develop effective retention management processes.

For the case company Gigantti, the interview responses and thematic analysis indicate that talent retention is important. The employer interviewees clearly identified threats to talent retention and policies and practices to overcome them, such as a focus on employee development, a need to improve communication and understanding of company values, as well as improving and developing HR processes. Perhaps a stronger indicator

of the recognition of the importance of talent retention is the ongoing employer branding project, which aims to improve communications with existing and potential employees, identify the employee value proposition, and build an employer branding platform.

From the employee point of view, the interview responses and themes indicate that actions taken toward career development, employee wellbeing and company policies such as favouring strong internal recruitment and non-work-related events are strongly associated with factors contributing to retention. However, it is also evident that the company values and brand messages need to be reinforced on an individual level, as currently they seem to be strongly associated with teamwork and team spirit, which to some degree can be argued to belong to basic hygiene work requirements anyway. As elements contributing to the corporate culture, better internal communication and understanding of the values and brand messages can reinforce employee commitment, and ultimately retention. This notion is supported in the theory by Ott et al. (2018, 17), who maintain that employees develop an emotional attachment and a strong level of commitment when they feel that their values match that of the organisation. For Gigantti, this implies a need to nurture or develop a corporate culture which clearly communicates the values and brand messages on an employee level.

As discussed in the theory by Festing and Schäfer (2013, 266-267), talent management practices can be interpreted as actions to meet employees' expectations and fulfil their part of a psychological contract. Gigantti's ongoing employer branding project which includes identifying the employee value proposition can thus clearly be seen as a way to strengthen the psychological contract in order to attract and retain talent. This is further supported by Pandita and Ray (2018, 190), who argue that employer branding and the employee value proposition are important in order to create a brand image that resonates with the talent the organisation wants to attract and ultimately retain. In addition, and in line with Backhaus and Tikoo (2004, 502), the employee value proposition is formed from the corporate culture, qualities of current employees, management style, and other elements that bring value to employees. Consequently, Gigantti's desire to identify the employee value proposition is thus a clear indication that attracting the right talent and retaining employees is important.

### **5.3.2 What factors promote talent retention and how can talent retention strategies be developed?**

In the theory, Martin et al.'s (2006) model was discussed to illustrate how factors that promote talent retention can be seen as consisting of intrinsic (motivational characteristics) and extrinsic factors (job characteristics). In addition, Pandita and Ray's

(2018) 4E framework was introduced to show that talent retention is seen as a cyclical and constantly evolving process. Festing and Schäfer's (2014) framework was used to show how generational differences need to be accounted for to meet the psychological contract between the employee and employer. Lastly, Allen et al.'s (2010) model was presented to show how the organisation can develop more targeted and effective retention strategies. These theories were then combined (Figure 16) to form a conceptual framework from which the organisation can identify the determinants of talent retention and set out a retention strategy.

Within the context of the case company Gigantti, the employee interview responses and themes derived from them indicate that elements related to job content, social atmosphere, employment conditions, employee wellbeing, and personal development are important determinants of motivation, commitment, and job satisfaction and thus factors which promote employee retention. Clearly, in the case of Gigantti, intrinsic motivating factors contribute to employees' sense of commitment, motivation, and job satisfaction. Extrinsic factors such as salary, job stability and quality of management appear to be less important from the motivational point of view, but they were clearly identified positively.

The employer responses and themes similarly identified the importance of personal development and work atmosphere, but also highlighted that meaningful work, leadership and management, quality of managerial work, and job satisfaction as key to promoting talent retention. Although these were not mentioned by the employee interviewees, it can be argued that these factors are related and complement each other; talented managers are needed to foster the growth of subordinates, while good leadership is needed in the first place to implement strategies that employees regard as important. The importance of meaningful work (identified by the employer) is clearly related to the importance of job content (identified by the employees).

Based on both sets of interviews and in light of the theories presented, the case company Gigantti is in a good position to develop and address factors that promote talent retention. However, it is evident that the mix of factors related to company characteristics (extrinsic) and factors related to motivational characteristics (intrinsic) must be determined and aligned. Employees placed a high importance on learning and development, yet the organisation does not have tools or processes in place to identify or monitor employees' skills and competencies. Consequently, this has implications for nurturing skills and competencies for future planning and ultimately for developing employees. In line with Al-Emadi et al. (2015, 9-10), employees exchange desirable behaviour (such as loyalty and commitment) and outcomes if they see that management values and implements

strategies that reinforce this. This is strongly related to the concept of employee 'embeddedness' mentioned by Allen et al. (2010, 53). If employees are loyal and committed, they develop strong ties to the organisation which ultimately affects turnover intentions. With respect to the above, identifying potential and competencies, promoting internal mobility, and facilitating career management are factors that would further promote job satisfaction, commitment, and ultimately retention.

With a view to promoting retention, it is also necessary for Gigantti to document and gain more insight into why employees stay or leave. In line with Allen et al. (2010), this would provide an understanding of the reasons for and type of turnover and identify cause-effect relationships. This is important because the suitability and effectiveness of retention strategies depend on the organisation's ability to develop ones which are specific to that organisation and valued by the employees.

In relation to the above is also the concept of managing talent with respect to generational differences. As the employer interviews revealed, generational differences are not considered when managing talent. Based on the theory presented, a 'one size fits all' approach can have far-reaching implications and ultimately affect the organisation's ability to attract, develop and retain key talent. Seeing that the case company is engaged in identifying the employee value proposition through its ongoing employer branding project, it is surprising that the role of generational effects is not high on the agenda. According to the employer brand strategy, one of the main aims is described as:

Knowing what people look for and what makes our workplace and company unique (EVP), is the base for describing our employer brand and the creation of tools and targeted communication activities throughout the co-worker journey - helping us to retain and attract crucial talent. (Gigantti 2020)

It is therefore argued that a greater consideration of the generation-specific individual expectations, needs and values of the employment relationship are needed to achieve better alignment of the employee value proposition and 'employer value experience', resulting in improved job satisfaction, commitment, talent attraction, and retention.

### **5.3.3 What is the current talent retention strategy and how (if at all) is it implemented?**

In the theory, talent retention was defined as

"Initiatives taken by management to keep employees from leaving the organisation, such as rewarding employees for performing their jobs effectively, ensuring

harmonious working relations between employees and managers and maintaining a safe and healthy work environment” (Cascio 2003, 415).

Yamamoto's (2011, 3550) describes talent retention as the entire human resource management policies for retaining the current or expected high-performing employees within organisations for long periods of time, enabling them to exercise or develop their capabilities. According to these definitions, talent retention encompasses all the approaches used by an organisation to prevent employees or those identified as 'talent' from leaving the organisation. It was also pointed out that that today's workforce comprises different generations that exhibit different characteristics and employment relationship expectations, and therefore approaches to retention strategies need to address issues related to generational differences.

Based on the employer interview responses, the case company Gigantti is currently lacking a structured talent retention strategy. This can in part be explained by the low level of employee turnover at the headquarters and by the fact that the main area of focus is on improving retention of store employees, where a high level of employee turnover has a direct impact on store performance. This notion was shared by the employer interviewees, who also pointed out that there are only 60 employees at the headquarters, and 1200 in the stores and other functions of the company. Ultimately, this seems to dictate where talent retention strategies and efforts are directed. Furthermore, it can be argued that a lack of a retention strategy (for office employees) can also be explained by the long-term employment relationships.

Although it appears that one coherent talent retention strategy is lacking, from a theoretical point of view, in the light of the findings from both sets of interviews, Gigantti's approach to talent retention corresponds with Pandita and Ray's (2018) 4E framework.

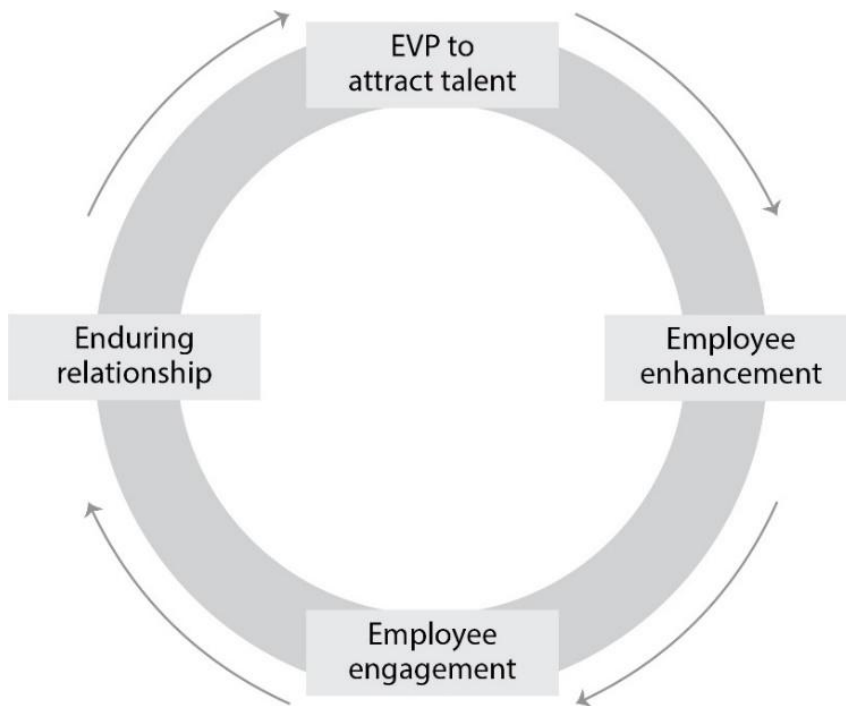


Figure 19. Gigantti's approach to talent retention (based on Pandita & Ray 2018, 195)

As was discussed in Section 3.5.2, Pandita and Ray (2018, 188) maintain that attracting the right talent in the first place is the first step to successful retention. The large number of long-term employment relationships in the case company can at least partly be attributed to the company's ability to attract the right type of employees (EVP to attract talent). The employee interview responses and themes indicate that the employer has taken action to develop them and offered other inducements that are considered important (employee enhancement). As a result of attracting the right types of candidates and enhancing them, Gigantti has built a pool of committed and engaged employees (employee engagement) and ultimately strengthened the psychological contract resulting in long-term employment contracts (enduring relationship).

A key aspect of the 4E framework is that it is cyclical and evolving. Gigantti's ongoing employer branding project which aims to identify and strengthen the employee value proposition to attract and retain talent is an indication that the employer recognises this. Furthermore, the employer's desire to identify and communicate what makes it a unique, attractive, and credible employer resonates with Beechler and Woodward's (2009) talent response dimensions. Beechler and Woodward (2009, 283) maintain that 'dynamic and pervasive changes' will continue to affect the organisation as well as the talent market. This means organisations must seek innovative ways to leverage talent. It can therefore be argued that Gigantti is moving away from a 'tactical state' (i.e. talent war, scarcity

responses) toward an increasingly 'evolving state' (i.e. talent solutions, creative responses).

#### **5.3.4 How do the employees' views of retention factors differ from the employer's views?**

In the literature review, motivation theory (Martin et al. 2006), based on Herzberg's (1966) dual-factor motivational theory and Maslow's (1943) hierarchy of needs theory, illustrates the need to combine and match job characteristics with motivation. Martin et al. (2006, 383-384) see that by determining a mix of company characteristics (extrinsic) and factors related to motivational characteristics (intrinsic), the organisation can impact commitment and job satisfaction and consequently, promote successful recruitment and retention. The mix of extrinsic and intrinsic factors together form the employee value proposition (EVP) which is used externally to attract talent, as well as internally to enhance and support the brand promise and values established by the organisation. In Figure 17, these theories were combined to illustrate a transactional exchange, i.e. employee value proposition (EVP) equals 'employer value experience' ('EVE').

Based on the interview responses and themes, the employees in the case company place a high value on personal development, job content, atmosphere at work, and employment conditions. These findings are much in line with De Vos and Meganck (2007) whose study showed that employees place a high importance on the social atmosphere, career development, and job content. In keeping with Martin et al. (2006), employee interviewees predominantly identified and mentioned intrinsic motivating factors. Although extrinsic factors such as salary, job stability and quality of management were mentioned positively, these appear to be less important contributors.

In this respect, for the employees, motivation, job satisfaction, and commitment are strongly connected to the work atmosphere as well as development opportunities etc. These findings are also supported by the UN Measuring Quality of Employment survey (Section 3.5.7), where the Finnish results showed that job satisfaction was strongly connected to feelings of one's job being significant and important, to development opportunities at work as well as to a feeling of being a valued member of the work community.

The employer's view on retention factors similarly identifies personal development and atmosphere at work as important, but also strongly highlights factors related to the importance of leadership and managerial work and their role in facilitating and fostering the above. This can be expected from the employer interviewees because leadership is



part of their job function. However, also as employees of the company, the same elements of job satisfaction are also important to the employer interviewee group.

## 6 Conclusions and suggestions for further research

As a talent management process, talent retention is a complex process intertwined with other talent management processes. This complexity becomes apparent through both sets of interview responses and themes. As employees develop and reach different stages in their careers, their work expectations change, which indicates that talent retention evolves and is cyclical. Therefore, retention strategies need to be developed and maintained on a continuous basis. This notion is supported by the need to consider generational cohorts in the workplace, or at the very least a necessity to treat employees as individuals. Furthermore, the need to evolve and adapt is echoed in the dynamic changes facing organisations as well as the talent market. For organisations, this means seeking innovative ways to leverage talent which in turn has implications for both attracting and retaining employees.

Although the case company does not currently face retention-related problems with the sample in question, it is necessary for Gigantti to gain a more accurate understanding of the employee motivations for staying in the organisation (i.e. EVP). On the one hand, this would allow for more informed interpretation and decision-making particularly in the areas of development recognised by the organisation (alignment of HR strategies, employer branding, employee development). On the other hand, it would also strengthen and create an employer brand that resonates with the talent the organisation wants to attract and ultimately retain.

The themes identified in the interviews are validated by the theoretical framework presented. The findings of this thesis can be further applied with the results of Gigantti's employer branding survey to align the themes with the overall aims of the employer branding project, and specifically the employee value proposition that the survey aims to develop. The findings, together with the theoretical framework of this thesis, can be used to ground a strategy for implementation and contribute to the ultimate aim of Gigantti's employer branding project, i.e. "build an employer branding platform to be used in day-to-day communication, utilising potentials and needs in recruitment and the co-worker journey". Whilst the employee branding survey looks at the employee value proposition, this research examined how employees experience the employee value proposition, i.e. employee value experience (EVE) as coined by the author. Therefore, the findings of this thesis can also be used to align Gigantti's employee value proposition.

As the employer branding project is ongoing, a suggestion for further research would be to examine the effectiveness of the employer branding platform as a tool to achieve the

stated purpose of the project: “The purpose is to find a position that makes us unique, attractive, and credible as an employer” (Gigantti 2020b).

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## **Appendices**

### **Appendix 1. Employee interview questions**

Gigantti's vision and values are strongly customer-focused (committed, responsible, efficient -> we care, we act, we deliver). Gigantti also promotes its brand messages in respect of its own employees: we are one team, we are on, we are real people etc.

*Can you describe how Gigantti applies these brand messages and values to you specifically as an employee?*

*We are one team, we are on, we are real people etc. Can you talk about it? What thoughts come to your mind when you hear this?*

*Apart from monetary rewards, what other aspects of your employment do you feel are important to your sense of commitment and job satisfaction?*

*All employees have potential and competencies. How do you think your potential and competencies are fully employed?*

*What actions do you see Gigantti taking to keeping its employees?*

*What are the most important motivational factors for you in your work?*

## **Appendix 2. Employer interview questions**

Gigantti's vision and values are strongly customer-focused (committed, responsible, efficient -> we care, we act, we deliver). Gigantti also promotes its brand messages in respect of its own employees: we are one team, we are on, we are real people etc.

*Can you describe how Gigantti applies these brand messages and values to its employees?*

*Apart from monetary rewards, what other aspects of employment do you feel are important to promoting employees' commitment and job satisfaction?*

*How does Gigantti identify employees' competencies and skills and nurture them with a view to retention and future planning?*

*How does Gigantti manage talent from the point of view of generational differences?*

*What do you see are the greatest threats to retaining talent?*

*How has Gigantti developed/aligned its HR strategies in response to the dynamic changes in the market / "We are on"?*

*What actions does Gigantti take with a view to understanding why employees stay or leave?*

*How do you think the new employer branding strategy will affect talent retention?*