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Importance of Talent Management and Employer Branding in Medium-sized IT Enterprises

Metropolia University of Applied Sciences

Bachelor's degree

European Business Administration

Bachelor's thesis

28.04.2022

Abstract

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Title:	The Importance of Talent Management and Employer Branding in Medium-sized IT Enterprises
Number of Pages:	39 pages + 4 appendices
Date:	28 April 2022
Degree:	Bachelor of Business Administration
Degree Programme:	European Business Administration
Specialisation option:	Human Resource Management
Instructor(s):	Daryl Chapman, Senior Lecturer

Talent acquisition is one of the most challenging actions organisations experience in today's global competitive labour market. Research shows that adapting talent management practices and investing in employer branding helps organisations to differentiate, attract and retain skilled talents. This thesis investigates the importance of talent management and employer branding practices in medium-sized enterprises operating in the IT industry. Both employer and employee perspectives are analysed as well as the benefits these practices could provide for organisations such as successful growth and sustainable competitive advantage.

Exploratory research is conducted, and a mixed-method approach is used to collect the data. Qualitative data will be collected with semi-structured interviews conducted with five HR professionals working in medium-sized IT enterprises. Quantitative data is collected with a survey aimed at job seekers from staffing and recruitment Company X's large database. The findings indicate that talent management and employer branding practices can increase an organisation's attractiveness and brand recognition as well as talents' engagement and satisfaction. Culture, values, development opportunities, and flexible working arrangements are highly valued by all. Based on this, we can conclude that aligning talent objectives with business objectives can help organisations attract and retain skilled talent for a longer period.

Keywords: Talent management, talent acquisition, employer branding medium-sized enterprises

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Glossary

CEO	Chief Executive Officer
EB	Employer Branding
HR	Human Resources
HRM	Human Resource Management
IT	Information Technology
LSE	Large Scale Enterprise
ROI	Return on Investment
SME	Small and Medium-sized Enterprise
TM	Talent Management

1 Introduction

Talent management {TM} gained interest in the 1990s when McKinsey consultants wrote a book called "The War for Talent" which concluded the organisation's importance in differentiating themselves to attract and retain skilled talent (Collings, Mellahi and Cascio, 2017). This era meant there was less demand and more supply which allowed employers to choose the most suitable talents on the labour market (Verman and Ahmad, 2016). Nevertheless, talent management has been influenced by various factors and has evolved massively during the past 30 years. "The War for Talent" era has turned into labour shortages which means more available jobs on the labour market than available skilled talents (Chhabra and Sharma, 2011). In today's digitised and data-centric world this corporate challenge can be seen globally around the world in various industries. Naturally, the labour shortages have increased the need for recruitment, investments in employer branding, and the implementation of new creative methods to attract and retain talent in today's competitive labour market.

Employer branding {EB} was first introduced by Ambler and Barrow (1996) when they investigated whether brand management techniques could be used as part of strategic human resource management {HRM}. Successfully implemented and strategically used employer branding can increase the organisation's attractiveness, and talents' satisfaction throughout the employment as well as differentiate the organisation from its competitors (Backhaus and Tikoo, 2004; Collings et al. 2017).

Although talent management and employer branding have been widely studied from different perspectives, research appears to be limited when it comes to TM and EB practices connected to medium-sized enterprises. In the EU, 99% of the businesses are small and medium-sized enterprises {SMEs}, more specifically 2 out of 3 jobs in Europe are in SMEs which means these organisation types are economically important in the European Union (Europa, n.d; European Union, 2020).

On top of the ongoing labour shortage, a global pandemic caused by Coronavirus (COVID-19) (World Health Organization, 2022) has drastically affected all organisations and talents. COVID-19 has increased uncertainty and labour market volatility as well as challenged organisations talent management practices. Nowadays organisations need to be more responsive and adaptive to changes. The power dynamics have changed, and organisations need to meet talents expectations. Therefore, many organisations have

implemented new TM practices and provided new ways of working with a focus on work-life balance and flexibility (Carnevale and Hatak, 2020). All in all, SMEs are known for their scarcity of human resources {HR} and lack of resources which is why talent management and employer branding are extremely relevant in these organisation types (Monteiro, Santos, Pinto dos Reis, Correia Sampaio, Martinho, Sousa, and Au-Yong-Oliveira, 2020).

In this thesis, the focus has been narrowed to TM and EB practices performed in medium-sized enterprises operating in the information technology {IT} industry due to the fierce competition, known skill gaps, and prior industry knowledge. More specifically, medium-sized enterprises must consist of 50 to 250 employees and have either a 50 million turnover or 43 million balance sheet total (Europe, n.d.). The aim of this thesis is to understand the importance of TM and EB practices including talent acquisition, talent retention, and organisations' aligned business strategies. The data is collected with a help of five HR professionals working in medium-sized enterprises established in Finland. Additionally, staffing and recruitment Company X's large database will be used as an advantage to understand and investigate job seekers' perspectives. The thesis focuses on exploring the additional value organisations could gain from leveraging and adapting their TM and EB practices with agile methods in today's volatile environment. Additionally, job seekers' preferences will be identified to truly understand the expectations and demands they hold towards a job and potential employer and whether these two perspectives align.

This thesis consists of seven chapters. In the literature review, talent management, employer branding and medium-sized enterprises have been introduced and discussed from various perspectives. Followed by a literature review, the theoretical framework presents the significance of the research question and drafts hypotheses. In the research methodology, the research design and sample size will be specified along with provided data analysis and critique of the chosen method. Followed by this, the results will be presented and analysed individually which leads to the presentation of the findings in the discussion chapter. Lastly, the research will conclude the study and identify some limitations.

2 Literature review

2.1 Talent Management

Talent management helps organisations to differentiate from the competition, encounter challenges of identification, and build efficient talent pools (Collings et al., 2017). Talent management has been influenced by various factors and environmental changes such as rapid growth of technology, new working arrangements (Lewis and Heckman, 2006), an embedded globalised world, diversity and inclusion practices, knowledge-based economies (Festing, Schäfer and Scullion, 2013), increased global competition on the labour market (Scullion and Collings, 2011) and an unforeseen external crisis called COVID-19 (Carnevale and Hatak, 2020).

Collings et al. (2017) have introduced one of the most popular definitions of talent management together with a strategic framework.

Talent management is the systematic identification of key positions which differentially contribute to the organisation's sustainable competitive advantage, the development of a talent pool of highly potential and highly 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 et al., 2017:3-22).

This definition of talent management includes the identification of critical roles, differentiation of talent pools, and HR practices. Collings et al. (2017) have highlighted the importance of key positions in an organisation's strategy, talent segmentation, and efficient selection of existing and potential talents to critical roles. In addition, to be able to attract and retain talent, organisations need to be able to differentiate their HR practices. For example, actively recruiting and finding talents among the talent pool instead of demand-led recruiting. A talent management framework was established in hopes of achieving sustainable competitive advantage while increasing job performance. The key findings indicate that talent segmentation, based on the strategic importance of their roles, has an indirect positive relationship to increased performance while differentiated HR practices allow organisations to nurture their talent's commitment and motivation towards them. Therefore, seeing employees as a key strategic resource, exploiting them, and customising the introduced framework supports an organisation's differentiation in the market and adds to their overall value (Collings and Mellahi, 2009).

Festing and Schäfer (2014) examined the relationship between talent management and the psychological contract. More specifically, how talent management could be modified to better meet the skilled talents' needs and expectations within different generations and therefore, minimise the turnover rate. They introduced a social exchange-based framework to better analyse the generational effects, differences among talented individuals, and generations-related variations. The key findings indicate that generational experiences influence work values and therefore, generations' expectations towards the workplace might differ. Younger generations place a higher emphasis on work-life balance, development opportunities, work mobility, and flexibility while older generations value job security and loyalty towards their employer. In addition, there can be cultural, gender, and industry-specific differences among talent pipelines. Therefore, different generations and even talents in the same segmented talent pool can have different work-related values. Organisations that can understand the psychological contract with their talents and differentiate their strategic TM practices to meet their diverse multigenerational workforce's individual needs are more likely to be able to retain their skilled talents for a longer period. Moreover, referring to all employees as 'talent' can lead to increased job performance, commitment, and satisfaction.

Stahl, Björkman, Farndale, Morris, Paauwe, Stiles, Trevor, and Wright (2012) researched leading global organisations' efforts in building and sustaining a talent pipeline in a constantly changing business environment where workforce preferences are changing. They examined qualitative and quantitative data from these global organisations and conducted semi-structured interviews and survey to understand how to attract and retain talent. Based on the results, Stahl et al. (2012) identified key practices and principles crucial for success which can be seen in Figure 1.

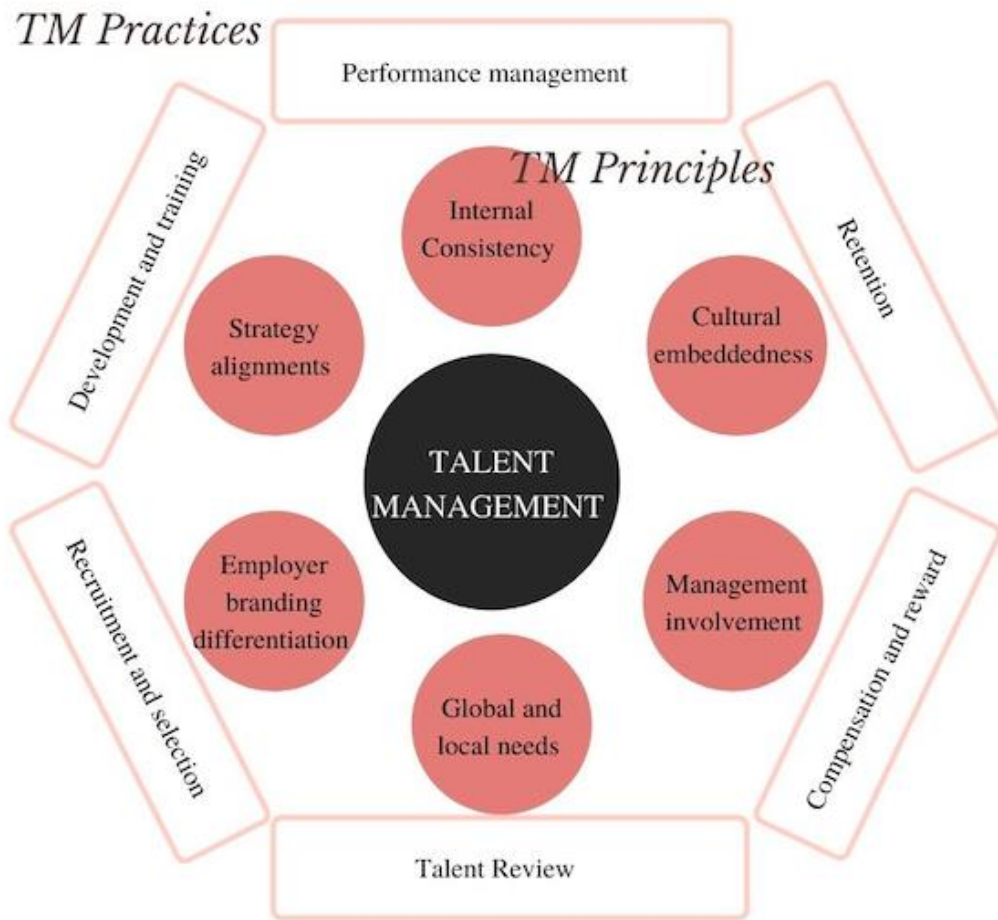


Figure 1: The key practices and principles of talent management

These consist of strategy alignments, consistency, cultural embeddedness, participation of management, ability to meet global and local needs, and employer branding differentiation, all of which are mutually important. However, in this thesis the focus will be more on the strategy alignments, internal consistency, and the importance of employer branding to gain a sustainable competitive advantage. When establishing a talent management function, a corporate and growth strategy is a natural starting point. Talent management could be integrated into business planning and organisations could specify human capital goals as part of business goals. Organisations must be able to adapt to changes in the business environment, further improve their talent approach, and consistently fit different talent practices together. If organisations invest in development and training, they should also focus on career progression and competitive compensation to retain their current talents. Therefore, to ensure best practices, an

organisation's talent management should be continuously monitored. Differentiated employer branding is a great way to market the organisation and attract skilled talents to their positions for example by promoting internal career opportunities and long-term careers, highlighting their corporate social responsibility activities, and representing their inspiring mission and values. All in all, talent management challenges have only increased during the years and therefore, organisations need to be able to differentiate and readapt their talent management practices in each context depending on the diverse talent pool's demands (Stahl et al. 2012).

Although talent management has gained wide recognition in the last decade, has been highly researched in global organisations, and is one of the key functions of HRM, the research appears to have limitations when it comes to talent management in medium-sized enterprises (Festing et al., 2013; Krishnan and Scullion, 2016). Festing et al. (2013) studied the impact talent management could have in European small and medium-sized enterprises by conducting a quantitative study and collecting data from 700 SMEs in Germany. In their research, they identified three focus areas: highly engaged TM, reactive TM, and retention-based TM. Highly engaged TM means that an organisation actively applies talent management practices to retain its talents. Reactive TM means that an organisation puts minimum effort into its practices with limited training opportunities for the existing talents. Retention-based TM is between the two above and uses reasonable activities to retain its talent pipeline. The key findings indicate clear differences in talent management practices between global organisations and even SMEs. Medium-sized enterprises tend to have a less strategic and more inclusive approach to TM and a short-term perspective to talent attraction and retention mostly due to a lack of resources, brand awareness, and a higher number of challenges. The inclusive approach means targeting most of the organisation's talents while larger organisations tend to focus on an exclusive talent approach by segmenting talents and heavily investing in the most skilled ones. However, to compete against larger organisations, medium-sized enterprises heavily invest in development and career opportunities, use HR partners to recruit new skilled talents, and collaborate with other SMEs to increase their value for example with additional resources, more innovation, and new markets. Additionally, SMEs tend to have less hierarchy which means higher inclusion in decision-making, CEO's and management's involvement in recruiting practices, and quicker adaption to external changes (Festing et al. 2013).

Krishnan and Scullion (2016) further discussed the challenges and opportunities talent management implementations could have on medium-sized enterprises. They also stated that talent management approaches in larger organisations are not transformable since jobs are still evolving in the low hierarchical SMEs. Therefore, these practices need to be adapted to the context that is best suited for medium-sized enterprises, and defining key strategic positions is not that important. If medium-sized enterprises can understand how talent management practices should evolve in different organisational life stages, they could have higher chances of attracting and retaining talent. Additionally, organisations' desire for growth supposedly affects whether new recruits are considered more according to person-to-job fit or person-to-organisation fit. If the organisation is rapidly growing, selecting a person-to-organisation fit is more beneficial whereas, in steadily growing organisations, a person-to-job fit is seen as being more valuable. Medium-sized organisations can gain a competitive advantage by adopting informal work practices to remain flexible and cost-effective in addition to applying innovative and creative practices to attract skilled talent. For example, by recruiting soon-to-be-retired skilled talent with years of experience or by investing in talents development to build internal career paths. However, before medium-sized enterprises start to invest in different TM practices, they should reach economies of scale. Additionally, new potential talents should be recruited with a careful evaluation and selected in a way that would increase the value of the organisation (Krishnan and Scullion, 2016).

2.2 Employer Branding

The employer branding concept was established to attract and retain the most skilled talents (Aldousari, Robertson, Yajid and Ahmed, 2017) since human capital is the most valuable resource of the organisation (Ambler and Barrow, 1996). In turn, the organisation's most valuable assets consist of brands which can help organisations to attract new talent while keeping existing talents satisfied and engaged with the company's culture (Backhaus and Tikoo, 2004). Retaining talent in the organisation is easier and more profitable than attracting new talent (Ambler and Barrow, 1996). Therefore, making employer branding extremely beneficial in today's global labour market where competition for attracting and retaining skilled talent is extremely competitive (Aldousari et al., 2017).

Employer branding was first introduced by Ambler and Barrow in the 1990s. They examined whether marketing and brand management techniques could be used as part

of strategic human resource management and whether these would add value to the organisation. This led them to introduce and define employer branding as “the package of functional, economic, and psychological benefits provided by employment and identified with the employing company” (Ambler and Barrow, 1996). In other words, employer branding could lead to mutual benefits between the employer and employee while strengthening their relationship. For employees, this could mean development opportunities, rewards, and feelings of being valued while for the employers, the benefits could include strengthened brand recognition, corporate reputation, employee loyalty, and job performance (Ambler and Barrow, 1996).

In “Conceptualising and researching employer branding”, Backhaus and Tikoo (2004) discussed the connections between employer brand and organisational career management through a conceptual framework. They examined how integrated marketing and human resources could help employer branding to strengthen the organisation's brand image, culture, and identity which would further increase the skilled talents attraction, loyalty, and productivity. For organisations to build a successful and unique employer branding, they need to focus on both internal and external branding efforts. Internal branding means developing an organisational culture and workforce where talents are engaged, satisfied, motivated, and committed to the organisation, its values, and goals. Moreover, it can help the organisation and employees in career management by providing individuals with opportunities for career progression inside the organisation. External branding is about attracting and targeting skilled talent while providing a good external image of the organisation and its products. (Backhaus and Tikoo, 2004). In other words, external branding refers to the organisation's ability to present themselves as desirable to potential talents while internal branding refers to the perception employees hold of their employers (Aldousari et al., 2017). All in all, internal and external branding should be consistent, align with the organisation and its talents and provide adequate information throughout the recruitment processes (Backhaus and Tikoo, 2004) since new recruits can easily recognise if the external brand image of the organisation differs from the actual working environment and work community (Aldousari et al., 2017).

It can be noticed that successful employer branding is a result of integrated marketing and HR practices. Both are part of the promotional activities of an organisation that can help to strengthen organisation's identity and can be seen as an asset in attracting skilled

talents (Ambler and Barrow, 1996). Backhaus and Tikoo (2004) further argued that organisations should not just rely on the power of an employer brand. Internal branding, also known as internal marketing, and corporate culture should also be paid attention to and be aligned with employer branding strategy. Ambler and Barrow (1996) identified corporate culture as “values that support the organisation's identity, strategy, and purpose” while Backhaus and Tikoo (2004) cultivated the importance of corporate culture when job applicants are assessing whether a recruiting organisation is a good job fit for them.

Although Backhaus and Tikoo (2004) and many other scientific articles have stated employer branding should be divided into internal and external branding, research occurs to have limitations considering the relationship between employer and corporate branding. Foster, Punjaisri and Cheng (2010) have examined the interrelations employer, internal and corporate branding can have through a conceptual model. Corporate branding consists of effective communication of the company's vision, values, and identity to potential talents. It is the company's promise which showcases the attractiveness and reputation of the organisation to the target audience. Strategically used, corporate branding can differentiate and enhance the overall brand image. Corporate branding is highly influenced by the behaviour of its employees. Therefore, organisations should focus on attracting and retaining talents with similar values to their culture and influence them emotionally. If employees are emotionally attached to the organisation and its values, the overall brand becomes stronger and can help the organisation to gain a sustainable competitive advantage. Internal branding focuses on influencing the internal talents and their brand-supporting behaviour which ultimately leads to organisation's values and company culture. To do this, organisations must support employee experience with training and career development to encourage long-term commitment to the organisation (Foster et al., 2010).

The key findings in Foster et al. (2010) research shows that integrated internal and employer branding could lead to a stronger and more successful corporate brand. Therefore, aligning internal branding and employer branding could lead to closer coordination between HR and marketing. A more aligned branding strategy together with a closer collaboration of HR and marketing could be the key factors in attracting talent, strengthening the corporate brand, and in retaining talents (Foster et al., 2010). Additionally, this could bring medium-sized enterprises cost savings if the CEO and HR

professionals understood how to use corporate brand and internal marketing as an advantage.

Attracting new potential talent has been one of the most well-known external focus areas of employer branding while internal branding objectives have been on job satisfaction, increased retention, strengthening of brand image, and increased productivity (Robertson and Khatibi, 2013). Despite this, research has limitations in studying the relations between employer branding and productivity. Robertson and Khatibi (2013) studied the influence employer branding techniques could have on the outcomes of organisational productivity through two hypotheses. The key findings in their research indicated that a successfully established employer branding strategy positively correlates with the organisation's productivity-related outcomes. More specifically, this connection seems to be stronger with internal branding and affirms that branding efforts can positively increase employee productivity and commitment. Other factors that positively correlate employer branding with organisational outcomes consist of involvement of leadership, effective communication, and profitability of the organisation (Aldousari et al., 2017). Organisations that can develop their employer branding strategy, internally and externally, will be able to attract the most skilled talent on the market, increase talent satisfaction and productivity and decrease talent turnover (Robertson and Khatibi, 2013).

The employer brand can affect the attractiveness of the organisation, its culture, and identity which can further advance the brand loyalty of existing and potential talents (Backhaus and Tikoo, 2004). Chhabra and Sharma (2011) examined how employer attractiveness should be promoted to best highlight the organisational attributes which appeal to soon-to-be graduates. The key attributes may vary from organisations. Yet, a study shows that some of the most important attributes consist of training and development, career advancement, unique opportunities, variety of work, and a supportive work community (Backhaus and Tikoo, 2004; Chhabra and Sharma, 2011).

Organisations have noticed the significance of human capital and the high competition for skilled talent on the market, thus forcing them to develop their employer branding strategies to appeal more desirable to potential talents (Aldousari et al., 2017). Partly due to the massively changed business environment and labour market. This era is driven by technology where boundaries do not have limitations and the scarcity of talents

has increased. This has caused organisations to face challenges in sourcing, attracting, acquiring, and retaining talent (Chhabra and Sharma, 2011). Employer branding can be beneficial in recruitment, selection, and retention efforts. As an example, effectively communicated external branding activities can increase skilled talents' interest in the organisation's brand and open job positions. Overall, with a well-developed employer brand, organisations can differentiate themselves, gain a competitive advantage (Backhaus and Tikoo, 2004), and increase their uniqueness and the psychological contract between their talents and the organisation. Employer branding should present accurate information about the organisational culture and values to enhance the psychological contract between employer and employee. When job applicants can make job choices based on honest information and communication throughout the recruitment processes, they are more likely to stay satisfied and committed to the organisation for a longer period. Therefore, organisational culture influences employer branding and its relationship to employer loyalty (Backhaus and Tikoo, 2004).

On the contrary, some organisations have argued that instead of well-developed employer branding, corporate branding and organisational identity should be the focusing factors when attracting skilled talent. Aldousari et al. (2017) found in their research that talents can also be attracted to organisations with higher compensation and reward system even if the organisation's employer branding is not well established.

2.3 Medium-Sized Enterprises

In the EU, 99% of the businesses are small and medium-sized enterprises (SMEs) (Europa, n.d) which makes them economically important for countries. More specifically, 2 out of 3 jobs in Europe are SMEs (European Union, 2020) and in today's globalised competitive world, international SMEs are one of the most rapidly growing organisation types (Scullion and Collings, 2011).

This thesis has been further limited to medium-sized enterprises and more specifically to the IT industry. Medium-sized enterprises are known for their scarce HR which makes it harder to attract talent. Scarcity of HR could be due to limited assets, the owner's failure to recognise the importance of human capital, or narrowed HR strategies such as employer branding and investments in the workforce (Monteiro et al., 2020). According to the European Commission, medium-sized enterprises consist of 50 to 250 employees and have either a 50 million turnover or 43 million balance sheet total (Europa, n.d.).

As previously stated, connections between talent management and medium-sized enterprises are limited (Festing et al., 2013; Krishnan and Scullion, 2016) and employer branding to medium-sized enterprises (Aldousari et al., 2017). The importance of employer branding and the employer-employee relationship happens to be highest in organisations where the number of employees is less, and salaries are higher (Ambler and Barrow, 1996). Organisations that do not have a recognisable brand should include EB practices in their investment priorities to increase their attractiveness and talent attraction. Effectively implemented talent management should be aligned with the corporate culture and organisation's strategy. (Backhaus and Tikoo, 2004; Farndale, Scullion and Sparrow, 2010; Scullion and Starkey, 2000). When medium-sized enterprises are evaluating and deciding to add EB practices as part of their operations, they need to carefully measure the overall benefits and influences these practices could have on for example recruitment processes, talent productivity, and turnover rate (Backhaus and Tikoo, 2004). Furthermore, by implementing TM and EB practices into their strategies and taking advantage of the current global pandemic situation by offering flexible working and development opportunities, medium-sized enterprises could be able to achieve sustainable competitive advantage.

3 Theoretical framework

As seen from the literature review, talent management and employer branding have been highly researched in an academic context. All the research literature emphasises the importance of TM practices and states the positive outcomes these can have internally and externally despite the organisation's size and slightly different research angles.

Limitations in research considering TM and EB connections to medium-sized enterprises suggest the relevance of this topic and therefore, the purpose of this thesis is to further study the importance of talent management and employer branding practices in medium-sized enterprises. More specifically, the focus will be on medium-sized enterprises operating in the information technology industry. This research topic has emerged to be relevant in today's aggressively accelerated and competitive labour market operating in a volatile environment and discusses why organisations should pay attention to their talent management and employer branding practices.

3.1 Hypotheses

This thesis aims to answer the question of whether talent management and employer branding are important in medium-sized IT enterprises. The key research area will focus on these HR functions and how medium-sized enterprises are able to differentiate themselves as well as attract and retain talent in today's competitive labour market. To further strengthen the research and achieve the area of focus, the research question has been divided into sub-questions. These consist of aligned brand strategies importance in increasing the number of potential and interested talent, the positive impact talent management and employer branding can have on medium-sized enterprises, and the challenges a global pandemic places on organisations' HR and strategy.

Based on the previous research, it can be expected that implementing talent management and employer branding practices will influence the organisation's HR operations, strategy, and overall business outcomes. According to the existing literature, identifying the crucial practices of talent management, establishing a framework and focus approach that best suits the organisation's context in addition to understanding the impact different organisational life stages can have on the business, culture, and commitment of employees are necessary for successful implementation (Collings et al. 2017; Festing et al. 2013; Krishnan and Scullion, 2016; Stahl et al. 2012). Furthermore, understanding the needs of current talents internally (Festing and Schäfer, 2014) and using consistent employer branding as an advantage to emphasise the organisation's attractiveness externally (Aldousari et al. 2017) can help organisations to differentiate themselves (Foster et al. 2010). All in all, it is expected that talent management and employer branding can increase the number of potential talents interested in the organisations. Medium-sized enterprises that can adapt their practices in the current labour market situation are more likely to attract talent and achieve their business objectives.

4 Research methodology

4.1 Research design

To better understand the importance of talent management and employer branding in medium-sized IT enterprises, the structure of the research was focused on the linkage of perspectives employers and job seekers have. This indicated whether the perspectives align and whether some developmental HR practices and methods could increase the positive employee outcome and attract skilled talents in the labour market. Exploratory research was conducted to understand the importance of TM and EB in medium-sized enterprises and the possible best practices. This research is often used to clarify the understanding of the phenomena and find out new insight (Saunders, Lewis, and Thornhill, 2009). Multiple methods were chosen to collect, combine and analyse the data and answer the research question. More specifically, a mixed-methods approach was conducted. This approach can provide more opportunities to answer the research question and extended and unpredicted data can be discovered which can strengthen the validity of the research (Saunders et al. 2009). This means that data was collected with both qualitative data and quantitative data collection techniques. The qualitative research method is most often expressed through words and used to explore human behaviour, attitudes, and opinions (Kothari, 2004) while the quantitative research method concentrates on numeric data conducted with diagrams and charts (Saunders et al. 2009). In this thesis, qualitative data was collected with semi-structured interviews and quantitative data with a survey.

4.2 Sample

As previously mentioned, an interview and a survey were chosen as primary data while some of the most significant secondary data sources have been referred to in the preceding literature review. The sample is detailed further down.

4.2.1 Interviews

The interviews were conducted as semi-structured interviews meaning all interviews followed a theme and the most important questions in relation to the thesis topic. Semi-structured interviews were unstructured and non-standardised which allowed a flow of conversation around the research and organisational context. Open-ended questions allowed interviewees the opportunity to express their perspectives and opinions freely and discussions led to research areas that had not been previously considered (Saunders

et al., 2009). The theme focus was on the current labour market situation, talent management, and employer branding practices as well as the causes of the global pandemic in the organisation's HR operations.

The chosen sampling design used in interviews consisted of deliberate sampling. This meant that the interviewees were selected specifically based on the research needs (Kothari, 2004). In this case, the interviewees needed to consist of HR professionals working in medium-sized IT enterprises. As previously mentioned, medium-sized enterprises size needed to be between 50 to 250 employees, have less than 50 million turnover or 43 million balance sheet total and operate in the information technology industry.

Organisations that fit the selection criteria above were researched and their HR professionals were sourced and contacted through LinkedIn. 14 organisations were contacted in total, seven HR professionals replied, and interviews were scheduled with five. More specifically, interviewees 2-5 were acquired from LinkedIn, and interviewee 1 was found by receiving his contact information from a previous colleague. More detail of interviewee profiles can be found in Table 1. All contacted organisations have been established in Finland and they operated either in the Finnish markets, internationally, or globally. Contacted HR professionals were told prior to the interview about the nature and themes of the interview, length of time required, anonymity, and confidentiality of the interviews, and they were able to freely choose the best suitable interview times.

All interviews were conducted in Finnish through the business communication platform called Microsoft Teams and each interview took approximately 30-45 minutes. All interviewees were asked permission to record since this helps the interviewer to accurately transcribe and relisten to the interviews while being present in the interview sessions (Saunders et al., 2009). All interviewees gave their permission, and therefore all discussions were audio-recorded, and some brief notes were taken. Recorded data were transcribed and translated from Finnish to English right after the interviews. Moreover, the output data can be found in Appendix 2.

Table 1: Interview profiles

Interviewee	Gender	Title	Time in current position	Overall HR experience
1	Male	Head of Talent	4 months	4 years
2	Female	Talent Acquisition and HR Manager	4 months	6 years
3	Female	Talent and People Operations	2 years	3 years
4	Female	Talent Acquisition Manager	1 year	12 years
5	Female	Talent and People Operations Specialist	9 years	22 years

4.2.2 Survey

Surveys have been one of the most efficient ways to collect data from a large sample since in these the data is relatively easy to understand, compare and explain. Quantitative data was conducted with a survey in hopes of a higher response rate while ensuring the respondent's anonymity. The sampling method used was probability sampling and more specifically cluster sampling. These sampling methods have been common in questionnaire-based research and with clusters, it was possible to aggregate the population of job applicants and divide them based on different attributes such as age, gender, occupation, and industry (Ojasalo, Moilanen and Ritalahti, 2009).

Building up a questionnaire and attracting responses was a crucial part of the survey. The design of the survey was based on the research objectives (Ojasalo et al., 2009) which meant a successful survey included questions answering the research question and provided valuable and accurate data. For example, closed-ended questions are efficient for hypothesis testing, allow quicker answer time, and are easier to analyse while list questions allow respondents to choose from various options (Saunders et al.,

2019). Additionally, the length of the survey and clean layout are crucial since they affect the respondent's willingness to respond (Ojasalo et al., 2009). Therefore, the survey was kept short to a maximum ten-minute response time and included nine closed-ended questions in which two were listed questions relevant to the research.

The survey and statistical data processing was carried out using Microsoft Form and Excel to capture and convert the data easily and straightforwardly. The survey was conducted among job seekers and designed with opinion variables which means their perspectives, attitudes, and preferences were analysed to find out which factors attract their desire to apply for a job (Saunders et al., 2019). Therefore, the hypothesis tested was to see whether job seekers were more attracted to medium-sized enterprises if they have strong employer branding and overall effective talent management practices.

Survey data was conducted with the help of Company X. Company X is a listed company operating in the staffing and recruitment industry. It is headquartered in Sweden and operates in Sweden, Finland, Norway, Denmark, and Germany. The company offers recruitment and consulting services to their clients and has focused on attracting skilled talent from various industries including HR, IT, marketing, and finance. The company's large database which includes over 10 000 job applicants in Finland was used as an advantage. The survey was sent to job applicants as part of an electronic direct mail, and it was promoted to the target audience to increase their interest and willingness to participate. The purpose of the survey was explained in the electronic direct mail and again in the survey summary with a clear timetable for the acceptance of responses. Thereafter, the survey was divided into three sections such as general information, job seekers' preferences, and effects of the global pandemic. The survey was closed with expressing gratitude for participating.

The only criteria for participating in the survey was that respondents needed to be currently looking for a job. In total, the survey was able to attract 155 respondents who consisted of various ages, gender, educational background, occupation, and industry. More detailed information can be found in the analysis of the results in section 5.2 and appendices 3 and 4.

4.3 Data Analysis

Data were analysed by the researcher after the collection. The data needed to be closely managed from categories to raw data for example through coding and tabulation. In this research, coding was the main application of operating the survey data. It meant identifying and transforming the data into symbols or images for better analysis of possible relations (Kothari, 2004). Audio recordings were transcribed and processed into written form. Transcription symbols such as capitalisation and bolding of focus themes were used to make the notes more visible, consistent and minimise overlapping (Saunders et al., 2009).

Qualitative data were analysed with a deductive approach meaning that existing theory was taken advantage of. The research question and hypothesis were formulated based on this approach. The data collection and analysis allowed the researcher to discover the focused themes, categorise the data and recognise employers' perspectives on talent management and employer branding in today's globally competitive and pandemic affected labour market. Additionally, the interview data was unitised meaning that results emphasised some words and sentences from transcribing. In contrast, quantitative data was specified in categorical data since the survey questions focused on categorical variables and characteristics of job seekers. In the survey, coding schemes included job seekers' perspectives, occupations, age, industry, and attitudes. (Saunders et al., 2009). Furthermore, qualitative, and quantitative data were collected with a convergent parallel design meaning the data was collected simultaneously and analysed separately.

4.4 Critique of the methods

It should be noted that there could have been some weaknesses in the data gathering methods and the credibility of the research finding's reliability and validity. Cross-language qualitative research was used in interviews which meant data was collected in Finnish and transcribed into English. Translations could have affected the results with decreased accuracy and threatened the reliability since participants and observer errors or unconscious bias could have arisen during interviews and transcription (Saunders et al., 2009).

The sample size of the survey could have been limited, affecting the reliability, and increasing the margin of error. In addition, the sampling frame of Company X's database could have been incomplete to the research (Saunders et al., 2009). Some age groups

could have limited responses, submit multiple responses or industry backgrounds could vary massively. Therefore, the results could lead to misrepresentation of some age groups, multiple submissions by one respondent could affect the quality of the data and the results might not be completely industry-specific to the information technology.

5 Results

5.1 Analysis of interviews

All interviewed organisations have been established in Finland and were either focusing on global, European, or Finnish markets to attract talent. All stated that talent management and employer branding are extremely crucial in today's competitive labour market. The Finnish labour market is seen as easier compared to the other markets since organisations' brand is recognised to some extent. Nevertheless, the labour market situation was described as challenging since the competition has accelerated in various industries in addition to the IT industry. High competition in the labour market is seen in decreased number of job applicants and increased number of hours spent on sourcing and attracting talents through various platforms. In addition to, increased usage of cooperation partners to acquire more resources and rose interest in employer branding.

Organisations have slowly started to change their HR practices towards a more strategic approach to attract and retain skilled talents and differentiate themselves in the labour market. All interviewed HR professionals acknowledged the importance of talent management and employer branding practices and were placing emphasis on strategy, consistency, culture, employee needs, management involvement, and employer branding. More specifically, employer branding was seen to have high potential to increase the organisation's recognisability.

The results are presented and analysed in more detail below. The focus was retained on medium-sized enterprises' talent management and employer branding practices including talent attraction, recruitment, and aligning these with the organisation's strategies. Moreover, the effects of the global pandemic have been taken into consideration.

5.1.1 Attracting and retaining skilled talent

Medium-sized enterprises have advantages and disadvantages considering talent attraction and retention. Organisations stated their size as an advantage due to informal

work practices and not well-established processes. This can be seen in their job roles which can be tailored based on their current and possible talents' interests. Contrastingly, a lack of resources and time in developing current talent management and employer branding practices can be seen as a disadvantage.

Recruitment is conducted as both a person-to-job fit, and a person-to-organisation fit and varies based on the roles. For example, in technical roles the substance is emphasised, and possible talents need to have certain know-how crucial to the position. Most organisations emphasised person-to-organisation fit in recruitment regardless of their growth objectives. Some even mentioned that certain technical competencies can be taught on the job. In medium-sized enterprises, all talents were crucial to their operations and had an impact on the overall success. Therefore, all organisations have tried to find the most suitable talents for them by emphasising the fit, and motivation and assessing this with value-based interview questions. Some organisations were focusing more on proactive recruitment which means they identified and engaged with potential talents who could grow and progress internally in the organisation in long term. In addition, generational differences have been taken into consideration, and talents were asked about their work values and expectations, thus, allowing organisations to better understand and enhance the psychological contract with their talents. Due to a lack of resources and increased sourcing methods, many medium-sized enterprises have used external partners as an advantage to better attract talents. In addition, current employees' own networks and referrals played an important role in finding the potential fits.

Employment benefits were one method used to attract and retain skilled talent. Especially in the IT industry, organisations tend to compete with an overall benefits package in addition to the compensation. All organisations were constantly developing their benefits packages to better meet the talent's needs. For example, some of the talents might value training opportunities while others place more emphasis on well-being. All organisations' benefits included training and development opportunities, lunch benefits, and flexible working arrangements.

All organisations placed high emphasis and investments in the corporate culture, supportive work community, work-life balance, and talents' overall wellbeing. Many organisations were using creative ways to keep their current talents engaged, motivated,

and satisfied. HR professionals were currently mapping out their talent's needs, wants, and hopes to improve the company culture. For example, all have thought or started to organise events and gatherings internally at the office after a long period of remote work. These events are organised in hopes of attracting talents' willingness to occasionally visit the office and can consist of training days, breakfast or cooking meetings, pizza days, or even parties. Many organisations have also realised the importance of talent wellbeing during the global pandemic and have started to invest in this. Some of the organisation's benefits consisted of massage benefit, employer-provided bicycle, and gamified well-being apps to enhance talents' well-being and overall performance. Moreover, organisations had different clubs based on their talents' interests. For example, an outdoor club for talents interested in hiking. In addition to occupational health care, some organisations had invested in mental health benefits and provided their talents with mental health workshops and 'how to sleep better' courses.

In addition to compensation and benefits, some organisations offered full paid vacations in their final offer to better attract the talents. A few of the organisations also offered relocation opportunities, financial support, and 100% remote contracts for some IT roles. These organisations stated that they cannot rely on the relatively small Finnish labour market to find the right fit and want to attract the best global talents with their benefits packages. Some organisations had their own technologies, tech stack and modern tools. According to the HR professionals, developers found it more attractive if organisations were using modern tools and were able to develop their technologies based on clients' preferences. Therefore, these organisations perceived their products to be their sustainable competitive advantage.

A few of the organisations used different data methods to observe their talent satisfaction levels and were trying to react quickly to talents' emerging needs. To do this, organisations had implemented weekly voluntary surveys or daily bots to better map out their talent's mood, satisfaction, and what could be improved. For example, if a talent answered the bot and said to be stressed, the HR professional called to see whether this was work-related and if the organisation could help to decrease the stress by easing the talent's workload. Additionally, if talents were not feeling motivated, organisations were trying to understand the reasons behind this and whether talents' current positions or work projects could be altered to increase motivation. Traditional one-to-one discussions were arranged frequently to see how their talents are doing. One of the organisations

was highly focused on the commitment of their talents with four aspects including personal development and life goals, career goals, career paths, and wellbeing. These four aspects are used to increase talents' commitment and support their interests. All in all, organisations have taken initiative and have been taking advantage of data to gain a better understanding of their talents' satisfaction and commitment.

5.1.2 Investments in employer branding

Scarcity of talent and accelerated competitive labour market had forced organisations to think about implementing new HR practices and all organisations have acknowledged the importance of employer branding. In many of the organisations, EB practices were in their early stages but two of the organisations had already invested in employer branding for a few years. The organisations that had already invested in EB were doing it with a long-term perspective while the other half said to be focusing on a short-term perspective. The latter said the rapid growth of the organisation including corporate acquisitions in a fast-paced environment makes it harder to focus on new practices from a long-term perspective. Therefore, making short-term perspective the only possible option for them. All HR professionals perceived that employer branding should be done together with the marketing function and all agreed EB should start with internal branding efforts.

One of the organisations has invested in goal-directed employer branding for a few years. This organisation believed that constant and strategic employer branding methods helped to attract skilled talents. Their investments in EB have resulted in potential talents applying to positions through job advertisements and therefore, this organisation has not had to do much sourcing and attracting until the last couple of months. Another organisation recognised the importance of employer branding when they were unsuccessful in filling open positions with the right talent in today's highly competitive labour market. They decided to invest in EB and focus on this with a long-term perspective. This organisation believes EB can positively affect an organisation's attractiveness, trust between employer and employee, and potential talents' desire to discuss the organisations open positions. Their objectives have consisted of increasing organisation's recognisability, strengthening their market position in the IT industry, improving the employer-employee relationship, and internally developing clear career paths, and enhancing career progression. To do this successfully, the employer branding practices and strategies are being conducted together with an external partner. In both

organisations, internal branding efforts are used to better augment their talent's satisfaction, commitment, and awareness of the organisation and its culture. Prior to employer branding investments, both organisations had carefully evaluated and aligned EB practices with their organisation's culture and strategy.

The rest of the interviewed HR professionals acknowledged the possible positive impacts of employer branding practices but had not started to act towards this. Reasons for this were lack of resources and time, organisational changes, acquisitions, and inability to see the importance of employer branding to its operations prior to the pandemic. However, these organisations have started to think about ways to better attract talent, and employer branding has been seen as one of the most sustainable next steps.

All organisations acknowledged that employer branding starts internally and needs to be well established and consistent before focusing on external employer branding. Internally, all organisations have started to focus on their current talents to increase the psychological contract and emotional attachment. Values, open communication, and culture were emphasised, and many HR professionals said that based on data, their culture is the number one reason their talents were satisfied. Internal career paths and opportunities were also invested in since the organisations would like to keep their talents committed for a longer period. When internal branding efforts have been established, external branding efforts can be focused on, but both should be continually developed. Many organisations discussed attending recruitment events and organising events in their office to attract the right target group. To attract more talent, many were focused on starting a closer cooperation with different universities and emphasised current talents' career stories and day-to-day work through different social media platforms. Blog posts were seen as an external branding effort to attract potential talents and could perhaps generate positive perceptions and attractiveness of the organisations. On the other side, one of the organisations had experienced unsuccessful campaigns and branding efforts and therefore has been a little hesitant when it comes to employer branding practices. Moreover, since medium-sized enterprises products are tailored to their clients and do not consist of consumer goods, a few have thought marketing and branding efforts to be unnecessary.

Employer branding methods can lead to closer collaboration with HR and marketing functions and strengthen the overall corporate brand. Therefore, aligned brand

strategies improved the organisation's talent attraction and increased the number of potential talents. Employer branding is seen as important since medium-sized enterprises are relatively small and unknown. EB practices could benefit organisations and talents by providing mutual benefits such as rewards, development, loyalty, and brand recognition. All in all, strategically implemented and developed HR practices need to support the organisation's growth goals. Some of the interviewed organisations have been heavily focused on growth while others have been focusing on stable and profitable growth. Certain actions need to be performed at a certain organisational life stage and not immediately all at once. For example, when recruitment activities should be performed to increase the headcount of the organisation. HR strategies need to align with the business objectives and new innovative ways need to be established to gain a sustainable competitive advantage.

5.1.3 Challenges from the global pandemic

The global COVID-19 pandemic has affected all organisations during the past two years, and some challenges have arisen. The competition in the labour market has accelerated which has increased the time to hire and can affect the organisation's growth. Attracting and persuading talents is harder and both active and passive job seekers are expecting more from their potential employers from an early stage. For example, job seekers have demanded 4-day work weeks or 6-hour workdays, or opportunities to work overseas. In addition, many want to know the possible salary range in the first discussions to see whether they should invest their time in the recruitment process.

From a business perspective, the IT industry has managed well despite the global pandemic. Many organisations have shifted their focus toward digitalisation and automation of their process which has increased the use of cloud platforms and the need for information security. This has enabled the interviewed organisations to acquire many new clients. Therefore, all medium-sized enterprises business operations have only been impacted positively by the pandemic. None of the organisations have had to lay off any talents and they have been able to continually recruit new talents throughout the pandemic. For example, at the beginning of the pandemic, many medium-sized enterprises were able to take advantage of other organisations' laid-off talents and hire these skilled talents. The global pandemic has also increased and fluctuated organisations' turnover rate since many talents have switched their jobs during the last two years.

Even though the information technology business has not been massively affected by the global pandemic, it has affected the organisations in other ways and changed the way of working. All HR operations such as recruiting and onboarding have been performed fully remotely. Many organisations have had challenges to keep their talents satisfied and maintain a supportive work community when all talents have been working remotely. Remote work anonymity and uncertainty have increased the willingness to switch jobs, decreased the feeling of social cohesion and interactions with colleagues as well as increased talents' threshold to visit the office even at times when the COVID-19 situation has been better. None of the organisations believed in forcing their talents to work at the office. However, in all organisations, the HR department has started to act towards rebuilding the company culture and work community to retain their talents and keep them satisfied and committed.

Prior to the pandemic, the interviewed medium-sized IT enterprises already had flexible working arrangements and therefore, working 100% remotely was not a major transformation from the norm. Due to the pandemic, some of the organisation's talents have moved to another city, have gained a better work-life balance, and perhaps are unwilling to spend an excessive amount of time commuting to work. Consequently, these medium-sized enterprises have continued to adapt to the external and internal changes and offered some of their talents 100% remote contracts.

5.2 Analysis of survey results

Talent management and employer branding have been influenced by various factors and so have job seekers' preferences and expectations. During the COVID-19 pandemic, many talents have evaluated what they want from their professional career, what factors are important for them and what kind of organisation they would like to work for. This survey was conducted to see job seekers' attractiveness toward medium-sized enterprises, to better understand their perspectives and what factors affect their desire to apply for a job or organisation. The survey consisted of three sections: background information, job seekers' preferences, and effects of the global pandemic. The collected data was plotted into charts to gain a better understanding of the data.

Overall, the survey was able to attract over 150 respondents from different backgrounds and approximately 82% of the respondents consisted of talents that were currently looking for a new job. 73% of the respondents had a higher educational background

either a bachelor's or master's degree and 83% of the respondents used LinkedIn as a networking and job-seeking tool. The most common industry backgrounds consisted of IT (22.6%), accounting and finance (18.1%), marketing and sales (16.1%), and HR and management (12.5%). Other educational backgrounds included engineering, law, nursing, education, and tourism.

The survey was able to attract various age groups from 18-year-olds up to 60+-year-olds. Figure 2 illustrates how evenly distributed the respondents were according to their age. Age groups up to 59-year-olds were quite mutually represented which allowed the researcher to see and compare generational differences from the data.

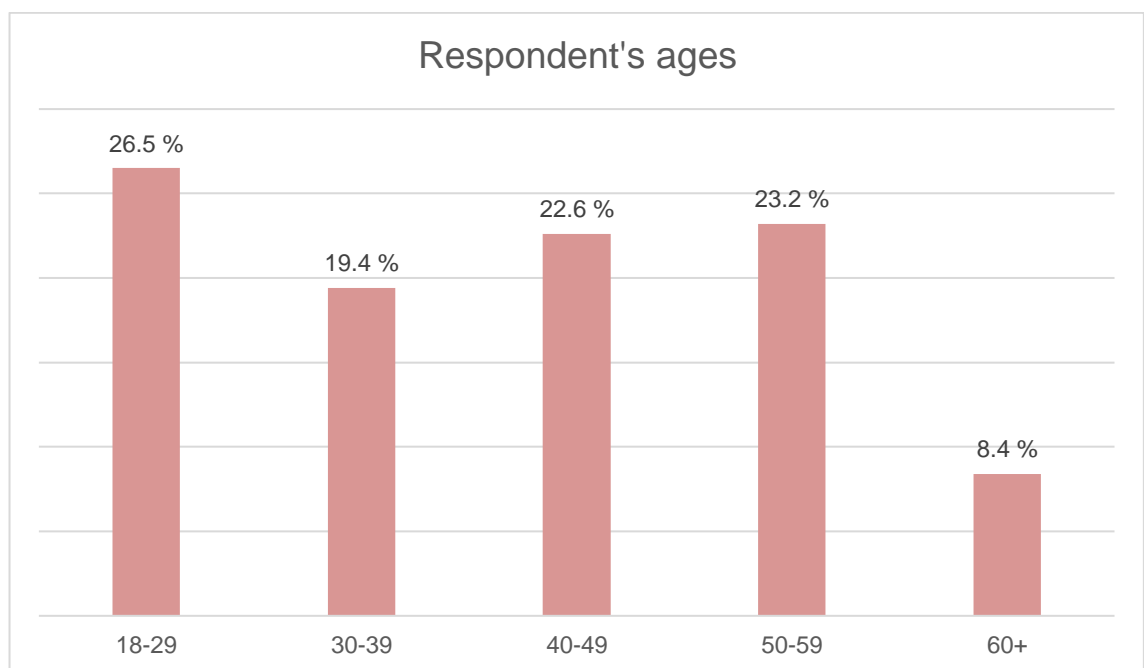


Figure 2: Age of the respondents

In the job seekers' preference section, respondents were asked about the three most important factors considering a job and what they expected of their future employers. Figure 3 illustrates the most important factors for job seekers when looking for a new job. High emphasis was placed on work flexibility and mobility and work-life balance among all generations and industries. The third most important factor was divided between development and training opportunities and a supportive work community. Other factors included good leadership and 100% remote work opportunities.

Based on data, younger generations placed a higher emphasis on work flexibility, development and training opportunities, career progression, work-life balance, and a nice work environment. Job security, compensation, and a supportive work community were highlighted among older generations. Despite some generational differences, respondents' answers were more affected by individual preferences.

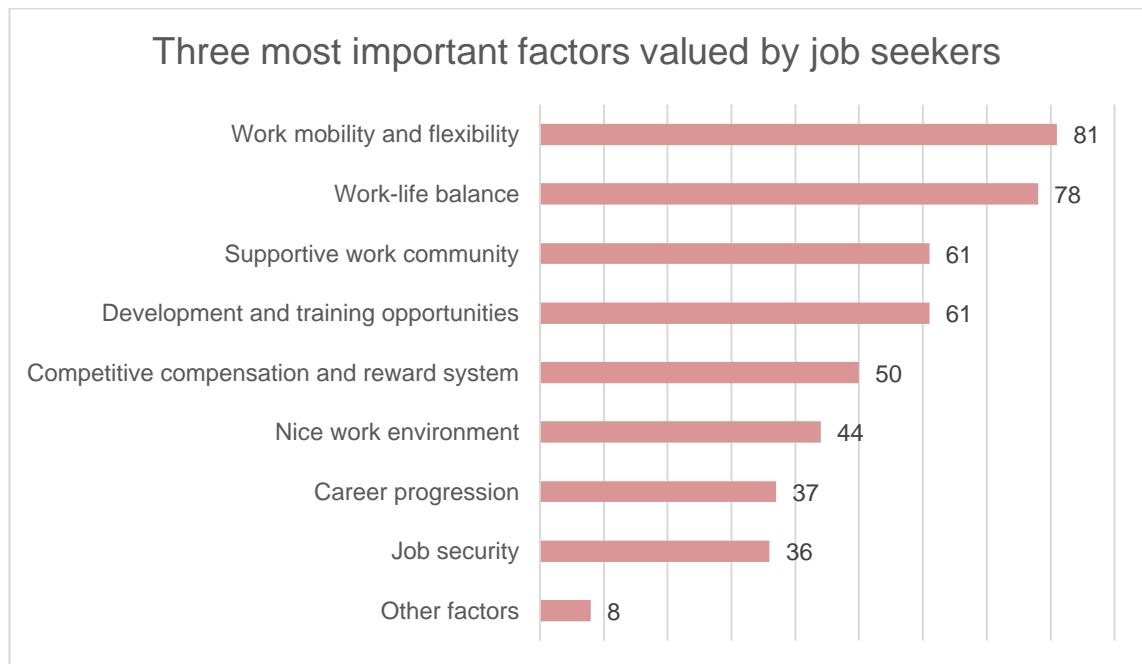


Figure 3: Job seekers' demands from a new job

Job seekers' expectations toward potential employers did not have major differences among generations. Figure 4 illustrates the expectations job seekers expect of their possible future employers. All generations emphasised the importance of shared values with an employer which clearly rose above the other factors. 99 of the respondents highly valued and expected mutual values. Therefore, organisations' corporate brand and clearly communicated vision and values were crucial in job seekers' decision-making. Clearly communicated organisation values allowed job seekers to assess whether the organisation shares similar values to them and if so, organisation could increase the emotional attachment with these talents. Secondly, 62 of the respondents expected transparency with compensation. Thirdly, 57 of the respondents looked for effective communication during the recruitment process.

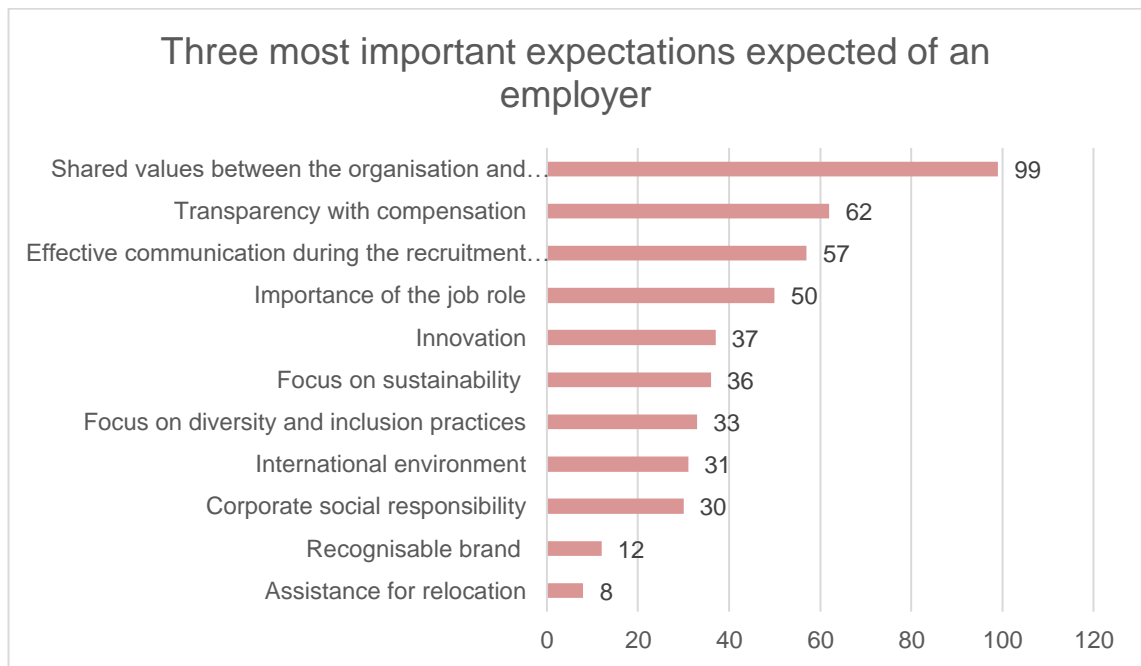


Figure 4: The most important expectations expected of a future employer

The hypothesis was to test how attractive small and medium-sized enterprises were seen compared to large global organisations. Out of 155 respondents, 113 respondents stated they would rather work for a smaller organisation. Most of the younger generations found SMEs more attractive while the attractiveness of larger organisations rose with the respondent's age. All in all, medium-sized enterprises' attractiveness is seen as a positive advantage when attracting skilled talent.

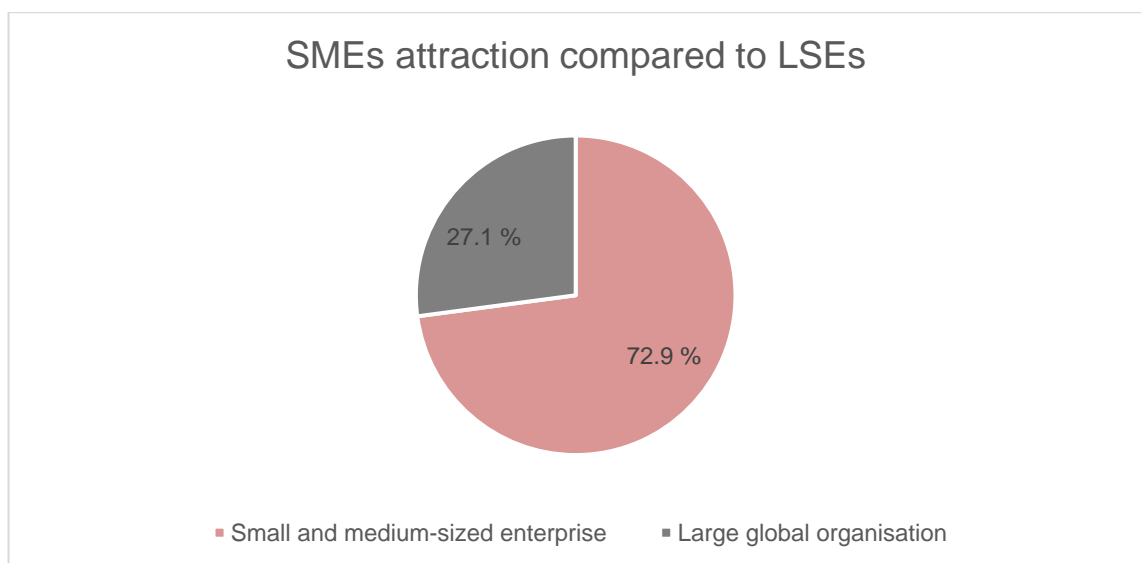


Figure 5: SMEs vs LSEs

The last section of the survey focused on the global pandemic and job seekers were asked whether the pandemic has had any effect on their career goals. 68.4% of the respondents said that the pandemic had not affected their career objectives while 31.6% of the respondents answered affirmatively and were asked to briefly explain the reasons behind it. Many of the respondents said they wanted to continue with flexible working arrangements in the future either with a 100% remote contract or a hybrid working model. Some of the respondents had noticed they rather enjoy working individually than in a team while others wanted to have fewer responsibilities and focus more on life outside of work. A few of the respondents had moved further from their office location to another city in Finland or overseas. Therefore, remote, and flexible working arrangements highly affected whether job seekers even considered certain jobs. On the other hand, some of the respondents said isolation and lack of interactions with co-workers have negatively affected the work community and they would much rather work from the office. Overall, many respondents said flexible working arrangements have allowed for a better work-life balance, more control over their career and free time.

Some of the respondents had been laid off during the pandemic and had difficulties finding a new job. A few felt that their age and lack of Finnish skills have made them a less desirable candidate for a potential employer and therefore made it harder to land a new job. Some have decided to educate themselves and study for a master's degree to improve their employability while others have invested in job coaching to increase their chances of finding employment. In contrast, two of the respondents took a temporary job during the pandemic instead of focusing on studying and gained clarity that the job is exactly what they want to do in the future.

Many of the respondents were hoping for better communication during recruitment processes regardless of whether they would be accepted for the position or not. Some criticised the usage of video interviews due to inability to differentiate themselves enough or felt discriminated against during the recruitment process. In addition, a few of the respondents decided to change their career path and industry while some switched their career plans only to find out the previous career was their passion. These career changers mostly consisted of respondents working in tourism, nursing, or with events. Overall, many respondents said that the pandemic has required a lot of adaptation and has shown the importance of a supportive work community and job security.

6 Discussion

The thesis consisted of a research question stating the importance of talent management and employer branding practices in medium-sized enterprises and focused on differentiation of the organisation as well as attraction and retention of the talents. Furthermore, the research question consisted of sub-questions including the importance of aligned brand strategies, the positive impact of TM and EB practices on medium-sized enterprises, and the challenges of the global pandemic to organisations HR and strategy.

Many researchers have discussed multiple mutual benefits that strategic talent management and employer branding have on the organisation's overall success. As expected, implemented talent management practices can influence the organisation's operations, strategy, and business outcomes. Moreover, employer branding practices can differentiate the organisation and increase their attractiveness among skilled talents.

6.1 The positive impact of TM and EB practices on medium-sized enterprises

Stahl et al. (2012) researched how to sustain talent pipelines and identified key principles necessary for an organisation's success. Despite the focus on large global organisations, their identified practices provided valuable information and the practices could be modified to different organisation contexts regardless of their size (Krishnan and Scullion, 2016). The analysis of the results indicated that many medium-sized IT enterprises have taken into consideration the different TM practices and principles with diverse focus areas. For example, many organisations have begun to reinvent their corporate culture to better sustain their talented workforce and therefore increase cultural embeddedness and social cohesion. However, only a few have started to invest in employer branding despite seeing the potential return on investment {ROI} of EB and performing some internal branding activities such as promoting internal career opportunities. Based on the TM practices introduced by Stahl et al. (2012) development and training opportunities, compensation and reward, recruitment, and selection as well as performance management were emphasised among job seekers as stated in section 5.2. Additionally, honest information and communication throughout the recruitment process eases the decision-making for potential talents and increases their engagement with the organisation for a longer period (Backhaus and Tikoo, 2004).

Festing et al. (2013) were among the first ones to study talent management in a European SME context. They introduced three different focus areas for talent

management in which highly engaged TM and retention-based TM were used in the interviewed organisations. All IT enterprises had a strong focus on retaining their talent and used different approaches to attract new skilled talent. Despite the theory suggesting medium-sized enterprises would have a short-term perspective towards TM, half of the interviewed organisations tended to have or had just recently changed their perspective toward the long-term. Additionally, all organisations' approaches tended to be inclusive which meant their talents were equally important and targeted with their talent management practices (Festing et al. 2013). The organisations have been trying to take into consideration the generational and individual differences of their talents, and all appeared to be somewhat familiar with their talent's expectations. This has partly been due to the value-based interview questions, weekly surveys, and quarterly 1-to-1 meetings.

Collings et al. (2009) suggested establishing a talent management framework to better leverage the skills of their talents and indicate the key roles crucial to the organisation's operations. Festing and Schäfer (2014) introduced a social exchange-based framework to analyse the generational effects and the psychological contract among talents and the organisation. Based on the analysis of the interviews, many organisations saw their talents as a crucial and strategic resource. Although, a few still had a short-term perspective on TM and therefore might not have taken into consideration the full potential and possible added value some of their talents offered.

All the organisations were currently in the process of adapting and modifying their practices to better meet their talent's needs. For example, one of the biggest global talent trends consists of flexibility which has been a major indicator of whether job seekers have been attracted to a specific organisation as seen in section 5.2. Moreover, flexibility can reflect assumptions such as better work-life balance and overall wellbeing, increased satisfaction, and engagement. Some assumptions considering job seekers' preferences can be made based on generational differences. However, the analysis of the survey results illustrated that individual preferences played a bigger role in job seekers' demands and expectations.

Chhabra and Sharma (2011) examined how employer attractiveness and organisation attributes should be promoted to soon-to-be graduates. In their research, the key attributes consisted of training and development, career advancement, and a supportive

work community. These attributes have continued to be relevant and important to job seekers as seen in section 5.2. Meanwhile, Aldousari et al. (2017) and Robertson and Khatibi (2013) illustrated that effective communication, involvement of leadership, and productivity positively correlates with employer branding practices. Based on the results, medium-sized enterprises' low hierarchy has allowed HR professionals and leadership to effectively communicate with their talents for example with weekly surveys and bots. Job seekers placed value on a supportive work community, good leadership, and the significance of the job role which indicated the importance of internal communication.

Based on many of the researchers in the literature review, employer branding has been seen as a profitable way of attracting and retaining talent especially when it comes to differentiation and attractiveness of the organisation in today's competitive labour market. As Ambler and Barrow (1996) introduced, employer branding consists of integrated marketing and human resource management where different branding techniques are strategically implemented to provide organisations with additional value. Many interviewed organisations have realised the importance of close cooperation between marketing and HR functions and have maximised the employee and employer benefits with their EB practices. Mutual benefits consisted of talents' increased job performance, loyalty, and trust as well as organisations' strengthened corporate brand and reputation.

6.2 Differentiation of the HR function, strategy, and internal branding

Medium-sized enterprises are known for their scarcity of HR which is why HR to employee ratios were examined (Monteiro et al., 2020). The ratios among organisations varied massively from 1 to 5 HR professionals per 100 employees which has been further summarised in Appendix 2. Based on the interviews, organisations with a higher ratio of 5 had more resources internally in sourcing and recruiting. Meanwhile, organisations with a lower ratio such as 1.2 had fewer resources and therefore, used more external partners to improve their attractiveness. These results supported the theory of the importance of employer branding and employer-employee relationships (Ambler and Barrow, 1996). Furthermore, explained why organisations with fewer talents had already been focusing on the EB practices for a longer period to retain their skilled talent and increase their brand recognition. For example, one medium-sized enterprise had already been focusing on EB for a few years and was able to attract talent regardless of the

accelerated competition. The organisation's turnover rate had been as low as 4% which stated their talents were committed and satisfied.

Many of the interviewed organisations stated the number one reason their talents enjoyed working at the organisation was due to their corporate culture. Backhaus and Tikoo (2004) expressed that emphasised internal branding methods including internal career progression and corporate culture were the beginning of a successful employer branding effort and strategies. Additionally, job seekers tended to be more satisfied and motivated when organisations were able to leverage their internal branding methods to engage their talents with their values, goals, and culture. Organisations have been able to strengthen the psychological contract and emotional attachment of their talents by promoting organisation's corporate culture and using promotional activities of marketing and HR. In addition to this, current and potential talents engagement and sense of belongingness could be increased (Ambler and Barrow, 1996; Backhaus and Tikoo, 2004). Moreover, medium-sized enterprises' EB objectives of strengthened market position and increased awareness of the organisation and its culture can help organisations operations and business objectives in the long run.

Nevertheless, many organisations heavily focused on recruitment and attracting talent. Retaining talent can be crucial, cost-effective, and improve the corporate culture and productivity. In many organisations the retention rate has fluctuated. However, to minimise this, organisations have had to quickly react and meet their talents changing needs to keep them satisfied and committed. For example, providing benefits and adapting work tasks, environment and arrangements in a way that best supports the talent's work-life balance, wellbeing, and overall life goals. Moreover, medium-sized enterprises have had to acknowledge that talents' mindsets and attitudes can change and evolve at different stages of their professional career. As seen from the results, organisations were investing in internal career paths and enhancing their company culture to retain talents both of which were seen as important factors among job seekers. In addition to the high expenses of recruiting new talent, the time to hire and demand for certain tech talents has increased which indicates the importance of retention by implementing different practices. For example, software developers have currently been in high demand which is why organisations have thought about better ways to attract potential talent. Some of the ways included increased compensation and benefits including full paid vacation despite the starting date, remote work and relocation

opportunities and team building events to improve the corporate culture and supportive community.

Foster et al. (2010) examined interrelations between employer branding, internal and corporate branding. Job seekers' high emphasis on mutual values stated in section 5.2 showed potential employers just how important it is to clearly present the organisation's values and vision to the target audience. Organisations corporate brand and values were a pivotal factor in job seekers' decision making and assessment of the possible organisation fit. Therefore, organisations have had to focus on their internal and external employer branding in addition to being strategically focused on how to combine their different branding techniques in the most profitable way. Aligned brand strategies have improved the organisation's HR operations, increased their brand image, and supported their growth goals. Moreover, it is important to notice that employer branding has been one of the most important tools in talent management, and investments in different TM practices can maximise talent satisfaction, performance, and commitment as well as strengthen the business operations. Based on the analysis of the interviews, organisations have understood the importance of EB practices. This has partly been due to the accelerated competition and has started to change HR toward a more strategic function between the business and its talents. This has been seen in developmental HR practices such as increased resources for training opportunities and identified internal career paths. Additionally, many organisations had clearly divided the roles and responsibilities of each HR professional, differentiated HR functions, and established talent attraction teams. Many had started cooperation with external partners to acquire more resources and better communicate with potential talents, all to improve their TM and EB practices. Furthermore, HR was naturally growing along with the business and new innovative ways were continually developed to better align HR strategies with the business objectives. For example, a few of the organisations had strategically evaluated at what organisational life stage certain recruitment activities should be performed.

6.3 Medium-sized IT enterprise's attractiveness

Medium-sized enterprises have been economically important to European countries and especially international SMEs were among the fastest-growing organisation types (European Union, 2020; Scullion and Collings, 2011). As this analysis shows, SMEs were viewed to be more appealing to job seekers than larger global organisations. A few of the interviewed organisations also had operations on an international or global scale,

making them even more attractive based on the literature review. Medium-sized enterprises have acknowledged their size to be an advantage since they are able to quickly adapt to external changes and tailor jobs to better meet talent needs. The younger generations found SMEs more attractive. This could help organisations with recruitment challenges and possible skill gaps if they were open to recruiting junior talents who would be eager and motivated to grow in the organisation. Moreover, if organisations were taking advantage of their size and focusing on proactive recruitment, they were able to attract larger talent pools and gain a competitive advantage.

The IT industry has emerged to be extremely heated and certain skilled talents have been in high demand. Aldousari et al. (2017) argued that a high compensation and reward system was enough for organisations to retain and attract talents. However, all organisations stated that most talents were expecting more from their employer than just a competitive compensation. Therefore, many IT enterprises have used creative methods to target and attract potential talents' interests. Most of the organisations were ambitious to grow and wanted to recruit with a person-to-organisation fit. Skilled talents who shared the organisation's values and brought valuable know-how with them were emphasised. This can also be seen in the results, particularly in section 5.2 which showed that the competitive compensation and reward system was only emphasised by 32.3%, making it the 5th most important factor job seekers were looking for, while mutual values were emphasised by 63.9% of the respondents.

6.4 Effects of the global pandemic

Prior to the pandemic, many researchers had already noticed the significance of human capital, high competition for skilled talent, and challenges in the labour market (Aldousari et al. 2017; Chhabra and Sharma, 2011). This indicated to organisations the importance of adaptation to internal and external changes. Challenges with attracting and retaining talent sparked many organisations' interests to differentiate themselves with TM practices and invest in employer branding.

The global COVID-19 pandemic has affected all, employers and employees, during the past two years even though it has not massively affected the information technology business operations. Both organisations and job seekers have had to adapt during the pandemic. Job seekers and talents have had the time to evaluate their careers, goals, and expectations towards a job and potential employer, regardless of whether the

pandemic drastically affected their career objectives. As section 5.2 suggested many job seekers highly valued work flexibility, work-life balance, development opportunities, and a supportive work community. Flexible working arrangements have influenced talents' work-life balance and overall well-being which can positively impact their job performance, satisfaction, and commitment. Many even mentioned that they would not consider a possible employer if flexible working arrangements were not offered. Nowadays, job seekers do not want to work for an organisation that does not share similar values with them. An organisation's values affect the way it operates which shows job seekers how the working environment could be in the specific organisation. All in all, mutual values can increase the overall emotional attachment talents have towards an organisation. The results indicated that medium-sized enterprises have gained quite an accurate perception of the talent's expectations. Moreover, since power dynamics have changed and talents have been demanding more from their potential employers, organisations have had to adapt their practices and bend their requirements to better attract skilled talents. All interviewed organisations were highly focused on talent acquisition and retention which were seen in rebuilding the corporate culture, increasing benefits, and emphasising flexible working arrangements.

7 Conclusion

Talent management and employer branding practices are just a fraction of the overall attractiveness of the organisation. Therefore, constant adaptation and modification are necessary to differentiate, attract and retain skilled talent. Medium-sized enterprises are starting to see the importance of employer branding and are in the process of adapting their current TM practices to better meet the talent's expectations. Strategically aligning these practices to the organisation's corporate branding and business operations can help them to increase their overall attractiveness.

The current global pandemic allows organisations to creatively differentiate themselves and attract and retain skilled talents. Organisations are trying to better target their talent pool based on talents' preferences and global talent trends. Medium-sized enterprises that can understand the talent availability on the market and meet the skilled talents demands while staying agile have better chances of growth, success, and possibilities to gain sustainable competitive advantage.

7.1 Limitations

Some limitations can be identified in this thesis. Firstly, the research objective, hypothesis, and aim could have been narrowed down to a more specific research question. Secondly, the methodology could be flawed, and different methodologies could have provided distinct results. Lastly, the sample size could have been larger and more targeted toward talents working in the IT industry.

The broader research question has increased the time needed for the data collection process, the usage of methodology, and the scope of discussion. It should be noted that the data collected could be unconsciously biased and the depth of discussion might be limited. However, one of the talent management principles consists of employer branding which is why the researcher wanted to focus more on this. If the quantitative study would have been able to better target IT talents, this would have provided more accurate information and greater reflection on the talents preferences in this certain industry.

To conclude, this study provides the needed attention towards talent management and employer branding in medium-sized enterprises in the Finnish labour market regardless of its limitations. Due to the current volatile and competitive labour market environment, more research with different talent management focus areas is needed in different industries. Furthermore, conducting the research with a different methodology such as causal research could help to better examine the cause-effect relationship between medium-sized IT enterprises and IT job seekers.

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Appendix 1. Interview questions

Interview questions for HR professionals
1. How would you describe the current labour market situation?
2. What kind of talent management practices and principles are used in your organisation? Does the organisation's life stage affect these and are these strategically aligned as part of the business objectives?
3. Are TM practices modified based on talents' needs and expectations (e.g., work-life balance, development opportunities, work flexibility)?
4. With new recruits, do you mostly focus on a person-to-job fit or a person-to-organisation fit? Why or why not?
5. Does your organisation invest in employer branding? If so, who is responsible for this (e.g., HR or the marketing team)?
6. If investing in EB, do you focus on both internal and external branding efforts and have you noticed any benefits?
7. If not investing in EB, what methods are you using to attract talent (e.g., higher compensation)?
8. Has the global pandemic affected your TM and EB practices or has there been some other challenging factors?

Appendix 2. Interview data

Table 2: Interview data

Interviewee	Duration of the interview	Organisation size	HR to employee ratio
1	30 minutes	Approximately 73 talents	5.7
2	42 minutes	Approximately 80 talents	5
3	33 minutes	130 talents	2.3
4	34 minutes	250 talents	2
5	45 minutes	Approximately 140 talents	1.2

Appendix 3. A copy of a questionnaire

Section 1 of 4

Questionnaire about job seekers in today's labour market

This questionnaire is conducted as part of a thesis considering talent management and employer branding in IT companies. The questionnaire is designed for job seekers and is conducted to understand their perspective, preferences and find out which factors attract them to apply for a job.

The questionnaire consist of 9 questions and will only take a few minutes to answer. The questionnaire will be open until 10.4.2022.

Are you currently looking for a job?

☐ Yes
☐ No

Age?

☐ 18-29
☐ 30-39
☐ 40-49
☐ 50-59
☐ 60+

What is your educational background? Choose either your current education or the one you have graduated from.

☐ Vocational school
☐ Upper secondary school
☐ Bachelor's degree
☐ Master's degree

What is your field of study or work?

☐ IT
☐ Engineering
☐ Accounting & Finance
☐ HR & Management
☐ Marketing & Sales
☐ Logistics & Supply Chain
☐ Other...

Do you have a LinkedIn profile?

☐ Yes
☐ No

Job seekers preferences

Description (optional)

What factors are important to you as a job seeker? Choose the three most important ones.

☐ Work flexibility and mobility
☐ Development and training opportunities
☐ Work-life balance
☐ Career progression
☐ Competitive compensation & reward system
☐ Job security
☐ Supportive work community
☐ Nice work environment
☐ Other...

What would you hope from your future employer? Choose the three most important ones to you.

☐ Shared values between the organisation and employees
☐ Focus on sustainability
☐ Focus on diversity and inclusion practices
☐ Transparency with compensation
☐ International environment
☐ Importance of the job role
☐ Corporate social responsibility
☐ Innovation
☐ Recognisable brand
☐ Assistance for relocation
☐ Effective communication during the recruitment process

Would you rather work in small and medium-sized enterprise (headcount less than 250) or in a larger global organisation?

☐ Small and/or medium-size enterprise
☐ Large global organisation

Section 3 of 4

Effect of the global pandemic

During the COVID-19 pandemic, many might have re-evaluated what they want from their career and might have gained a new clear idea what they are looking for in a job.

Has the pandemic affected your career goals?

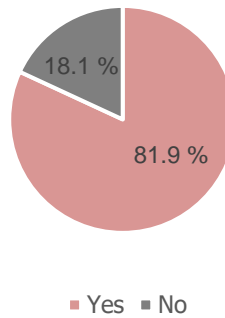
☐ Yes
☐ No

If yes, can you briefly explain how.

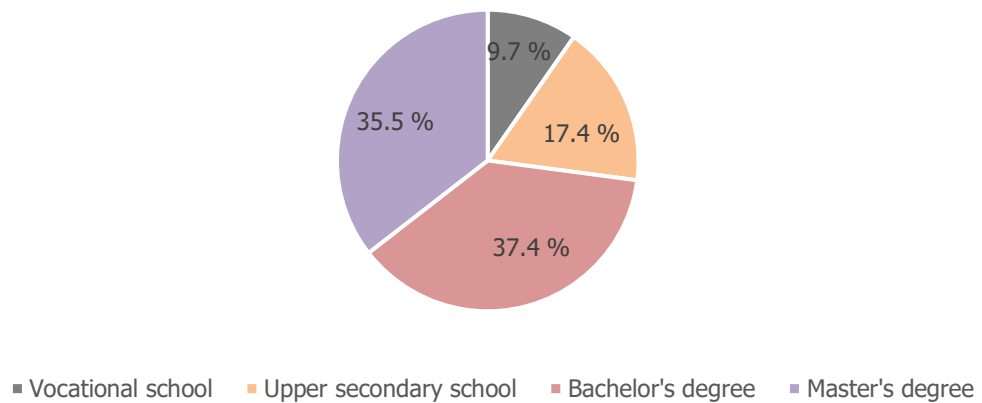
Long-answer text

Appendix 4. Additional questionnaire results

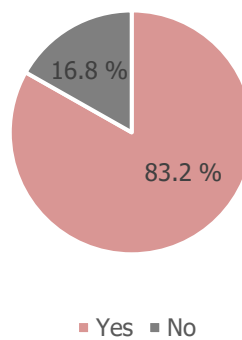
Are you currently looking for a job?



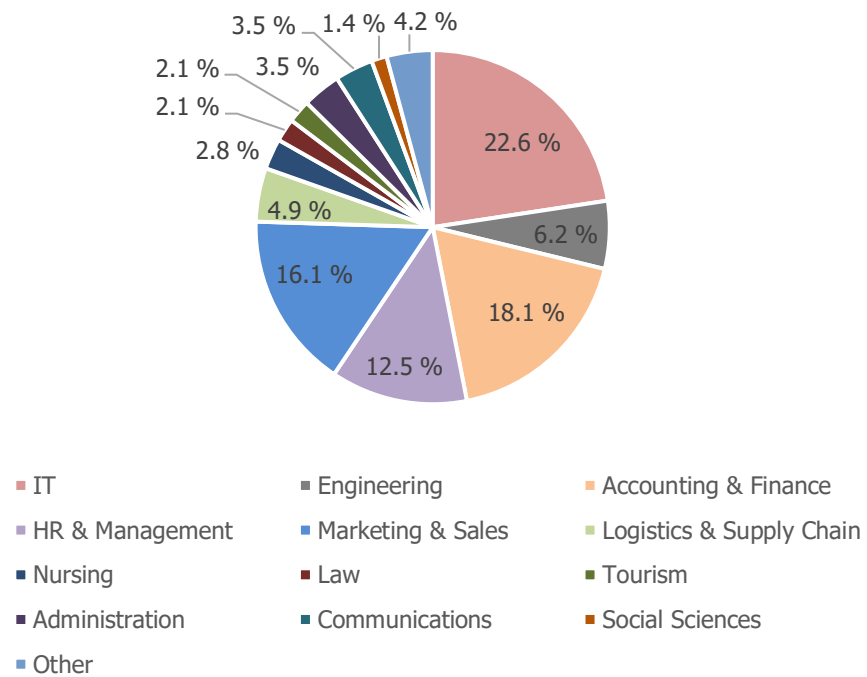
What is your educational background? Choose either your current education or the one you have graduated from.



Do you have a LinkedIn profile?



What is your field of study or work?



Has the pandemic affected your career goals?

