The influence of the Nordic cultural context on talent development and retention in knowledge-intensive organizations

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Abstract

Lack of empirical research of Talent Management in different cultural contexts has been a barrier for the research field to develop further. As majority of the research about Talent Management has been conducted in the Anglo-Saxon cultural context, implementing Talent Management practices has been problematic in context of different cultures. This paper is aimed to fill this existing gap in the literature by conducting a multiple case study research within knowledge-intensive organizations, where talents are especially crucial, in the Nordic cultural context.

Even though, Talent Management encompasses four different parts – identification, acquiring, development, and retention – this paper only focuses on two of them: talent development and talent retention. This is done in order to gain enough insight to make clear indications on the Nordic culture’s influences on them. Primary data was gathered through three interviews with different companies, and strengthened with three supporting interviews. The gathered data was coded and thereafter analyzed by utilizing a cross-case analysis.

Through the interviews conducted both with companies and consultants, we found out that there is clear evidence about the effects of Nordic cultural context impacting talent development and retention within the Nordic KIOs. These can be seen through the importance of providing equal opportunities for the employees, emphasizing individual rights and work-life balance throughout the organizational processes. Although the case companies slightly differ in talent retention and development practices compared to current literature, some universal similarities can be found from Nordic KIOs as well. However, it is interesting to see whether this influence might decrease in the future and if the Anglo-Saxon approach to talent development and retention will become more dominant over time as globalization makes national cultures more converged.
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1 Introduction

This section brings the reader the background, problem, purpose, and limitations of the thesis in order to help them understand the aim of the study.

1.1 Background

Talent Management (TM) is a fairly new concept in the field of human resource management (HRM), and thus the research is in an ongoing phase and the subject lacks in distinctive models (Rebeťák & Farkašová, 2015; Silzer & Church 2009). The term Talent Management was first introduced in a study by Chambers, Foulon, Handfield-Jones, Hankin, and Michaels in 1998 and further explained in a book The War for Talent, which was mostly written by the same authors – Michaels, Axelrod and Handfield-Jones (2001). Furthermore, high-potentiality as a mean of a talented employee was discussed for the first time in the study, though the terms used were high-caliber and high performer. The authors state in the book: “We had named a phenomenon that many had been experiencing but had not fully articulated” (Michaels et al., 2001, p. 1).

There are three fundamental forces which accelerated the need for talent and particularly the need for research on Talent Management. Firstly, the shift from Industrial Age to Information Age converted the power from the company to the employee, regarding negotiation leverage and the course of ones career. Secondly, excellent Talent Management and high-potential managers emerged as a vital source for competitive advantage. Lastly, these both contributed to the third force, employee turnover, which had become a recognizable issue (Michaels et al., 2001).

Organizations are more dependent on the quality of their employees (human resources) than ever (Ulrich et al., 2008), which is why it should be of high importance for companies to focus on the quality and potential of their employees (Chambers et al., 2007; Rebeťák & Farkašová, 2015). This is further stressed by Berger and Berger (2017), who state that one third of the variance in business results can be explained by differences in both work climate and Talent Management processes. Talent Management focuses on the process of attracting, acquiring and retaining talented employees (Creelman, 2004), but the wider definition of the term reveals that there is much more to explore. According to Taylor (2010) the definition also includes the processes of identification, development, engagement and deployment of employees based on their critical roles (talent) or high-potential, which will generate competitive advantage in the future. Yet interestingly, talented employees with high-potential only make up to 20% of the company’s labor force, but factor 80% of the benefits gained to the business (Berglas, 2006).

This realization is further evident from global talent trends research conducted by Mercer (2016), which states the future growth of organizations to be highly dictated by their ability to develop talents. Another urgent matter highlighted by the research is that many talents consider switching organizations, even if they
are satisfied with their current employer. These findings add to the importance of talent development and retention research.

1.2 Problem Discussion

Even though the definition of potential varies, high-potential in general can be argued to refer to the possibility that individuals can become something more than what they currently are; thus implying that through growth and development employees can reach some desired end state (Silzer & Church, 2009). Silzer and Church (2009) and Souptata (2004) also point out that in our modern time, the importance of talented employees with high-potential as a source of sustainable competitive advantage is significantly increasing as the birth rates have been declining in the Western world, and the upcoming years will see the retirement of large age groups. Kaye and Jordan-Evans (2002) also note that there are not enough talented employees to meet the demand. It is known that the cost of acquiring a new employee compared to retaining and developing an existing one is significantly higher (Baker, 2006; Hartley, 2004; Kwon & Rupp, 2013). Hence, it is anticipated that in the future, organizations need to sharpen their focus on retaining and developing in-house talent rather than investing more time and effort on recruiting talented candidates (CIPD, 2017). This is especially true for knowledge-intensive organizations (KIOs) who rely on their employees’ expertise and knowledge to maintain their competitiveness (Deng, 2008; Makani & Marche, 2010).

The problem regarding this in Nordic KIOs arises from the fact that most of the research conducted about talent development and retention is done in the Anglo-Saxon cultural context, which has different cultural norms, values and societal structure. Implementing the development and retention practices utilized in TM in the Anglo-Saxon cultural context is in some cases impossible in the Nordic cultural context (Bolander et al., 2014). Furthermore, many are calling for more research in the field of TM (Collins & Kehoe, 2009; Orlitzky, 2007) and with increased number of Society for Industrial and Organizational Psychology conference sessions focusing on high-potential talent identification, assessment and development (Silzer & Church, 2009) we feel that the focus of this thesis should be narrowed down to where it is needed the most. Hence, we want to focus on the retention and development side of the Talent Management processes. We found that there is a need for further research in TM in general, and by offering an explorative study regarding the importance of development and retention parts of the TM processes, it adds onto the literature, contributes on filling the found research gap and is also in line with the prevalent issues.

The human capital is seen as the most important organizational asset, especially in knowledge-intensive organizations, which indicates that the human resource department has a central role and is increasingly becoming a strategic business partner in organizations (Nilsson & Ellström, 2012). By focusing on knowledge-intensive organizations rather than a more specified field or type of industry, the findings will be more profound because of the importance and dependency on talents especially in these organizations. Moreover, since it has been stated that small and medium sized enterprises can be considered one of the biggest threats to multinational corporations regarding the acquisition of the talent in the first place.
(Chambers et al., 2007), the contribution to the overall field and literature becomes more significant by looking for the underlying patterns inside the knowledge-intensive organizations, regardless of size, in order to get a profound picture about the topic.

Limiting the empirical study to include organizations operating in the Nordics is motivated by two issues. Firstly, as there is a lack of research done in the Nordic cultural context regarding Talent Management; it offers an opportunity for the authors to focus on a literature gap by using existing and new contacts in Sweden and Finland. Secondly, it is relayed that TM practices may vary between regions based on the fit of these practices to the organizational and national culture (Al Ariss, 2014). Lack of empirical research regarding Talent Management has been the most prevalent issue for further advancements in the topic (Al Ariss 2014; Bolander et al., 2014; Lewis & Heckman, 2009; Sparrow & Makram, 2015). Many recent publications have especially highlighted the need for research in national and cultural context of TM, other than the Anglo-Saxon (US, UK) context, which has been dominant in the research so far (Al Ariss, 2014; Bolander et al., 2014). By looking at the organizations operating outside of the Anglo-Saxon region, i.e. in the Nordics, helps us to find relevant information which contributes to the research gap that exists in implementing TM outside of Anglo-Saxon cultural context and also contributes to the existing literature in a broader sense by offering ideas for further study in the field of TM in the Nordic region.

1.3 Purpose

The purpose of this thesis is to explore the influence of Nordic cultural context on talent development and retention practices of knowledge-intensive organizations and answer to the question:

Q1. How does the Nordic cultural context influence talent development and retention practices in knowledge-intensive organizations?

We chose to focus on KIOs from the managerial perspective, as these organizations heavily rely on their employees, and wanted to see how they develop and retain their talents given the nature of the Nordic cultural context. We hope to contribute to the research about Talent Management and its role in Nordic KIOs, as previous studies have called for more empirical research in different cultural contexts.

1.4 Delimitations

Geographic limitations: We chose to limit the research in this thesis to include Swedish and Finnish knowledge-intensive organizations, as time limitations and feasibility prevented us from including other Nordic countries – Norway, Denmark and Iceland. We believe that limiting our empirical research to Sweden and Finland will provide us enough information to see cultural influence on development and retention practices in the Nordic cultural context, and thus enables us to contribute to the existing research gap.
Resource restrictions: Because of the limited monetary resources at hand, we could not conduct all the interviews face-to-face as initially desired. However, Skype interviews with video connection were used to mimic the face-to-face interaction as closely as possible in 3 of 6 interviews.

Number of cases: The number of cases is relatively small, meaning that this thesis merely provides a starting point for future research regarding the cultural influence on development and retention of talents in knowledge-intensive organizations and what specific factors should be taken into consideration regarding the implementation of these practices. Of course, Talent Management contains aspects other than development and retention, but by focusing on only these two we hope to gain broader understanding on the two main issues currently focused on the field of research.

1.5 Literature Search

Our literature search began by conducting broad searches about Talent Management and human resource management using the Jönköping University library search engine. This approach was taken to gain a broader understanding about Talent Management’s positioning in the academic field and to familiarize ourselves with the differences between Talent Management and Human Resource Management, in order to use it as a starting point for more focused searches. After identifying some relevant peer-reviewed journals, we reformed our search terms based on our interest in the development and retention practices of talent and utilized a narrower ‘big bite strategy’ (Drabenstott, 2001); which is characterized by the use of more relevant search terms, individually and together, from specific databases. Databases utilized for this phase were mainly Emerald, ScienceDirect and Scopus.

Based on the most relevant peer-reviewed papers we found, it was evident that the topic is extensively debated and that there is an apparent gap in knowledge. At this stage we narrowed our search strategy to what is known as ‘citation pearl growing’ (Drabenstott, 2001), or in some instances ‘onion search’ (Smith, 2012), which are terms used to describe the act of identifying sources of information from the citations of relevant documents (Smith, 2012). With this approach we started to build our frame of reference and formulate our research approach.
2 Frame of Reference

This section covers the definitions of key concepts, what problems these concepts might hold, and how they are interpreted in this paper in order to help the reader to get an understanding of the topic.

2.1 Talent Management

The concept of Talent Management has become an increasingly relevant topic for organizations and academics as changes in the general environment where business is conducted, demands new sources of sustainable competitive advantages (Boatman & Erker, 2012; Ulrich et al., 2008). According to Al Ariss (2014) some of the earlier focus of Talent Management was heavily inclined towards recruiting talents to the company. This perspective has since shifted and currently the most prominent and commonly used definition of talent management comes from Collings and Mellahi (2009) who define talent management as “activities and processes that involve the systematic identification of key positions which differentially contribute to the organization’s sustainable competitive advantage, the development of a talent pool of high potential and high performing incumbents to fill these roles, and the development of a differentiated human resource architecture to facilitate filling these positions with competent incumbents and to ensure their continued commitment to the organization” (p. 304). This definition implies that the current focus is in developing internal talents in organizations – an implication that is further backed by Thunnissen et al. (2013). This is not to say that recruiting new talent is off the table however, but the fact remains that developing existing talents is more cost efficient (Kwon & Rupp, 2013).

Despite its relevancy and promise, talent management has been in the center of an intensive debate. The debate stems from the fact that the term ‘talent management’ is very loosely used and often vaguely defined by the user (Lewis & Heckman, 2006; Dries, 2013). This vague use of the term by managers and academics alike has created a situation where critics label the concept of talent management as a repackaging of other HRM concepts (Lewis & Heckman, 2006; Collings & Mellahi, 2009). Critics of the topic such as Lewis and Heckman (2006), and Collings and Mellahi (2009) have advanced the topic and its credibility through their critique. Currently many researchers have concluded that talent management does in fact add to the field of strategic human resource management, far beyond its traditional definition; as talent management is strategic by nature according to most definitions (Collings & Mellahi, 2009; Dries, 2013).

Lewis and Heckman (2006) identified three different streams of thinking surrounding the concept of talent management. Further, Collings and Mellahi (2009) shared the idea of the streams and continued on the elaboration of them. The first stream involves individuals that use the definition of talent management interchangeably with the definition of HRM. This stream adds little to talent management as it is mostly rebranding traditional HRM practices (Collings & Mellahi, 2009). The second stream is more considered with the development of talent pools (Lewis & Heckman, 2006) and places heavy emphasis on staffing needs and employee progression through positions; which is more in line with literature about manpower planning, but still contributes to talent management (Collings & Mellahi, 2009). The third stream is about
managing talented people, arguing that all positions of an organization should be filled with the best people – the ‘A players’ (Lewis & Heckman, 2006). This stream of thought is very influential, but not desirable, as it also highlights the process of removing low-performers – the C players – out of the organization through managerial means (Lewis & Heckman, 2006; Collings & Mellahi, 2009).

These three streams are well suited for categorizing all the different approaches to talent management, but offer little base to the transition from theory to practicality (Vaiman et al., 2012). Collings & Mellahi (2009) identified a fourth emerging stream that begins the process of talent management with identifying key positions and critical roles from inside the organization. This is followed by realizing the specific planned outcomes and then developing talents accordingly (Berger & Berger, 2017). This stream of thought acknowledges the existence of strategic roles inside the organization which take priority over non-strategic roles (Al Ariss, 2014). By filling the identified strategic roles from the organization’s talent pool, a competitive advantage can be achieved. The fourth stream of thought highlights the current strategic orientation of talent management research, and the benefit that can be gained through introducing talented employees to a strategic role with a planned outcome in mind (Berger & Berger, 2017; Al Ariss, 2014).

Due to this, academics and practitioners alike are attempting to conceptualize talent management into practical use through different models (Al Ariss, 2014), but because of the previous detachment from conceptual and intellectual foundation (Vaiman et al., 2012), researchers have interpreted the scope and focus of talent management very differently.

As the problems related to the use and definition of the term ‘talent management’ are disappearing, the problems regarding the current state of the topic are brought to the foreground. For talent management to grow to the maturity phase, more empirical research must be conducted (Sparrow & Makram, 2015; Al Ariss et al., 2014). One of the key focuses should be on empirical research about talent management in different national and cultural contexts, as most of the research done so far, has been done in the Anglo-Saxon cultural context in North America or in the United Kingdom, giving the topic a very narrow and limited coverage (Bolander et al., 2014).

2.2 Talent and High-Potential

In this section we present the major definitions for the separate terms in the current literature, as well as define the differences between them.

2.2.1 Talent

The current literature offers a wide spread of different definitions for the term ‘talent’ (Gallardo-Gallardo et al., 2013). Compared to the Schiemann’s (2014) definition – “the collective knowledge, skills, abilities, experiences, values, habits and behaviors of all labor that is brought to bear on the organization’s mission” (p. 282) – Silzer and Dowell (2010) take a more comprehensive standpoint and define talent in organizations to three distinct aspects: an individual’s knowledge, skills and abilities. In other words, they define it by what the person has done and what the person is capable of doing for the organization in the future. This is
further categorized by whether the talent refers to a specific person (e.g., she is a talent or she is talented – usually implying she has specific knowledge, skills and abilities in some area) or a group (e.g., the level of talent in the marketing function) (Silzer & Church, 2009). Additionally, Pruis (2011) defined talent as an intrinsic value based on focus, attention, and dedication, which reinforces itself and does not require praising from others, whereas Tansley (2011) accompanied with the previously mentioned definition on the individual level – a set of skills including behavioral aspects, knowledge, creativity skills, and cognitive ability.

It seems that the variations in the definition regarding the term are due to subjective opinions of HRM managers and writers, and it appears that everyone has his or her own idea of what the construct does and does not encompass (Ulrich, 2011). As Tansley (2011) enlightened, the differences might also be due to the language differences i.e. the meaning of the term varies based on the language used in the organization. Also, in literature there is a great deal of organizationally specific definitions of talent that are highly influenced by the type of industry or occupational field, which in turn increases the variations of definitions (Tansley et al., 2007). In regards of the clarity of this paper, we share the Schiemann’s (2014) broader definition of the matter rather than rely on the industry or organizational specific denotations, which encompasses the individual’s knowledge, skills, experiences, values, habits and behaviors that bear on the organization’s mission.

2.2.2 High-Potential

The War for Talent by Michaels, Handfield-Jones and Axelrod (2001) raised the general interest towards high-potential employees, and after the recent recession and workforce shortages, acquiring the right talent was seen as the tool for organizational excellence. After that, the articles published about the topic have increased exponentially, yet the current literature still lacks a clear consensus on how to define a high-potential employee and the definition seems to vary across companies (Gallardo-Gallardo et al., 2013; Karaevli & Hall, 2003; Silzer & Church, 2010). For example, Karaevli and Hall (2003) interviewed 13 different major corporations such as Southwest Airlines, Dell, Boeing and Hewlett Packard; none of which had the same definition for potential. Still, the term high-potential can be generally defined as the possibility that individuals can become something more than what they currently are, implying further growth and development to reach some desired end state (Silzer & Church, 2009). Rebeťák and Farkašová (2015) define high-potential more thoroughly and took into account the qualities and skills an employee possesses: “The term “high-potential” means that an employee possesses superior or rare qualities and skills that give him a possibility of development in order to help the company to achieve corporate objectives and be successful in the future” (Rebeťák & Farkašová, 2015, p. 868). However, Silzer and Church (2010) continue to elaborate that potentiality is a dynamic state rather than an end state, meaning that the potentiality qualities might be possible to be developed as well.

The difficulties regarding the high-potential employee definition may be due to the challenges on measuring human capital per se; in contrast to other forms of capital that can be quantified, the lifetime value of an
employee is challenging to define, as potentiality is subjective and situation dependent (Trost, 2012). Additionally, the issue regarding the estimation of the remaining time within the company is difficult and hence the ‘end state’ might not ever be realized because of the situational and individual factors of the employee (Stiles & Kulvisaechana, 2003). Furthermore, because of the difficulties on the exact definition, many authors rather discuss the concept of ‘Potential for what?’, which links the definition to the correspondent dimensions and expectations that is set towards the individual, which – as stated before – varies across the companies (Dowell, 2010; Silzer & Borman, 2017; Silzer & Church, 2009).

Many researches have been done in order to understand the attributes or personal characteristics of a high-potential, and as the definition itself varies, so does the identification processes. Thus, many companies nowadays apply sophisticated talent programs and systems for the identification, development and retention processes (Silzer & Church, 2009). As Silzer and Church are amongst the most cited in this field, we think that it is appropriate to include their full definition of the components of potential to this paper. Hence, Silzer and Church (2009) stated these key themes in order to identify a high-potential employee:

- Cognitive skills (conceptual or strategic thinking and breadth of thinking; intellect and cognitive ability; and dealing with complexity / ambiguity),
- Personality variables (interpersonal skills and sociability; dominance; and maturity, stability and resilience)
- Learning variables (adaptability and flexibility; learning orientation; and openness to feedback)
- Leadership skills (managing and empowering people; developing others; influencing, inspiring, change management and challenging the status quo)
- Motivation variables (drive, engagement, energy and tenacity; aspiration, drive for advancement, ambition, career drive, organizational commitment and interest; result orientation and risk-taking)
- Performance record (performance track record; and leadership experience)
- Other variables (technical / functional skills and business knowledge; qualifiers i.e. mobility and possibly age; and cultural fit)

As many companies and authors have different opinions about the exact terms, the actions regarding the classification process of a high-potential employee vary as well. Hence, it rather is a subjective opinion of the author or the company defining the term, and it seems that the authors are meaning approximately the same thing by just twisting words. This can also be seen in the high-potential classification, where similarities can be found; cognitive capabilities, motivational variables, leadership attributes and to some degree the engagement towards the company are present in some way in almost every high-potential classification.

2.2.3 Talent vs. High-Potential

As mentioned before, talent is commonly defined as the collective set of knowledge, skills, abilities, experiences, values, habits and behaviors of all labor that is brought to bear on the organization’s mission
This definition implies that the talented employee in question is already in possession of these capabilities. In contrast, the definition of high-potential however refers to a future state of an individual and high-potential is defined as the possibility of an individual becoming something more than they currently are (Silzer & Church 2009; Silzer & Church 2010). As talent and potential are heavily linked to each other, many organizations have opted to use the term ‘talent potential’ instead (Silzer & Church, 2009). Additionally, many authors share the view that a talented employee can be seen as a person with particular combination of abilities, skills, expertise, and personal qualities, but also the potential for the future or eagerness to develop oneself (Williams, 2000; Michaels et. Al, 2001, Tansley et. Al, 2007; Bethke-Langenegger, 2012). Therefore, the criterion of talent from the inception should include both the performance and potential (Rebeťák & Farkašová, 2015). However, the main difference between the terms seems to lie within the grammatical tense – whether the development of an employee is based on current performance and position, or whether it is designed for a future position and long-term performance (Silzer & Church, 2009).

Hence, in regards of the clarity of this thesis, when talking about talent, we are encompassing the definition of high-potential into it as well and will not make a distinction between the two. Yet, we use the both terms interchangeably in order to find out if there is a difference between them for our interviewees.

2.3 Talent Development

One of the core ideas of the concepts high-potential employee and talent management, is to develop an employee further in the organizational ladder in order to eventually fill a leadership position. The development process refers to the action of guiding and developing employees for positions where there might be a gap in ones organization as well as helping them to attain skills that contribute towards the organizational goals (Posthumus et al., 2016). The most successful companies emphasize the importance of having a development driven culture integrated in the organizational strategy in order to provide meaningful returns on investment (Hwang & Rauen, 2015; Posthumus et al., 2016). Talent development is a vital area because it is enhancing the welfare of individuals and organizations, and can be seen as an investment in building organizational capability in order to achieve the organizational goals (Collings et al., 2017).

Despite the importance of development processes regarding success and survival of the company due to the cost of miscasts (Posthumus et al., 2016). According to research made by Chambers et al. (2007) where 6,000 executives were surveyed, only 3% said their organization develops people effectively. In addition to the importance of development driven organizational culture, Collings, Mellahi and Cascio (2017) identify that talent development processes to be effectively enhanced when practices are well designed, connected to measurable outcomes, timed accordingly in terms of the developmental readiness, and introduced at appropriate junctures. Further, systematical linking of various initiatives and the utilization of a 360-degree – a multisource – feedback system provide individuals relevant feedback and data from various perspectives and enhance the developmental process (Chambers et al., 2007; Collings, et al., 2017).
This is further emphasized by Silzer and Church (2009), who state the 360-degree feedback system as an important tool for talent development, since it offers quantitative data of a perceived employee through feedback collection, and reflects the effectiveness of the employee as seen by co-workers. Hence, by collecting and analyzing the data of employees’ effectiveness, 360-degree feedback is useful for determining the most important factors needed for organizational success and by integrating the feedback system into talent management, it can help companies to assess potential, identify the weaknesses and strengths of an employee and therefore identify the developmental activities (Berger & Berger, 2017). Additionally, Rebeťák and Farkašová (2015) emphasize the importance of a good feedback system, but also stress the sharing of responsibility by the top management, making clear criteria for tracking high-potential employees, as well as constantly revising and adjusting the management of the high-potentials according to the situation. Lastly, the importance of constant managing and revising is also stressed by Chambers et al. (2007), who take a rather aggressive approach to development; talented employees should be assigned to jobs before they are ready and the employees who are performing badly should be cut off in an early phase.

2.4 Talent Retention

Talent retention refers to a process by a business to maintain a working environment which supports current staff to remain with the company (BusinessDictionary.com, 2018). Due to its propensity to affect vital parts of the companies’ operations i.e. competitive advantages as well as employee turnover rate, talent retention is widely noted as one of the biggest challenges for organizations today (Collings et al., 2017; Reitman, 2007). Retention is often the least successful and developed process in talent management and organizations seldom do as much as they can in order to retain the talent (Berger & Berger, 2017). Further, as it is known that the cost of acquiring a new employee compared to retaining an existing one is considerably higher, many authors stress the importance of the matter, and companies are looking for tools to retain employees within the company (Baker, 2006; Hartley, 2004; Kwon & Rupp, 2013; Reitman, 2007).

Although the general focus on employee retention and managing the turnover has been important for many years, the focus on a specific employee group, i.e. high-potentials or top talents, has increased in literature (Collings et al., 2017). On top of the above mentioned higher turnover costs related to unsuccessful retention, high-potential employees are believed to contribute to and benefit the organizational goals more as they have the ability to grow into leadership positions in the future, and therefore stressing the importance of the retention process in this specific group (O’Boyle & Kroska, 2017; Kehoe et al., 2016). Hence, it could be wise for organizations to focus on retention efforts especially on the high-potentials who exceed the output of others. Furthermore, Collings et al. (2017) note that high performers are more likely to leave from an organization than average performers, but the factors behind that decision remains still somewhat unclear. Same authors also bring up that high-potential retention is not indispensable in every condition, as talent departure to a cooperating firm deepens the social network, may create further opportunities for remaining employees, and can promote cohesiveness as well as teamwork within the organization considering some high-potentials’ propensity on arrogant behavior and narcissism. Hence, as the
Pittino et al. (2016) found the most effective tools for employee retention in their research. These were stated to be challenging work, highly competitive pay packages, performance incentives, opportunities to develop, and top management support. Moreover, employee value proposition (i.e. “Why would a talented person want to work here?”), organizational culture and monetary incentives were further emphasized by several authors (Chambers et al., 2007; Cruz et al., 2011; Reitman 2007) as the main tools for high-potential retention. Additionally, Wubbe (2015) found that retention practices are enforced when work environment fosters transparency, communication is open, and meetings, such as feedback sessions, are done in regular basis in order to motivate the talent. Kaye and Jordan-Evans (2005) also bring up three different areas to focus when approaching talent retention. Firstly, organizations should focus on employee development, learning and growth by identifying appropriate opportunities e.g. through innovation, challenging tasks and by coaching or mentoring. Secondly, the idea of cultivating a style that inspires loyalty through feedback and reward systems was identified. Finally, creating a work environment that people love was brought up as an important tool regarding the matter. This could be achieved by promoting openness within the workplace so that the employees could express their ideas, opinions and experiences, as well as ensures that the employees have a necessary personal space.

2.5 Knowledge-Intensive Organizations (KIO)

“In the knowledge-based economy, an organization’s ability to survive and succeed depends mainly upon its ability to manage organizational knowledge and embody it in new products and services” (Deng, 2008, p.174). While knowledge in general may be somewhat crucial in every company’s success, it is however inappropriate to consider all companies knowledge-intensive (Ichijo & Nonaka, 2007; Jemielniak & Kociatkiewicz, 2009). Even though the current literature stresses the importance of knowledge for some companies, it is not always critical to the company’s success, while for knowledge-intensive organizations (KIO) the embedded knowledge is critical for succession (Makani & Marche, 2010). Hence, KIOs are firms which employ mainly the knowledge of people to develop, and trade immaterial solutions for customers (Jemielniak & Kociatkiewicz, 2009). Mohanta (2013) shares a similar view and categorizes KIOs to firms where major part of the workforce is formed by well educated, qualified employees, and where most of the work has an intellectual nature.

Further, it is noted that KIOs’ dependence and reliance in employees’ skills and expertise, i.e. human capital, is a central characteristic and a dominant differentiator opposed to other types of firms (Deng, 2008; Makani & Marche, 2010). Additionally, KIOs often are dependent in individual experts who focus on familiar problems or use their prior experience to solve problems (Makani & Marche, 2010).
Typical examples of KIOs include accounting firms, banks, oil and mineral exploration companies, talent search firms, law firms, advertising agencies, computer consultancy companies, software developers, research and development units, and high-tech companies (Makani & Marche, 2010; Mohanta, 2013).

2.6 Nordic Cultural Context

Culture is described as the learned values, beliefs, and assumptions, which separates one group of people from another (Hofstede, 1980). It is considered as an arrangement of responses to handle problems within the environment of the group. These responses are considered as the right way to observe, reflect, and act, and through absorption and teaching, they are shared with one another. It involves all the learned values, beliefs and assumptions, but also encompasses aspects such as dress codes, behavior, and language. Trompenaars and Hampden-Turner (2012) further explained the cultural differences to affect how people do business and make strategic decisions. Moreover, Newman and Nollen (1996) argue that differences in the management practices and national cultures have an impact on the performance of the company.

The Nordic countries share a lot of cultural characteristics which impose certain limitations to how TM can be applied (Bolander et al., 2014). It is necessary to open up the Nordic cultural context in order to create more extensive understanding of how it might influence talent development and retention in KIOs. Additionally, highlighting these similarities and drawing the key characteristics, which define it, enables us to contribute to the literature of talent management.

Swedish national culture values equal opportunities for everyone and Swedes are taught from early on to not show that one is better, wealthier, or more gifted than another person (Tixier, 1996). The equality that is present also influences personal communication as evaluating or criticizing others is seen unwanted behavior, and thus further adding to the respect which Swedes show towards other people (Tixier, 1996; Asplund & Bolander, 2016). Elitism is a taboo and teamwork is encouraged in all levels and parts of society, further indicating a culture where standing out from the masses is not desired.

Finnish national culture has a lot of similarities with the Swedish. Bringing up ones success, wealth or accomplishments is frowned upon, and modesty in life is held as a virtue – similarly as in Sweden (Tixier, 1996). In both countries, loyalty, trustworthiness, respect for rules, and separation of professional and private life are key aspects of the culture and have a great influence on the whole society. This is further evident from the most comprehensive studies regarding national culture – Hofstede (1980), and Trompenaars and Hampden-Turner (1997) – which collectively found a lot of similarities within the Nordic countries.

Based on the existing literature, the Nordic countries possess a culture where power is fairly distributed among the organization but people are considered more of individuals and formal rules are appreciated. People are more motivated by humanistic values such as working climate rather than achievement, but are fairly introverted in a sense that personal space is important and emotions are not easily shared (Hofstede
1980; Trompenaars & Hampden-Turner, 1997). With only slight individual differences among all the Nordic countries, the Nordic cultural context can be characterized in three main values drawn from past literature: equality, work-life balance, and modesty.

There has been little research conducted on the cultural influence on talent development and retention, but several researchers have brought up the possibility of this influence. Gallardo-Gallardo, Dries and González-Cruz (2013) brought up the idea of possible TM practice differences depending on the cultural context, but admitted that too little empirical research has been conducted so far. Similar implications have been presented by Nilsson and Ellström (2012) who discuss the possibility of cultural context affecting the learning capabilities, which further can be applied to talent development. Furthermore, Schiemann (2014) has discussed the possibility of talent optimization in cultural context, regarding TM practices such as development and retention, to overcome limitations that some of these practices have when being implemented into different cultures. The overarching goal of these implications link to the possibility of finding a comprehensive TM model that can be implemented across all countries and cultures (Silzer & Church, 2009). However, to achieve this more empirical studies regarding cultural influence on TM practices is required.
3 Methodology and Data Collection

This section discusses research philosophy and the research strategy regarding the thesis. Data collection, method of analysis, as well as quality criteria are also explained.

3.1 Methodology

Research methodology can be seen as a systematic way of resolving the research problem (Kothari, 2004). Systematic way refers to certain steps that the researchers are required to study and adapt in order to reach their conclusion and rationalize the logic behind these steps to answer the research question in a proper manner (Kothari, 2004). These steps encompass the research philosophy, research approach and research strategy, all of which are crucial in order to arrive to a well rationalized conclusion (Kothari, 2004).

3.1.1 Research Philosophy

To increase the validity of research it is necessary to understand the underlying epistemology, meaning the assumptions about the knowledge, how it can be obtained and what the limitations are (Myers, 2011). Our philosophical assumption regarding knowledge in the context of this thesis is ‘interpretive’. We feel that this is appropriate as interpretive research focuses on meaning in context (Myers, 2011), which is in line with our research question of development and retention practices of talent in the context of culture. The aim is to understand the context of the phenomenon, as the context defines the situation (Myers, 2011). Without understanding the cultural context of talent management, it is impossible to see the influence on the methods of development and retention.

3.1.2 Research Approach

Two main approaches to research are ‘inductive’ and ‘deductive’ approach. Inductive approach starts by collecting empirical data without prior theory formulation and then forms a theory after analyzing it (Saunders et al., 2009). This is fundamentally different from the deductive approach, which includes formulating hypothesis and formulating theory beforehand from existing literature (Saunders et al., 2009). This approach is more linked with quantitative research and we find that the most suitable approach for us is the middle ground in between the two approaches, called ‘abductive’ approach (Suddaby, 2006). Abductive approach combines elements of both inductive and deductive approach and is suitable for interpretive research philosophy. In the abductive approach the movement taking place is back and forth between data and theory in comparison to data to theory (inductive approach) or theory to data (deductive approach), which gives the researchers the ability to modify their approach accordingly if something unexpected surfaces (Saunders et al., 2016).

3.2 Research Strategy

The two most commonly utilized methods when conducting research are qualitative and quantitative methods. These two methods are used based on the desired outcome of the research. According to Eriksson and Kovalainen (2008) the qualitative research is particularly useful and relevant when insights about a
phenomenon are lacking depth. Qualitative research enables a degree of flexibility that can be applied to the phenomenon of interest, as the lacking depth and prior insights create ‘unstructured’ problems (Eriksson & Kovalainen, 2008). As the topic of talent management is still in its growth phase (Al Ariss et al., 2014) and the research community is demanding more empirical research about talent management in different context (Bolander et al., 2014), this study utilizes qualitative research.

3.2.1 Case Study
Eisenhardt (1989) defines case study approach as a research strategy which aims to understand the dynamics present within a single setting. Yin (2003) further elaborates that the need for case studies arises from the desire to understand a complex phenomenon, while allowing researchers to maintain real life characteristics in their study. Ridder et al. (2009) built upon this definition by adding that these complex phenomena are valuable in contributing to the field of research of the topic through uniqueness of the context that the phenomenon is being studied. This implies that conducting a case study allows the boundaries between phenomenon and context to become clearer and thus is best used in a research that deliberately wants to cover the influence of contextual conditions to the phenomenon (Yin, 2003), such as culture. Because of this case studies are typically linked with exploratory studies (Yin, 2003), but can be applied to descriptive and explanatory studies as well, giving it a wide applicability as a research strategy.

During case study research data is collected from multiple sources, such as archives, interviews and observations, and the evidence provided can take the form of qualitative, quantitative or a combination of the two (Eisenhardt, 1989). Case study research is described to be particularly appropriate to explore topics and phenomena that do not have extensive information available or the empirical research already conducted is lacking in depth (Eisenhardt, 1989).

3.2.2 Single vs. Multiple Case Study
Myers (2011) defines case study research in business as one that “utilizes empirical evidence from one or more organizations where an attempt is made to study the subject matter in context” (p. 76). This definition implies that case study research can take a form of single or multiple case study. Single case study is better suited for testing well formulated theories in a critical case (Yin, 2003). In these critical cases the theory being tested has clear propositions, which are believed to be true from the beginning (Yin, 2003). The single case study can be then used to see if these propositions hold within that specific organization. Multiple case study is best used when similarities or differences between organizations regarding a specific phenomenon are investigated (Yin, 2003). Multiple case studies are for this reason often seen as more robust and the gained evidence more compelling (Yin, 2003). As this thesis meets the definition, since multiple organizations are being used as a source for empirical evidence and research is done from a specific subject matter (development and retention practices of talents) through a given lens (culture), we see fit to apply ‘multiple case study’ research design.
3.2.3 Case Selection
Selection of cases was done in two phases as suggested by Bryman (2015): selection of context and selection of participants. As previous research suggests, there is a lack of research regarding talent management in the Nordic cultural context, which is why we chose to only sample organizations from this particular cultural context. We further narrowed this context to Sweden and Finland due to time and resource constraints, but considering that we managed to include heterogeneity (two different countries) and homogeneity (both countries from the Nordic cultural family) we see this as sufficient. Selecting cases from these countries was done by identifying knowledge-intensive organizations from both countries and then identifying the KIOs that have active talent management practices in place, as these companies rely on their talents more and thus are more likely to give relevant information regarding our topic. According to Yin (2009) this careful selection of cases which predicts similar outcomes is best suited when there are fewer cases selected, generally two to three, as this results in more robust findings. In the end three cases were selected as well as three supporting interviews.

3.2.4 Question Formulation
Interviews as a source of primary data have some pitfalls that need to be addressed in order to avoid them. Firstly, poorly formulated questions can generate bias from the interviewee (Yin, 2003). This can occur when questions are suggestive by nature, meaning that they are formulated in a way which leads the interviewee to give out answers the interviewers want to hear (Yin, 2003). To avoid this, we carefully worded each question in the interview guide and discussed the possible implications it might have. As a result, several questions were rewritten to be more neutral and vague in tone, which also enabled us to better utilize probing questions to pursue information threads we saw most interesting and relevant (Bryman, 2015). Secondly, Yin (2003) suggests that replacing ‘why’ questions with ‘how’ questions makes the interview situation less ‘threatening’ and can provide deeper insights from the interviewee due to a friendly atmosphere. In total, 29 questions were formulated for the interviews and divided into four categories. All the interview questions can be seen in Appendix 1. Pre-study questions, which some of the participating companies required us to send before choosing to participate into the study, are found in Appendix 2. The pre-study questions were selected from the 29 interview questions based on their vague nature, as we wanted to give out as little information about the actual interview as possible.

3.3 Data Collection
Given our interpretive approach to the research philosophy we decided to acquire primary data from our chosen organizations through semi-structured interviews. Conducting semi-structured interviews gives the interviewers the ability to have a loose structure with some key questions (Myers, 2011), as well as gives room for flexibility and the ability to go more in depth with follow-up questions, to gain more perspective on the matter. This is necessary as the underlying style of this thesis is explorative and the more unstructured the interview is, the more information can be accumulated and analyzed for the purpose of adding to the existing knowledge and generating further research ideas (Welman et al., 2005; Yin, 2003). In total we
approached 20 KIOs and received 15 answers, from which six led to an interview. From these six interviews three case companies were identified and remaining three are utilized as supporting interviews (Table 1).

3.3.1 Interviews with Case Companies

Even with semi-structured interviews some degree of structure needs to be maintained as the research topic is very specific and the findings need to be comparable in terms of the subject matter. This is why our interview was structured to have four distinct parts, each of which encompassed a certain theme relevant to the thesis. In each interview, similar wording of the questions was utilized in accordance to recommendations by Bryman (2015), but because of the semi-structured nature of the interviews we did not stop the interviewees from going in deeper in their answers.

We wanted to conduct as many face-to-face interviews as possible, but due to time restrictions and scheduling with the participating case companies, we had to conduct two interviews through Skype. Bryman (2015) states that this can work as an advantage to the interviewee, as research has shown that some companies refuse face-to-face interviews, but agree to participate in a Skype interview instead, which worked for our advantage. As Deakin and Wakefield (2014) stated in their research, we also did not experience any difference between conducting a Skype interview and face-to-face interview regarding the interviewees willingness to answer the questions. We also did not encounter any associated issues relating to connectivity or transcription, as two separate recording devices were used during interviews and modern technology enables steady internet connections (Bryman, 2015; Deakin & Wakefield, 2014).

Table 1

<table>
<thead>
<tr>
<th>Interview</th>
<th>Nils Hallen Konsult AB</th>
<th>Korn Ferry</th>
<th>Hay Group</th>
<th>Company A</th>
<th>Company B</th>
<th>Company C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Duration</td>
<td>1:17:49</td>
<td>1:07:27</td>
<td>47:00</td>
<td>54:29</td>
<td>44:43</td>
<td>38:13</td>
</tr>
</tbody>
</table>

Interview dates and durations.

3.3.2 Supporting Interviews

In the three supporting interviews we used the same questions as with the case companies, however the emphasis was put more on their view of the topic rather than on their current involvement. This was done in order to gain further insight and support for the selected cases, in an unbiased view form. For this purpose, a more conversational mode of qualitative interviews was introduced, which resembles natural conversation even more than semi-structured interviews (Yin, 2016). In this form of interviewing, being non-directive is essential, especially when discussing about cultural matters (Yin, 2009).

In the conducted supporting interviews, we did not face any difficulties regarding interviewees’ willingness to engage in conversational mode, as they were very eager to share their thoughts and experience with us. Two out of three supporting interviews were conducted face-to-face which further added to the benefit of the utilized conversational mode, as body language and facial expressions were easier to read and interpret.
The third supporting interview was conducted through Skype with a video connection, and we did not notice any differences in the interviewee’s eagerness to participate.

### 3.4 Method of Analysis

The analysis of data consists of examining, categorizing and combining data to address the initial problem of the research (Yin, 2003). In qualitative research, the differentiation between data gathering and analysis can be somewhat problematic, as presuppositions can have an impact on data collection and the concurring analyzation (Myers, 2011). However, even if there is some activity between the two, it is purposeful to think analysis is a natural follow up to data gathering for two main reasons: 1) reducing the data to a manageable form, and 2) presenting it in a way that is meaningful to the research problem at hand (Myers, 2011).

Qualitative data can be analyzed in number of different ways, but it is often better to combine different approaches to achieve deeper understanding of the gathered data (Myers, 2011). However, combining approaches requires that each approach used in the analysis is purposeful and adds something unique for its use to be justified (Myers, 2011).

After each interview the recorded audio was transcribed word-to-word. This was done quickly after each interview, as the transcription process can be very time consuming and can lead to an immense workload if left to last minute (Bryman, 2015). Transcribing the audio quickly also served another important aspect of the process. It was crucial to capture how the interviewee was saying things and what body language signs they were making, as these remarks are useful when analyzing the data (Bryman, 2015).

After transcribing the audio from the interviews, we saw fit to first apply the coding approach to identify key information from all the gathered data and to reduce it to a manageable form under three main categories with our case companies. This coded information from the interviews is presented in the empirical findings section of the study. Supporting interviews are presented in a more unstructured form – as a narrative – as the data collection from these interviews was conducted in conversational form. After coding the data, a cross-case analysis approach was introduced to form ideas and to identify themes from the coded data, as the nature of our study is explorative. By utilizing cross-case analysis we hope to develop ideas and connections that are supported by theory and the gathered empirical data to offer pathways to further research.

### 3.5 Quality Criteria

The quality of the research can be judged using four tools that are commonly used within empirical social research, to which multiple case study research also belongs to (Yin, 2009). The four tests are construct validity, external validity, reliability, and internal validity (Yin, 2009; Bryman, 2015). In this thesis we utilized three tools to increase the quality of the study.
Construct validity can be increased by using multiple sources of evidence (Yin, 2009). In our research the construct validity was increased by including supporting interviews that were not linked to the case companies, eliminating possible bias on the topic.

External validity refers to the preference of seeking generalization from the research, which can be helped by forming the research question in a ‘how’ or ‘what’ form (Yin, 2009). Case studies rely on analytic generalization where the purpose is to generalize the results to a certain topic (Yin, 2009). We have strengthened this by following a replication logic with our case company interviews and using a cross case analysis in the analysis section of the thesis.

The aim of reliability is to minimize errors and possible biases in the research, and enables later researchers to follow through and come to the same results (Yin, 2009). We have been as transparent as possible in our research and detailed the case selection, interviews, limitations, and results in order to be as reliable as possible.
4 Empirical Findings

In this section we present the key findings from our case and supporting interviews. Case company interviews are divided into three key sections based on coding of the transcripts and supporting interviews are presented in a narrative form.

4.1 Case Companies

The first three of our interviewees talk about their own company’s approach regarding TM and the development and retention practices within. As the subject is relatively sensitive in nature and involves competitive advantages, anonymity was given to the companies upon request, which all the interviewees chose to invoke.

4.1.1 Company A

Company A is a large accounting and consultancy firm offering a broad range of expertise services, and it operates in several different countries around the world. The interview was conducted through Skype and the audio was recorded. Our interviewee is a Talent Advisor in the Finnish branch of the company and has a prior experience in human resources of five years. The company is a large corporation where the operations rely largely on the expertise of their employees as they provide knowledge-intensive services and solutions for clients. Furthermore, considering the extensive utilization of talent management in their internal processes, the company can be considered as an influential candidate within the field of TM and knowledge-intensive organizations, and hence seen as a relevant fit regarding the purpose of this thesis.

4.1.1.1 Talent Management in Nordic Cultural Context

Talent management in Company A is seen as “A process of identifying a talent and acquiring the talent ... it consists of aspects such as developing and retaining the talents inside of our organization, in such way that we are able to get them engaged into our missions and goals”. As the company is built on individuals’ skills, TM has a big part in the organization. Certain characteristics such as attitude, motivation and learning skills, are looked from employees in order to identify them as talents, although high-importance is placed on proactive work style.

In Company A talents are aware of their status, but then again there is no official talent pool; however, unofficial pooling of talents does occur. People who are made aware of their status as a talent also get promoted faster than others and progress quicker through the organization. Currently the identified talents do not have specified Talent Programs to develop them, as the interviewee put it: “We do have different kinds of programs, but we do not necessarily offer a program for high-potentials. We have different kinds of career development paths, which are utilized in order to identify individuals suitable for managerial positions”. Company A also has graduate programs, but they are not considered strictly talent programs.
either. However, our interviewee states that they have plans to implement “highly specified programs for smaller sample groups”.

4.1.1.2 Talent Development in Nordic Cultural Context
Company A offers a variety of ways to develop their talents. “We have different types of seminars and workshops, not just traditional schooling and classroom education - although we have those as well, but we offer also more proactive seminars. Different fields are covered, where sometimes it’s more closely linked to your own core field, and sometimes it’s more education towards more responsible works considering the leadership and influence to other people”. When further questioned about development of individual talents, we received a more specific answer: “There’s also possibilities for mentoring and coaching, whether it is in-house or external. Of course, there is the learn-as-you-work, but also the discussions with the employee about which projects and fields he/she is interested in, so he/she has an opportunity to be part in those and develop the skills and strengths which he/she is interested in or possesses and possibly could work within that field in the future”.

When asked about the primary goals of developing their talents, the interviewee brought up an interesting point regarding some outcomes of the development process: “Traditionally some years ago some employees pursued for partnership since we’re a partnership organization. Historically, it has been a traditional development path and a goal for many people. I notice that we’re in a [period of] change in a sense that people commit to the organizations more for the short-term and especially younger employees are looking for different working experience and want to test [different things]. That’s why we are currently pondering what we could bring in addition to the manager and partner incentives. Traditionally the emphasis has been on those, but now we have recognized the issue and have been moving in another direction (for bringing new paths for employees)”. We further pursued this point and asked about the possible future paths and how this issue could be fixed, and the interviewee stated that more targeted talent programs could solve the issue. However, our interviewee added: “On the other hand I believe that there could be several paths including some general talent program where e.g. learning ability, motivation and attitude overall would highlighted so that it wouldn’t be any specific substance”.

It is evident that the company highly values talent development and it is seen as a crucial part of the future success of the company. This was highlighted when we raised a question regarding the importance of talent development: “Absolutely it is important. The competition for the best workers is really tough and there is currently a shortage of good employees at the labor market”.

4.1.1.3 Talent Retention in Nordic Cultural Context
When bringing up the question regarding the most common reasons why employees leave the organization, the answer was broad and challenges regarding undesirable work tasks and career paths were brought up first. It was followed by reasons relating to chemistry mismatches and the interviewee added an interesting
The organization approaches the retention by offering the aforementioned extensive development opportunities, but also because the organization is a well known firm in their target group, some individuals can also strive for the good mark in their resumes. However, elaborating on how the retention is done in practice, the interviewee stated: “It is accomplished through the regular discussions especially with the own manager, but if it’s a talent, (the support) can also come from other parts of the organization such as from HR, managers and experts”. The importance of regular discussions was later highlighted in order to be up-to-date about the feelings of the employee, as well as if the employee has a lack of motivation or has received contacts from other organizations. Thereafter, it was stated that the goal of regular conversations is to get the information public as soon as possible in order to react proactively to the issues and concerns the employee is facing. When questions regarding the feedback and supporting intervals arose, they were stated to be manager and operational dependent. Furthermore, the organization tries to build their culture towards a way where feedback is not only channeled through managers, but it should also be given by experts and colleagues in daily or weekly basis. Lastly, if the employee is working tightly with his/her client, another feedback channel was recognized as for those persons the feedback can directly come from the clients in some cases.

As the range of support an employee receives slightly varies whether it is a talent or a regular employee, so does the aspect of how far the organization is willing to go in order to retain an employee within the company. “It depends on the person and how big of a talent he/she is, but we’re ready to offer e.g. a pay raise and talk about the development opportunities, thus if there are some tasks that we could offer that might be better compared to the company he/she is leaving for”. Also, if the talent nonetheless wants to leave, it was stated to be “extremely important” to keep good possibilities for the person to come back to the organization if the ex-employee feels that the new organizations is not what he/she expected after all. “Hence, even if we lose the talent, we try to keep good opportunities to come back and overall in our networks it is important to split up with good relations so to speak”.

The organization offers wide range of incentives in order to keep the employees motivated and retained. “We have benefits for a phone, a car, sports and culture vouchers, and an offered lunch. We also have different kind of activities and clubs for free-time, and other recreational days, and then we have slightly more informal dinners about once in a quartile”. Moreover, as monetary benefits, the company offers an annual result based bonus, as well as throughout the year paid ad hoc bonuses.
4.1.2 Company B

Company B is a Finnish company operating in the IT sector, supplying overhaul services and providing software and hardware solutions for their B2B clients. The company is working with well known global brands and the organization is known as a market leader in Finland within their segment of data protection, and long-term storage specialist and service. The conducted interview was made with the company’s CEO who has a comprehensive understanding especially in the fields of talent development and retention. The CEO has an extensive background in different managerial positions throughout the IT industry, and therefore the insights are of high value regarding our research. Although the company is small, the knowledge-intensive approach to solutions and services for their clients fits into our criteria and their extremely low employee turnover gives a good insight.

4.1.2.1 Talent Management in Nordic Cultural Context

In Company B talents are quite broadly defined and the definition can be extended to almost all the employees based on the interview: “I would define talent as a person who has critical and important know-how in regards the organization’s business and who is willing and motivated to bring that know-how into the use of the organization”. This is further highlighted when asked if the talents know about their status, as the CEO explained that in their organization each employee is a talent in their own specific task area. However, the CEO went on to specify that: “The reality is that some people are easier to replace than others. Considering this, it has been strategically determined who are those key employees whose expertise, reputation and skills are on that level that they are considered hard to replace if we were to lose them.”

Yet, according to the interview there is still some division between the employees: “Those who have this status know it - let’s just say that that information is not made public, that people not in that position are not made aware that they are not part of this group”. The interviewee further elaborated on this point by stating that this is a conscious choice in order to keep the organizational culture in harmony.

Talent management in the organization is seen as a tool to keep the know-how up-to-date and not let the skills deteriorate over time. It also encompasses the retention of talents, when specific skills are connected to a specific person. The interviewee also went on to say that, as they are amongst the top of their industry and while handling client organizations much bigger than they are, they have to make sure the skills and certificates required are up-to-date. Talent management helps them to achieve this and thus convinces client organizations that they are up for the task. The most important characteristics they looked for in their employees in order for them to be elevated to the status of irreplaceable talent are technical skills, experience and the ability to transfer knowledge to others. Connected to the harmonic organizational culture, other important characteristics included interpersonal skills and cooperation capabilities. The CEO went on to make a very interesting point about talents by stating: “In worst case scenario super-talents can be a pain in the ass with their narcissism and selfishness - we don’t have those kind of people, but it is part of our talent management “not with any means necessary”, meaning that there is no such person that is so valuable that if he/she breaks up the organizational harmony we could not let them go, even if they have exceptional skills and talent”.

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Lastly, the CEO relates the Nordic culture’s femininity to be of high importance when it comes to talent management. During the interview it was noted that Nordic culture possesses more soft feminine values rather than masculine values, and they show throughout every process - on how they treat their employees but also on how they treat their customers. This is further evident as the interviewee stressed the importance of everyone’s individual needs, and the fact that the individual’s motivational factors need to be personalized, as it has been done in their company. Moreover, talent management and Nordic culture are related, as the CEO mentions it: “…it begins from the fact that we value individuals and trust them and take the decision-making to a level where the best skills are - it is important for us as a factor of talent management that everyone is treated as a human and an individual”.

4.1.2.2 Talent Development in Nordic Cultural Context

During the interview with Company B it became evident that the flexibility offered to talents regarding their work pushes them to develop themselves, and that Company B does not hold back on the expenses this might cause. When questioned further, the CEO went on to elaborate: “We want to support that the employees are up-to-date on their knowledge and develop their skills, even if the courses are abroad or elsewhere. It is not only a benefit for the employee but also for the organization. We do not hold back on those kind of things, it is our backbone and an ace card that the know-how is kept at a high level”. This approach serves as the company’s core strategy of keeping their talents’ knowledge levels high at all times in the face of technological advances, which is also their primary goal regarding talent development.

From the interview it is very clear that talent development is held in high regard at the company, as the interviewee went on to firmly state: “If you do not keep your knowledge up-to-date in three years for an example, you are out of the business”. However, they have an interesting approach when it comes to feedback given to the talents. The feedback is not distributed top-down systematically with semi-annual development discussions, as the employees have stated that it feels forced and unnecessary. “I’ve adapted to the fact that they are in a sense of an all the time ongoing process, we have them when a situation arises that requires them”. Listening to the wishes of the talents is very much of interest of the company, as the CEO said: “We are very aware that we are dependent on our employees and their willingness to work in the environment we can offer them”.

4.1.2.3 Talent Retention in Nordic Cultural Context

When talking about the talent retention and the possible problems related to the issue, the CEO brought up an interesting insight: “During the time I have been in the organization nobody has left, and mostly not even before I came into the organization. When people get employed, they usually stay for good, which in a sense is a hard situation, because I have not been able to have conversations about what is not working well in the organization. One can become blinded to certain things happening”. Especially after hearing this, it was interesting to get more insight on how the company actually manages to retain their employees. One of the most important aspects that came up was the lack of unnecessary processes. “When the
organizational structure is flat and employees have a direct contact to managers and even to the board members in some cases, we have felt that introducing processes does not serve a purpose - If you make them (employees) do something that they see as nonsense, it can really deteriorate their motivation”. In fact, they have tried to incorporate discussions about work environment and how people feel in the organization, but they felt it was a bit forced and nonsense. Hence, it was noted that providing necessary freedoms, asking directly with open-ended question how the employees feel and what they want, and offering benefits the employees wish, is working for the organization. Furthermore, the CEO stated that with some talents, the company is willing to go basically as far as possible, “as long as it is reasonable”, in order to retain the employee in terms of the salary, “There are no predetermined limits for that, which is why I think that these irreplaceable talents won’t come asking for double salary, or triple salary, as there is flexibility and thus no predetermined expectations - but in the case of irreplaceable talents we are ready to consider almost anything”.

Furthermore, it was stated that the company is very aware that they are dependent on their employees and their willingness to work in the environment they can provide. This is also seen in the corporate culture inside the Company B, which was regarded as very flexible and highlighted the emphasis on individuality and treating everyone as an individual human being. Hence, the way the company operates, employee involvement regarding gaining experience and knowledge, as well as paying attention to employee needs are amongst the biggest reasons why they have managed the retention so well. The company also provides the employees the technical solutions and software they wish, thus promoting a caring environment and choice of freedom within the organization. When it comes to bonuses and fringe benefits, Company B offers good health services, competitive salary, sport and culture vouchers as well as lunch benefits. On top of that, the company is highly supportive towards educational actions by compensating employees for the necessary courses whether they are in Finland or abroad. Finally, the company has a long tradition of giving out a certain percentage from the company’s profit to employees, when the fiscal year is over. The total bonus is divided equally to each employee, regardless of their salary and position in the company, which therefore is a different approach compared to the more traditional percentage incentive which other companies often have in use.

4.1.3 Company C

Company C operates as a subsidiary of a large Finnish media company providing educational materials both in digital and manual form. Our interviewee works as a service delivery manager and has a long history working as a manager in a Finnish media industry. Also, the interviewee has taken part in developing service management processes in both Finland and abroad. As the interviewee has comprehensive experience in managerial positions within knowledge-intensive organizations, extensive knowledge regarding development and retention of employees within large companies was able to be offered.
4.1.3.1 Talent Management in Nordic Cultural Context

Company C has quite recently come to the conclusion that talent management is something they should emphasize to meet the future needs. The company does not currently utilize a talent pool or at least they have not labelled it as such. Employees are however classified with a code corresponding to their skill level, potential and characteristics: “We have a classification based on the employee’s capabilities and requisites, which is given to every employee. So, we have a certain classification with three to six levels, through which a code is given to employees and it represents e.g. the level of know-how and responsibilities that can be given to the employee”. The employees are not actively aware of their classification, but if they want to know it they can request it.

People with higher classifications get promoted more easily and the classification an employee is given has a direct correlation to the salary. Employees can increase their classification through work and achievements inside the company and thus achieve higher salary levels. This progression is also linked to some specific traits, as the interviewee stated: “Often we consider the core competencies and capabilities of individual work. Furthermore, we consider if the person is capable of leading projects, managerial capabilities and whatnot. Also, one criterion is about how much guidance the person would require in his/her own work”.

As the company is in the first leg of looking into talent management, they do not have any specific talent management programs currently in place. Many of the practices usually linked to TM are currently handled by the human resource department, but change is about to happen in the organization: “Recently I have noticed that we have started to think about how the talents, good and capable employees, could be retained within the company.” When asked about the definition of talent the interviewee saw it as: “A person who is of course task specific, but I’d say it’s more like a person who is competent and right for just a specific position”.

4.1.3.2 Talent Development in Nordic Cultural Context

When asked about development practices currently utilized in the company, the interviewee stated that they have development discussions based on a concept of ‘a yearclock’: “We have defined this so-called employee ‘yearclock’, through which we do our discussions with the employee regarding development, goals and the evaluation of those”. On top this they also utilize more individualistic one-to-one discussions with managers and their subordinates i.e. talents.

Sometimes the company utilizes 360-degree feedback system to gather feedback about a talent, as the interviewee put it: “We can utilize the 360-degree feedback system where we choose a group of people close to the employee and they fill up the survey. On the basis of the answers you receive the feedback, but it’s written feedback, so there are no group discussions. It’s not regular process, but rather used if we want to evaluate some departments’ actions more thoroughly. So, if we have noticed some shortcomings in their actions and we specifically want to develop that, we use the 360-degree feedback system”.

When further questioned about the importance of development of talents we got a fast and confident answer: “Absolutely. Over time it has been highlighted and as I have been working with the company for a long time, maybe during the last 10 years we have really genuinely highlighted the issue of development of talents”.

4.1.3.3 Talent Retention in Nordic Cultural Context

Our interviewee pointed out that the most common reasons, why people leave the organization, are the new challenges the employees, especially the younger ones, generally are seeking: “I think nowadays the trend is to change the jobs more often. We also see that people only come for a company just because of the importance of the resume to look good. Also, younger people in general want to try different industries and how the work life is in different places”. Although the company’s salary structure is quite pre-determined and “pretty equal”, the answer was brief and straightforward when asked about the tools for talent retention: “Monetary compensation, although it is not highly effective. Better and more stable way is to improve the atmosphere within the organization so that the people would enjoy themselves in the workplace”. In their organization, there is not any public differences regarding the retention of talents vs. regular employees, but often there is some freedom regarding time schedules and benefits such as a private parking lot in Helsinki, which are offered to the talents.

The meaningfulness of the work was further stated as one of the most important aspects why people want to work within the company. As they make educational software and platforms, they “can actually do good (for the society).” This was further highlighted by an example: “My manager came from the gaming industry which was horrible and he wanted to do something that is beneficial for people rather than harmful”. Moreover, the company tries to guarantee good working conditions so that everybody can do their job as well as possible, as well as creating a good atmosphere to foster the motivation and welfare of the employees. “We try to be easily approachable and personally I try to be relatively casual so that there’s no futile nitpicking”. Lastly, the managers try to fix any issues regarding human resources and conflicts as soon as possible, so the people would get a feeling that they are being cared for.

4.2 Findings from Supporting Interviews

The last three interviews are classified as supporting interviews and used to bring additional depth to this paper in order to get a deeper understanding of the topic. Mr. Hallen, Mr. Smith and Mr. Blomqvist have a lot of experience within talent management in different environments. They talk more about their clientele’s approaches to the topic, and support these by how TM is approached in their own company.

4.2.1 Nils Hallen Konsult Ab - Nils Hallen

The first supportive interview was through Skype with the Swedish independent consultant Nils Hallen, who has extensive experience in recruitment and training programs. During his 15 year career as a
consultant, he has also provided consultancy within the area of organizational culture and understanding national cultures and has worked with large clients such as Ikea Ab, Siemens, Arizona Chemical, and Systembolaget just to mention a few. He is also a part-time professor in Södertörn University offering classes in organizational psychology, personnel selection and lectures regarding human resource development programs. The industries where most of his consultancy is aimed at, are within industrial and organizational psychology. As Mr. Hallen has been working a lot with assessment centers, he has built many developmental and management programs and worked with TM abroad, he was seen as an excellent fit for the interview considering the matter of this paper. Moreover, as consultancy firms are classified as knowledge-intensive organizations, Mr. Hallen was able to provide his insights regarding the topic both through his experience in working as a CEO for an educational company specialized in HR management and education, as well as considering the experience, insights and research gained through the clients he has been working with as an independent consultant.

Mr. Hallen defines TM as identifying how well people are performing today and what talent or future potential they have to develop by looking at the criteria such as general mental ability, personality traits, learning ability and different kind of drivers such as motivational factors. His idea is to look at those factors and in a sense of ‘boiling and sorting those out’ in a big picture. Furthermore, when asked about the definition of talent, we got an enthusiastic response: “How interesting, I love that question. I would say that talent to me has to do with potential to do something but when you have not yet been able to show that you are able to work hard and achieve that”. The conversation further continued to state that in most cases, talents are most likely aware of their status in Nordic companies. When the employee gets involved they usually have already started in their new positions, meaning that they are removed from the talent pool the organization has. When talking about the most important abilities and skills of talents, it became very clear that general mental capabilities are held in high regards as they are seen to correspond to higher capacity. However, in Sweden the subject of general mental abilities has for a long time been a taboo subject and thus it is underused in the assessment of talents and personality testing is seen as more appropriate in the eyes of organizations: “I’d say in Sweden there’s less emphasis on general mental ability than in other parts of the world. I think it’s probably due to the fact that we’re not implied to label and categorize people based on intelligence, historically it has been a no-no in Sweden to even talk about that, and to use general mental ability testing is still underused if you compare of using personality testing for example”. Other aspects which are seen as important when identifying talents for possible development in Sweden include the ability co-operate and how well one fits into a team of others, as the interviewee put it: “Big emphasis is in how well you play with others, if compared with other countries where performance and delivery are emphasized more”.

Talking about talent development revealed that the traditional way of developing has some problems regarding the achievable results: “It’s really tricky because sending someone to a course that they do not want to go to is just pointless, costs money and it’s frustrating. Even when people are motivated you rarely see any major behavioral changes anyway”. The interviewee saw that in his experience the more beneficial way to go about the development of talents is to put them through development programs together as a
cohesive team: “I’ve found that what work best is that when you have a group of people that work together and you have them to go through process together to work with their process, talk about hands-on things in their everyday life and not to cover too much at a time, focus on little things and then follow up - that’s what I found works”. He elaborates however, that when done correctly, coaching of an individual can have great benefits for the individual’s development.

Development of talents goes hand-in-hand with the feedback they receive from their work and in this area; Mr. Hallen sees a lot to improve upon, from the way things are currently handled in Nordic organizations and how feedback is given. “We’ve gone from having an annual performance review to many companies that I’ve worked with have it twice a year, so they have one performance review and then shorter follow-up session in the fall. I’d recommend they do it maybe once a week and most employers say that it’s not possible. I think it’s kind of pointless to have these discussions once a year and focus on so many areas because when you receive feedback you can’t take in so much - too much information - especially if it’s important information as it should be”. This is where the notion of coaching individual talents to develop comes in, as Mr. Hallen stated: “Focus on particular area, sit down with them and try to make them understand that this is what you should focus on. Then you focus on that and you have follow-up meetings maybe once a week or once a day, but short ones, to focus on that what you have done to grow in this area and sort of coach them”. To summarize how the feedback for good development should be handled he firmly stated: “Short and quick, and few areas with short and brief follow-ups”.

The lack of emphasis in talent retention was brought up as one of the biggest concerns that Mr. Hallen has encountered throughout his career in Nordic organizations. When asked about the most common reasons regarding why talents leave the position and company, the answer came straightforward without hesitation: “Poor management.” According to his experiences, the issue is often ignored in previous organizations he has been working with and there is not enough strategic thinking regarding the effects of talent retention; rather the problem is illustrated by pure ignorance: “In my experience, they just let them go and don’t try to keep them in - if people have decided that they’re leaving, they usually just accept that - they’re just ‘now we lost that and too bad’”. His perception is that it often comes from a pattern of thinking that once a talent wants to leave the organization, the companies or managers think they should not keep them because they are not motivated. Once again, the lack of strategic thinking in the higher management was highlighted and companies focus more in the short-term and do not think about the higher costs of acquiring new talent.

In contrast, when bringing up the question why people in general want to work within a company, the answer was multidimensional. According to Mr. Hallen, it has slightly changed throughout his career and nowadays the meaningfulness of the job is more important than it was before; the necessity to do something beneficial for society, other people or the world has increased. Furthermore, this was continued by bringing up the case of peer pressure regarding the importance of the meaningfulness that was not present in the past. A reward system and fringe benefits can in some cases be influential in talent retention and Mr. Hallen brings up the flat monetary compensation structure of Sweden as an example. Although he was hesitant in answering the question regarding the matter because it was not one of his core competencies, he noted that
there could be more done with the offered benefits: “Very few organizations that I’ve met are offering less time in work, it’s very stuck in 40 hours a week plus 5-week vacation (type of structure), that’s very rigid still, weirdly enough I think. I think that’s something that you could do more on flexibility - I think you need more creativity in organizations”. According to him, usually the benefits include a gym card and sometimes good pension packages.

4.2.2 Korn Ferry - Patrick Smith

Korn Ferry is a consultancy company that operates mainly within HR and anything that has to do with talent including assessment selection, development, remuneration and placing people just to mention a few. Our interviewee, Patrick Smith is a principal consultant working in within the leadership and talent consulting field in Sweden. As he is originally from the United States and has been in Sweden for several years, he was seen as excellent fit for the interview considering his expertise in talents, but also due to his insights regarding Nordic cultural influence. Further, Mr. Smith has worked as a leader of human resources in biotech and aviation industries which highlights his experience within the knowledge-intensive organizations.

Mr. Smith sees feminism and individualism from Hofstede’s cultural dimensions to be highly visible in Sweden. In addition, he sees a clear work-life balance with a high emphasis on equalism as characteristics of the culture. He continues by stating: “It is a culture where people don’t want to impose other people; it’s a humble culture”. This is further elaborated by a comparison to the U.S., where disagreements are common and the environment is open about having arguments. This difference was exemplified by an incident where Mr. Smith had a disagreement regarding a process that was taking place and afterwards someone asked him if he was upset about something and Mr. Smith responded: “I’m not upset, I’m trying to engage”.

When asked to define talent Mr. Smith thought about it for a moment before answering very neutrally: “Talent is a word we typically use for people in an organization - talented - it is something that a person does exceptionally well”. Little taken aback from this answer we enquired more and received a very well rounded answer in a clear manner, further elaborating the point of view to talent and giving deeper understanding to the reasoning behind the definition of talent provided earlier: “To me talent management is the extent to which an organization manages all people in an organization. So, it wouldn’t be only these people who we would call high-potential, but it would be everybody in the organization...So effective talent management takes all these things into account and raises the overall productivity of people through addressing their needs and wants beyond just remuneration or benefits”.

Mr. Smith also points out that Swedish culture has some incoherency within, stating that being one of the most democratic countries Sweden still has a king, as well as being a very peaceful country, but selling weapons at the same time. Moreover, Mr. Smith notes that Sweden is a country where people are all the same - act in the same way - but still are different individuals from each other. However, Mr. Smith states
the organizational culture to be extremely collaborative, and continues on this matter by stating: “It’s really important to form relationships with people and do things with people. And I think that would be a criterion for success to extent that people can really do that”.

Collaboration within the knowledge-intensive organizations was noted to be of high importance, which also shows in the Swedish culture as well as in the organizational culture as Mr. Smith put it: “‘Samarbete’ (cooperation) was one of the first words I learned when I came to Sweden. And I think (that’s) how it happens here. People share ideas, try to get used to an idea, we talk about it, and somehow a decision is made, but I’ve learned to trust that process”. Moreover, Mr. Smith states the atmosphere in general to be very open, where one can be his or herself, which translates to organizations. The open environment is achieved through relative freedom given to the employees; every person is treated individually, and micromanagement is done accordingly to the person’s needs in question. “He (my manager) leaves me alone. It’s great. If I speak like generally in that, I do best when I’m left alone so I can do my own work - I know what to do, I know my work - and yet there is support so for an example whenever I have a question or a need, he’s there to answer, support or to provide insight”.

The collaborative aspect of the Nordic culture also shows in how talent management is approached. Equality is seen highly important, and every individual is treated as a talent. There are no clear indications of competition within the firm. Mr. Smith was able to give a comparison of this aspect, and said: “In the U.S. we would be more open to the idea of excellence and those people who are not. It is a very competitive environment in the U.S. And by competitive, I mean if I’m competing with you, I want to know that I won and I want to know that you lost, and I will let you know that. Here, no. It’s like we can all win - It is a really positive quality that everybody can contribute in his or her own way; there’s value and effort”.

Developing talents is seen as a crucial thing regarding the future, as Mr. Smith very confidently answered our question regarding the matter: “Without a doubt. Because the world is changing so rapidly that people have to keep up. And not probably keep up, they have to get ahead of it. They have to have an idea what the world is gonna be like and how to operate effectively in it, and if we don’t somebody else will, so it’s critically important”. The development process is usually tied to a goal. However, Mr. Smith stated: “But sometimes people will come to me and they will be struggling with something, might be something about a particular person’s behavior or style, and it is causing them an issue but they don’t know specifically what it is. In that case they would come and through coaching they can explore what it is, so it’s a little bit trickier. But normally people would say that they know the competencies or the level that the person needs to be performing, so we do an assessment and try to close those gaps”.

Korn Ferry is a very feedback rich environment where development of individuals is heavily backed up and encouraged. Talents get freedom to operate in a way they see best and can use Korn Ferry’s extensive resources in a way that they see fit. Mr. Smith went on to say that: “I get a ton of freedom and a lot of support but I don’t wait for people; I do what I want to and I try to get support from my management and
I usually get it. So, for me, it’s very effective. For a guy like me it means also the ability to learn technically about my field, and then there’s a ton of opportunities for that as well. Our practice is from my perspective effective”.

According to Mr. Smith, the most likely reason why employees leave an organization is usually due to willingness of change and it usually is revealed when people are overworked, as in Korn Ferry the employees are able to manage their own work levels. However, Mr. Smith notes that Korn Ferry collects data about the reasons why people leave the organization and takes it seriously which reflects to a sense of caring towards the employees: “I have a sense that people care about that. My own experience is that there is a genuine concern and they care about people”. Further, if an employee is showing his/her willingness to leave, the organization tries to retain the talents “Probably by involving them into bigger projects and giving them bigger challenges”. The organization has a rigid structure when it comes to remunerations, which does not offer a much of a flexibility regarding possible pay rises for talents as a retaining tool. When asking about additional benefits offered as tools for retention, Mr. Smith emphasizes the importance of Korn Ferry’s willingness to offer a lot of opportunities for professional development, which is almost a guaranteed benefit for the employees: “Like there is a conference in Chicago, and if I would really want to go and asked (about it), I probably could. It’s really cool”. Additionally, Mr. Smith emphasizes the importance of work-life balance, which is stressed within the company. Lastly, when asking a question why the interviewee himself wants to work within the company, the answer comes straightforwardly: “It’s the work that I do. I’m able to match what I know how to do, what I like to do and what I value with an organization that is apply that with other organizations”.

4.2.3 Hay Group - Johan Blomqvist

Hay Group is the other part of the fairly new Korn Ferry Hay Group merger. Our interview was with Mr. Johan Blomqvist, the Regional Manager of Finland and former Regional Manager of Sweden, who is in charge of development and reward systems in organizations. He has over 15 years of experience in Hay Group, a company that mainly deals with culture related matters in organizations. Regarding our interviewee’s extensive experience and knowledge in cultural matters, we decided to focus on these core competencies because of the time restraints of the interview.

When talking about talent management, Mr. Blomqvist defined it as “…a process to make sure that the organization has the right people in the right positions while taking into account the future needs and demands. The last one is maybe related to only future. Primarily talent management has been the process to ensure that there are candidates for designated positions”. The definition of talent as given to us by Mr. Blomqvist correlates with this view of TM as he went on to say: “Talent can be actually anything. I believe that it can be anyone in an organization”. When asked about the mismatch between his definition of TM and the definition of talent, the interviewee went on to elaborate: “I believe that the development in technology will help us on talent management and reaching bigger masses with it. You have different kind of systems, psychometrics and big databases which enables you to do cross analysis, so the managing of
these will ease, and thus enables to control bigger audiences of talents globally. Otherwise I don’t believe that someone is a talent and someone isn’t. It’s just about the question of, to which purpose”.

According to the interview, even if all the employees are considered talents the reality is that some are better suited to certain tasks than others, which can create a situation of separating talents and ‘other employees’ from each other. In Hay Group they have in place a talent review process that does exactly this and Mr. Blomqvist explained: “That process in mind, everybody will not be a talent. While being straightforward, I believe that some people are more suitable to different situations than others, and also as I said when in the future it’s hard to know which kind positions will be in place, some people have a higher ‘general potential’ than others have. This model that we have separates those biggest stars who are accomplishing well and who have a lot of development potential left, and those who, at least for now, are underachieving based on expectations, and don’t seem to have potential”.

When talking about organizational values and their importance, Mr. Blomqvist stated: “The most important thing is that the values are ‘right’, if you get what I mean. In the end, culture reflects the national culture. Nowadays there’s a lot of talk regarding the meaningfulness so that the company would have ‘a purpose’ or other cultural aspects which in turn would fit me well personally”. Besides purpose or meaningfulness, he did not state any other clear qualities that would be of high importance for him. Also, he mentions that it would probably be easier to recognize cultural attributes that do not work accordingly to ones personal values, and continues by stating: “If you check average companies’ values, there is always something regarding profitability, productivity, customers, and cooperation etc. and those are a red flag for me if they approach values in that way. I think in the best organizations you actually feel it that they have recognized and really thought about the values. What I’m trying to say is that a good culture is one that actually knows how and what in fact the culture is”. As a negative cultural aspect, he mentions ‘control and command type of leadership’ as a one he would change from Korn Ferry. He elaborates this issue by saying that their financial departments are in high control of power and authority, and this kind of hierarchical affects the role of others negatively.

Mr. Blomqvist highlighted the differences of the cultures in question with an example from corporate life as well, and said rather illustratively: “When you negotiate with the Swedes, in a sense it is much more sophisticated social situation. It is not like two Finnish cavemen sit down and one says, ‘I want this’, and the other replies, ‘You won’t get that, but you can have this’. It is more shadow boxing in a way, so you toss a few strikes and you check if the fellow is going with you, and then you dance around it”. This demonstration indicates how the communication is handled within the nations, and gives indications on the differences between them.

When linking the Nordic culture to talent management, Mr. Blomqvist mentions that the approach is fairly unsystematic as it bases itself in non-scientific facts drawn from the managers. The Nordic companies in general are struggling with identification of the talents by not having a defined criterion for the selection.
have a lot improve upon. By a comparison, he elaborates this issue further by stating: “I would like to say that we have a standpoint that we develop the individuals whereas in Anglo-Saxon world it is a top-down process. The benefits in Anglo-Saxon world could be that they actually manage to do things, whereas in Nordics we don’t have clear processes and talent management programs which makes it a bit ineffective”. Though, he continues to note that the practicality, which is traditional to Finnish culture, might have its benefits: “I would say that in the big world, companies are doing it a lot more in a scientific manner and we probably are a bit more pragmatic. That can have some positive effects as well, as we can adapt to changes a bit easier, which could be beneficial especially in the future.”

According to Mr. Blomqvist the Nordics possess a lot of distinctive nuances, and the cultures are different from each other. The biggest difference he is able to identify comes down to the resources the nations have in use. Finland has not had many resources throughout its history, whereas Sweden is succeeding better in this matter; this shows in how people behave within the countries. Finland is highly pragmatic and very straightforward, whereas Sweden is highly communal, and has more of an indirect approach, a ‘discussion culture’, by nature. As he puts it: “I feel that, above all, we Finns are extremely pragmatic people and you can see from the Finnish people that we never have had much of resources, so we take what we have and we do a very good job with it without compromises, but in very practical way and keeping within the subject - Swedish culture is much more indirect ... In a certain way it’s a bit more sophisticated. Also, Swedish culture is a perfect example of class society where you look after a status. On contrast, it is highly communal culture - ”. Though, Mr. Blomqvist starts by defining the major differences between the cultures, he completes the comparison by stating that they are very much alike. As he puts it: “If you take few steps back you realize that we are similar in many ways”.
5 Analysis

This section of the thesis analyzes the presented empirical findings together with the frame of reference.

5.1 Talent vs. High-Potentials in Nordic Cultural Context

Current literature separates the terms ‘high-potential’ and ‘talent’ in many occasions (Silzer & Church, 2009; Tansley, 2011, Gallardo-Gallardo et al., 2013), but the emerging trend, which was found from Companies A, B and C, and confirmed through two supporting interviews is that high-potentiality is seen increasingly as a quality of a talent rather than a term of its own. In the Nordic culture, the word ‘talent’ is more commonly used and known. ‘High-potential’ or ‘high-potentiality’ were used in a few occasions, but the context of it was only to either elaborate the qualities or as a synonym for a talent. Since they were used interchangeably, the terminology might be the part which causes the confusion, and therefore may indicate a lack of experience in talent management within the Nordic cultural context.

High-potential as a separate term only surfaced in the supporting interview with Korn Ferry, where the interviewee came from an Anglo-Saxon cultural context. On the interview with Mr. Smith, it was clear that there was a difference between the words to him. Talent is something that everybody has in different areas, but only some possess high-potentiality. This further elaborates the point that in the Nordic cultural context high-potential and talent are seen as linked concepts rather than separate ones. This is most likely due to the highly competitive environment and a winner-loser setting of Anglo-Saxon cultural context mentioned by Mr. Smith, whereas in the Nordics this is not apparent. Companies A, B and C brought up the egalitarian environment, where equal opportunities are distributed to everyone, which is in line with observations made by Tixier (1996). Thus, it can be argued that the variation between the terminologies might not be because of the lack of knowledge or experience in TM within the Nordic countries, but instead because of the cultural differences on how people are treated and how the environment functions.

5.2 Talent Management in Nordic Cultural Context

From the three streams of thought identified by Lewis and Hackman (2006) and one later identified by Collings and Mellahi (2009), the first stream is not acknowledged by any of the participating case companies. The first stream considers talent management as rebranding of traditional human resource management functions, adding little value to the topic. The lack of this stream within our cases implies the realized importance and distinctive differences between TM and HRM. All of the cases value TM as a separate and a more focused function of HRM - a realization that is in line with the current literature and findings from supporting interviews, emphasizing the strategic value and importance of TM (Collings & Mellahi, 2009; Dries, 2013). This realization can be seen as a result of a poor availability of qualified workforce, and was highlighted in the interview with Company A. However, as the realization has come quite recently, any of the case companies do not currently have designated TM programs in place. One contributing attribute to this late realization can be the fact that because of the high cultural value put on equality and individual respect (Tixier, 1996), the implementation of TM has been seen problematic as it
creates inequality in the workforce. This is further evident in all three cases, as well as in the supporting interviews, as all of the companies were first reluctant to admit that there is a differentiation between talents and regular employees. However, separation does exist at least on an unofficial level, but this information is not actively shared with the employees.

From our gathered data Companies A and C can be categorized to the second stream of talent management identified by Lewis and Hackman (2006), with the exception of Company B, which is more inclined towards the third stream. The second stream is characterized by heavy emphasis on progression through positions and meeting staffing needs (Collings & Mellahi, 2009), to which TM is used in majority of the participating KIOs. Company B however places more emphasis on the A-players and their needs - a characteristic of the third stream (Collings & Mellahi, 2009). Yet, Company B does not completely fall into this stream, as there are no active managerial efforts to get rid of the low performers - the C-players. Lack of presence of this attribute of the third stream can be contributed to the cultural context, where equality and respect for the individual are given high importance (Tixier, 1996). The strong presence of individual rights in Nordic cultural context means that the aspect of the third stream, where the C-players are removed through managerial means is not applicable; a strong contrast to the Anglo-Saxon cultural context where this aspect is more accepted according to our supporting interviews.

All three of the participating companies however share the thought process of the fourth stream identified by Collings and Mellahi (2009), where emphasis is put on identifying key strategic roles and realizing specific planned outcomes, after which talents are developed accordingly (Al Ariss, 2014). The earlier notion of unofficial categorizing of employees to talented and not-as-talented also implies that the fourth stream is dominant in the case companies, as the fourth stream acknowledges the fact that organizations have roles which are considered more strategic than others and should be filled with talents who are developed accordingly. Based on these findings talent management in Nordic cultural context can be considered a combination of second and fourth stream - a strategic tool to develop individuals, give equal progression possibilities, and meet the future needs of the organization.

5.3 Influence of Nordic Culture on Talent Development
All three case companies approach talent development from an angle much in agreement with the existing literature, where the process is considered to be guiding and they develop their employees for positions where a gap might exist and help them build their individual skills (Hwang & Rauen, 2015; Posthumus et al., 2016). However, the more aggressive approach outlined by Chambers et al. (2007), where underperforming employees should be cut off from talent development was not present in any of the case companies; as all of them emphasized equal opportunities and consider every employee as a potential talent. This is much in accordance with the Nordic cultural values of equality, modesty and not standing out from the crowd (Tixier, 1996), which was further evident from our supporting interviews.
The influence of equality also surfaced from the idea of developing talents as a group rather than individuals. The aspect of constant control outlined by Rebeťák and Farkašová (2015) where managers constantly adjust and revise talents is also missing from all three cases as talents are given considerable freedom regarding their work. This notion is also confirmed from supporting interviews and can be contributed to the aspects of respecting individuals and trust - the key components of Nordic culture (Asplund & Bolander, 2016; Tixier, 1996).

In the current literature the importance of feedback systems for successful talent development is heavily emphasized (Chambers et al., 2007; Silzer & Church, 2009; Rebeťák & Farkašová, 2015; Collings et al., 2017; Berger & Berger, 2017). This aspect is present in all case companies, but only Company C utilizes the recommended 360-degree feedback system. Most of the participating companies still heavily rely on traditional semi-annual development conversations, but our findings from supporting interviews show that this is seen more as a mandatory tradition, influenced by the respect for set rules in the Nordic cultural context and most of the feedback is given as an ongoing process without a formal setting. This form of ongoing feedback can be mostly contributed to the informality of the Nordic culture, which was heavily present in all case companies, as well as in two of the supporting interviews.

5.4 Influence of Nordic Culture on Talent Retention

Although all the case companies highlighted the importance of talent management in general and talent retention especially, whether it was current or upcoming, the answers regarding the matter were highly multidimensional. One of the most interesting answers came from Mr. Hallen, who stated the poor management and lack of interest of the topic as the main reasons why talent retention is failed in Nordic organizations. This might be reasoned by the lack of scientific knowledge regarding retention practices in talent management, which is present in the Nordic culture since the literature and empirical evidence is much based on the Anglo-Saxon culture (Al Ariss, 2014; Bolander et al., 2014). Also, Johan Blomqvist from Hay Group noted that since efficient talent management programs are mainly utilized by large corporations, it may reflect to the Nordics where resources may not be sufficient for such extensive programs in a broad context.

Challenging work and development opportunities were seen amongst the most common and effective retention practices within the companies A and B, which is in line with the findings provided by Pittino et al. (2016), who noted those as the most effective tools for retention in addition to highly competitive pay packages, performance initiatives and top management support. A common theme within the retention practices was the development programs and opportunities directed to talents, it can be due to the propensity of regulations and presence of equality in Nordics. Since the regulations are strict and somewhat integrated in the organizational cultures, it is present in the proclivity of arranging semi-annual feedback sessions. This is however felt unnecessary in Company B and C, where the feedback structure is going more towards the direction of continuous process rather than formal meetings. This development is also noted by Mr. Smith in our supporting interview. Also, it can be seen in wage structures; because the structures are often
rather rigid, employees understand the boundaries of requiring high pay raises and hence the tools for retention might be approached from different perspectives; offering opportunities for development and trying to emphasize the importance of work-life balance, which are seen important in the Nordic culture (Tixier, 1996). Furthermore, quite balanced wage structures are reflected by the prevailing highly egalitarian aspect of the Nordic culture and this can also be the reason why highly competitive pay packages and monetary incentives are lacking as tools for retention, and thus contrasting the current literature.

However, what emerged the most within our interviews - especially with the Company C - were the importance of meaningfulness and purpose of the work. This can be reflected to the strong presence of humanistic values within the Nordic cultures; as people are motivated by values such as favorable working climate, justice and meaningfulness; these are also amongst the values which keep employees within the organizations. Hence, effective tools for talent retention could possibly be directed that way in the Nordic organizations in the future. Thus, instead of trying to govern the retention problem primarily through the tools provided by Pittino et al. (2016), the basis could be in the Nordic KIOs to enforce the intangible, humanistic values within the workplace. Although formal rules are appreciated in the Nordics, the case companies prefer the informality when it comes to communication processes and feedback sessions - a notion which two supporting interviews also make. They rather enjoy freedom within the workplace and a possibility to work individually without constant revising, managing, and without any extra bureaucratic processes.

Kaye and Jordan-Evans (2005) brought up three different areas to focus on for effective talent retention: 1) employee development, learning and growth; 2) cultivating a style that inspires loyalty; and 3) creating a work environment that people love. Companies A and B highlighted the importance of the first area - development opportunities and activities that promote learning and growth were seen as essential in talent retention. Although only Companies B and C directly promoted the third area of creating a lovable work environment, it came up in all interviews through the questions regarding organizational environment and talent management. Hence, it can be interpreted that it was seen as a vital part of the companies’ approach to talent retention in general. However, the second part of cultivating a style that inspires loyalty was actually seen as stumbling. Companies A and C, as well as the supporting interviews, implicitly brought up the problem of loyalty. A prevailing problem for many organizations is the tendency of people to change jobs more often nowadays, which was in many cases described as a ‘trend’ within many industries, especially for younger people, as they want to find better work-life balance.
6 Conclusion

The purpose of this thesis was to find how Nordic cultural context influences talent development and retention practices in knowledge-intensive organizations. After analyzing our empirical data together with our frame of reference, we can draw some conclusions that will answer our research question.

The Nordic cultural context emphasizes the importance of equal opportunities, individual rights, work-life balance and modesty, therefore the case companies have come up with different ways to develop and retain their talents when compared to current literature. This is necessary as the practices developed in the Anglo-Saxon cultural context are for the most part culturally unacceptable for the Nordics. It is however evident that there is an underlying effect to the development and retention practices of Nordic KIOs from the Anglo-Saxon cultural context. Nordic knowledge-intensive organizations have however, transformed these to have a better cultural fit to the Nordic context; for example, eliminating the aspects of getting rid of the ‘non-talents’. The direction of development and retention practices in the case companies is starting to resemble more of the Anglo-Saxon way. With all of the case companies exercising some form of division between regular employees and talents, even though they want to portray a picture where they adhere to the cultural values of equality and individual respect. Hence, the case companies develop these talents mostly individually, and offer the ‘non-talents’ the opportunity to progress into talents - an indicator showing that the equality value has an influence.

In contrast to the monetary retention methods widely in use in the Anglo-Saxon cultural context, Nordic KIOs mainly retain talents by offering them freedom in their work, personal development, opportunities, and more challenging tasks. Additional benefits offered to talents are quite moderate and heavily emphasize the balance of work and personal life which are seen as very important in the Nordics, but are mostly ignored and looked down upon in the Anglo-Saxon cultural context. However, this method of retention has not completely solved the issue of high turnover of talents, especially in the younger generation, which highlights the importance of developing new ways to retain talents specifically designed for the Nordic cultural context.

In light of this information we can conclude that the Nordic cultural context does have an effect on the development and retention practices of talents in KIOs. However, this influence might decrease in the future and over time the Anglo-Saxon approach to talent development and retention might become more dominant as globalization makes national cultures more converged. Still, as the TM practices in general are utilized by large companies with larger resources monetary-wise, it can push the Nordic organizations into more innovative solutions especially regarding retention, because resources may not be sufficient to compete for talent merely with monetary compensation. This can be seen from our study, through which Nordic KIOs see monetary compensation as an inefficient tool and tend to focus on retention more from a perspective of personal fulfillment.
7 Discussion and Recommendations for Future Research

As an explorative study we feel that findings made in this thesis are satisfactory and open the door for further exploration and research of talent management in the Nordics - a research topic that is seen as very important for the future. This thesis contributes to the lack of empirical research in this field, which was highlighted as the biggest problem regarding the topic and its future. Whether talking about cognitive abilities or emotional intelligence, knowledge may become more dominant within the organizations in general, the importance of developing and retaining talents consequently becomes a pressing matter for maintaining competitive advantage.

With this thesis we wanted to explore the topic and its importance for future research by creating a starting point for more extensive studies that we could not conduct with the time, resources and connections we currently possess. We hope that by doing this we have created interest for the topic and will see the research field regarding TM in the Nordics developing over time, creating tools and practices for managers to utilize.

As noted earlier, although the concept of talent management with its large scale processes might currently be coming to the Nordics, there are still clearly recognizable practices, i.e. tools in talent development and retention regarding the TM within many companies that are already present. For the authors, this brought up two different areas where the focus for the future research could be. Firstly, the field of cultural influences in talent management seems to be heavily underresearched. As we approached the subject by studying the Nordic culture as whole, this thesis could be used as a basis for further research regarding talent retention and development in Norway, Iceland, and Denmark. This would benefit the research field, and if the Nordic countries treat the TM similarly it could emphasize recognizable differences within the Nordic countries’ cultures regarding the matter as suggested in a few of our interviews. Secondly, due to the limitations of this paper, further research could be focussed on different types of organizations or different industries in order to examine larger samples and to see whether our findings are applicable among other companies in the Nordics or only present in knowledge-intensive organizations.
8 References


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Appendix 1

General questions:

• Could you tell briefly about your role in the organization? How did you end up in the organization, how long have you been and why have you remained in the company?
• What industry does your company operate in?
• Do you have any specific programs for talent management/high-potential development? If yes, briefly describe it. If not, why so?
• How would you define talent?
• When talented employee is chosen for development, do they know?
• What do you know about Talent Management? How would you describe it?
• What kind of role does Talent Management have in your organization?
• Is there classification of talent/high-potential employee vs. non-talent in your company? Do you have a “talent pool”?
  o If so, do the “talented employees” get promotions more often compared to “regular employees”?
• What do you think are the most important aspects of an individual to be chosen into a talent development program?

Questions regarding culture:

• How would you briefly describe the Swedish/Finnish culture?
• How would you briefly describe the organization’s culture?
• Is there any specific aspect in the Swedish/Finnish culture that you feel contributes to the way things are done in your organization?
• What aspects regarding organizational culture do you value the most, and makes you want to work in a company? (regardless of if they are integrated in your current organization or not)
• Is there something that you wish would be different regarding organizational culture in your company?
• How would you link Nordic culture (feminine culture) to Talent Management?

Questions regarding environment:

• How does your company’s decision-making process is handled?
• What kind of reward systems do you have in use?
• What other benefits does you company offer?
• How does your company measure individual success and in what time frame?
• How do you as a manager support and motivate your team? How does your manager support or motivate you?

Questions regarding development & retention

• How is the employee development seen in your company, i.e. what are the tools for the development?
• What are the main goals of employee development in your company?
• Do you think that developing talents is important for the future success of the organization? Why do you think this way?
• What kind of feedback system do your company utilize, and how often feedback is given to the employees?

• What are the main reasons why people in general want to work in your company?
• On contrast, what are the most common reasons for people in key positions to leave the organization? Does the organization have a way to eliminate these reasons?

• How does your organization try to retain the talent as of now?
• How far would your company go to retain a talented individual?

• Could you see this style of development/retention to work outside of Sweden/Finland? Why, why not?
Appendix 2

Selected questions sent before interview:

• What kind of role does Talent Management have in your organization?
• Do you have any specific programs for talent management/high-potential development? If yes, briefly describe it. If not, why so?

• How would you briefly describe the Swedish/Finnish culture?
• How would you briefly describe the organization’s culture?

• What are the main goals of employee development in your company?
• What are the main reasons why people in general want to work in your company?
• How does your organization try to retain talented employees (as of now)?