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Rock stars of today, liabilities of tomorrow

Dynamics and typologies in the war for talent between
multinational corporations

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Abstract

Background: Global Talent Management (GTM) has been described as a ‘war for talent’, in-between multinational corporations (MNCs). Acquiring and retaining talent is considered a managerial challenge of the future, crucial to overcome. However, current research leaves many questions unanswered regarding how MNCs define talent, and its implications for GTM practices.

Purpose: The purpose of this paper is to understand how MNCs define talent, and how GTM is carried out in a local context of the MNC.

Method: An explorative abductive approach was used with a qualitative method. In-depth interviews were conducted in nine MNCs working with international trainee programs as GTM initiative, operating in Sweden within different industries.

Conclusion: A common dynamic dimension was observed together with three typologies of talent definition. Each typology seemed to correlate with several influential factors, dimensions and uses of GTM practices. The identified dynamic dimension together with the identified typologies calls for further research.

Contribution: This study contributes to existing research by providing empirical evidence for how talent is defined and how GTM is carried out within a MNC’s Swedish context. Typologies of talent definition were identified. Organizational theories were integrated to expand the theoretical foundation of GTM research. Human capital theory and Contingency theory proved to be applicable in the field of GTM research.

Key words: Global Talent Management, Talent definition, GTM system, Contingency theory, Human capital theory

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1. Introduction

1.1 Background

Multinational corporations (MNCs) as an organizational form have increased in importance during the last decade. This is mirrored in the investments made by firms in foreign subsidiaries in relation to world production and export. Outflow of investment increased with 450 percent, or 1321 billion dollars, and employment in foreign affiliates increased with 217 percent, between 1990 and 2010. This is a dramatic increase in expansion beyond country borders (Forsgren, 2013).

These MNCs have to manage a global workforce in a complex and dynamic global environment, in order to achieve sustainable growth (Tarique & Schuler, 2010). Increasing mobility and globalization, as well as changing demographics, greatly affect the way companies find and manage human resources (Thunnissen et al, 2013).

Although the unemployment rate has hit an all-time high in many markets the last couple of years, companies still find that the talent they seek is lacking. Both researchers and practitioners believe that acquiring and retaining talented people is going to be the single most important managerial challenge in the future (Ernst & Young, 2012; Thunnissen et al, 2013; Paauwe, 2007; Guthridge et al, 2008; Beechler and Woodward, 2009; Farndale et al, 2010; McDonnell et al, 2010; Scullion al, 2011).

These people, identified as talents, are sought after to such an extent that the situation has been called a ‘war of talent’, where companies are fighting fiercely over the ‘A players’ to recruit them into the organization (Groysberg et al, 2004). Reflecting this war, popular business magazines publish yearly listings that map out top talents. Last week, *Veckans Affärer* published its list of 2013’s 101 super talents. The mapping process was described as: “*Veckans Affärer* has vacuumed big companies, venture capital firms, entrepreneurial hubs, incubators and universities to find Sweden’s sharpest brains”¹. These super talents were defined as “the young, smart and driven super talents that will change the way we think about and do business”². However, few studies have studied what it means to be a so-called ‘star’ and their performance over time. (Groysberg et al, 2004).

Management research has therefore steered its focus to the management of the individuals who are of most strategic importance to companies, popularly referred to as “talent management” or “global talent management” in global organizations (Tarique and Schuler, 2010; Thunnissen et al, 2013). However, the issue of how talent should be defined, and whether it is contextual or not, has been brought up for discussion on numerous occasions in current research (Thunnissen et al, 2013). Questions concerning how firms’ context more specifically affects talent definitions and practices remain unanswered.

¹ Veckans Affärer (2013), ”Hela listan: Årets 101 supertalanger”, *Veckans Affärer*, online article published 2013-12-05, URL: <http://www.va.se/nyheter/supertalanger-2013-585188> [Accessed 2013-12-08]

² *ibid.*

1.2 Previous Research

1.2.1 Dominant Themes in Talent Management Literature

To better understand the debate in current GTM research, the main streams of talent definition are presented below. The area of talent definitions, talent management practices and processes are presented. Finally, organizational literature related to MNCs is discussed.

Talent definitions- a broad spectrum

Talent may have different meanings depending on who is asked and in what situation. Its meaning and definition is widely debated, however, without reaching any consensus. Reaching a consensus in this debate is not the aim of this paper, but rather to shed light upon the prism of talent definitions resulting in the currently multifaceted area of research. Previously, talent has been defined on many different levels, e.g. individual, group, and organizational level. Presented below is a summary of the most important streams of research by influential scholars such as Lewis and Heckman (2006), Tansley (2011), and Thunnissen et al (2013).

Talent on an individual level

On an individual level some scholars, such as Gagné (2000) and Tansley (2011), view talented individuals as unique. They can be defined through aspects such as being *high-potentials* or *high-performers* and are expected to perform better than others in regards of meeting requirements of the organization.

Some types of talent are believed to exist in people already from birth, which is described as *innate talent* (Tansley, 2011). An important part of this talent definition is that only a *minority* can be talented, otherwise it would not be possible to explain discrepancies in terms of success between those with an innate talent and others without it. Based on this idea, it is argued that talent can predict future success, but this argument has not yet achieved consensus among scholars.

Talent on a group level

On a group level, scholars make a distinction between adopting an *inclusive* and an *exclusive* approach to the differentiation of the workforce (Lewis and Heckman, 2006; Thunnissen et al, 2013; Gallardo-Gallardo et al, 2012). An inclusive approach entails that everyone has talent, whereas an exclusive approach differentiates a small segment of the whole workforce as special contributors to firm performance. These two dimensions of talent carry implications for how firms manage their employees and talents.

Talent pool

A *talent pool* describes a collective of talented employees who have been identified as talented (Tansley, 2011; Boudreau and Ramstad, 2005). Defining talent as either inclusive or exclusive can have both positive and negative consequences for the organization. The positive side is for a group to gain access to organizational resources and organizational strength, whereas the negative side is the marginality where specific co-workers have a large impact on performance and production, which can result in resentment from the rest of the organization (Tansley, 2011). As Vaiman et al (2012) express it: “scholars are divided on whether or not to differentiate the workforce, and if so, on what basis”.

Difficulties of defining talent in an organizational context

As the definition of talent itself can have many meanings, thus defining talent in an organizational context is complex as well (Tansley 2011). Generally, the talent definition is defined as being organization specific and influenced by industry and type of business, i.e. that talent is a contextual concept (Thunnissen et al, 2013). The definition has implications both on a group and an individual level. For example, the required talent abilities will vary according to the organizational environment, the priorities of the organization, the type of work, and internal and external circumstances across time (Ashton and Morton, 2005; Lewis & Heckman, 2006; McCauley and Wakefield, 2006; Tansley, 2011; Gallardo-Gallardo et al, 2012; Thunnissen et al, 2013).

The definition seems to be dynamic, developing over time and depending on the priorities of the organization. While choosing a definition of talent is not an easy task, due to the various ways in which talent can be defined within a particular organisation, a common notion of organisational talent refers to those who are identified as having the potential to reach high levels of achievement (Tansley, 2011).

Tansley (2011) points out that “some definitions of talent are so vague that one is forced to ask what the point is of using the term ‘talent’ at all”. At the same time, the same scholars argue that having a working talent definition is important for the implementation of talent management policies and practices that are shared across the organisation.

Global Talent Management - differentiated streams

Talent Management, as with the talent definition, has been debated and discussed widely in previous research without reaching an agreement about its meaning. Among the first scholars to define the subject were Lewis and Heckman (2006) who identified three streams of Talent Management. Since Lewis and Heckman in 2006, research around the definition of GTM has made advancements and is considered to have moved from infancy to adolescence (Thunnissen et al, 2013). However, current research is still one-sided and heavily influenced by North American thinking. The lack of precise definitions may be a reason for the currently limited understanding of the area (Mellahi and Collings, 2010; Collings and Scullion, 2009).

The first stream defines Talent Management practices more or less as HRM practices, since talent may be perceived as being equal to human capital. The second stream identifies Talent Management as “a process to ensure an adequate flow of employees throughout the organization”, which is closely related to succession planning (Thunnissen et al, 2013). The third stream recognizes talent as something generic, not relating to a specific position, organization, or context. This generic view holds two different perceptions: the first one only recognizes high performing or high potential individuals, also called A performers, whilst the other one is all inclusive and emphasizes that each person has talent.

Current research status within GTM

Since there are several definitions of Talent Management, it is reasonable that there is a lack of consensus around the definition of Global Talent Management (GTM). As with the concept of talent, many scholars argue that the meaning of GTM is contextual (Tarique and Schuler, 2010; Thunnissen et al, 2013).

In the broader field of HRM, there is an increasing recognition of the contextual factors that shape employment relationship and research welcome empirical studies conducted in other contexts. GTM research still lacks a variety of different national perspectives, both theoretically and empirically, to explore how MNCs work with GTM in other national contexts.

The relationship between GTM and IHRM

GTM has sometimes been used interchangeably with International Human Resource Management (IHRM). IHRM and GTM are related, and can be explained as two different perspectives on one context, but there are some important differences. The impact of GTM is on the employees and the organization, whereas IHRM addresses broader issues and criteria (Tarique and Schuler, 2010). IHRM therefore includes several HR policies and practices including planning, staffing, compensating, training and developing, appraising, labour relations and safety and health (Briscoe et al., 2009; Dowling et al, 2008), whilst GTM mainly focus on attracting, developing and retaining employees, which are considered to be specific high-performance IHRM-activities (Björkman et al, 2007).

Since GTM is a much more focused area of research it might therefore neglect the multiple stakeholder's perspective, which IHRM normally addresses. Since GTM can be examined in the context of IHRM, future researchers can build on work already undertaken in IHRM and apply some of those theories and models to GTM (Tarique and Schuler, 2010).

Definitions of GTM

Thunnissen et al (2013) made a review of the different GTM definitions to illustrate the diversity within the definition. Examples that they found are described in the table below (Fig. 1):

Definitions of GTM	Author (s)
<i>Global talent management includes all organizational activities for the purpose of attracting, selecting, developing and retaining the best employees in the most strategic roles (these roles necessary to achieve organizational strategic priorities on a global scale). /.../ Global talent management takes into account the differences in both organization's global strategic priorities as well as differences across national context for how talent should be managed in the countries where they operate.</i>	Schullion and Collings (2011, pp. 7)
<i>Defined most broadly, global talent management is about systematically utilizing IHRM activities to attract, develop and retain individuals with high levels of human capital (e.g. competency, personality, motivation) consistent with the strategic directions of the multinational enterprise in a dynamic, highly competitive, and global environment.</i>	Tarique and Schuler (2010, pp. 124)
<i>Talent management is the process through which employers anticipate and meet their needs for human capital.</i>	Capelli (2008, pp. 1)
<i>Talent management is the systematic attraction, identification, development, engagement, and retention of those individuals with high potential who are of particular value to an organization.</i>	Davies and Davies, (2010, pp. 419)

(Fig. 1 Definitions of GTM)

1.2.2 Dominant Themes in MNC Literature

MNCs as organizations have become more common in a globalized world and important due to larger foreign investments. Several different perspectives and theories as to how MNCs are structured and function in a political and economic environment have emerged over time. Although leading to rather contradictory views, it is perceived that the field of MNC related literature is largely covered and its underlying principles are widely discussed by many different scholars (Heinecke, 2011; Forsgren 2013; Buckley and Casson, 1998).

The broader field of IHRM research has largely used theories about MNCs to help explain IHRM phenomena in global firms (Björkman et al, 2007; Fey et al, 2009). Since research within the field of GTM is relatively underdeveloped, it is welcomed to integrate MNC literature to build a solid foundation for future GTM research (Thunnissen et al, 2013).

There are several dominant theories to understand MNCs, such as industrial organization theory, transaction cost theory, organizational capability theory, contingency theory, business network theory, human capital theory, and institutionalization theory, to name a few (Forsgren, 2013; Tarique and Schuler, 2010; Björkman et al, 2007; Fey et al, 2009). Some of them explain how firms behave in the global marketplace from an internal, inside-out perspective, while other theories view firms as subjected to the external environment in which they operate.

For the former perspective, Tarique and Schuler (2010) pointed out *human capital theory* in particular, arguing that it can be used to explain the choices made to meet GTM challenges. From this perspective that is internal to the firm, researchers can make decisions about investments in talent in similar ways as with other types of capital (Becker, 1964; Schultz, 1961). Costs that are derived from GTM practices, i.e. attracting, developing, and retaining, can be seen as investments in human capital.

Another major theoretical lens, applied to understand how firms relate to their external environment, is *contingency theory* (Donaldson, 2001). Contingency theory states that there is no best way to do things since it is dependent on contingencies; factors that are derived from the context of the situation at hand. Several IHRM as well as GTM scholars have highlighted the importance of looking at how firms adapt to an increasingly international business environment, and therefore it is of interest to study MNCs from a contingency-based point of view (Wright and Snell, 1998; Buckley and Casson, 1998; Thunnissen et al, 2013).

1.2.3 Summary of previous research

According to numerous scholars, the research area of GTM is relatively new and continually evolving, and currently it is based on limited and one-sided empirical evidence, thus leading a number of theoretical deficiencies. Current research shows that the maturity of GTM as a research area has grown from infancy to adolescence, which is seen as a positive direction for research development. However, it is still considered to be immature, with a lack of frameworks and consensus around GTM and its principles.

1.2.4 Requested further research

Various areas of research must be pursued in order for GTM to grow to a more mature state. To attain a permanent position in the field of Human Resource Management, it must strengthen its theoretical foundation by building on and integrating organizational theories (Thunnissen et al, 2013).

Further empirical studies are required to better understand GTM, especially in relation to the context in which it takes place (Vaiman et al, 2012; Thunnissen et al, 2013; Tansley, 2011; Scullion et al, 2010). Scholars also call for future research, which highlights the complexity of implementing GTM in different countries and different types of organizations, thus rejecting the prescriptive best practice approach that is dominant in today's literature (Scullion et al, 2010; Vaiman and Holden, 2011; Vaiman et al, 2012).

McDonnell (2011) argues that current GTM research lacks a time perspective on talent, i.e. how it evolves or remains accurate over time, which has important implications on the differentiation debate, i.e. whether to consider a person as a talent “for life” or as subjected to change into a non-talent.

1.3 Problem formulation

The area of GTM is developing and this is regarded as a positive direction for research development, but the lack of consensus of how that will affect talent definition in practice is problematic. The terminological ambiguity around working definitions of talent has serious implications for firms who attempt to design and implement GTM programs, which in turn has implications for how well firms attract, recruit, develop, and retain skilled people that are important for success (Tansley, 2011). In addition, since the talent definition can be defined as being organization specific and may be influenced by industry and type of business, it might have effects both on a group as well as on an individual level.

In addition, the little empirical research that exists lacks a geographical spread, which makes potential deviations due to national contexts relatively unexplored (Vaiman et al, 2012). This could be considered an issue since many MNCs are struggling with recruiting and retaining the talent they need for global operations. Therefore, there is a need to better understand how and why MNCs define talent in certain ways in a local context, whether there are differences and similarities, and recognize the implications on their GTM practices in a way that goes beyond merely recognizing that talent is contextual.

1.4 Purpose & research questions

The purpose of this paper is to understand how talent is defined and how GTM is implemented in a local part of an MNC, by studying nine MNCs operating in Sweden, and who explicitly works with GTM through Trainee programs or similar initiatives.

1.4.1 Contribution

This study intends to contribute to existing research by providing empirical evidence for MNCs' talent definition and GTM practices. By investigating the Swedish context, one also intends to contribute to the expansion of empirical research to other national contexts. Furthermore, one wishes to explore what factors in the organizational context affect the practitioners' choice of talent definition and whether it has an effect on practices. In doing so, one aims to explain the complex environment of GTM within MNCs and make the current research and the debate around talent more nuanced.

The aim is therefore not to create consensus around the definition of talent, but rather to better understand the forces or factors that impact MNCs' definitions of talent and GTM practices, as well as to observe potential implications of having certain definitions.

1.4.2 Research question

Hence, the research questions are as follows:

Within a Swedish context:

- 1. What factors influence MNCs' talent definitions?*
- 2. How do MNCs, operating in different businesses and industries, define talent?*
- 3. How are the definition of talent and its influential factors correlated to GTM practices?*

1.5 Working definitions

1.5.1 Multinational corporations (MNCs)

This study uses the term “MNCs” as an abbreviation for “Multinational Corporations”³, which refers to a corporation that operates in several countries but is managed from one home country, and generally derives a quarter of its revenue from its foreign operations or in some way controls value-added activities in more than one country (Dunning and Lundan, 2008).

1.5.2 International Human Resource Management (IHRM)

Tarique and Schuler (2010) argue that GTM can be examined in the context of IHRM, and it is important to understand the relationship between the two concepts. Human Resource Management (HRM) can be defined as such:

³ Cambridge Dictionary (2013), online dictionary, URL: http://dictionary.cambridge.org/dictionary/business-english/multinational_1 [Accessed 2013-11-01]

- *“HRM refers to all those activities associated with the management of work and people in organisations”* (Boxall and Purcells, 2007, p.1).

Bearing this in mind, International Human Resource Management (IHRM) is:

“...human resource management in an international environment . . . problems created in an MNC performing business in more than one country, rather than those posed by working for a foreign firm at home or by employing foreign employees in the local firm’ (Briscoe and Schuler, 2004, p.1).

1.5.3 Working Definition of Global Talent Management (GTM)

The abbreviation “GTM” refers to “Global Talent Management”. Since there are various definitions of talent it is also difficult to find a common definition of GTM and the meaning of it depends on in what context it appears. In general GTM can be described as IHRM activities used to attract the most talented potential employees to strategic important roles for organizational results and then develop these individual to achieve their best. Included in this work is also to activities aiming for retaining these individuals. GTM as a perspective takes the global view on these processes, instead of a local one.

1.5.4 GTM System

When discussing GTM practices one refers to some major sets of IHRM activities that MNCs use to face their GTM related challenges. Tarique and Schuler (2010) suggest the combination of these into one unity, or process, can be described as a GTM system. Hallmarks of such a system include **attracting** (e.g. *reputation management, recruitment, and selection*), **retaining** (e.g. *performance management, compensation activities*), and **developing** (e.g. *training, career development activities*). However, other activities can be included within the process.

To facilitate for the reader, activities related to the GTM system will in this thesis be described as GTM practices, and thereby indirectly implying that it is IHRM activities that are referred to.

1.5.5 Employer branding

Firms often use Employer branding as a tool to attract talents. In this study, employer branding relates to activities of differentiating one firm's characteristics as an employer from its competitors, and the underlying assumption of employer branding is that human capital will bring value to the firm, where "skilful investment in human capital, firm performance can be enhanced" Backhaus and Tikoo, 2004, p.3).

Employer branding can be described as both economic and psychological benefits that the employee gets from that specific employer. As with other type of branding it points out the identity of a firm as employer in values, policies and behaviours. This is done in processes such as attracting, motivating and retaining both current and potential employees of the firm.

A value proposition is normally created and communicated in the brand. This is based on organizational characteristics such as culture and values and how this is reflected in current employees. Consistency between these branding activities of the firm and others are important both internally and externally. Externally, the brand can be seen as a promise of what a future employee can expect, and internally, it can be seen as way to commit employees of values and goals set by the firm (Backhaus and Tikoo, 2004).

1.6 Delimitations

The discussion of GTM and its practices is limited to a business and working environment, and are mainly discussed within the setting of programs and initiatives such as trainee programs, graduate programs, and in few cases also internships. Other GTM initiatives that exist within the selected MNCs are beyond the scope of this thesis.

The number of interviewed companies and respondents were limited due to time restrictions, which limited the authors to gather as many multiple perspectives initially desired between different MNCs and within each MNC.

This thesis is also limited to examining MNCs in a Swedish context. Therefore, no further examination or comparison was made between different national contexts.

When discussing GTM practices, the effectiveness of a GTM system is beyond the scope of this thesis. This would require more internal information and deeper investigation of internal goals and measurements for each MNC and its processes, which would require more time than the given timeframe. Finally, each company is only examined during one point in time, neglecting development over time as a factor and perspective of analysis.

2. Theoretical framework

The selected theoretical framework is presented in this section, and it is the used to structure and support the empirical findings and analysis. First, one presents the overall framework and how the different theories are linked to each other. Secondly, each part is discussed more in-depth.

2.1 The integrative GTM framework

Tarique and Schuler (2010) proposed to use their integrative framework of GTM challenges for future research; however, it is too vast to be covered in its whole in this paper. Therefore, only the most relevant components for this study were used to provide a structure for this study.

Exogenous and endogenous drivers

Their idea of *exogenous* and *endogenous* drivers that affects GTM were chosen since the first research question is focused on exploring the factors that influence the talent definition. Theories about the multinational firm, i.e. human capital theory and contingency theory have been included to represent these exogenous and endogenous perspectives. Human capital is used as an internal or endogenous perspective and the contingency theory is used to represent the endogenous perspective. Tarique and Schuler (2010) specifically suggested that human capital would be a suitable theory for further GTM research. Contingency theory on the other hand is relevant to represent the exogenous perspective of a MNC firm. These theories are also used to understand the other research questions.

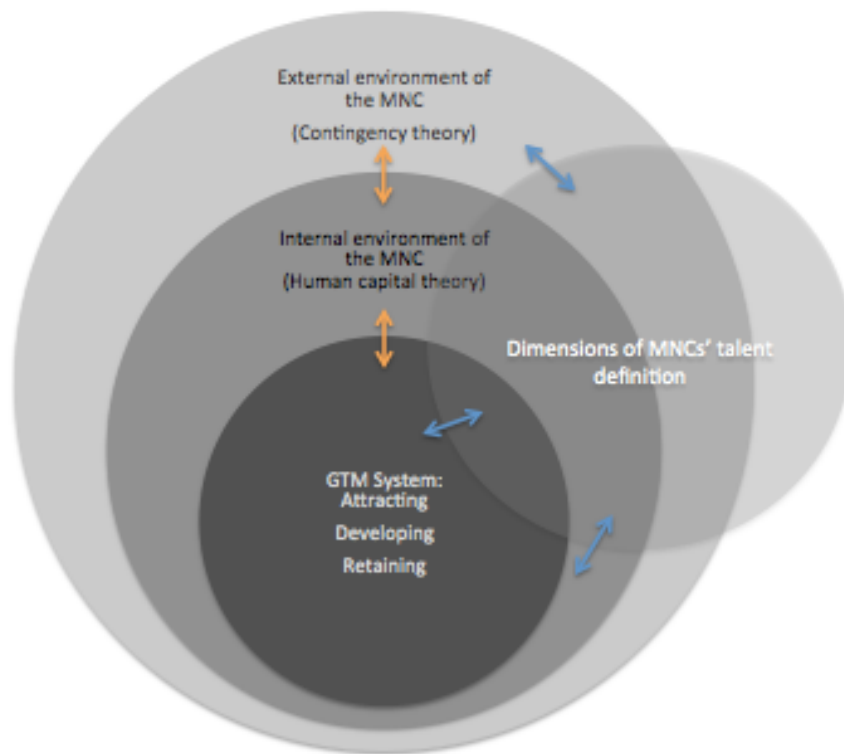
Thunnissen et al (2013) argued that GTM is contextual, whereby it is motivated to use both human capital and contingency theory. The former explains that decisions depend on the internal factors of the particular firm, and the latter argues that decisions depend on the external factors given by the firm's environment. In fact, the management of human resources in a strategic sense should be regarded as an integrated set of practices that influence, and is influenced by, the organizational and socio-economic context (Martín-Alcázar et al, 2005). Together, these two perspectives can shed a dual light upon both external and internal factors in a MNCs context, and how this shapes their way of defining talent and designing GTM practices.

GTM systems

As for the second research question about talent definition, other prominent GTM theories have been added to complement the integrative framework. Finally, Tarique and Schuler's structure of the GTM system, i.e. *attracting, developing and retaining*, was chosen since the third research question aims to discover the correlations between influential factors, talent definition, and GTM practices.

The talent definition

Besides adding the human capital and contingency theory perspectives to the modified framework, a talent definition component is also included. The authors theorize that even though the talent definition is not included in Tarique and Schuler's original framework, it is correlated both with the GTM system and the endogenous and exogenous environment of the firm. The modified framework is presented below (fig. 2) and each part of the framework is thereafter described further in detail.



(Fig. 2: The modified integrative GTM framework)

2.2 Theories of the MNC – The exogenous and endogenous perspectives

2.2.1 Human capital theory

Tarique and Schuler (2010) mean that there are exogenous, i.e. external, and endogenous, i.e. internal, drivers that shape how firms work with GTM. To explain discrepancies and similarities in talent definitions and GTM practices related to the internal environment of the MNC, the human capital theory was chosen. It takes the standpoint of the MNC from an inside-out perspective, where choices can be understood from the firm's endogenous factors, such as strategies, available resources etc. Tarique and Schuler (2010) proposed the use of this theory in particular, to address GTM questions in future research.

Investments in people

Becker (1964) and Schultz (1961) were among the first to argue that decisions about investments in people can be viewed in similar ways as investments in other types of capital. Human capital theory emphasizes the labour costs relative to the return on investment, i.e. future productivity, for developing employee skills and knowledge, i.e. education and training (Becker, 1964; Flamholtz and Lacey, 1981; Schultz, 1961; Lepak and Snell, 1999). This means that the investment in employees needs to be justified by a future return in terms of performance and delivery; otherwise it is considered as an unsuccessful investment.

The human capital is owned by the employees themselves and firms aim to prevent that their human capital investment transfers to other firms, i.e. by reducing the turnover rate of the employee base. Factors that can act as deterrents to turnover are for example senior management's leadership capabilities and involvement, employee happiness, competency development initiatives, and a favourable level of business performance (Bontis and Fitz-enz, 2002). Costs incurred by GTM practices, especially in competency development, can therefore be justified as investments to secure future return, given that the employees have the potential to deliver on the desired level.

Human capital and market size

The incentive to invest in skill increases with the size of the market, in relation to that number of tasks or the complexity of any one if these tasks increase (Becker, 1964; Reder, 1967). Wright et al (1994) also propose that higher levels of human capital lead to greater capabilities to respond to environmental changes, thus leading to sustained competitive advantage. On the same topic, if the market is less volatile and less uncertain, it is easier to predict future return and development of human capital investments, and this reduces the risk of investing in human assets (Levhari and Weiss, 1974).

2.2.2 Contingency theory

If human capital theory can help explain the endogenous perspective, there is still a need for explaining the exogenous perspective (Tarique and Schuler, 2010).

Therefore, the contingency theory was chosen since it views the MNC from an outside-in perspective, where decisions are related to how the company adapts to its external environment. This theory has previously been used by IHRM scholars to understand IHRM issues around organizational fit and flexibility between strategic processes at the same time adapting to international environment (Wright and Snell, 1998; Buckley and Casson, 1998). As IHRM can be seen as a wider organizational lens, of which GTM is a part of, it is suitable to apply contingency theory on GTM research.

The context of the situation

Contingency theory is a major theoretical lens that scholars use to view organizations (Donaldson, 2001). It entails that there is no best way to organize a corporation or to make decisions. Rather, the best course of action is contingent, i.e. dependent, upon the context of the situation. Contingency factors moderate the link between human resource management, strategy and performance, and therefore deny the existence of best practices that works under any circumstances (Galbraith and Nathanson, 1978, Delery and Doty, 1996; Miles and Snow, 1984; Schuler, 1987).

Contingencies include a broad set of environmental factors, such as competitive, technological, macro-economic and labour context; as well as the stability of the environment, task uncertainty and interdependence, and organizational size (Donaldson, 2001, Kanter, 1983, 1989; Warner, 1984; Coates, 1987; Walker, 1988; Schuler and Walker, 1990; Becker and Gerhart, 1996; Boxall, 1998; Jackson and Schuler, 1995). For example, the more uncertain or the more interdependent a task is, the more difficult it is to predict which strategy is the best course of action.

Strategic fit

According to Morgan (2007), the management aims to achieve alignment and good fit between strategy, culture and the environment. High performance and efficiency, which is a crucial part of contingency theory, are dependent on how well organizational characteristics fit with contingencies, therefore firms are motivated to avoid misfit, after contingencies change, by adopting new characteristics when needed (Donaldson, 2001; Forsgren, 2013). For example, some scholars argue that the GTM agenda is likely to shift over time as a MNC passes through the internationalization process, where global firms with a growing need for coordination and integration of GTM practices require more control over talents' career development and mobility (Scullion and Starkey, 2000); Farndale et al, 2010).

Corporate cultures and values

Another aspect is the role of corporate culture and values, which Forsgren (2013) argues are the glue that keeps the different parts of the organization together. This is carried out by socialization of managers and decision-makers who attain a set of shared goals or standards (Ghoshal and Nohria, 1997). IHRM scholars have previously used contingency reasoning to understand IHRM issues, such as organizational fit and flexibility, i.e. reaching a fit between IHRM practices and the strategic management processes of the firm, while being flexible enough to adapt to changing requirements in the international environment (Wright and Snell, 1998; Buckley and Casson, 1998).

2.3 Dimensions of talent definition

The talent definition as a component is added to the modified framework since there exists a possible correlation with the GTM system, and the endogenous and exogenous environment of the firm. The most popular and influential streams of research are presented below. Unifying the research around a specific definition is not in the authors' interest, but to provide reasoning and understanding to diverse definitions in practice.

2.3.1 Inclusive and exclusive approaches to talent

An influential aspect of the talent definition in current GTM literature is the possibility to differentiate the workforce. Talent definitions can either concern all employees, i.e. an *inclusive* approach, or concern a selected segment of employees, i.e. an *exclusive* approach (Gallardo-Gallardo et al, 2012; Thunnissen et al, 2013, Powell et al, 2012; Stahl et al, 2012). Having an inclusive approach means that the terms ‘talent management’ and ‘people management’ are interchangeable, and it allows every employee to reach its potential (Ashton and Morton, 2005; Gallardo-Gallardo et al, 2012). Although it is a less risky approach it has been criticized as being too broad and meaningless (Lewis and Heckman, 2006; Gallardo-Gallardo et al, 2012).

An exclusive approach on the other hand, views talents as those who are ranked the highest in terms of strategic capability and potential, and who make an impact on the firm’s current and future performance (McDonnell, 2011; Stahl et al, 2007, Davies and Davies, 2010). These people are often referred to as A-players, high-performers, or high-potentials, and they are often considered to executive and key or pivotal functions that are of strategic importance for future business success (Lewis and Heckman, 2006; Boudrau and Ramstad, 2005). Gallardo-Gallardo et al (2012) emphasize that a talent needs not only to be capable of high-performance but also needs to have the willingness and commitment to do its best.

Vaiman et al (2012) pointed out that it is a sensitive issue to differentiate a workforce, meaning that those considered as talents might create expectations that the firm cannot keep, and the others might become demotivated by being labelled as non-talents. Although firms can use a combination of both approaches, thus allowing firms to differentiate while to dodging the controversial issue of pointing out some people as more valuable than others, they seem to prefer the exclusive perspective (Sparrow et al, 2011; Stahl et al, 2012).

In summary, one notes the lack of consensus as to whether the whole workforce would benefit equally from development initiatives, or if only some employees possess innate characteristics for learning and should be singled out from the rest of the workforce (Tarique et Schuler, 2010).

2.3.2 The context of talent

Despite the different interpretations of talent, scholars agree on the importance of the context in which a firm operates and that this will have an impact on the talent definition; thus talent is not absolute, but contextual, relative and subjective (Thunnissen et al, 2013). This implies that current decision-makers might have a personal impact on a firm's talent definition, and that this might change if the decision-makers are replaced.

The required talent abilities will vary according to the organizational environment, the type of work, and internal and external circumstances across time (Ashton and Morton, 2005; Lewis & Heckman, 2006; McCauley and Wakefield, 2006; Tansley, 2011; Gallardo-Gallardo et al, 2012; Thunnissen et al, 2013). With regards to the time aspect, McDonnell (2011) argues that the way talent definition evolves or remains accurate over time have not been widely discussed by GTM scholars. This has important implications on the differentiation debate, i.e. whether to consider a person as a talent "for life" or as subjected to change into a non-talent.

2.4 The GTM system

*As the working definition of this study stated, GTM consists of "organizational activities for the purpose of attracting, selecting, developing, and retaining the best employees in the most strategic role on a global scale". GTM activities are therefore a selection of the IHRM activities, described by Tarique and Schuler as the GTM system (2010). These authors suggest that the GTM system consists of practices or activities related to **attracting, developing and retaining** talent. These practices provide a structure for the presentation of the empirical findings in the following section.*

2.4.1 Attracting talent

Attracting practices include the development of firm and HR reputation, selecting and recruiting international individuals with the desire to work globally. In general, organizational attractiveness increases when creating a strong employer identity or brand, and it differs depending on which one wishes to attract.

2.4.2 Developing talent

Development practices include training and education of the talent, with more attention to career development than other employees. Internal development programs, trainee programs, pipelines and talent pools are some examples. However, development can also be seen as providing job rotations through internal job pools.

2.4.3 Retaining talent

Retention practices include performance management, talent reviews, and compensation and rewards, with the aim of motivating and engaging talents in order to decrease employee turnover.

3. Method

This section explains how the study was executed as well as motivates the approaches, research methods and chosen selection criteria. Furthermore, alternative methods and potential consequences of chosen methods are discussed briefly. In summary, this explorative study has followed a qualitative approach executed with use of in-depth interviews, to answer the research questions. Nine MNCs in different industries were chosen, based on the selection criteria of having trainee programs, of which the data were complemented with two consultancy firms that specialize in talent management, in order to understand the local context. Twenty interviews were conducted in total.

3.1 Research purpose

According to Chaisson and Schweyer (2004), most of the existing research is limited to descriptive essays based on consulting anecdotes and experiences, without solid empirical or theoretical evidence. Due to this fact, few focused on definitions of talent in broader terms, and the studies that in fact conducted empirical research have used descriptive methods to evaluate country differences.

Since the majority of current research is still conceptual, the purpose of this study is to expand current research by filling the empirical and theoretical gap. Rather than to generalize how firms work with GTM, the study aims to create an understanding of the correlation between talent definitions and GTM practices.

According to Bell (2006), an exploratory research purpose is advantageous to discover areas not yet noted by previous research and to map future research possibilities within these areas. Since there is a lack of clarity around the definition of talent, and a lack of research discussing its reasons and consequences for GTM activities (Tarique and Schuler, 2010; Thunnissen et al, 2013), it was deemed appropriate to conduct an exploratory study.

The alternative to an exploratory study would be that of a descriptive or an explanatory study. However, as explained above, most studies are already of descriptive nature, and since the research area is still conceptual and correlations between factors have not yet been discovered, an explanatory study has been deemed to be less relevant to fulfill the purpose of this paper.

3.2 Research approach

The area of GTM is currently a relatively young area of research. It is argued that the field would mature if the theoretical foundation were strengthened by empirical evidence (Collings and Melahi, 2009; Thunnissen et al, 2013). Therefore, either an inductive or abductive approach seemed most suitable for the research purpose of this paper.

An inductive approach emanates from empirical observations in order to generate new theories, in comparison to a deductive approach where one derives a hypothesis from existing theory and thereafter does an empirical investigation (Bell, 2006; Bryman and Bell, 2011).

With an abductive approach, the researcher starts in theory, followed by studies in reality with collection of empirical findings, and then returns to theory to better adapt it to reality (Alvesson and Sköldbberg, 1994). This study follows an abductive approach, which can be viewed as the middle path between deductive and inductive reasoning.

Considering the current stage of GTM literature, the chosen abductive approach is still close to an inductive approach. A scenario of choosing an inductive approach would therefore have been a possible alternative for this thesis. It was, however, found most appropriate to adopt an abductive approach, since it begins with reviewing what previous researchers have discussed in terms of talent definitions and talent management practices, and subsequently carries out qualitative interviews to be able to generate new theories that build on existing theory. Hence, empirical findings and theory have continuously been alternated, meaning that the collection of literature has been done in parallel with the execution of interviews.

A qualitative method was used since the purpose was theory building, rather than for testing theories (Bonoma, 1985; Parkhe, 1993; Wilson and Volsky, 1997), which suits the abductive nature of this study. Currently, the majority of empirical studies use descriptive statistics and only a small number used qualitative methodology (Tarique and Schuler, 2010). In that sense, this study aims to contribute to existing research by choosing a qualitative approach, instead of e.g. a quantitative approach that is more suitable for testing findings and explaining phenomena. For future research combinations of quantitative and qualitative studies might be more suitable to broaden the implications of the findings and be able to generalize to a greater extent.

Furthermore, in order to acquire deep and detailed qualitative data, physical and psychological closeness to the studied phenomena are required (Carson and Covellio, 1996; Merriam, 1988). This can be obtained through qualitative data collection methods such as in-depth interviews. In order to obtain physical closeness, the data was gathered within Swedish borders, often by visiting the MNCs' Stockholm offices.

3.3 Study design

The study was designed as qualitative interviews in nine different companies, where primary data was collected from semi structured interviews with managers, former trainees, and other employees. To better understand the Swedish context and to get an aggregate view of HR, Talent Management- and Employer Branding-consultants were also interviewed. The selected companies that agreed to participate in this study were promised anonymity since some of the information might be sensitive to share. Therefore, all company names and interviewee names are anonymized throughout the paper.

Even if MNCs are more researched than small- and medium-sized enterprises (SMEs) or public sectors, differences or similarities between MNC industries are so far not widely discussed. Therefore, the selection and collection of empirical data of MNCs in different industries is believed to be of interest. As Thunnissen et al state, “new perspectives are essential for a theoretical framework for talent management in different contexts, for example in different branches of industry” (2013, p. 1758).

In addition, the belief is that MNCs are more likely in need of, and have enough resources for, working extensively with GTM, compared to smaller companies with local operations only and limited resources (Rosenzweig and Nohria, 1994). To mirror reality, the study has therefore focused on MNCs rather than SMEs, with complementary data from industry experts. In order to be both physically and psychologically close to the interview objects, and due to time and resource constraints, the interviewees were all stationed in Sweden as with the authors of this study.

To focus the study further, MNCs were selected based on that they had explicitly stated an engagement in GTM practices, either by having trainee programs, graduate programs, or internship programs. These programs are in general targeted towards high potentials/high performers and talents. Such initiatives involve many parts of the GTM process that is adequate for the thesis questions. This limitation was made to select companies in a structured and motivated way. Furthermore, discussing concrete initiatives, such as a trainee program, in the interview made the research question more tangible for the interviewees.

3.3.1 Method of selection

Since the objective was to target MNCs operating in Sweden that currently also had a trainee program or similar initiative in place, the authors first identified different active trainee programs and thereafter selected the ones who belonged to a MNC. The potential participants were compiled in a list of around 50 companies, which thereafter were contacted and asked to participate in the study.

By doing this, one was able to get a better understanding of what type of MNC offered a trainee program in Sweden, as well as the purpose, structure and design of the program, and the desired candidate profile. This structured selection process enabled the authors to be less subjective and avoid only selecting MNCs that were top-of-mind.

The selection criteria for the companies are as following:

MNCs that:

- Are operating in multiple countries but governed from one home country
- Have either a head office or subsidiary in Sweden
- Are from different industries and operate in different kinds of business
- Are larger in size in terms of turnover or number of employees
- Openly state that they either actively work with international Trainee programs, Graduate programs and in second hand Internship programs

MNCs with trainee programs⁴:

Companies were identified as having a trainee program, when trainee programs were advertised as consisting of having:

- A time period between 9 to 30 months
- The trainee period equals full time employment
- There is a program for the whole period (a structured development plan)
- The company openly states that they offer a trainee program for applicants external to the firm

MNCs with Graduate programs:

Graduate programs are another naming of what is also called 'trainee program'. It is normally considered to include the same characteristics as described above.

Trainee program as a part of university collaboration:

In few cases trainee periods can be part of university collaboration where the trainee is employed as a trainee during a short period of time and gets paid.

⁴Traineeguiden (2013), "Certifierat Traineeprogram", *Traineeguiden.se Civilekonomerna*, website, URL: <http://www.traineeguiden.se/trainee-artikel/3985-certifikat/2247-certifikat-traineeprogram> [Accessed 2013-10-05]

According to the aforementioned criteria, the following MNCs were chosen as presented in the table below (fig. 3):

Company name	Head office country	Industry	Business areas	No. of employees	No. of countries MNC is present in
Alfa	Germany	Gas	Chemicals, food, environmental protection, glass, electronics, construction, pharmaceuticals	50.000	100
Beta	Great Britain	Tobacco/FMCG	Tobacco-related products	50.000	200
Gamma	Sweden	Manufacturing of industrial tools & products	Construction & mining equipment, power tools, compressors	30.000	200
Delta	Germany	Industrial and consumer products	Domestic products, beauty care, adhesive technologies	40.000	150
Epsilon	Germany	Energy	Energy production & energy supply	80.000	30
Zeta	Sweden	Industrial agriculture	Food, energy, agriculture and machinery	9.000	20
Eta	Sweden	Manufacturing of automobile vehicles	Buses, construction machinery, trucks	100.000	150
Jota	Sweden	Telecommunications	Mobile & fixed calls operator, internet service provider, television cable and digital services	10.000	10
Kappa	France	Consulting	IT, professional services, outsourcing	140.000	40

(Fig.3: List of participating MNCs)

Further complementary data was collected from the following HR-consultant firms:

- Consultancy A (focused on Employer Branding and Talent Management)
- Consultancy B (focused on Talent Management)

In addition, the study investigates these companies with a “snapshot” perspective, i.e. how they work with GTM today, rather than mapping the development over time, in order to narrow the research further.

3.3.2 Primary sources

A table of the anonymized interviewees and companies is presented below:

Name (alias)	Position	Company	Interview method	Length of interview	Interview date
Johan	Project Manager	Consultancy Firm A	In person	2h	2013-10-08
Kim	Chairman	Consultancy Firm A	Skype	1h	2013-10-29
Erik	CEO	Consultancy Firm B	In person	1h	2013-10-15
Simon	Director of Organizational Development	Alfa	In person	1h	2013-10-28
Erika	HR Manager	Beta	In person	1h	2013-10-17
Niklas	Brand Manager, former trainee	Beta	Phone	1h	2013-11-29
Nina	Nordic HR Manager	Gamma	In person	1h	2013-10-10
Maria	HR Manager	Delta	In person	1h	2013-10-14
Agnes	Responsible for interns	Delta	In person	1h	2013-10-14
Olga	Trainee Program Manager	Epsilon	Phone	1h	2013-10-16
Rickard	Director Strategy & Analysis	Epsilon	Phone	50min	2013-10-21
Anna	Head of Business HR, former trainee	Epsilon	Phone	1h	2013-11-26
Elin	HR Director	Epsilon	Phone	50min	2013-12-02
Viktor	Manager of Employer Brand and Graduate Program	Zeta	In person	2h	2013-10-29
Amelia	Global Program Manager	Eta	Phone	1h	2013-10-30
Elsa	Management Consultant, former trainee	Eta	Phone	1.5h	2013-11-05
Andrea	Global Program Manager Long-term Recruitment & Employer Branding	Eta	Phone	1.5h	2013-11-12
Annie	Director Business Support	Eta	Phone	50min	2013-11-20
Sofia	HR Manager	Jota	In person	1h	2013-11-14
Karl	Consultant, Student Relations	Kappa	In person	1h	2013-11-22

Data collection through semi/unstructured interviews

In terms of interview structure, a qualitative approach with semi-structured interviews was used at first, and as the collection of empirical evidence progressed, a more unstructured interview approach was used. According to Bryman and Bell (2011), semi-structured interviews consists of a series of general questions that can be varied in sequence and where further questions can be asked if needed. The unstructured interview follows a more informal interview guide where phrasing and sequencing will vary from interview to interview. This type of interview is a suitable method for allowing the respondent to answer freely and in more detail, a larger extent than surveys, hence leading to more credible and high-quality data (Quader, 2007).

This study used the “Six Principles framework” by Stahl et al (2012) to structure the interview questions (see *Appendix 8.1*). It was used since it covers all fundamental areas of GTM and takes the practitioner’s point of view, thus making the questions more graspable than questions based on theoretical expressions.

As the process of conducting interviews progressed, some parts of Stahl et al’s framework became less relevant and were removed and adjusted accordingly. This resulted in a more unstructured form of interview technique where interviewees talked freely about their experiences and only relevant follow-up questions were asked.

Interview setting and selection of respondents

The data was collected from primary data, performed as semi- and unstructured interviews with 20 respondents. Each interview took between 50 minutes and two hours. The interviews were either done with meetings in person, or through telephone and Skype conversations. Complementary questions were asked via email.

In order to gain a deep understanding of how GTM processes were carried out in MNCs, interviewees mainly included HR-staff. Other employees and former trainees were interviewed on their experiences with GTM practices in order to understand the MNC further. Although aiming for a multiple perspective in all firms, due to practical reasons and limited time this could not be achieved for all studied MNCs. Therefore, there is a possibility that this unbalance between perspectives affects the data gathered, as well as the weight of relevance given to each firm. One needs to bear this in mind when drawing conclusions. Nevertheless, the companies with fewer respondents did not deviate largely in their opinions or views from the ones with more interviews.

Since the intention of this thesis is to map out how GTM is defined and practiced in MNCs, it was preferred to have a larger range of firms than many interviewees in a few numbers of firms. There is therefore a value in covering different types of MNCs in different industries, in order to grasp the differences and commonalities between them. However, the aim is not generalize any phenomena; this study should be regarded as a first step towards understanding GTM in MNCs.

3.3.3 Secondary sources

Previous research was collected from research papers and literature that discuss the various definitions of talent and GTM practices, as well as research areas that could help explain different observed phenomena, such as human capital and contingency theory. In addition, secondary data from company websites, business reports and such, was collected to obtain a company overview, independent from what has been said in the interviews.

During the process of gathering theory, all articles were summarized and categorized in an Excel sheet according to relevance. This aided the authors to achieve an overview of existing literature and identify potential gaps in theory.

3.4 Analysis method

This study aims to provide a better understanding of how companies think around GTM. Therefore, the authors applied a more interpretative approach to analyzing the qualitative interviews. In the analysis, an attempt to find common themes or patterns was made.

The analysis was made through several steps. First, the main findings from the empirical material were summarized in accordance to the research questions. Companies were clustered together according to similarities in influential factors and talent definition dimensions to facilitate the process of discerning patterns. Second, These patterns between influential factors, talent dimensions, and GTM practices, were categorized into three typologies of talent definition. Third, the typologies were discussed with support from human capital theory and contingency theory, in order to understand why MNCs behave in ways that has not been explained by previous GTM research.

3.5 Validity, reliability, and reflexivity

Since qualitative studies features some level of subjectivity it is possible that the execution and result of this study was influenced by both the authors' and the respondents' subjectivity. It is of great importance that one is critical to the utilized sources.

Validity

Validity entails that one measured what was intended to, and it might be difficult to determine that a qualitative study is trustworthy since the social context is ever changing (Kvale, 1989; 1985; Bryman and Bell, 2011). In order to achieve highest validity possible, the interview questions has been re-formulated according to how the theoretical framework developed. In retrospect, one sent complementary questions to align the empirical findings to the final theoretical framework. In order to ensure that the interviewees understood the questions, one briefed them of the questions on beforehand and one could further clarify the intention of the questions during the personal encounters.

One should be aware of that due to the strategic nature of the questions asked in this study, touching areas of sensitive HR policies and HRM information involves a risk that parts of relevant information, that potentially could result in a less favorable view of the MNC, are not discussed with the authors. By discussing practices rather than policies, and ensuring anonymity, this risk is partly prevented.

Reliability

Reliability examines if scientific results can be re-created under the same conditions, which shows the accuracy of the study, and whether any general conclusions can be made (Enerstvedt, 1989; Bryman and Bell, 2011). This study is of qualitative nature, examining a few numbers of MNCs; hence it is difficult to draw any general conclusions. However, some common behavioral patterns have been identified.

Reflexivity

One should be aware of the issue of validity and reliability; nonetheless, one also needs to be aware of one's own subjectivity by discussing the study's reflexivity. According to Brewer (2000), this means that the author herself is part of the social world that she studies and this demands a critical evaluation of herself. As authors and observers, one might have influenced the interpretation of data due to own viewpoint and previous experiences of the research area. The study's two authors are both business students from similar academic background and national context, which might have influenced they way to interpret data. To attain highest possible objectivity, the majority of interviews were done by both authors together, and in addition notes and sound records were taken to ensure that responses were correctly understood.

There is also a risk of asking leading questions and thereby influencing the interviewee. Also, the interviewee might, consciously or unconsciously, try to guess what kind of answers the interviewers want to gather for their study, especially since they were briefed on the research questions on beforehand.

4. Empirical Findings

4.1 The Swedish Context

To better understand how talent management is carried out in Sweden, consultancy firms that are experts in this area were interviewed to get an aggregate understanding of the Swedish context, other than the data collected from the interviewed companies. Two specialist companies were interviewed in the area of Employer Branding (A) and Talent Management (B) that consult for other Swedish companies in these questions of trainee programs and attracting talents.

Empirical findings will therefore be presented in the following structure:

1. Thoughts about trainee programs
2. The definition of talent
3. IHRM activities of the GTM system

The following parts of the GTM system will be discussed:

- **Attract** (*reputation management, recruiting and selection*)
- **Developing** (*training and career development*)
- **Retain** (*performance management and compensation*)

4.1.1 Consultancy firm A and B

1. Thoughts about trainee programs

The tradition of having trainee programs in Sweden

Both firms agree that trainee programs as a phenomenon is nothing new in the Swedish context. Some of the largest MNCs have had them for several decades involving long traditions developing a strong reputation around these programs. Investing in trainee programs is in general related to the size of a company, since it is costly and involves a lot of resources. This has therefore led to that only a few companies previously could offer such programs. Larger firms need to commit more to succession planning overall; they need to plan more in advance due to their size and complexity.

The intention initially was often to educate young people in how these companies are structured and how they are doing business at the same time giving these individuals a broad network of contacts. These efforts are supposed to prepare the individuals for a long career within the company.

Firm A described it more explicitly as an introduction to a company that is larger in size to enable the maximum growth potential of each candidate. As a young recent graduate the world of big company can sometimes be hard to grasp and to successfully embark a career within these companies one might need to learn how that specific business is working to understand its success. By understanding the context and how things are working the candidate is offered the best conditions to succeed. Shaping a candidate is easier initially in a career, which is why most candidates have less than three years of working experience when commencing a program.

Trainee programs today

Both firms agree that the recent years the number of trainee programs have increased according to both firms and this type of position is more popular than ever in spheres of young graduates. The word trainee generates highly positive associations amongst students and young professionals, leading to that the word itself result in much higher search pressure compared to a regular position with the same characteristics would result in.

As larger populations of companies are either starting trainee programs or considering it since “everyone else has it”, even if it might be unclear how the trainees are supposed to contribute to the organization. There is therefore a risk that the word might lose its positive attraction. B pointed out that trainee programs can be problematic for the organization since it excludes most employees not pointed out as talents, especially when they are open to external applicants to the firm.

Local recruitment to trainee programs

Even if trainee programs in Sweden have long traditions within MNCs, both firms agree that recruitment to such programs is, in general, local even if they emphasize that the programs are global. The recruitment is mostly local offering rotations abroad during the programs, followed by returning to a position in Sweden after completion. A reason for this is that most recruitment is still done within each local market even within MNCs, largely due to differences in local market competition and setup.

2. The definition of talent

Both firms agree that the definition of talent is complex for companies, and, depending on how it is defined it will lead to different activities. Firm B adds that talent is often related to the firm’s values and is in turn related to what type of strategic competencies are needed in the future. Talent is defined differently in each firm, putting different emphasis on factors such as importance of grades, experience, etc. In order to become successful, firms therefore need to determine what exactly constitutes a successful employment that works for their “type” of talent.

Both firms agree the question of an inclusive or exclusive approach to the talent definition is problematic. Firm A notes that large companies often talk about talents in a way that includes the whole workforce, and that it leads to problems when differentiating top talents from the other talents, i.e. the rest of the employees, as well as how to manage these groups. Firm B mentioned that Talent Management concurs and notes that today, most employees expect firms to offer development initiatives to keep the workforce motivated and loyal to the company. Firm B therefore prefers to work with inclusive systems; thus developing the whole workforce.

3. IHRM activities of the GTM system

Both firms agree that the system of GTM must be considered as a whole unity rather than separate parts; namely, attract, develop and retain individuals, in order to add any value. Heavy investments in employer branding to attract talent does not hold any value in itself if the organization has no benefit or need for hiring that type of competence. If, however, this competency is of strategic importance, it should also be developed and retained.

A well-functioning internal job market is also important. Both firms see a trend and shifted focus towards more activities in the retaining part of the GTM process, since it is costly to attract and develop new talents. Keeping in touch with people who left the firm, and making sure that the exit process leaves each individual with a positive mindset for potential rehiring, will increase in importance in the future.

Attracting (reputation management, recruiting and selection)

Trainee programs are often created and marketed as being global, but is executed locally by offering local positions. The trend is, nevertheless, that local areas are expanding in size. International rotations in different business areas give the trainee a holistic view of the operations, which is valuable for the firm. For the trainee, the rotations result in a vast network in different areas of the organization, since the trainee normally receive a lot of exposure.

Employer branding is just one tool out of many, of which a firm can use to attract the right people. The suitable strategies depend on the level of commitment from the potential talents and this process can be described as a recruitment funnel.

Attraction efforts are different depending on both personality and generation of the talents, as well as stage in life. Young people tend to look for challenging positions with fast rotations, but depending on personality, some people might be seeking security to a greater extent, thus looking for more stable roles.

Developing (*training and career development*)

Development is seen as important by both firms, but the exclusive versus inclusive approach to development differs between them. Firm B prefers an inclusive view in general, with open internal job markets and development for all employees.

Considering trainee program they prefer them to be offered to current employees and not for external applicants, to increase the inclusiveness further. Firm A has a more exclusive view, where the trainee program, if used right, is considered a good way of developing talent but it requires a clear purpose and plan.

Retaining (*performance management and compensation*)

Talent in general is related to performance and therefore performance management.

Retaining people is increasing in importance since attracting new employees are costly. Therefore exits should be monitored and not considered disloyal. Firm A states the top consultancy firms as the front figures ending all processes with personal feedback, even unsuccessful ones. It is costly but it's worth it if there is budget for it.

4.2 Empirical Findings

This section introduces the nine studied MNCs and how they work with trainee programs and talent management within a Swedish context. First, every company and its trainee program, or similar initiative, is briefly described. This is followed by a description of its definition of talent and its GTM system.

Empirical findings will therefore be presented in the following structure:

1. A short description of the trainee program
2. The definition of talent
4. IHRM activities of the GTM system

The following parts of the GTM system will be described, according to a structure identified in Tarique and Schuler's framework for GTM challenges (Tarique and Schuler, 2010):

- **Attracting** (*reputation management, recruiting and selection*)
- **Developing** (*training and career development*)
- **Retaining** (*performance management and compensation*)

4.2.1 Alfa

Company Alfa is one of Europe's leading industrial gas companies, and a couple of years ago it became part of a bigger group (referred to as Z Group). Alfa serves industries such as chemicals, food, environmental protection, and glass, etc. Group Z is a world leading gas and engineering company with over 50 000 employees in more than 100 countries. Group Z's headquarter is found in Germany. The structure is a solid matrix organization; therefore networking becomes extremely important to be able to work with processes in intersections of the organization to increase efficiency.

Primary Data

1. A short description of the trainee program

The Z Group has one common European trainee program that includes Alfa and other subsidiaries. Alfa has a long tradition of trainee programs dating back to before they became a part of Z Group, where many employees have positive associations to previous trainees. The program was created due to a real need for specific projects in different parts of the business, and it is 18 months long, consisting of three different rotations in several EU countries. The European Manager is the sponsor and has cost responsibility of the program, and he drives it together with HR managers. Besides understanding the diversity of Z Group's business, it is important that trainees establish their own network for future career development.

2. The definition of talent

Alfa notes that many companies use the expression "Talent Management" without really knowing what it stands for, but that it is up to each firm to decide how to work with it. Talent at Alfa is defined as a person who has potential but also delivers on a high-level today already, not restricted to age but rather about delivery. Alfa puts emphasis on showing humbleness and to not expect special treatment as a talent. Leadership potential, networking skills, and sales experience, is strongly valued at Alfa, i.e. to understand the business *and* the customer

Alfa thinks that only having performance-driven would make it difficult to work together; hence all types of people are needed within the organization. After Alfa became part of Z Group, the corporation has worked towards a unified corporate culture – a Z culture– with some geographical exceptions. Z Group tries to find talents worldwide.

3. IHRM activities of the GTM system

- **Attracting** (*reputation management, recruiting and selection*)

Alfa does not experience any problems with finding people related to their organizational needs. In Sweden they mainly look for people with chemistry backgrounds but also within business. The firm does not engage in employer branding activities related to the trainee program, a large number of graduates apply thanks to Alfas strong brand and long company history.

Recruitment is done locally where business managers nominate a good candidate; thereafter, local HR collaborates with global HR to coordinate candidates across the Z Group. In case a candidate in one country declines the offer, candidates from other countries are transferred there to fill the empty spot. HR is usually limited by country specific regulations and agreements, so by involving business managers it becomes more operatively independent to recruit on a global scale.

Alfa thinks it is important to be careful with creating expectations to avoid future disappointment over the career development.

- **Developing** (*training and career development*)

Besides the graduate trainee program there is also an internal talent development program that one can enter on three different levels, depending on how many years a talent has been employed at the firm or how great her development potential is. Many enter this program by first completing the trainee program but one can also join externally if one has proved high-level performance.

Due to that Z Group has a real need for people in different business areas and countries, the organization aim to identify future potential and leaders that can move around in the organization. Increased efficiency within the organization is a goal besides technological advancements. Therefore each individual's quality is important. However, Alfa has previously experienced difficulties with talent mobility, especially to Eastern Europe. Therefore, new trainees need to be willing to move to strategic markets, which is a requirement for career advancements in the long run within Z Group.

- **Retaining** (*performance management and compensation*)

Z Group has a performance culture, where one preferably should exceed the set goals. However, Alfa notes that over a longer time period people will perform both over and below expectations during different parts of their career. This is described as autobahn traffic, where you will move between the lanes over time.

After the trainee period is over the trainees apply for a fulltime position themselves in an internal job pool. They are not guaranteed a position but have to compete with other employees. The most difficult period of time in terms of retention is after 3-5 years after program completion where some people might be hungry for new challenges whereas others desire a pause focusing on family.

4.2.2 Beta

Beta is one of the largest tobacco companies in the world, with presence in markets around the world and employing over 50 000 employees. They both produce tobacco and sell tobacco related products: a heavily regulated business. Beta is represented in Sweden by a subsidiary while the head office is located in England.

Primary Data

1. A short description of the trainee program

Beta has a global trainee program where the Nordic markets recruit together. The program lasts for 24 months and consists of several different assignments both in the trainee's home country as well as at least 6 months in one additional country. The program, which provides functional and managerial awareness, is seen as a solid platform for a future career at Beta.

Trainees are supposed to be a flexible and adaptable resource to the firm, compared to other employees who have to be trained for a specific position and location. Practice and networking is mixed with education and a mentor is provided during the trainee period. One goal with this program is to find future leaders and managers that will be ready for big challenges. Beta puts a lot of emphasis on succession planning and internal recruitment, where a good pool of talents is seen as crucial for future business performance.

2. The definition of talent

The desired requirement profile is not too different from other companies, according to Beta. There is a core in talent where performance and grades are one factor (hygiene factor). Equally important is extra-curricular activities, ambitions and international experience. Beta reviews the overall profile.

They look for different people with unique profiles with a lot of. There are specific talent indicators that candidates should fulfil, such as flexibility, resilience and proactivity. Talents are seen as high-performing people with solid track records and certain personal traits. These can be things as ambition, taking responsibility beyond assigned tasks and a networker.

As Beta is an international business with emphasis on succession planning, a global mindset and leadership skills are seen as advantageous. Trainees in particular need to be highly mobile and flexible, but this also applies to other high-potentials within the organization.

3. IHRM activities of the GTM system

- **Attracting** (*reputation management, recruiting and selection*)

It is not perceived necessary to have a trainee program, certainly one can be successful without it, but it will attract students, especially if the program is international. The trainee program is a way to find talents who can be part of future top-management and to prepare them for big tasks: it is strategically important. Previous trainees are important spokespeople for storytelling purposes at career fairs and in other communications with potential candidates to the program.

It is considered important to realize that communication towards the new generation of graduates is done differently than before.

There is a plan for pivotal positions, which builds on an internal pool of people from a bottom-up perspective. It is also more costly to recruit external talents in a later stage than to foster them from the beginning. Beta argues that some firms only have trainee programs to become more attractive as employers but more important is what one does afterwards, i.e. to stimulate, challenge, and manage talents. Beta thinks that discipline within Talent Management is important, both towards graduates and the existing workforce; the costs are greater of not doing it.

The corporation share a global view on talents and recruitment but the subsidiaries do not possess as good insight on what happens on a global level. Job rotation is most flexible in the Nordics if one is positioned at the Swedish office. Due to its regulated and relatively controversial industry, Beta recognizes that it needs to be better than others in terms of recruitment to attract the right people.

- **Developing** (*training and career development*)

Development can be achieved in other ways than entering a trainee or internal program, though it is in all cases important to be clear on expectations on what will happen during and after the program. Trainees can expect to feel special and chosen, but simultaneously a higher pressure to perform is put on them. For example, during the trainee program, there is a “development centre” after the first year where trainees have to pass a series of tests in order to continue the program. Those who cannot pass the test might have to consider other options.

There is also a strong talent pipeline to foster leaders. There is a talent pool for those who show extra potential and more focus is put on career planning for these people. In general employees do not pursue straight careers; they rather move across departments to build knowledge of the whole operations and it is encouraged to broaden experience this way. For managerial roles it is, especially important with international rotations.

Beta has a strong expat culture where managers in particular move around often. Beta recognizes that talents’ priorities might change over time and consider it necessary to be honest and communicate how mobile one is. It further discusses that it might be due to the Swedish mentality or the comfort of living in a developed country that prevents talents from moving abroad.

- **Retaining** (*performance management and compensation*)

Beta is a performance-driven organisation so it requires people to be being high-performing in a changing environment. It implements a performance- potential matrix, where managers set short and long term goals together with every employee, and those who have more potential than others are put into the talent pool.

Beta works with a grading scale, indicating whether one is considered for a managerial role or not, and every year it is re-calculated and one is supposed to move up one grade on the scale. A talent with high potential is given a special status that gives the talent fast track for advancement and the grade they receive has implications on their salary. If a talent is high performing and follows company values, others will welcome him or her into the organization. It is argued that trainee program can be seen as a way to create loyalty and retention in a talent, since both the employer and the employee have agreed upon that they see a future fast developing career within the company.

4.2.3 Gamma

Gamma is an industrial group, present in several different businesses such as construction and mining equipment, power tools, and compressors. Innovation and performance have been central drivers since the start of the business in the 19th century. Today it is present in more than 180 markets worldwide, with over 30 000 employees. The head office is located in Sweden.

Primary Data

1. A short description of the trainee program

Gamma does not currently have a specific graduate programme or trainee program in place. Instead, internships and university initiatives similar to trainee programs are offered to graduates, such as the XTM program at Stockholm School of Economics. These programs are part of education and intend the student to return to the academic arena after program completion, rather than to lead to a fulltime employment.

2. The definition of talent

An important part of Gammas talent definition is its corporate values, e.g. "there is always a better way" shows how important it is for Gamma as a company to continue finding new innovation and techniques.

The personal characteristics of a talent are that it has the ability to be in the forefront while being humble at the same time. That person should think outside the box, be innovative, have new opinions, and dare to take risks. Also, since Gamma has many operations abroad it is important to have a global mindset and be able to build own professional networks across the whole organization.

3. IHRM activities of the GTM system

- **Attracting** (*reputation management, recruiting and selection*)

Gamma perceives the use of employer branding as an important recruitment tool since it provides good results in terms the number of applicants for their internships and XTM. For Gamma, it is important to change the view on industrial companies since many young people have prejudices about its industry.

Gamma's competitors have made similar investments in employer branding, e.g. ÅF was almost unknown to graduates a few years ago, and it has now positioned itself as an attractive employer for engineers through much efforts in student relations. On the same subject, Gamma follows different rankings of employee attractiveness such as *Karriärbarometern*, and the firm has experienced a significant difference in its ranking after the implementation of the internship program. Since these investments are measurable, the rest of the organization is positive towards this kind of investments.

Gamma mainly focuses on recruiting young people since the aim is to develop leaders from within the company to diminish the number of managers hired externally. Previously, recruitment activities were based on gut feeling, leading to that new hires were a relatively homogenous group of people. Today Gamma wants more diversity in its workforce and tools such as competency cards are used within HR to facilitate this. Gamma is however sensitive to changes in the world economy and little recruitment has been done during the past years.

- **Developing** (*training and career development*)

Gamma has a local perspective on recruitment and encourages employees to apply to new positions within the global organization themselves in a so-called open internal job market. This is especially encouraged in order to develop one's career and be considered for managerial positions.

However, Gamma does not work with direct succession planning, as it requires too many resources. There are no explicit career paths or programs, and this is related to the diversity of business areas where many different types of competencies are required. Instead, the individual has responsibility for her own career development and work according to a three-year plan with goals set together with the manager

- **Retaining** (*performance management and compensation*)

Previously Gamma reviewed employees in round table meetings in order to identify potential future leaders were ready for the next step in their careers. This required a lot of resources and time, which is why Gamma no longer practices formal reviewing. However Gama still has a good idea of who that has more potential than others.

It is noted that many other factors than formal reviewing play part in whether a person advances or not. A parallel is drawn to a team of talented soccer players, where everyone can have can have the prerequisites to win but you may still choose to change team, or get injured along the way.

Gamma operates after the notion that the more you achieve the more you should get paid, also implying that people who do not achieve are a real cost to the company.

4.2.4 Delta

Delta's business consists of three areas: domestic products, beauty care, and adhesive technologies. Delta operates worldwide and has over 40 000 employees around the globe. The company has its head office in Germany.

Primary Data

1. A short description of the trainee program

Delta's graduate program is located at its headquarter in Germany, but the Swedish subsidiary does not participate directly in this program. Therefore the focus of discussion has been about the global internship program which the Swedish subsidiary is a part of. Still Talent Management on a global level was discussed. Interns are recruited both locally and globally to the Nordics office, and the spots are announced after the managers in the local organization have identified a real need. The management emphasizes that new interns should be introduced to other employees and that they also should understand more of the business than the unit where they are working.

2. The definition of talent

Delta points out the importance of a good fit between the individual and company and that they know what they are looking for, but that it is still difficult to predict if the fit will be good or not. The environment in which Delta operates sets specific conditions for different type of capabilities and personal traits. The mindset and being ambitious too is considered highly important.

3. IHRM activities of the GTM system

- **Attracting** (*reputation management, recruiting and selection*)

Delta does not actively put resources into employer branding efforts, other than some collaboration with universities, due to lack of local resources and given how seldom recruitment is done in the Nordic region. The Nordic recruitment pool is seen as a “pond of ducks”, referring to the small size of the market. The firm recognizes the value of having employer-branding activities but as per today it is more focused on closing deadlines and meeting goals. On a global level Delta has more resources and can buy ranking services etc.

Delta also discusses the mutual demands in the employer-employee relationship, saying that the new generation of talents is harder to please and seems to be less drawn towards becoming managers in general. It is more important that the position satisfy them, that results in something beyond salary and compensation.

- **Developing** (*training and career development*)

Satisfying both local and global needs of talents is considered a tricky question. The problem is normally not to find missions for employees in other countries of the organization but rather to get talents to move out to strategic markets, and to relocate them once they come back to Sweden finding their next role. Normally Delta would try to place that person into another business area or accepts the exit of that person.

Since mobility is an issue Delta has started to focus hiring people with previous international experience, moving them early in their career in order to minimize the risk of immobile talents. Bearing in mind the emphasis on mobility, the internal development program for promising talents involve job rotations in two countries, two positions, and two different business areas within the organization.

- **Retaining** (*performance management and compensation*)

Interns are evaluated in the same way as other employees would and well-performed individuals are kept in contact until graduation when they are given the opportunity to join a career fast track program.

Reviewing all employees is important, especially on managerial level. A “round table” of reviews is made each year, where senior management discusses each manager and their achievements and future potential. The reviews are based on input from the talent herself, her manager and other more senior managers, in a type of matrix structure. This aim to make the process less subjective and prevents that a single manager decides over an employee.

If a talent is not mobile or fit with the current or new needs of the organization, it will lead to a lower ranking as talent. The same process is simplified on lower levels in the firm. Performance and potential is central to the evaluation process. It is recognized that performance can go down for personal reasons, not meaning that the talent lost future potential.

4.2.5 Epsilon

Epsilon produces and supplies energy and services related to energy. Epsilon is one of the largest privately owned energy companies in the world, with more than 30 million customers. The head office is placed in Germany.

Primary Data

1. A short description of the trainee program

Since Epsilon is an international company the trainee program also emphasize being international. The structure is however flexible to adapt to local needs, market portfolios, and cultures. The program has existed for many years, even before the company changed its name to Epsilon. The current version of the program has existed since 2005 and it involves 10-12 different countries.

A trainee should know the local language for the market in which she wishes to work, besides that the program is open for everyone to apply. The purpose of the program is manifold but one is to get in young talents into the company. Therefore it is a good recruitment base for future potential leaders for Epsilon. The participants should learn as much as possible about the different business areas. In the run of the 1,5 years long program they should have gained a thorough understanding of everything from energy production to sales to the end customer. The participants should get to know many coworkers to gather a broad network, and learn about future challenges as well as the political game around the energy debate.

Managers are involved in the program in many different ways. For example, the trainee has the responsibility to book meetings with important managers and CEOs, with the purpose of networking, and the managers present their area of business. Trainees also have a mentor during the whole program, which makes sure that the trainee meets important people. The purpose of the program is well communicated throughout the organization. Many previous trainees are now managers at Epsilon, and they become role models for new trainees.

2. The definition of talent

“Talent” is a person that wants to develop together with the company and have the right prerequisites to do so. The most important is not grades or score test, more emphasis is on drive, flexibility and ambition. There is no typical Epsilon-employee; it is about sharing the same values and being customer-oriented.

It is important to have a real interest for the energy industry due to that it is complex to work within it, as it is slow in change, regulated and sometimes unpredictable. Decision-making processes for investments can be ongoing for years and then change suddenly because of political decisions, showing the importance to understand institutional forces.

Epsilon's different areas of business are getting more and more complex due to technical innovations and change in customer demands, and this requires many different people to work together. Due to these mentioned factors, talents need the ability to handle insecurity, patience to drive development, work with many parties, and implement strategy. In order to be successful Epsilon requires individuals to stay for several years to truly learn the complex industry and rules of the game.

Epsilon thinks that there is a difference between talents and other employees. Every employee cannot have the same drive depending on what type of position they are in: different positions require different profiles.

Talent is defined through two dimensions: high potential and high performance. It is a structured process where people are reviewed each year globally. Pools of talents are created for filling positions as potential future leaders. Besides performance, behavior is also important, i.e. the way performance is achieved. Horizontal movements are not seen in the same way as movements upwards. Before, specialist could become talents, then shifting towards the managerial talent. Currently, there is a shift towards a combination, i.e. specialists who have managerial capabilities. Epsilon has now started to work with developing other type of benefits and developments for people who are outside the frames of the talent program.

Another criterion is to be mobile within the company, since it is generally difficult to get people to move for longer periods of time. This is benchmarked on a scale where one can be completely mobile, mobile within a region, or to certain countries, or not mobile at all. However, the local view is more consenting to be limited in terms of mobility, due to the Swedish context and mentality, whereas the German context is much more hierarchical and status driven. The same argument is used when discussing a talent's performance over time, where accelerating or slowing down one's career is less accepted at the headquarter while more of a choice in Sweden.

3. IHRM activities of the GTM system

- **Attracting** (*reputation management, recruiting and selection*)

Talent Management is an essential part of business strategy and it is a global process that looks the same regardless of the country, by using global instruments for local HRM questions. An important part of Talent Management is employer branding, especially since young people are less interested in technical industries and there will be a shortage of engineers with the right competence in the future, further intensifying competition for talents.

The Nordic region is a profitable market and with its extensive employer branding efforts, it is a role model for other regions. Epsilon considers that the generations of talents born from 1990 will become a challenge to handle since they have another perception of the relationship between employer and employee. I.e. the employee chooses its employer and has new types of demands. Hence, it is important to be perceived as an attractive employer and create a long-term interest, which is also why top management is involved in student relations.

Epsilon's flagship initiative is the trainee program, which is considered to be a good way to compete for graduates and strategically attract the best people for driving the business forward. An assessment center is part of the recruitment process enabling one to identify required capabilities early on.

Epsilon thinks that having a trainee program makes it easier to talk with graduates about what they can offer as an employer, and in general this target group finds trainee programs attractive than fulltime positions. Old trainees become ambassadors for the program and a connection to graduates.

- **Developing** (*training and career development*)

A large amount of resources are invested in the trainees compared to other employees, e.g. they normally get more challenges and possibilities to try out different parts of the business, in a quicker pace than normal, but this also means that the demands on them are greater. After the trainee program, the participants can apply to all parts of the company. This is driven by what specific interests the individual has and there are no clear next steps in terms of determined roles; trainees should be internally recruited just like any other employee. Management avoids making promises regarding the next role that they cannot keep.

Trainees are very sought after within the organization due to that many previous trainees have performed very well, and have proved to be a profitable long-term investment for the company. There are also education opportunities, open for all employees but with special focus on talents, namely development programs to which you get nominated to by other employees and managers.

People that strive towards high managerial positions should have worked internationally within Epsilon; this is crucial for understanding and leading internationally diverse teams. It is understood that many people are not as willing to take permanent positions abroad as the management would like; talents say they are mobile at first but in the end they prefer to “only” work with global projects instead of moving abroad.

- **Retaining** (*performance management and compensation*)

Trainees will belong to a talent pool after program completion where more attention is given to these people in terms of career progression, but the pool is also open to other employees. Many trainees strive to become managers themselves but that might not always be necessary for their development, so it is important to follow up their career progression.

Talents on executive levels and in talent pools are rated and discussed according to a matrix. If a talent under-performs, an improvement plan is established to move her towards the right direction. If one performs below expectation for a long time, Epsilon tries to find a role outside of the talent program. There are conversation tools for evaluating trainees that help determine goals and development plans, and it is considered important to work continuously on giving them attractive offers.

Epsilon is normally good at keeping contact with previous employees and gets them to come back again after being outside the organization for a while.

4.2.6 Zeta

Zeta operates within the areas of food, energy, agriculture, and machinery. It is owned by farmers and currently has businesses in 20 countries, with around 9000 employees. The head office is found in Sweden.

Primary Data

1. A short description of the trainee program

Zeta's trainee program extends over 15 months and includes 4 different work experience periods and training blocks that run in parallel to the practical part. Trainees are responsible for a project or a range of tasks that are critical to the business and at least one period is located abroad.

The aim with the trainee program is to foster future leaders that truly understand the business. Zeta believes that it is crucial to have the right person, in the right managerial position, at the right time, and that person should be able to lead and inspire people.

The graduate program as a concept is recognized as a source of extremely good selection of candidates to choose from. Often, the candidates are more knowledgeable than their own managers, and they achieve strong networks all over the company, understanding the business from scratch to end. Zeta believes that this will, in the long-term, give better results and value to the company.

The trainee program is however subjected to changes in the economic environment, meaning that it is questioned during unprofitable times, however it is still considered a long-term investment. Other solutions still exist to find new talents; CEO assistants could solve the same need. As of today the program is considered successful. Even though the cost per trainee is high, trainees are truly appreciated and sought after by top management since previous trainees have a proven track record.

2. The definition of talent

Zeta no longer uses the word “talent”, instead it uses “high-performer, high-potential” as a working definition. This is due to that “talent” is easily misinterpreted by those not considered as talents, thus leading to bad work ambience. However the firm has not yet reached consensus whether “high-performer, high-potential” is the optimal definition. Many times someone can be defined as a talent one year but not the next, perhaps due to that something happened alongside the way. In addition, another problematic aspect is handling expectations that arise after a person is identified as talented. To treat someone differently from others is far away from the Swedish *Jantelag*-culture (the mentality of everyone being equal).

As per today, high-performers/potentials are people who have a good understanding of the business and delivers according to the goals set by the organization. Zeta is a value-driven company, which seems to appeal to the younger generation of talents who in general put more emphasis on the meaning of their work.

The match between company and employee is important and it is often based on gut feeling. Since Zeta is a unique type of organization in Sweden with specific values it might not be for everyone. A Zeta –person should have strong interest for the whole business and value chain, have a down-to-earth attitude, and be non-prestigious, while still being driven and deliver results. These factors are important since Zeta has a highly diversified business compared with companies that only sell e.g. human capital.

3. IHRM activities of the GTM system

- **Attracting** (*reputation management, recruiting and selection*)

Most trainees work in Sweden. However Zeta believes that this is going to change and that the headquarter will “lend out talent” to the rest of the organization more often.

Zeta has started to invest more in employer branding activities, such as the trainee program, since it results in more applications and increases the likelihood to find people with the right competencies. Zeta recruits talents with many different backgrounds and education due to its diverse business, and tries to find those who are a “best fit”. Still, the number of applications depends on how well known Zeta’s brand is in that country.

It is necessary to use words such as “international” and “graduate” in connection with promoting the trainee program, in order to attract international candidates. Hence, the purpose of the program is partly for employer branding, and partly to acquire the right competencies.

- **Developing** (*training and career development*)

Since the trainees so far have been able to choose where they wish to work after program completion, they normally end up in highly popular positions within the organization. Zeta is aware that this is a luxurious approach and that it will need to change if the company is in another economic situation.

Zeta works with different development programs to both identify talents, such as the trainee program, but also to develop talents who have already been employed for a longer time in the company. There are two different programs (X and Y) that aim to further develop leaders and managers. To be selected, the individual and its manager should both agree upon it. The difference between entering X versus Y is the seniority of the person, i.e. the level of experience that one has.

Zeta also offers a mentor program to which both mentors and adepts apply if they are interested in this mutual collaboration. Leadership training is also offered to all managers that are new to Zeta, even if they have been managers before, in order to foster them into the company values and ways of working.

- **Retaining** (*performance management and compensation*)

There is a matrix used to annually to evaluate talent potential and level of performance. One important part of becoming a high potential- high performer is to have a good understanding of the business and to deliver on the goals that are set by the organization.

The potential factor can be tricky to evaluate since it is more subjective. The evaluation is based on goals derived from organizational needs and the employee together with her manager set those goals. Talent mobility is said to affect a person's scoring grade, since it makes one more valuable to the company.

People who show potential are discussed in meetings with the board and senior managers. Depending on where one is placed in the matrix, different actions are taken to optimize one's potential, i.e. job rotations or participation in different programs or courses. These strategies should stimulate people to stay longer within the firm.

The trainee program is followed up every six months face to face with a manager to see if the program was useful for the talent's development. It is however difficult to evaluate the investment in the trainee program with numbers and figures, i.e. justifying and motivating the program's purpose.

Zeta talents retain relatively longer compared to other large companies in Sweden. It is related to the intrinsic value talents gain from this type of business, which is also connected to having a genuine interest for the business.

4.2.7 Eta

Eta is one of the world's leading manufacturers of buses, construction machines and trucks. The group employs over 100 000 people and is present in over 150 markets. The head office is in Sweden.

Primary Data

1. A short description of the trainee program

The current outline of the trainee program was developed in 2008, though it was put on ice during the financial crisis, and restarted again in 2010. Eta believes it is necessary for business to put effort in develop young leaders. The program offers an overview of the organization and provides an extensive network of contacts, which is considered important to avoid working in silos and to be able to work across time zones and cultural differences.

It is a global program, recruiting people worldwide to be stationed in local markets, and trainees have international exchange positions as well as trainee meetings in China, Brazil, and Sweden. Important to note is that trainees apply directly to a specific position when they apply for the trainee program, meaning that line managers are looking for a particular profile and emphasize the organizational fit between the trainee and the position she will have after program completion. This is essential since trainee programs are costly and Eta needs to make sure the investment is used well.

2. The definition of talent

The word “talent” holds various meanings depending on what one talks about. One prominent definition for Eta is “leadership potential”, in that sense it is clear what kind of capabilities Eta is looking for. Specialists within the organization have another definition of talent. One could also say that talent consists of competencies, experience and social networking skills on one side, and behavior, values and motivation, on the other. Integrity, a global mindset and trust are also important characteristics.

Eta makes it clear that what is defined as “talent” at Eta, might not be the same at another company, due to different focus and businesses. One should be cautious with being too square with the talent definition. In a corporation with thousands of employees and diverse business areas, there is space for many different types of talents. Therefore the firm argues that it is not the outspoken “top-talents” that Eta is looking for per se, but rather those talents who match the organization’s different requirements.

3. IHRM activities of the GTM system

- **Attracting** (*reputation management, recruiting and selection*)

Eta is well aware of that graduates today have higher expectations on career development, but it is not seen as an issue. In fact, Eta welcomes this since it indicates that candidates are high achievers, and emphasizes that the firm needs to give these people a good offer that is well thought through. To have a trainee program is expensive but there is an expectation on global firms to have one. It also important to communicate that there are mutual expectations; trainees need to deliver and grasp opportunities themselves.

The program is not seen as critical to Eta’s business, since the recruited number is so small compared to the overall organization. However, there are still several other purposes with the program, one being to get young people in to Eta, another one is employer branding. The program is becoming larger and larger, nowadays there are over 10 000 applications to the 20 announced positions. The challenge is to sustain a positive image of the firm with those candidates who do not move forward in the recruitment process, which is just as important as taking care of the people that get hired.

The trainee positions are created by the managers responsible those positions. The managers are also first to interview potential candidates and pass over the best ones for further testing by the HR department. A trainee will be hired in her home country, often due to regulations in different national contexts. During the recruitment process, different tools and tests such as OPQ, and numerical and verbal tests, are used to better understand a person's personality and behaviour in certain situations. One aim is to find people with high capacity to absorb information rapidly.

- **Developing** (*training and career development*)

The year as a trainee provides talents with tools, but it does not equal a fast track career. They are provided with education and the right conditions to be successful in the organization, but it is up to each person to take responsibility and make something out of the career development. Therefore it is necessary with independent and driven people who are not only looking for quick solutions, due to that the firm is big and slow moving.

The trainee program is the step before entering the leadership program for emerging leaders, a program that was created due to Eta's emphasis on fostering future leaders. It is a leadership pipeline that develops leaders through different stages.

Behavior and motivation, as well as social skills, are important factors to consider. Eta is aware that only about 10% of all people in the pipeline take a managerial role after this development program, but argues that everyone need stimulation and development towards their own career goals. All employees are encouraged to practice self-managed learning in order to identify individual needs and later apply for relevant skills development programs. This was initiated to make use of as many internal resources as possible.

- **Retaining** (*performance management and compensation*)

Talent review is made by mapping out employees according to their performance and potential in a matrix. A well-rounded person, who can take on almost any project and deliver on the same level, is seen as more talented than a person only performing well in one situation.

Being a talent today does not mean that you are one tomorrow, depending on external and internal factors to a person. Most trainees stay with Eta after the trainee period is over, it is uncommon to quit. A reason for this is that Eta offers many different opportunities within the organization; it is possible to work an entire career while still do various things the whole time. Being a talent has nothing to do with age, many come back after having children when they are older and ready to truly deliver. Eta intends people to stay longer by meeting and exceeding talents' expectations.

4.2.8 Jota

Jota is one of Europe's leading operators within telecommunication. Jota operates within areas such as mobile and fixed calls operator, Internet service provider and television through cable and digital service. Jota is present in 10 markets with 7000 employees. The head office is located in Sweden.

Primary Data

1. A short description of the trainee program

The trainee program is Jota's flagship, and it has been around for 17 years in Sweden and nowadays other countries within Jota try to copy it at a local. The program has changed a couple of times but the way it functions as per today is to foster executive trainees. They become assistants to the leadership team, i.e. CEO, CFO and country managers, which is as close to corporate decision-making and power as it gets. The managers themselves select around five to nine people each program cycle and the positions are based on current business needs as well as personal needs to some extent.

Since the firm is fast-moving and agile, Jota explains that it does not know for sure what needs and positions it will have open for trainees in twelve months time after completion of the trainee program. In its business, things change on a daily basis. It is up to the trainee and her mentor to decide what positions can be considered after program completion.

2. The definition of talent

"Talent Management" is a generic term and can be replaced with "People Management", according to Jota. The initial premise is that everyone is a talent, and talent is contextual depending on what skills and competencies are needed for different positions. Jota still works with the term "talent" even though it is argued that it sometimes confuses more than it helps. The firm focuses on top-talents, meaning people who fulfill certain dimensions: potential, ambition, attitude, and leadership skills.

A talent can be ranked high in “performance” but without the right attitude the overall ranking will be lower. Attitude is derived from company values, i.e. open, flexible, cost conscious, driven by quality, action and challenge. Action orientation, daring to continuously challenge are real drivers due to that Jota traditionally also were the challengers breaking monopolies in the industry. Managers discuss how a talent should fit with company strategy and where there are roles to fill.

3. IHRM activities of the GTM system

- **Attracting** (*reputation management, recruiting and selection*)

Jota is a decentralized company, thus only the areas common for all countries are kept on a global level with space for localization of activities.

There is an employer-branding component to Talent Management. Jota participates in collaboration with universities, mostly lectures and case studies in order to meet and assess candidates’ abilities and behaviors. Emphasis is on finding “top notch” students who are entrepreneurial and have leadership experience. However, Jota, being a small and agile business, rarely recruits people fresh off from college, it rather focuses on specialists and outsource everything not aligned with core business.

Senior management and current trainees recruit their own successors, however, the openings are only advertised in Sweden since it trainees will be based in Stockholm. Jota would like to make it more international but it would be too complex.

- **Developing** (*training and career development*)

Jota has a succession chart used to discuss those that can replace key people in the future. Currently there is no formalized development program but it wishes to implement one in the future. It focuses on performance management, since it comes from a challenger and an entrepreneurial background: “it is in the DNA”. This performance orientation should be the same for all subsidiaries of the firm. The firm sets relatively harsh goals according to performance and potential for the talent to achieve, which the firm acknowledges is rather uncommon for being a Swedish company.

A recognized issue is the mobility of the talent. Many of Jota's markets are small so there is little room for advancement and development if one does not move abroad. A part of becoming a leader is to move out of one's comfort zone and move somewhere else, but many people seem to have problems with moving due to family situation and dual careers. Although mobility is a good tool for development, it is also complex and difficult to implement due to factors mentioned above.

- **Retaining** (*performance management and compensation*)

Jota is performance-driven; therefore people are measured according to their performance. It rates employees a matrix where one axis is performance and the other is attitude. However, it is never black and white when evaluating people, it is rather shades of grey. Performance is measured according to completed goals while attitude is how one behaves according to corporate values.

Jota believes that corporate values are what distinguish one company from another; successful companies have very specific cultures and either one likes it and stays, or one does not and leaves the company. Therefore Jota values attitude more than the performance, i.e. a higher rating in attitude will help you to reach a higher overall degree even if performance is lower.

The manager assesses a person's potential in relation to so-called talent sessions are held together with talents on different organizational levels. The potential can change depending on the situation one is in, depending on the company's situation and depending who the manager is. Jota does not work with career paths, instead, when a trainee enters the firm no one will tell it what the next step is going to be. This is a highly entrepreneurial approach; the employee has to drive it himself to have a successful career at the firm.

4.2.9 Kappa

Kappa is a French multinational consulting corporation providing services in IT, business consulting, outsourcing and professional services. It is headquartered in France and the organization has more than 100,000 employees worldwide, operating in more than 40 markets.

Primary Data

1. A short description of the trainee program

The graduate program is a two-year training program where graduates are positioned as junior consultants in the company's IT projects, offering them knowledge, experience and a global network on which they can build their career. During the first year, the graduate focuses on developing consulting skills, IT-project methodology, and skills within sales and business development. During the second year, the graduate undergoes a mentor program to further accelerate his or her career.

2. The definition of talent

Since being consultant is a profession relying on the legitimacy and selling capability of that person, they primarily look for talents with proven track record, and sales and social skills. (Generic view, they look for top talents and do not regard that talents need to possess special skills only applicable to Theta's business in comparison to their competitors).

3. IHRM activities of the GTM system

- **Attracting** (*reputation management, recruiting and selection*)

They know that their field of business and strong brand name is desirable for many students from top schools and have no problems with attracting graduates to their program. The graduate program is for IT-oriented applicants since Kappa has larger needs for talents in IT than in the business consulting department, of which the latter does not require a graduate program due to its traditional and explicit career path where graduates always start in the same entry-level position regardless market or previous experiences.

- **Developing** (*training and career development*)

Consulting careers usually follow a clear and explicit plan, where entry-level consultants can expect to work for two, three, years until they become senior consultants, and later aim for higher levels such as partner. Everyone has the same opportunity to reach a higher level; it is a matter of proving one's worth by high-performance and showing selling skills through different projects. Being a good communicator and salesperson is crucial to reach to the next level in order to acquire new customers. International rotation is not considered until senior level, where consultants might get projects abroad. It is not important with international mobility since their business is similar in all markets and local market knowledge might not be transferable.

- **Retaining** (*performance management and compensation*)

Retention relies on the clear career path with high monetary compensation for reaching a higher level, as well as a steep learning curve from working with projects across several industries and with diverse sets of problems. However, it is widely recognized that many people will leave the organization; a majority of them will leave since they cannot step up from entry-level consultant, and it is a self-selective process common in the consulting industry.

4.3 Summary of main empirical findings

This section presents a summary of the main findings and distinguished patterns, including similarities and differences in expressed talent definitions, factors that influence the definitions, and observed GTM practices in the observed MNCs.

4.3.1. What factors influence talent definition?

One commonality relating to the influential factors was that all companies included have expressed a close relationship between talent and performance combined with potential. Here, talent identification is often closely related to reviews in performance and potential, although defined slightly different by each company. All companies also describe themselves as in general being performance driven but to different extent.

However, differences were also noted between the companies. These were grouped together in clusters according similarities in these differences. Different types of clustering were tried out to discover potential patterns. The most prominent factors identified, which affect the talent definition, are namely industry dynamics and business- complexity and diversity, as well as being performance and value-driven. These differences have implications on what kind of strategic capabilities that are needed for each firm. The aim of doing this grouping is to identify potential patterns (fig. 4).

Company / Factors	Zeta	Eta	Epsilon	Alfa	Gamma	Delta	Jota	Beta
Industry characteristics	Slow	Slow	Slow	Slow	Slow	Slow/Fast	Fast	Slow/Fast
Complex business model	X	X	X	X	X	X		
Diverse business areas	X	X	X	X	X	X		
Performance-Potential - driven	X	X	X	X	X	X	X	X
Value-driven	X	X			X		X	
Strategically important capabilities	Leadership Mobility	Leadership Networking Global Mindset	Networking Mobility Global Mindset	Leadership Mobility	Networking Global Mindset	Leadership Mobility Global Mindset	Entrepreneurial skill Flexibility	Leadership Global Mindset

(Fig. 4: Influential factors on MNCs' talent definitions)

Below these identified potential patterns are described more in detail. One should have in mind that the performance-potential view that was common for all companies is present together with potential differences.

Different industry characteristics – slow-moving vs. fast-moving

The studied MNCs primarily operate within slow-moving industries, e.g. energy, agriculture, automobiles, machines, etc. These firms expressed that due to the nature of their industries they had to adapt their talent definition according to what was strategically important to survive in that industry, may it be specific competencies, skills or mindsets.

In the case of Epsilon, the industry is politically sensitive and slow-moving, and therefore Epsilon talents need to be patient in order to drive projects that are long and slow developing, to this technically complex and traditional industry. On the other end, Jota together with Kappa operates in a fast-moving industry and the firm explains that it has to be agile to survive, resulting in a talent definition that emphasizes entrepreneurial skills and a flexible mindset.

Complex business models /or diverse businesses

Many of the firms that operate in slow-moving industries also have complex and/or diverse businesses and business areas, often involving technically complex products or services. This means that talents need to possess particular competencies in order to understand the business in its whole. For example, Alfa's complex business means that talents mostly have a specific academic background, e.g. chemists or engineers. Zeta has highly differentiated business areas, ranging from consumer products to heavy machinery and biogas manufacturing.

An opposite example is Kappa, whose business consists of one main area making organizational required competencies similar within the whole MNC. Since Kappa's environment is changing quickly it is not rational to build up specific competences other than flexibility since the business might look different tomorrow requiring other sets of skills. Therefore Kappa focuses on hiring people that are likely to perform well in the nearest future with a flexible mindset. These are often those who are considered to be 'top-talents' in terms of general talent criteria such as grades, previous experience and social interaction skills strongly emphasizing current performance.

Value-driven culture

Besides being performance potential in their business and evaluation of talent a factor emphasized by some firms is being value driven. Some firms, such as Gamma, are driven by values and therefore seek a fit between company and talent values and attitude. Zeta also puts a strong emphasis on their value driven culture where a genuine belief in that their business can make a difference through their products and services through sustainability is a part of their definition. Jota also holds their values high in terms of entrepreneurship and extreme performance drive.

Common for all of these value driven companies is that they consider people to perform better if they genuinely agree with these values on a personal level and therefore including them as a part of their definitions. Close connection between these values being previous success factors can be seen (incorporating success factors into their culture and values).

Need for strategically important capabilities

All studied MNCs expressed a need for certain capabilities that are of strategic importance for the MNC's overall success in achieving their current business goals, and which are incorporated into their talent definitions.

Leadership

For Zeta, Alfa, Delta and Beta, leadership capabilities are crucial to the business since they consider leadership capabilities within the organization as crucial for future success maintaining or developing this capability within the organization. Therefore their talents are selected if showing potential to develop into future leaders.

Networking

For Epsilon, Gamma, and Kappa, networking skills and a global mindset are seen as particularly strategically important within their organizations. This since organizational success depends on collaboration between differentiated areas of the business avoiding working in silos. Personal connections between departments and countries are seen as ways of avoiding information silos facilitating collaboration and communication in teams within and across national borders and cultures.

Entrepreneurship

For Jota, entrepreneurial skills have been crucial for their position in their industry and agility is also in general needed agile in their industry.

Mobility

Most firms have also conveyed that there is a need for geographic mobility in order to satisfy global and local needs, working across borders and cultures. This is related to that some MNCs have a need to satisfy internal rotations within in-between countries to optimize their performance. To develop the employees might also include taking employments in other parts of the MNC closer to headquarters for example or to their core business.

To maintain these internal needed competencies in the right place at the right time to make sure that the whole MNC performs in an optimal way makes mobility becomes crucial. Therefore mobility is included in their talent definition and evaluation. For example, Delta's talents will lose ranking points if they are less mobile. Other companies such as Eta whereas do not see internal mobility as crucial, the important criteria is to have a global mindset so they can create professional networks, it is therefore not included in their definition.

4.3.2 How do MNCs operating in different businesses and industries define talent?

The general observation is that MNCs define talent according to at least three different dimensions, namely an *inclusive* and/or *exclusive* approach to differentiating its workforce, a *dynamic* view on how the talent definition might change over time, and a contextual skillset or mindset required of the talent, which often was more *specific* or more *flexible* in its nature. Rather than having one, absolute, talent definition the observed firms seem to have many different ways of defining and identifying strategic human resources.

The main empirical findings are summarized below (fig. 5).

Company / Dimensions	Zeta	Eta	Epsilon	Alfa	Gamma	Delta	Jota	Beta
Differentiation ex ante	Inclusive	Inclusive	Inclusive	Inclusive	Inclusive	Inclusive	Inclusive	Inclusive
Differentiation ex post	Exclusive	Exclusive	Exclusive	Exclusive	Inclusive	Exclusive	Inclusive	Exclusive
Time dimension	Dynamic	Dynamic	Dynamic	Dynamic	Dynamic	Dynamic	Dynamic	Dynamic
Performance-Potential	X	X	X	X	X	X	X	X
Contextual dimension	Slow Complex Diverse Value-driven	Slow Complex Diverse Value-driven	Slow Complex Diverse	Slow Complex Diverse	Slow Complex Diverse Value-driven	Slow/Fast Diverse	Fast Single Value-driven	Slow/ Single

(Fig. 5: Dimensions of MNCs' talent definition)

Below these identified dimensions are described more in detail.

Inclusive vs. exclusive approach – a differentiation dimension

According to GTM literature, firms can either have an *exclusive* approach, i.e. to view talents as a differentiated segment from the rest of the workforce, or adopt an *inclusive* approach, i.e. to view every employee in the organization as talents (Gallardo-Gallardo et al, 2012; Lewis and Heckman, 2006). In many of the observed cases, the MNCs have an inclusive approach as a premise.

However, after a certain point of time, they start to view some of these employees to have more potential than others, and thus shift to a more exclusive approach. A smaller amount of firms have one consistent approach to differentiation of the workforce, e.g. Gamma and Jota who with an inclusive approach argue that talents should stand close to company values and these values are required by all employees regardless position or potential. These firms are strongly value-driven in their view of talents. The fact that most MNCs shift their talent definition from inclusive to exclusive approach over a talent's career lifecycle indicates that there is a time dimension to the talent definition, not only an inclusive and exclusive dimension.

Dynamic view of talent– a time dimension

McDonnell (2011) mentioned the importance of future research to discover the implications of time on the talent definition. As with the majority of observed MNCs, all employees are considered as potential talents but since they are evaluated according performance and potential, this status might shift if a person does not longer deliver on the same level as before.

With Gamma as an example, it recognizes that a high-performing person today might not be high-performing tomorrow, just like a great soccer player might get hurt and is out of the game regardless his previous achievements, thus Gamma's talent definition is *dynamic* and changes over time as people's employment progresses.

No observation of a static view was made. Certainly, this categorization of being a talent or a non-talent also depends on what kinds of capabilities and traits are necessary for the firm's business at a specific moment in time, and by possessing needed qualities will facilitate a person to fulfil the requirements and goals of the firm, hence indicating that talent is a matter of the current business context as well that might change over time.

Slow-moving/complex vs. fast-moving/simple environmental requirements – a context dimension

Thunnissen et al (2013) claim that talent is contextual and each organization needs to figure out what talent means for them. In this study, MNCs have expressed a contextual requirement profile that depends on the characteristics in a firm's environment. For example, Epsilon and Zeta are both operating in slow-moving, and technically complex or traditional industries, and for a talent to fit well with the companies it has to possess certain qualities. In fact, Zeta argue that it is not looking for the 'best' talent per se, but rather the 'best fit', indicating that its talent definition is highly contextual and an overall 'top-talent' would probably not do well in this type of organization.

On the other hand, some types of companies have a less complex or less diverse business, and these companies emphasise flexible talent capabilities to a greater extent. Although a good fit is important, it seems like firms such as Kappa and Beta target their activities towards people that are generally considered as in the top segment of the talents. Kappa strongly emphasizes current performance and potential of performing at a high level in the nearest future. However it should be noted that Kappa's definition being less specific still is strongly correlated with their type that is fast moving where the change of context is rather a rule than an exception of business, meaning a continuous adaptation to different contexts. Therefore performance today is of most importance and the employee life span in general is low compared to other types of businesses, which is seen as a normal part of their business and the industry.

4.3.3 How is the definition of talent and its influential factors correlated to GTM practices?

Attracting

Implications for employer branding

Since many of the studied MNCs are operating in either technically complex business, or slow-moving industries, the firms have claimed that it makes it difficult to attract young talents since heavy industry have less attraction power in younger generations. Therefore, many of them have invested heavily in different employer branding initiatives, of which a trainee or graduate program is one example. However, some firms such as Gamma do not have a trainee program due to the inclusive view on talent, which doesn't make it desirable to single out people as talents. Another reason for not having such a program is given by Delta, arguing that a less important subregion does not have the resources for such initiatives.

Implications for recruitment

Value-driven firms such as Eta and Jota have said that it is important that the talent fits well into the organization, and this has certain implications on their recruitment activities. Both Eta and Jota emphasize that managers are involved in the recruitment process to a much higher extent than other companies, both in the requirements of positions but also during the whole process formulating the requirements for each position. Jota applies something similar, where previous trainees will recruit their successors with the approval of their managers.

Another aspect is the matter of mobility. If firms have a need for mobility recruitment activities reflects that need, e.g. Alfa's HR-people collaborate globally in order to be able to transfer talents during the recruitment process across countries to fill global or local needs. Delta further explains that since career advancements in subregions are much fewer due to slim organizations, HR mainly recruits talents with already proven international track record to send them abroad early in their career before they want to settle down.

Developing

Implications for internal development programs and talent career path

Firms aligned with the inclusive approach as a premise let all employees have the chance to prove them worthy to enrol in internal development programs. Eta allows every employee to engage in self-managed learning to identify areas of improvement, and apply for various skills programs. In the majority of the companies, the inclusive approach shifts to a more exclusive one, leading to that those who have shown potential are often placed in a talent pools where they get the opportunity to participate in further development initiatives.

Those who are geographically mobile are even more likely to get new challenges in a longer-term perspective, given that mobility is a crucial issue in the firm. For some firms such as Epsilon and Zeta, development programs also serve other purposes, such as stimulating motivation and long-term commitment hopefully leading to higher retention of their employees.

Implications for future career opportunities

New challenges are often connected to emerging and strategic markets or product divisions. This therefore in general requires geographic movability to be able to take new opportunities within these areas and continue the career advancements. In the perspective of the firm this is also needed to make sure that key people are placed within the strategically most important places of the firm, which might shift geographically.

In the case of Gamma, however, if an employee strives for a managerial position it is favourable to have worked in abroad operations but it is not a requirement. Instead, due to a diverse business and an inclusive approach, more emphasis is put on the internal job market where people do not have clear career paths but apply and equally compete for new positions.

Retaining

Implications for performance evaluation and talent review

All the MNCs are to greater or lesser extent performance-driven and therefore evaluate their talents according to performance-potential matrices. This evaluation is usually done on annual basis and, in the case of several companies, there are specific HRM actions and strategies to be implemented depending on where a talent ends up in the matrix.

Also, in connection to having a dynamic talent definition, it is accepted that employees are not always performing on top during some period of time to later come back again to high-performing level, rather than leaving the company entirely.

In accordance with an exclusive approach to talents, for example in Epsilon's case, more attention is given to the people in the talent pool, in terms of following up their career progression. Sometimes, the performance-potential matrix only measures those who are considered as talents. On the other hand in accordance with an inclusive approach as with Jota, it considered important to measure people in the same way regardless the position they are in.

4.4 Typologies of talent

The talent definitions and their correlated antecedent factors as well as GTM practices can be categorized into different typologies of talent definition, each correlating with certain influential factors and GTM practices. However, the relationships are not casual starting from factor to definition to practice, or the other way around but a correlation can be identified. Firms might apply one or several of these typologies; they are not mutually exclusive in any way but rather show different sides of the talent definition

4.4.1 Overall characteristic for all typologies:

“Performance- Potential” – driven definition

All companies have expressed the close relationship between talent and performance combined with potential, where talent identification often is closely related to reviews in performance and potential (defined slightly different by each company).

Dynamic talent definition

As it seems, all companies, regardless of typology, have a *dynamic* view on talent being a concept that changes over time. This is mainly demonstrated through the transformation from an inclusive to an exclusive approach as a talent’s career progresses and performance and potential is re-validated from year to year.

Contextual talent definition

Another commonality is that all talent definitions are contextual, i.e. dependent on the industry and firm-specific needs and characteristics. Some firms require highly specific capabilities that are worth investing in long-term; others want flexible talents that are high-performing today.

4.4.2 Specific characteristics for each typology:

Typology A: talent definition in slow, complex and diverse businesses

A firm that operates within a slow-moving industry, has a complex and diverse business and product, is more likely to adopt a contextual definition that to a greater extent is *specific* in its talent requirements due to its relative stable environment. Due to its complexity, specific personal traits such as patience, industry interest and willingness to invest a lot of time etc, might be of importance in their definitions since they are identified as success factors.

Furthermore, heavy business is currently seen as having less attraction power in young generations than other type of industries. The combination of complexity and type of business lead to high investments in the attraction practices, often implicating heavier investments in employer branding.

In addition, talents often need to stay longer in complex firms to truly reach maximum potential, which affects the companies' willingness to invest in development initiatives, since one is expected to stay longer within the company.

Overall, firms adopting typology A have expressed a need for leadership, networking, and mobility capabilities.

Typology B: talent definition in fast and simple businesses

A firm that operates within a fast-moving industry with rather similar business areas is more likely to adopt a contextual talent definition that has *flexible* talent requirements. Investments in GTM practices are focused on attracting and recruiting top-talents and less focused on development and retention activities. High performance today is of great importance as well as potential to perform in the nearest future. The reason for this is related to the fast changing business environments where the future is difficult to predict, and therefore investments in development will be fewer since the career life span of an employee is expected to be shorter.

Strategically important capabilities identified are e.g. being entrepreneurial, having networking skills, and being flexible. These are required since information exchange and decision-making processes in particular need to be faster and more agile in a fast-moving industry, in order to be competitive.

Typology C: Inclusive talent definition in value-driven businesses

A firm that puts great emphasis on values is strongly correlated with an *inclusive* talent definition. Recruitment focuses on the fit between these values and every potential employee. The closely related inclusive view seems to result in less focus on separating people through trainee programs or special development programs. The emphasis on values can be explained by being strongly related with previous success where values summarize these success factors within the value driven organization. The value driven companies also seem to prefer having the managerial side of the business more involved in the recruiting process to make sure that there is a good fit between the potential employee and the organization.

5. Analysis

In this part each typology of talent will be presented more in depth following the structure of the empirical findings (1.factors influencing the talent definition, 2. How do MNCs operating in different businesses and industries define talent? 3. How are the talent definition and its influential factors correlated to GTM practices?). The theoretical framework previously presented in the thesis will be used to analyse the empirical findings.

5.1 Commonalities for all typologies identified

Performance - Potential driven definition

Contingency perspective

Since all firms operate in different business contexts it is important that a talent is able to perform in that specific environment. Firms are looking for a good fit between the level of performance needed in the organization and the level of current performance, or potential for future performance, in the individual. This is in line with contingency theory, meaning that firms aim to achieve strategic fit with the environment and adjust the requirements on the organization accordingly (Morgan, 2007).

Human capital perspective

The close relationship between performance and potential can be seen as a way to evaluate assets, i.e. human capital. Firms want to make sure that their investments in employees are justified (Flamholtz and Lacey, 1981; Lepak and Snell, 1999), and therefore, in many cases, use performance-potential matrices or similar tools to evaluate whether or not it was a successful investment. Assessing how the talent performs today and its potential for future returns reduces the risks of investing in non-profitable assets.

Dynamic talent definition

Contingency perspective

Since MNCs often operate in competitive and international environments, their business contexts might not be the same tomorrow as it is today. Therefore firms need to adapt to new contexts continuously in order to achieve strategic fit, and so does the talent definition, thus implying that the definition is dynamic and changes over time to better fit with the current situation. Therefore the different people might be considered as talents at different points in time. This is also closely connected to the performance- potential driven definition where both potential and performance might change over time resulting in the dynamic talent definition.

Human capital perspective

In relation to the above argument, if the firm is likely to change over time, the same could happen to the value of human assets. If the requirements or definition of a talent shift, the talent would be less valuable to the company. Therefore continuous evaluation on performance potential is carried out to validate and re-validate the value of human capital.

Contextual talent definition

Contingency perspective

The basis for contingency theory is that everything is dependent on the situation at hand; therefore it is natural that firms adopt a contextual talent definition from a contingency perspective. The talent definitions are likely to change whenever the environmental requirements change in order to achieve strategic fit.

Human capital perspective

Investments in human capital differ according what is appropriate in that context. Some investments are easier to justify due to lower volatility in an industry and it is easier to predict needed capabilities for the future. What the firm perceive as important now or in the future will affect the locus of investment, e.g. in certain GTM activities.

5.2 Typology A: talent definition in slow moving industries, complex and diverse businesses

1. What factors influence talent definition?

Contingency perspective

The environment in which a firm operates in sets particular premises for how the firm best work and succeed. For typology A, the industry characteristics and business complexity or diversity have a strong impact on firm's talent definition, which can be explained by applying the contingency theory. It states that the best course of action is dependent upon the context of the situation, where contingency factors include the stability of the environment, task interdependence, and organizational size (Donaldson, 2001; Morgan, 2007).

For typology A the industry is fairly stable and slow moving, while the businesses are large and complex and/or highly diversified, resulting in the development of specific characteristics desired for that specific context.

Human capital perspective

In stable, slow-moving environments, as in typology A, specific competencies needed in the future are relatively easier to predict than in fast-moving industries. In a human capital theory sense, it is less of risk to invest in particular talents and capabilities when the market is less volatile and more predictable (Levhari and Weiss, 1974; Wright et al, 1994).

Due to a slow-moving but complex environment, a talent needs to stay longer in the firm in order to learn enough to reach maximum potential. Therefore it is more justified to look at a human asset in a longer time perspective and invest continuously during the career life of a talent (Becker, 1974; Flamholtz and Lacey, 1981).

2. How do MNCs operating in different businesses and industries define talent?

Contingency perspective

Due to the above-mentioned characteristics of the industry and business context, the MNCs adopting typology A usually have a contextually dependent talent definition with highly specific capability requirements. A best fit in this particular environment is of greater importance than what is generally perceived as being a top-talent, i.e. a performance-potential focus. This is in accordance with the contingency theory, stating that organizations adapt themselves, and the requirements of their employees, in order to achieve strategic fit with the environment (Donaldson, 2001; Morgan, 2007).

This also indicates that the talent definition can change over time, as the organization will gradually adjust to new changes in the environment or the business context, thus putting new requirements on talents.

Human capital perspective

Since the definition is strongly dependent on the slow, complex and/or diverse context, the incentives to require and invest in particular competencies increase (Becker, 1964; Reder, 1967). Although talent development might take more time, the investments are justified by the possibility to gain greater industry- and firm-specific capabilities that help the company to respond to market demands, which in turn leads to sustained competitive advantage (Wright et al, 1994).

3. How are the talent definition and its influential factors correlated to GTM practices?

Contingency perspective

Many of the studied MNCs adopting typology A have claimed that it is difficult to attract and retain young talents, e.g. due to current preconceptions against these types of firms being unattractive, tech-heavy, and slow businesses. This has resulted in a larger focus on employer branding initiatives and development programs, since it is believed to be appealing for graduates in particular. In accordance with contingency theory, the firm is adapting its GTM activities after what is necessary in relation to other MNCs in order to find and keep strategically important people.

Firms also focus heavily on global talent mobility and form their requirements and practices correspondingly, which is in line with the theoretical argument that the GTM agenda is likely to shift as a MNC passes through the internationalization process. This is due to that firms have a growing need for global coordination and integration of GTM practices, as well as control over talent's career development and mobility across national borders (Scullion and Starkey, 2000; Farndale et al, 2010).

On the same subject of mobility, it has implications on developing and retaining activities as well. Those talents who are mobile are more likely to get new challenges continuously and therefore stay longer within the company. Firms often use a performance-potential matrix to evaluate talents, and the level of mobility and flexibility affects their grading score.

Human capital perspective

Performance-potential evaluation tools are used to see whether the initial investment in that person was successful and if more investments should be made. The more valuable talents prove to be, the more justified it is to invest more in this person, e.g. by placing the talent in a development program. Costs derived from GTM practices and competency development is justified as investment in human capital (Tarique and Schuler, 2010).

It is considered a long-term investment to develop talents into a highly specific industry, and from a human capital theory perspective, it is reasonable to invest in development programs if they are likely to be of strategic importance for a longer time. Once invested, it is expected of the employee to generate future return (Becker, 1964; Flamholtz and Lacey, 1981). This might explain why firms adopting typology A more often invest in internal development programs that develops competency for future purposes. It can also explain why firms allow talents to slow down their career rather than to exit the firm altogether, since an investment would otherwise be lost.

5.3 Typology B: talent definition in fast moving and single-faceted businesses

1. What factors influence talent definition?

Contingency perspective

Firms with typology B operate in more fast moving rapidly changing businesses seem to be drawn towards having a less specific talent definition compared to typology A, besides flexibility.

Contingency theory explains this by the fact that the environment is changing fast and with higher uncertainty; therefore it is not a focus to try to define specific requirements since this might change quickly or be different from case to case (Donaldson, 2001). As in the case of Kappa, its business looks the same across all markets and each subsidiary operates relatively independent from the HQ and other subsidiaries. Therefore there is no strategic importance to be mobile or to understand the entire organization; instead the focus current performance and potential performance in the nearest future. However, in Jota, mobility was an important issue related to talent development.

The nature of the environment calls for agile information or decision efficiency, which sets certain capability requirements on the talent in order to achieve high-performance. This efficiency criterion is a crucial part of all contingency theory (Forsgren, 2013).

Human capital perspective

Since there is much uncertainty in a fast-moving industry and what competencies are needed in the nearest future, it is more risky to invest in certain capabilities (Levhari and Weiss, 1974). If these investments are difficult to justify, it is understandable that firms choose to have a less contextually dependent definition and put more emphasis on current performance capability and value of talent output. What is valuable to the organization today might not be valued in the same way tomorrow.

2. How do MNCs operating in different businesses and industries define talent?

Contingency perspective

Due to the fast changing and less diverse business context, MNCs adopt a contextually dependent talent definition with less specific capability requirements, in order to make it easier to adjust the definition when needed (Donaldson, 2011; Forsgren, 2013). The focus of the definition is on overall performance capacity and agility to respond to new changes and market requirements. A general rather than specific talent profile makes it more likely to be able to perform in any different circumstances.

In fact, Thunnissen et al (2013) argue strongly that ‘talent’ is contextual and therefore it must appear differently in different types of companies, whether it is specified in accordance to firm-specific factors or not. In accordance with the contingency theory, there is a dynamic aspect to the definition and it is likely to change since the firm’s environment changes relatively fast over time.

Human capital perspective

Viewing it from a human capital perspective, a performance-driven talent definition with emphasis on performance as per today, is a safer bet in a volatile environment. This is due to that the return of investment is not affected by future performance, and future unpredictable incidents, as much as current performance (Becker, 1964; Levhari and Weiss, 1974). Therefore, these firms are more likely to focus on current performance so to maximize return on investment early on. As explained before, it is difficult to invest in only one specific capability or type of person if this is likely to change in the near future.

3. How are the talent definition and its influential factors correlated to GTM practices?

Contingency perspective

In comparison to typology A, typology B firms put less emphasis on development programs, and put more focus on current delivery and potential performance. More focus is on the requirements of today rather than what might be required tomorrow, especially since it is ambiguous whether the same talents will still be pivotal to the firm in the future or not (Donaldson, 2001).

Therefore, the attracting practices concentrate on finding the top-talents of the talent segment, who already have a strong track record and are good performers in general. Review practices evaluate talent's performance and potential according to the new needs of the organization, of which the ranking score determines whether a person is still a talent or not.

Human capital perspective

With regards to the performance-potential focus of evaluation, it is explained that this kind of talent is a less risky investment since it has proven to be high performing and is probable to perform in the future as well (Levhari and Weiss, 1974). Evaluations like these are needed to justify the investments made and see whether further investments are likely to result in future productivity (Flamholtz and Lacey, 1981).

Since the context and future needs are unpredictable, there is less of an emphasis on development programs and other GTM practices due to that it is difficult to see that it would be a good investment in human capital in a long-term perspective (Becker, 1964; Tarique and Schuler, 2010).

5.3 Typology C: Inclusive talent definition in value-driven businesses

1. What factors influence talent definition?

Contingency perspective

Firms that adopt typology C have a strong value-driven business that affects how they define talent and carry out GTM practices. It is believed that corporate values provide guidance for what a firm needs in terms of talents, in order to achieve a fit between company and individual. According to contingency theory, shared values can act as an organizational design variable that helps firms to achieve strategic fit by minimizing divergent interests, reducing uncertainty, emphasizing mutual interdependence, and leading to consensus (Forsgren, 2013; Donaldson, 2001).

As observed, a value-driven firm often chose to focus on all employees in the workforce since it is believed that everyone should stand close to corporate values, rather than just a few selected people. It is a way to align the whole company to meet external challenges in a cohesive manner, as contingency theory argues (Morgan, 2007).

Human capital perspective

Deriving talent requirements of corporate values lead to a greater likelihood that the talent will fit well into the organization, thus leading to higher employee happiness. From a human capital perspective, employee sentiment is a way to decrease turnover and hence keep human capital within the firm (Bontis and Fitz-enz, 2002). This is particularly important if the firm is in a fast-moving and uncertain business where employee turnover is likely to be high. Also, since corporate values are closely related to talent requirements, they become a guideline from previous successful investments to find new successful investments.

Since value-driven firms often have an inclusive premise for its workforce, it is less of a risk to invest equally in all employees than to single some of them out (Levhari and Weiss, 1974). It also positively influences employee sentiment when letting every employee to have the same opportunity to prove their worth.

2. How do MNCs operating in different businesses and industries define talent?

Firms that are value-driven often have an inclusive approach to the talent definition since they believe that every employee should stand close to the corporate values. This does not mean that the performance-potential dimension is not present; however the values have an increased importance in terms of performance and potential. For example current performance might be considered as more valued if the way of achieving it is close to the values. The same reasoning goes for the potential aspect.

Contingency perspective

Applying contingency theory shows that the firm reduces uncertainty of the task at hand by including all employees in GTM activities (investing less in each individual) instead of betting on a small segment (investing a lot in each individual) of the workforce; especially for firms in fast-moving industries who cannot predict future needs and changes in the environment (Donaldson, 2001), meaning that it is hard to predict who that will become a talent. In the case of Jota and Gamma this is particularly emphasized, saying that the talent definition is derived from the corporate values.

Human capital perspective

From a human capital point of view, this is a less risky approach since one “bets on all horses” to secure future return on investment (Levhari and Weiss, 1974). However, to invest in all employees equally is also more costly for the firm, depending on what type of development initiatives that will be invested in. These firms often do not differentiate talents from non-talents even in later stages; instead they continue to have a consistent inclusive approach over time.

3. How are the talent definition and its influential factors correlated to GTM practices?

Contingency perspective

An inclusive approach to the talent definition, along with being a value-driven firm, has certain implications for GTM practices. Since firms look for a fit between company and individual value, managers are often highly involved in the recruitment process to find talent who really fits for the positions they are hiring for. From a contingency perspective, this is lowering the uncertainty of hiring new people, since managers know what type of people has fit well in the firm before, hence increasing the likelihood of achieving strategic and cultural fit (Ghoshal and Nohria, 1997; Forsgren, 2013).

Human capital perspective

In terms of human capital investment, value focus lowers the risk of investing in a person that might not fit well with the firm and therefore would be more likely to leave, thus the investment would be lost. Manager involvement in the recruitment phase is in fact a way to decrease turnover in the future since it helps ensuring a good fit in new recruits (Bontis and Fitz-enz, 2002).

The inclusive approach is displayed in forms of development programs open to all employees, where all employees compete for positions equally. As explained before, the overall investment on each employee might be lower compared to what can be invested in a selected few. Therefore, development initiatives might be more or less extensive in its design and execution.

6. Conclusion

This section answers the research questions posed earlier in this paper with the help from empirical observations, and theoretical support from contingency and human capital theory. The empirical as well as theoretical contributions of the study are also presented. It is followed by a discussion of the results and its practical implications. Finally, next steps for future research are suggested.

6.1 Purpose and method to answer the research question

The purpose in this thesis was to explore what factors influence MNCs' talent definitions, how they define talent, and how it correlates with GTM practices. To answer these questions, a qualitative study was conducted where several different MNCs were interviewed. After an interpretative analysis supported by theories based on multinational firms, conclusions have been made for these MNCs. Predominantly, it was observed that they applied one or several typologies of talent definition, which include different influential factors, dimensions of the talent definition, and different focus on GTM practices.

6.1.1 What factors influence MNCs' talent definition?

Firstly, a general factor that all firms had in common was identified:

- "Performance-Potential"- a definition driver and an evaluation driver.

Secondly, specific factors were identified that diversified the talent definitions:

- Industry characteristics

- Business and product complexity

- Business area diversification

- Strategically important capabilities

- Corporate values

The factors both relate to the firms internal environment as well as the external environment.

Human capital theory and contingency theory have helped to explain how the observed internal and external factors affect talent definitions and GTM practices, indicating that these theories were applicable for understanding MNCs. Interesting to note is that the general “performance-potential” driver is not explicitly pointed out in theory, rather, it is an empirical observation that can be motivated as a rational behaviour according to the theories used.

6.1.2 How do MNCs operating in different businesses and industries define talent?

There is no single way to define talent; instead, many dimensions have been identified.

Firstly, two general dimensions were common for all firms:

- Dynamic talent definition

- Contextual talent definition

Secondly, specific dimensions were identified:

- Slow-moving/complex environmental definition

- Fast-moving/single-faceted environmental definition

- Inclusive definition

- Inclusive and exclusive combination definition

Due to the different environmental contexts that firms operate in, i.e. slow-moving/complex or fast-moving/single-faceted; their talent definition is adapted accordingly. This is done to achieve a strategic fit between the environmental requirements, business needs, and talent capabilities. The talent definition is therefore highly contextual.

The different industry characteristics such as pace of movements makes it more or less difficult to predict what type of capabilities is needed in the future, and therefore also more or less difficult to justify investments in certain types of required skills or characteristics in talents. This proves that talent definition is contextual. Furthermore the definition is likely to change over time whenever the environment changes and puts new requirements on the firm, thus showing that talent is a dynamic concept.

Most firms had an inclusive approach as a starting premise, where all employees were seen as having the chance to show themselves as talents. But when people proved to be more high-performing than others they shifted towards a less inclusive approach. This is a clear indication on that the talent definition is dynamic in practice where people both can go from not being identified as a talent to becoming one, or the other way around not being a talent when performance or potential decreases.

Most firms were very open with that both potential and performance are far from objective measurements and that factors far away from the individuals control will sometimes affect the rating given both in the internal and external environment of the firm. Examples can be the change of a manager reassessing the potential, change of strategic capabilities related to internal or external pressures.

6.1.3 How are the talent definition and its influential factors correlated with GTM practices?

As previously explained in the analysis there is a correlation between talent definition, influential factors, and GTM practices. However, it is out of the space of this thesis to confirm the exact relationship between these parts. The exact correlations of whether it is a casual relationship or if they all affect each other simultaneously is left for future research to discover since it is most probable a very interesting subject.

Below the different parts of the definition and its influential factors will be discussed according to the GTM system.

Attracting talents

The definition and influential factors affect what firms are looking for in a talent in terms of characteristics and capabilities. This definition and factors also affect how much resources are allocated to finding those people. If it is seen as difficult to attract talents due its unattractive or complex industry, more investments are put into employer branding. If corporate values are regarded as highly important for the success of the business and the aim is to achieve a good fit between employer-employee, managers seem to be more involved in the recruitment process.

The type of approach that a firm has to the definition also has implications for whether the firm is focusing on recruiting ‘talents’ or employees in general.

Developing talents

The industry characteristics and complexity seem to influence the incentive to invest in development initiatives. A slow-moving and stable industry makes it easier to predict what kind of capabilities are needed in the nearest future, and therefore investments are more likely to generate future return and are easier to justify. In a fast-moving and unpredictable industry it is therefore harder to predict what exact capabilities that will be needed in the nearest future and therefore it will be more difficult to justify long term investments in specific capabilities.

Having an inclusive or exclusive approach also seem to affect the type of development efforts made. Inclusive firms allow all employees to participate in development programs and they might not even have a trainee program in order to avoid singling out people. Some firms seem to use a combination of both approaches investing more in employees who have already proved to be high performing and have high future potential in different ways.

Retaining talents

Since all the firms were performance-driven, evaluation tools based on performance and potential were used by all of them. Interesting to note was that all firms used some kind of performance-potential matrix where employees were graded and ranked accordingly. However, they differed in how they used the ranking and what implications there were for the talents after the evaluation.

Strategic capabilities were often included in the performance- potential evaluation. Examples such as leadership or mobility were often included in the evaluation. Lower rankings were sometimes given to identify talents who were not as mobile or flexible as the firm wanted them to be. This again shows proof on how dynamic and context driven the talent definition is.

6.1.4 Typologies of Talent

These aforementioned main findings can be categorized and further structured into three typologies of talent definition. Firms can use one or several typologies meaning that these are not mutually exclusive.

Firstly, there are three overall characteristics shared by all typologies:

- ***“Performance-Potential” – driven definition***

- ***Dynamic talent definition***

- ***Contextual talent definition***

Secondly, there are three dominant typologies identified:

- Typology A: Performance-driven talent definition in slow moving, complex, and diverse businesses/industries.

- Typology B: Performance-driven talent definition in fast moving and single-faceted businesses/industries.

- Typology C: Inclusive talent definition in value-driven businesses.

Typology	A	B	C
Common characteristics	<ul style="list-style-type: none"> • “Performance-Potential”-driven • Dynamic • Contextual 		
Influential factors	<ul style="list-style-type: none"> • Slow-moving business/industry • Complex products • Diverse business • Need for leadership, networking, mobility and a global mindset 	<ul style="list-style-type: none"> • Fast-moving business/industry • Single-faceted business • Need for being entrepreneurial, flexible, networking 	<ul style="list-style-type: none"> • Corporate values, need for fit between employer-employee
Talent definition	<ul style="list-style-type: none"> • Specific requirements • Inclusive-Exclusive approach 	<ul style="list-style-type: none"> • Flexible requirements • Inclusive-Exclusive approach 	<ul style="list-style-type: none"> • Inclusive approach
GTM practices	<ul style="list-style-type: none"> • Focus on employer branding, development programs and retention initiatives 	<ul style="list-style-type: none"> • Focus on recruiting and performance as-per-today 	<ul style="list-style-type: none"> • Managers highly involved in recruiting • Less focus on exclusive development programs
Theoretical underlying principle Human Capital (HC) Contingency (C)	<ul style="list-style-type: none"> • HC: Investments in specific talent requirements are needed in complex businesses and easier to justify in predictable industries • C: Talents need specific capabilities to fit with the 	<ul style="list-style-type: none"> • HC: less investment in specific competencies are rational in fast-changing and unpredictable industries since it is hard to know if organizational needs will be the same in the future 	<ul style="list-style-type: none"> • HC: if special requirements cannot be foreseen. It is better to invest in competences needed by all employees on a lower levels to avoid unnecessary risk taking

	multi-faced environment	<ul style="list-style-type: none"> • C: Requirements change fast since the environment does 	<ul style="list-style-type: none"> • C: Shared values reduce uncertainty and facilitate strategic fit
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6.2. Discussion

6.2.1 Empirical contribution

The purpose was to understand how GTM is carried out in a local context of MNCs, which has been lacking empirical evidence in current GTM research, especially pointing out that previous studies have been single-sided in terms of industries and national contexts (Vaiman et al, 2012). The empirical contribution in this paper is therefore the study of various MNCs in different industries and from different home countries. An additional contribution is the focus on the Swedish context adding to the national context perspective so far lacking in current research.

6.2.2 Theoretical contribution

While previous studies have largely been consulting reports or anecdotal in its nature (Chaisson and Scweyer, 2004), this study has been conducted on a theoretical level. Scholars have stated that the debate around the meaning of talent and talent management has not yet reached consensus. This implies that GTM as a research area is still rather immature, and that it needs a more support from other organizational theories (Bodreau, 2012; Thunnissen et al, 2013).

By integrating theories of the multinational firm, namely human capital theory and contingency theory, this study has contributed to the development of a solid theoretical foundation that can help future research to further understand the underlying principles of GTM.

This study has also discovered the important role of time and its implications, i.e. the dynamic talent dimension. McDonnell (2011) implied that the time aspect was little debated in current research. This study clearly shows that a talent definition can change over time, as the organizational needs shift and firms re-validate their talent requirements. It will in turn affect their investments in human capital, i.e. whether it will be a justified investment that is likely to result in future return, or not. In fast-moving firms where requirements shift quickly, it is more difficult to make long-term investments in specific human assets, compared to in more predictable, slow moving industries.

Another contribution is the discovery that firms do not define talent only in one dimension, but in several ones. One firm define several dimensions of the definition, e.g. inclusive-exclusive approach, performance-driven definition, industry-specific talent requirements. Identifying these dimensions that affect talent definition and GTM practise helps to nuance the discussion about the contextual aspect of talent to increase the understanding of its differences and implications on GTM practices. However one should not see these dimensions to purpose one specific definition, rather to emphasize its multifaceted construction amongst companies.

A major contribution to current research is therefore the categorization of different talent dimensions, together with their influential factors and correlation with GTM practices, into three typologies of talent. Rather than only stating that “everything is contextual”, this study has moved away from the single-sided view on talent definitions and presented a larger perspective that includes many facets.

Furthermore the reason as for why MNCs in greater extent work with GTM, in comparison to smaller local organizations, seems to be derived from real organizational needs. Since they are large in size there is a need for structured ways or system of managing pivotal roles and succession planning since the structure of the MNC makes it complex to overview which otherwise would be difficult to manage. Adding to that MNC’s often have the relative stability and necessary resources to plan more ahead as the going concern basis principle from accounting describes for these types of initiatives than what a smaller local organization might have.

However, GTM is still considered by MNCs to be only a small part of HRM where other factors also are important for organizational success. Many companies emphasized the importance of having a balanced workforce consisting of many different types of people equally important even if they might not be classified as talent. Furthermore in reality, a completely exclusive approach to talent is cumbersome within an organization since it might impact on the atmosphere and team work.

Scholars and consultants have hyped “the war for talent” as something crucial for survival. However if taking the perspective of the findings in this thesis where talent in many ways are related to factors in the organizations internal and external environment identifying different typologies of talent, the individuals they are fighting for are very different ones, implying that the war of talent is not a single one but rather diversified. A person considered as talent in one type of company might not be a talent in another company.

6.3. Practical implications

The fact that talent is a contextual and dynamic concept has practical implications for MNCs. Certain capabilities and characteristics may be valuable in one firm, operating in a certain industry, but this might not be as valuable in other contexts in another point of time. This might seem obvious, however, firms need to reflect over this when recruiting talents that have been top-performers with their previous employers. Just because these talents were stars in a competitor company, it does not necessarily mean that they will be stars in another type of company and industry.

The presented talent typologies show that firms do not use one, static talent definition. There are many aspects to consider when working with GTM and these typologies can act as a more structured guide or framework for how to understand different talent definitions, and how they are related to GTM practices. Still one should have in mind that only ten companies were investigated in different types of businesses, which is just a first indication of different typologies. If the research would be expanded, thus including a bigger quantity of diverse MNCs, other typologies are likely to be identified and current ones modified.

6.4. Suggestions for further research

This study has focused on presenting the overall findings and implications that were shared by several of the studied MNCs as well as some identified differences. The authors believe that the mapping perspective is of more interest rather than to go in-depth based on the current state of GTM research. However, the aim is not to generalize any findings. A suggestion for further research is to confirm the main findings and the talent typologies presented in this study with quantitative research, which should include a larger sample of respondents and firms.

Also, further explorative studies can aim to identify more typologies that prevail in other MNCs and subsidiaries in other national contexts than in the Swedish one, as well as go more in-depth within every company by interviewing many different people in the organization. Since this study chose to focus on trainee programs, which is only one part of many GTM practices, future research can cover additional aspects of a firm's GTM work, e.g. internal job markets, succession planning and retention activities.

The authors observed that there is a correlation between talent definition, influential factors, and GTM practices. However, one has not been able to confirm the exact relationships between these parts, whether it is a casual relationship or if they all affect each other simultaneously, which might be an interesting subject for future research.

The dynamic dimension identified leaves many questions unanswered regarding GTM activities within the development and retention part of the GTM system. Therefore, investing time and resources into development makes the question of retaining individuals within the MNC of even greater importance, in parts of the career when these persons are not considered to be talents.

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8. Appendix

8.1 List of semi-structured interview questions

List of semi-structured interview questions
1. Presentation of the interviewees background and position at the company
2. Definition of talent: <ul style="list-style-type: none">- How does Company X define talent? Does this definition relate to what is defined as a typical Company X-employee?- Are talents and/or trainees crucial for your business survival?
3. The trainee program: <ul style="list-style-type: none">- What is the purpose and aim of the program (if you have one) ?- How do you follow up after program completion and do you evaluate/measure the individual performance?
4. Other GTM practices: <ul style="list-style-type: none">- Recruitment & selection: what type of recruitment is needed today? In the future?- Performance management: how do you measure individual performance?- Development & training: how do you work with education and development?- Retention: how long do people stay in general? How do you work with retention activities?- Compensation & rewards: how do you reward talents?
5. GTM and IHRM strategies: <ul style="list-style-type: none">- Alignment with strategy: are the IHRM and GTM strategies connected with overall corporate strategy?- Internal consistency: are the IHRM and GTM practices connected to each other?- Cultural embeddedness: are Company X's corporate culture and values part of IHRM activities?- Management involvement: are managers and leaders involved in development programs?- Employer branding: how do you work with EB and does it involve other business functions?- Balance of local and global needs: how do you satisfy these needs, e.g. in terms of recruitment?

8.2 Overview of empirical data collection - secondary sources

	A	B	C	D	E	F	G	H	I	J
1	Författare	Titel	Keywords							
2	Cappelli	Talent on Demand 2008	Framework for benchmarking best-practice, supply and demand of talent							
3	Collings & Mellahi	Strategic talent management: A review	Framework for benchmarking best-practice, supply and demand of talent							
4	Kristof	Person-organizational fit: 1996	Framework for benchmarking best-practice, supply and demand of talent							
5	Ready	Make your company a talent factory 2007	Framework for benchmarking best-practice, supply and demand of talent							
6	Smilansky	Developing executive talent: Best practices from global leaders 2006	Framework for benchmarking best-practice, supply and demand of talent							
7	Beecher, Woodward	The global war for talent 2009	Framework for benchmarking best-practice, supply and demand of talent							
8	Björkman	Talent or not: reactions to talent identification	Framework for benchmarking best-practice, supply and demand of talent							
9	Boudreau & Ramstad	Talent segmentation and sus (TM as decision-making tool)	Framework for benchmarking best-practice, supply and demand of talent							
10	Boudreau & Ramstad	HR Measurement and Analysis 2006	Framework for benchmarking best-practice, supply and demand of talent							
11	Burbach & Royle	Talent on demand? 2010	Framework for benchmarking best-practice, supply and demand of talent							
12	Guthridge and Komm	"Why multinationals struggle to manage talent", McKinsey Quarterly 2008, Vol. 4, pp. 10-13.	Framework for benchmarking best-practice, supply and demand of talent							
13	De Vos & Dries	Applying a talent management lens to c	Framework for benchmarking best-practice, supply and demand of talent							
14	Lepak & Snell	The human resource architecture 1999	Framework for benchmarking best-practice, supply and demand of talent							
15	Becker & Huselid	The differentiated work force: transforming talent into strategic impact (2009)	Framework for benchmarking best-practice, supply and demand of talent							
16	Schuler, Jackson, Tarique	Global talent management and global talent challenges: strategic opportunities for HRM 2011	Framework for benchmarking best-practice, supply and demand of talent							
17	Dries & Pepermans	"Real" high-potential careers 2008	Framework for benchmarking best-practice, supply and demand of talent							
18	Festing, Schäfer, Scullion 2013	Talent management in medium-sized ge	Framework for benchmarking best-practice, supply and demand of talent							
19	Frank & Taylor	Talent management: trends that will sha	Framework for benchmarking best-practice, supply and demand of talent							
20	Gallardo (PPT)	What is the meaning of talent from a bu	Framework for benchmarking best-practice, supply and demand of talent							
21	Groysberg et al	The risky business of hiring stars 2004	Framework for benchmarking best-practice, supply and demand of talent							
22	Höglund	Quid pro quo? 2012	Framework for benchmarking best-practice, supply and demand of talent							
23	Mäkelä, Björkman, Ehrnrooth 2010	How do MNCs establish their talent pools?	Framework for benchmarking best-practice, supply and demand of talent							
24	Michaels, Handfield-Jones, Axelrod	The war for talent 2010	Framework for benchmarking best-practice, supply and demand of talent							
25	Lewis & Heckman 2006	Talent management - a critical review	Framework for benchmarking best-practice, supply and demand of talent							
26	Martin & Schmidt 2010	How to keep your top talent	Framework for benchmarking best-practice, supply and demand of talent							
27	McDonnell 2011	Still fighting the "war for talent"? Bridg	Framework for benchmarking best-practice, supply and demand of talent							
28	Silzer & Church 2009	The pearls and perils of identifying potential	Framework for benchmarking best-practice, supply and demand of talent							
29	Karavasil & Hall 2003	Growing leaders for turbulent times: Is	Framework for benchmarking best-practice, supply and demand of talent							
30	Furnham 2008	HR professionals' beliefs about, and knowledge of, assessment techniques and psychometric tests. International Journal of Selection and Assessment, 16, 300-305.	Framework for benchmarking best-practice, supply and demand of talent							
31	McDonnell & Collings 2011	The identification and evaluation of talent in MNEs. In H. Scullion & D. G. Collings (Eds.), Global talent management (pp. 56-73). London and New York: Routledge.	Framework for benchmarking best-practice, supply and demand of talent							
32	Pfeffer 2001	Fighting the war for talent is hazardous to your organization's health. Organizational Dynamics, 29, 248-259.	Framework for benchmarking best-practice, supply and demand of talent							
33	McDonnell et al 2010	Developing tomorrow's leaders - eviden	Framework for benchmarking best-practice, supply and demand of talent							
34	McGivern & Ferlie 2007	Playing tick-box games: interrelating def	Framework for benchmarking best-practice, supply and demand of talent							
35	Minbaeva & Collings 2013	Seven myths of global talent management	Framework for benchmarking best-practice, supply and demand of talent							
36	Huselid et al 2005	Logic of Workforce Management,	Framework for benchmarking best-practice, supply and demand of talent							
37										
38	Employer Branding related articles									
39	Edwards 2010	An integrative review of employee brand	Framework for benchmarking best-practice, supply and demand of talent							