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Zixin He

Employee outcomes of talent identification and development

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Author: Zixin He
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ABSTRACT:

Managing talents effectively has been regarded as one of the main solutions for human resource challenges in current labor market. Based on the increasing mobility and globalization and the economic shift from product-based to knowledge-based businesses, more talented employees are needed, and organizations are updating their management strategies to be better confronted with talent challenges. Talent and talent management (TM) have become popular topics in human resource field for practitioners and literatures, especially from the 1990s. However, there is limited empirical research dealing with the ultimate questions of TM strategies – do TM strategies produce positive outcomes for employees and organizations?

For organizations and employees alike, it is important to know if the “chosen ones” that are identified as “high potential” succeed or not in their subsequent career/roles. Therefore, it worth examining "Does TM produce the intended consequences?" More specifically, there are two sub-points to be explored: Are (1) talent identification and (2) talent development practices effective in supporting positive employee outcomes? In order to research the impact of TM strategy of the case company, data of 200 employees of a Finnish multinational (100 identified as talent, 100 not identified as talent in 2015) were selected to be studied. A hypothesis model is established to investigate the relationship between talent identification (being formally identified as talent, performance, and potential), talent development (joining development activities), and talent outcome (speed of promotion). To add more evidence for the research question and explore the opinions of TM managers towards the employee outcome, a supplementary interview was conducted.

In terms of the findings, talent identification and development were found to have positive correlation to the career progress of employees. However, only being identified as talent can significantly lead to faster promotion in the company. Achieving higher performance, higher potential, or joining more (quantity of) development activities do not obviously result in faster promotion. The result suggests that exclusive TM is a proper and popular approach for selecting and developing a small number of employees to become future leaders. Therefore, identifying the correct and necessary talents are one of the most critical things in TM strategy, because talents are allocated much more resources, their abilities and motivation may be improved, they may gain more opportunities, which can directly lead to positive outcomes such as promotion. The finding is supposed to be true for many other organizations. The topic also worth organizations and researchers to explore based on larger samples in the global scale. Because in real TM process, the assessment of employees’ performance and potential, the identification results, the process of development, and the employee outcomes may be influenced by objective conditions as well as subjective views and biases.

KEYWORDS: talent management, global talent management, talent identification, performance, potential, talent development, employee outcome, promotion

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Abbreviations

GTM	Global Talent Management
HR	Human Resources
HRM	Human Resource Management
LTR	Leadership and Talent Review
MNCs	Multinational Corporations
TM	Talent Management
Talent	“Star” / “Emerging leader” / “Head star” in given data and theories

Three programs:

A	Talent development program for earlier-career stage
B	Talent development program for mid-career stage
C	Talent development program for senior-career stage

1 Introduction

1.1 Background of the research

The importance of talent has been noted and talent management (TM) has started to be an increasingly popular topic since the “war for talent” was put forward by McKinsey in 1998 (Gallardo-Gallardo et al., 2013, p. 290). In the beginning of 21st century, according to the McKinsey Global Survey of Business Executives (2005), a survey was conducting among 16,500 business executives from 148 countries, and the result was 75% of corporate officers have the concerns about talent shortage. And the three main challenges that businesses are facing include “*pricing pressures, hiring and retaining talent*”. Another survey conducted by Deloitte shows that 87% HR directors agree “retaining the best talent” is a critical thing (Ashton & Morton, 2005, p. 28).

Nowadays, around 69% of the companies are facing talent shortages and difficulties of hiring talents (Manpower 2021). Around 74% of CEOs are concerned about the availability of critical skills within the organization, and only 26% of organizations have implemented strategies to attract diverse talents to ensure the organizational inclusiveness (PwC Talent Trends 2020). For the near future, around 60% of the global executives estimate that more than half of their employees need to be retained or replaced in the following 5 years. Around 33% of employees regard that their organizations are not well-prepared for developing their skills to encounter the future needed skills. (McKinsey Quarterly 2019). By 2030, the global labour force is expected to reach 3.5 billion, and there is a potential shortage of 45 million educated or qualified workers (McKinsey 2012). In addition, it is estimated that there will be around 8 trillion dollars of unrealized values caused by talent shortages (HDI Global 2019).

The rapidly transforming dynamics of markets have brought all-round labour challenges to organizations. The most common worries from companies can be summarized as the four key elements in talent strategy: *build talents* (develop current employees), *buy* *talents* (hire new employees), *borrow talents* (cultivating talent pool outside of the organization), or *bridge talents* (moving people to new roles inside the organization) (Manpower 2021). TM seems to be a solution for these challenges. There are debates about the definition of TM, but generally, TM can be regarded as "*systematic attraction, identification, development, retention, and deployment*" of outstanding employees, such as high performers or high potentials (Thunnissen, 2016, pp. 58-59).

In addition, there is a consistency in literature that there are two general approaches in TM field, which are inclusive approach (all employees are talents), and exclusive approach (just the best employees are talents) (Thunnissen et al., 2013a). This research investigates TM outcomes/effectiveness based on the exclusive view. Exclusive TM aims at "*attracting and retaining a selected group of employees*" (Thunnissen, 2016, p. 58). Compared to small- and medium-sized enterprises, large multinational Corporations (MNCs) have the tendency to prefer the exclusive approach to make the most potential talents create higher values for the company (Stokes et al., 2016). It means that employees who are identified as "*A-players*" or "*high-potentials*" have more possibilities to take more senior positions in the future and may create higher values for organizational performance and growth (King, 2015, p. 274).

Exclusive TM, which is also the focus point of this thesis, can enable organizations to arrange "*training, support, and learning*" to the more outstanding performers and generate a more competitive organizational culture (Mousa & Ayoubi, 2019, pp. 89-90). For example, Microsoft hires around 120,000 employees annually to support the talent development needs of the organization. The employment includes both external talent buying and internal talent building. For the internal side, Microsoft implements an exclusive TM strategy because only the employees who are willing to develop, can meet the demand of the organization development. The talent selection criteria include for example, digital skills, data analytics skills, business acumen, and knowledge about STEM (science, technology, engineering, and mathematics) (Microsoft 2021).

Organizations face several practical questions about exclusive TM, for example: (1) How to define, develop, and retain talents? (2) Are the TM strategies clear enough to deal with those talents? (3) Can exclusive TM benefit both the individuals and the organization? (4) How to manage and use the talents to achieve organizational goals? (5) How are internal roles and resources deployed appropriately to support TM? (Ashton & Morton, 2005; Gallardo-Gallardo et al., 2013). There are other challenges also, for example, the recruitment quality, diversity of candidates, the managers' awareness of the importance about developing people, and identifying talents earlier (Smale et al., 2015). It means that the whole process from identifying to achieving outcomes requires effective coordination and management from the highest levels of management, and the tools that have been used can impact on the success of achieving these desired outcomes.

Similar to HRM, the target of TM is usually "*improving organizational performance*" and "*facilitating individual growth*" (Iles et al., 2010, p.126; Marin-Garcia & Tomas, 2016). Therefore, the outcome of TM should be that the skilled employees are well prepared for appropriate jobs efficiently and effectively, better decision making and human capital structure are established, and the relevant goals of the organization are realized (Thunnissen et al., 2013a), and these can contribute to increasing the competitiveness of the organization (Thunnissen et al., 2013b). It is argued that an exclusive approach can help creating a more competitive culture within the organization, employee motivation can be improved, and diversity of the organization can be better managed. At the same time, employees might be more motivated to perform better, develop the qualities required or desired by the organization to increase the potential of being selected as a talent and therefore, get promotion opportunities. (Dries, 2013; Höglund, 2012).

Based on the exclusive view, this thesis focuses on exploring the outcome of TM from the individual perspective. It is expected by companies that TM can lead to identified talents for promotion, lower turnover, higher performance and productivity, clearer career goal setting, higher engagement, and so on. Furthermore, TM may also influence other human-related factors of the organization, such as job motivation (which can be relevant to salary, personal relationships, environmental conditions and so on). (Rastgoo, 2016). Organizations usually recruit the best people, identify talents based on their potential for particular or urgent needed competences, and develop these people to be possible to realize the organizational targets (McDonnell et al., 2011).

As one of the outcomes of TM, promotion (or faster speed of promotion) is expected to happen to those who have been selected as talents and those who have received special attention in terms of development. So how does promotion happen in organizations? MNCs need talented individuals in different majors/fields from different nationalities at different locations to "*maximize the strategic advantage of the global workforce*" to realize global development. Therefore, there is a need for the companies to consider about employees' competences, and then effectively identify and develop a small proportion of employees with high performance or potential globally to "*ensure they fill the key positions within the company's global network*" (McDonnell et al., 2011, pp. 177-179).

It can be said that MNCs are to a large extent expecting their identified and developed employees to be promoted to higher-level roles. On the other hand, talents are assumed to be willing and motivated to know that they are selected and can get development opportunities to realize their career development. But it also worth noting that promotion is not an obvious or guaranteed outcome since there are a number of reasons why (faster) promotions may not occur. For example, stress, burden of being labelled talent, new roles that require new skills, others catching up and overtaking, evaluations of potential being inaccurate, it can also be that the quality or competencies of the talents are not required by the organization in the short-terms, or there is a need to promote the employee but there is no available position.

Therefore, this thesis is interested in examining whether this basic rationale for exclusive TM turns out to be true for employees identified as talent compared to those that are not. In addition to talent identification, it also worth to examine the influence of talent development to talent outcome (speed of promotion). By studying the impact of exclusive TM on the individual "talent", conclusions can be drawn about how the employee outcomes are, based on current TM system at the case company.

1.2 Limitations of existing research

Even though TM is "*one of the fastest growing areas of academic work in management field*" in recent decades (Gallardo-Gallardo et al., 2017, p. 1), it is regarded in literature that there are still some research gaps. Firstly, in conceptual work, there is no unanimous definition of talents and TM, and the definition of TM varies in conceptual work. According to Gallardo-Gallardo et al. (2013, pp. 290–291), the reason can be summarized into two points: (1) There is an increasing number of authors who contribute to the research of TM, but most of the literature focuses on "how" questions and pay less attention on "who" is talented and "why" they are talents; (2) There are different theoretical approaches toward talent, and they vary from object and subject views, and inclusiveness and exclusiveness views.

Secondly, there is a lack of empirical research about how the TM strategies are established and implemented in practice (Gallardo-Gallardo et al., 2017; Bolander, 2017), even though there are various discussions about talent challenges that organizations have encountered (Iles et al., 2010). This means that there is little knowledge about "*how TM is conceived, implemented, and developed in organizations*" (Gallardo-Gallardo et al., 2017, p. 1). There are more analyses and literature about how TM is helping organizations to realize their targets, but there are few findings about how organizations are implementing TM activities as experienced by employees at the individual level (Gallardo-Gallardo et al., 2013; Gallardo-Gallardo et al., 2017; Thunnissen, 2016).

Thirdly, there are studies about the possible effectiveness of TM strategy of the organization, but a relatively small amount of the studies has connected the effectiveness of TM to the outcomes of the organization and especially individuals. The outcomes from the perspective of employees include for example, "*monetary rewards*" (such as higher salaries) and "*non-monetary rewards*" (such as promotion, development opportunities, and more challenging work) (Dries, 2013, p. 279). Since different methods to manage, talents can lead to different outcomes, more empirical research about the effects of TM (e.g., identification and development) on individual talent outcomes (e.g., performance, promotion, engagement, retention) would be necessary for HR practitioners and researchers (Bethke-Langenegger et al., 2011, p. 525).

Therefore, there is a need to explore more about the mentioned three research limitations. This thesis analysis about the process of talent identification and development and the relevant outcome of the TM system at the case company, which supported their fast-paced growth in recent years. The exclusive TM view is selected because, it can be more beneficial to invest in the most valuable "A players" to get more return, and the target of this thesis is to see whether this is true at the case company. The key focus point of this research is the third research gap, which is also probably the least empirically researched one – the effectiveness of TM for individuals. As one of the TM outcomes of employees, promotions are also important for the organization. Promotion (of a key talent) means that the person is competent and willing to take on more challenging roles, which means something has worked well (identification of potential, performance, development, retention).

It is regarded that inclusive approach may create a working environment with more "*openness, trust and overall wellbeing*" for employees, while exclusive approach is supposed to better support individual motivation and engagement, provide development and promotion opportunities, and contribute to organizational profit and productivity in different ways (Dries, 2013, p. 279). To summarize the above-mentioned points, exclusive TM can be seen as a form of “fact truth” because it is widely accepted by organizations. Focusing on the top 5-20% of employees can help the organization to better utilize the limited resources for conducting training and development, and therefore, ensure a future supply of leaders with needed competencies. This thesis answers the big question - whether this exclusive focus really works from the individual perspective. More in detail, this thesis answers, “does talent identification work” and “does talent development work” for the promotion of individuals, which will be discussed in the following sections.

1.3 Research question

Literature states that organizations may realize the importance of TM but feel challenging to manage talents effectively and gain the expected outcomes of TM (Vaiman et al., 2012, p. 926). As mentioned in previous section, there are limited studies about effectiveness and outcomes of TM strategies with the basis of practical cases. It would be necessary to know (1) how TM was carried out in such a multinational company in practice: how are the talents identified, and what happens to them after being identified, what happens to talents in terms of career development; and then (2) sheds some light on whether the basic rationale for exclusive TM holds, for example, does focusing on this core group result in positive outcomes for the individual. More specifically, the key discussion points in this thesis are the relationships between identification and development towards speed of promotion. Therefore, the main research question of thesis is as follows:

What are the effects of exclusive talent management (talent identification and development of a small proportion of workforce) on individual talent outcomes, especially their career progression (speed of promotion) versus those not identified as talent?

Since success of TM can say the real success of HRM as well as the whole organization (Björkman et al., 2017, p. 7), the research was done based on the analysis of case company data. The research question is answered first by conducting a quantitative study based on the case company employee data and is supplemented with the qualitative analysis of an interview with the company's talent managers. The quantitative analysis was performed based on data of 200 employees from across their global operations across 5-year period, provided by a Finnish multinational with 60,000 employees altogether from 139 different nationalities.

This thesis decided to use employee data from a five-year period (2015 to 2020), because (1) examining the effects of talent identification and development on promotion, it is necessary to have some time in between, and (2) analysing the speed of promotion requires data from multiple years to capture the speed, and since promotion don't typically occur more than once in a 1–2-year period. The strength of using quantitative research include, for example, it allows to have specific research problem, set clear independent and dependent variable, have high level of reliability. These points enabled the establishment of a strong research design. In addition, the quantitative data is valuable because it is typically very difficult data to get hold of due to its sensitivity.

Based on the TM literature and the available employee data, hypotheses are developed and tested on the relationships between (1) talent identification (potential and performance) and speed of promotion, and (2) talent development (e.g., participation in mentoring and leadership programs) and speed of promotion. This analysis is complemented by qualitative interview data with the TM practitioners at the case company to contribute a more contextual explanation for the quantitative analysis and the research question. The thesis can be regarded as a typical example that can contribute to the research limitations of current TM field. Because in addition to the analysis results, it would be interesting to see if some findings about this sample and organization that make the findings more firm-specific or also occur in other firms.

1.4 Structure of the thesis

The target of this thesis is to analyse the effectiveness of talent identification and development measures on individual promotion and offer the case company the possible opportunities to make relevant strategical improvements in the future. The key views of this thesis can be summarized into three points. Firstly, this thesis conducts a literature review about TM from two aspects. The former part discusses the general definitions of talent and TM, the importance and challenges of studying TM, and the views/approaches of TM. The latter part provides discussion about establishing TM strategy and system, talent identification and the AMO framework, importance of potential and performance in talent identification, talent development and the AMO framework, and the outcome/effectiveness of TM from the individual perspective.

Secondly, since the TM literature is having limited HR practices and activities (Thunnissen et al., 2013a, p. 328), it is great to have some basic employee data in analysis of this thesis. There are five pivotal TM practices: "*recruitment, talent identification, talent development, career management and succession planning, and retention management*" (Bolander, 2017, p. 1525), and this thesis will discuss especially how the talents are identified in the case company, and what happens to them after the identification. The discussion of this thesis includes the approaches and dimensions of defining talents, assessment criteria in identification, and opportunities that are offered for talents.

Thirdly, since there is only a small number of studies on the outcomes of TM, this research analyses the effects of talent identification and development on one important talent outcome – speed of promotion. The analysis of the effects will be based on the employee data offered by the case company, because it will be able to see how the TM decisions have been implemented and realized in the company. The company, renowned for being quite advanced in TM, also agreed that understanding the outcome of TM is important but not well understood in the practitioner community. This can be regarded that there is a relatively high validity to explore the outcome/effectiveness of the TM strategy on employees' individual performance. Furthermore, the result can only represent the practical outcome of talent identification and talent development in the case company of the selected employee group during 2015 to 2020.

When it comes to the general structure of the thesis, in section 2, the argument defines and outlines the current understanding of talent, TM, and different approaches of implementing TM will be mentioned. In section 3, the overall strategy and examples of building TM system, strategies of talent identification and development, and effects and outcomes of TM will be discussed. In section 4, the case company background and the key points of its TM strategy will be introduced. The research methodology will also be explained, which includes the research approach, research design, and data analysis methods. In section 5, the research findings will first discuss about the analysis results from quantitative side, which reports correlation statistics and then use multiple regression to test the hypotheses. Then based on the data analysis results, as a supplement analysis, the findings from qualitative side, which is an interview, will be explored. In section 6, the answers for the research question will be discussed. As a conclusion, the main research outcomes will be pointed out, and research limitations and suggestions for future research will be given.

2 Global talent management

Based on the research needs and objectives, the literature review of this thesis is summarized in two parts. In this section, the focus is to define key concepts and review the key debates within TM. It includes some existing literature about definition of talent and TM, the main components of TM, the importance of studying TM, and the four different approaches to define talents. The topics with less empirical research such as TM process and outcomes will be discussed in section 3.

2.1 The definition of talent and talent management

The term "talent" originated from the Greek word tálanton, which means "*balance, weight, sum of money*". The definition of the term varies in different time period. For example, in thirteenth century, it means the natural quality of a person's personality; in fifteenth century, it means the special abilities of a person that can be used for their personal improvement; in nineteenth century, it means ability of a person. From the nineteenth century, the debate between "*subject approach (talent means people or people of talent, such as possessing special skills or abilities)*" and "*object approach (talent means characteristics of people)*" has started. (Gallardo-Gallardo et al., 2013, pp. 292-293.) It seems that there is no unanimous definition of talent (Thunnissen et al., 2013a).

Talent and management of talents became popular topics in the human resource management field for practitioners and scholars, especially from the 1990s when the term "talent management" officially appeared in the research field (Iles et al., 2010, p. 126-127). The current society is developed than ever before, and the work environment is more complicated, more advanced technologies and tools are used to make the business more efficient. It is regarded that one of the main determinants of success of organizations is manpower (Rastgoo, 2016).

According to Iles et al. (2010, p. 127), TM displays several features. Firstly, TM is not fundamentally different from human resource management. Because they basically aim at managing the right people to fit into the right position at the right time, and therefore, meeting the organizational needs and create higher organizational performance. Secondly, the focus point of TM is different from human resource management. TM may focus on a small group of internal/external talented/potential people. Thirdly, TM is a continuous process, which include, such as, planning and development. Here are some examples about the definition of TM in recent literature:

Table 1. Examples of talent management definitions.

Definition	Source
Talent management was originally seen as summarizing a broad range of human resource practices.	(Claussen et al., 2014, p. 236)
A talent can be viewed as an employee that the employer considers *becoming a potential future leader.*	(Ehrnrooth et al., 2018, p. 444)
Talent Management is the process by which an organization anticipate and meet its needs for *talent in strategic jobs.*	(Cappelli & Keller, 2017)
Talent management include four elements: *identifying talents*, *acquiring talents*, *developing talents*, and *evaluating talents.*	(O'Shea & Puente, 2017, p. 2)
While human resource management can help dealing with the general aspects that is happening at the moment, talent management can help with decision making.	(Fink & Sturman, 2017, p. 15)
The core of talent management is to ensure that “talents” are identified, developed, and put at key positions for the company correctly.	(Björkman et al., 2013, p. 196)
“*Talent = competence* (able to do the work: right skills, right place, right job, right time) * *commitment* (willing to do the work) * *contribution* (achieve the needs and finding the meaning of work)”	(Ulrich & Smallwood, 2012, p. 60)

The essence of this thesis is exclusive TM approach. As mentioned by Gallardo-Gallardo et al. (2013, p. 294), the core premise of "exclusive" talent management is that certain individuals contribute disproportionately to organizational performance. Therefore, here is the selected definition to be applied in this thesis: Talents are the small number of people who can make great contributions or make differences for organizational performance, either through their previous contribution or the high potential for future. TM means a series of activities, such as "*systematically attracting, identifying, developing, retaining, and deploying*" the small number of talents, which aims at developing the necessary skills of employees and promoting them to higher levels of positions internally as a supplement to succession planning (Iles et al., 2010, p. 127).

With the globalization advancement, TM is facing increasingly fierce competition of putting the "*right numbers*" of talents in the "*right positions/locations*" with "*right competences and motivation*" at "*right prices*" in a global context (Schuler et al., 2011a, p. 19). Therefore, the term global talent management (GTM) came into being. GTM is interesting to study because it is happening around the world. For example, according to research of 63 executives of companies based in China, one of the biggest GTM challenges that multinational companies are facing in China, similar to other countries, is the "*growing need for talented managers*" (Lane & Pollner, 2008, pp. 33-34). The demand for talented managers usually includes the people who have outstanding performance in the past and high potential to grow in the future, as well as proper "*functional capabilities, leadership potential, and language skills*". Local companies are competing with multinational companies to gain these talent managers in China for example, by offering more attractive salary and compensation.

There is another GTM example that happened in the United States. Bill Gates said in 2008 that "*Microsoft and other American companies had been forced to export jobs that could have been done in the United States to countries more welcoming to skilled foreign workers*". The reason was that the immigration system at that moment was challenging for companies and especially technology companies to attract and retain high-skilled foreign workers (Preston 2008).

It can be said that the emergence of global TM is influenced by several factors. For example, (1) the growth of need for global critical roles has led to the increase of international learning and development, (2) the war for talent among employers has shifted from "*country level to regional and global levels*", (3) the shortage of management for talents globally has resulted in the continuous demand for effective global TM strategy in cross-cultural and multi-geographical markets (Scullion et al., 2010, p. 106).

Similar to TM, there is no exact definition about GTM, and there are debates about which dimension should GTM belong to. However, the majority of research believe that GTM is relevant to TM in "*international operations*" to some extent. In addition, GTM usually focuses on some of the critical employees of the multinational organizations, instead of the whole talent pool (Scullion et al., 2010, p. 105). GTM seems to be boarder than TM and focuses more on a global perspective. Based on the previous mentioned TM theory, here is the GTM definition applied in this thesis: GTM is about "*attracting, selecting, locating, developing, and retaining*" the best cross-cultural and multi-geographical employees of multinational organizations to achieve employee success as well as organizational success in a highly dynamic and competitive global environment (Scullion et al., 2010, p. 106).

Based on the various discussion of TM definition, it can be summarized that the focus of recent TM research is to some extent consistent with the key components of TM: *recruitment* (build or buy talents from external applicants); *talent identification* (find talent from current employees based on their output such as achievement or input such as motivation and fit for next job); *talent development* (offer inclusive or exclusive activities to nurture talents); *career development and succession planning* (facilitate employees into right/suitable jobs); and *retention management* (organizing activities to prevent employee turnover and increasing the loyalty of employees) (Bolander, 2017, pp. 1525-1526). This thesis focuses on identifying and developing internal employees as part of an exclusive approach to TM, and as a result, the impact this has on employee career development.

2.2 The importance and challenges of talent management

GTM is important as well as interesting because it can help the world to better confront with the process of globalization from different aspects. (1) From market perspective, customers need the products with more features, higher reliability, and lower prices. All these values need talents to be realized globally. (2) From organization perspective, companies need to use the best people and lowest cost to improve quality and innovation to be as competitive as possible in global market. (3) From individual perspective, there is continuously increasing global employee mobility, there are salary differentials in different countries/areas. It is necessary to understand and join GTM to match personal competences and motivation to suitable places to realize career development (Schuler et al., 2011b, pp. 507-508). GTM also has effectiveness from other aspects. For example, it can "*improve HRs impact*" by linking the employee-related activities with organizational strategy and direction such as increasing employee satisfaction and motivation (Tarique & Schuler, 2010, p. 128).

Importance of TM

The TM field originated from in the 1990s. Since then, the three most discussed topics in the TM literature have been: (1) definition of talent; (2) TM practices and activities; and (3) intended effects and outcomes of TM (Bolander, 2017, p. 1524). It can be said that the current TM field still lacks "*a stable theoretical foundation*", and the theoretical approaches are difficultly linked (Thunnissen, 2016, p. 57). In addition, there are different views about TM from the research perspective. For example, TM may be regarded as critical human capital, the key role for organizations to succeed, and important to integrate with organizational culture to establish the strategy. (Vaiman et al., 2012, p. 926.) In addition, these topics are usually discussed theoretically, and there is a lack of empirical studies. It can be said that for the first and second point, more practical examples about how different types of organizations with different backgrounds are defining and developing their talents are necessary to be examined.

For the third point, which is also the key focus of this thesis, more studies and analysis of TM systems and strategies, and the outcome/effectiveness of different TM strategies in different contexts are needed. Because the debate on "whether to differentiate between employees", and "whether the employees should be regarded as an object or subject" continuously exist. At the same time, knowledge about "*how, how well and according to whom*" that TM really works in practice is still limited (Thunnissen, 2016, pp. 58-59). TM in practice can be complicated because talents vary based on the type of work, time, and the internal and external environment of the organization (Thunnissen et al., 2013b, pp. 1749-1751). Therefore, more research on the outcomes of TM, exclusive TM in particular are needed in TM literature.

Importance of TM for organizations

TM is also important for companies to study and implement. The global businesses are shifting toward knowledge-based economies, the "war for talent" is becoming increasingly intense in all industries, and organizations are facing pressures of attracting, managing, and retaining talented employees from managerial and professional sides (Thunnissen, 2016, p. 62). Different topics in TM field become increasingly important in today's organizations (Bolander, 2017) since TM seems to be a "*worthwhile investment*" (Bethke-Langenegger et al., 2011, p.535).

TM is a field that worth organizations to explore and improve. TM can bring advantages for organizations, for example: (1) TM enable organizations to establish the succession plan because employees are standing as the central point of TM; (2) By studying TM, managers may come up with better solutions when they encounter challenges such as advising employees or setting policies about how the employees should perform in their roles; (3) Reviewing and analyzing the effectiveness of current TM strategy, as well as comparing with the TM practices of other organizations, can enable the organization to improve and better confront with talents in the global context (Thunnissen, 2016, pp. 58-61). As a typical question in HRM field, global integration/standardization and local responsiveness/adaptation are also linked to TM, and there might be a gap between the approach and the fitness to the organization. By gaining more abundant knowledge about TM, organizations can better consider standardization and adaptation and balance the local needs and headquarter benefits in a better way (Björkman et al., 2017, p. 4-6).

On the other hand, it is important for companies to study and utilize TM because TM failure can cause unpredictable consequences, because "*the failure of employees will lead the organization to fail*" (Mellahi & Collings, 2010, p. 146). A failure of TM can be caused by different factors, such as: (1) the insufficient development of talent pipelines to "*fill strategic positions within their organization*"; (2) the consistency between TM strategies and business strategies in the organization; (3) managers / decision makers do not pay enough attention or time on talent-related tasks or lack of information to make better judgements of employees (Mellahi & Collings, 2010, pp. 146-147). In addition, it is especially critical for companies to study exclusive TM because by using it, minimum investments can be made to the most talented employees to possibly gain maximum return.

Importance of TM for employees

It can be beneficial for employees to understand the management of talent at their organization, for example, the exclusive TM strategy. It is advocated by scholars that it is more common that organizations apply exclusive TM strategy, because it is hard to fill all the positions with "A players" due to "*limited finance and other resources*" (Bhatia & Baruah, 2020, p. 204). By applying exclusive TM, employees are normally measured based on their contribution and performance. Organizations will invest more on the high potential, high performance, or more talented employees in order to get more possible return.

TM can create subjective experience to individual employees, which may result in the changes of “*engagement relationship*” (O’Connor & Crowley-Henry, 2017, pp. 907-908). Based on the observation of changes in the working environment, such as who get more or more valuable development opportunities or getting promoted faster, employees can guess who are more critical for the organization. Furthermore, they can compare their own conditions such as experience and performance with the talented employees around them and make efforts in the specific area/direction. By understanding how the organization is playing the “game” of TM, what is expected by the organization, whether there should be changes of commitment, employees may have clearer thinking and understanding about whether it is necessary and how to make improvements and therefore, realize their career success in the current organization.

2.3 Approaches and views on talent management

Nowadays, organizations seldom put efforts in distinguishing between nature and nurture talents, instead, they focus on talent identification such as buying talents, and/or talent development such as building talents (Gallardo-Gallardo et al., 2013, p. 297). According to Thunnissen et al. (2013a, p. 327), there are two dimensions in TM. (1) The first dimension is subject approach – something that people are (focuses on making a difference and leading talents to be “valuable, scarce, inimitable and difficult-to-replace individual employees”), and the object approach – something that people possess (focuses on establishing individual attributes and personal characteristics such as abilities, knowledge, and competences). (2) The second dimension is the inclusive approach (focuses on all the employees), and the exclusive approach (focuses on specific employee group).

The case company in this study is applying an exclusive – subject approach. The TM strategy is “exclusive” view because the company only identify some of the employees to be talents; and the strategy should be “subject” view because the company is focusing on preparing the talents to be future leaders. More discussion about the approach that is applied by the case company will be presented later in the discussion section. The following figure summarizes the framework of the most discussed approaches to TM:

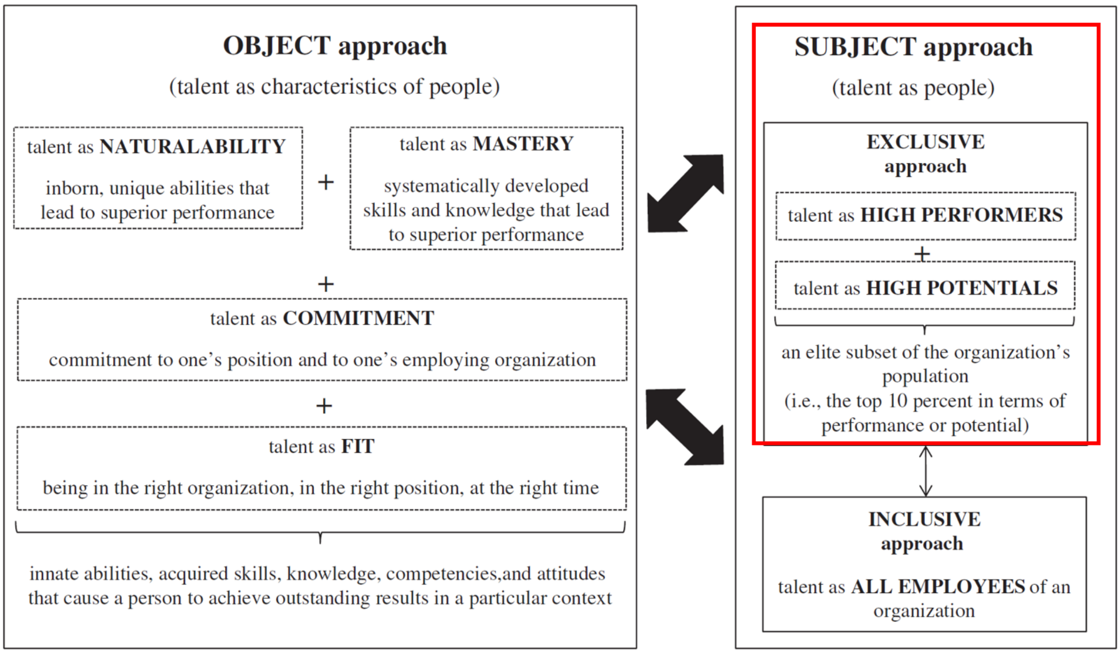

Figure 1. Framework of talent approaches (adapted from Gallardo-Gallardo et al., 2013, p. 297).

The first type is inclusive subject approach. It means that everyone in the organization has his/her own strengths, so that he/she should be regarded as a talent. In this way, the organization can help employees to further develop their skills to achieve higher performance, and the risk of investing in just some employees can be lowered. However, this approach can be costly (Gallardo-Gallardo et al., 2013, p. 295). The second type is inclusive object approach, which implies that everyone in the organization has his or her potential to become talents. The approach suggests that employees have their natural abilities at least to some extent in some areas, or they can be trained to be talents. This approach is considered to be consistent with the general process of human resource management. The third type is exclusive object approach, which means that only some people in the organization has the potential to be talents. According to Gallardo-Gallardo et al. (2013, pp. 293-294), these employees can include three kinds: (1) These employees can practice, learn from experience, and keep making efforts. Therefore, at least 1 or 2 years, they can be regarded as talent if they can have better outcome than others; (2) These employees commit to their work and do the tasks that others cannot complete; (3) These employees can fit their talent into the circumstances. It can be regarded as fitting the right people in the right position at the right time.

The last type is exclusive subject approach, as highlighted in the above figure, which is also the approach that the case company applies. The approach means that only some people in the organization can be regarded as talents. According to Gallardo-Gallardo et al. (2013, pp. 295-296), these talents can be divided into two kinds. (1) *High performers*, who have outstanding performance and capabilities, are the top 10% in the field and can be identified as "A-players". The organization can spend less time and less cost on those people; therefore, it would be good to have top performers at all levels of the organization. (2) *High potentials*, who can be better in the future than the current situation, or the people who have more potential to be better than their peers. This kind of approach indicates that offering more/better resources to better performers can help creating higher return on investment, because more return can be expected from this small part of people. To conclude, this kind of approach emphasizes the selection and output in terms of potential and performance (Thunnissen et al., 2013b, p. 1751). The case company in this thesis applied this approach. Because only some of the employees are identified as talent, and they focus a lot on human and the necessary of preparing the talents to be future leaders.

It is known that HRM can be divided into "*hard*"-production method and "*soft*"-production method. The former defines employees as objects and organizations should manage them correctly to meet the development target. The latter defines employees as human, and organizations should care about their needs and emotions to meet the development target. (Thunnissen, 2016, p. 60). There is a continuous debate on whether to differentiate the employees, and whether the employees should be regarded as an object or subject. The answer can be summarized that talents varies based on the type of work, time, and the internal and external environment of the organization. It can be said that "*talent is not absolute, it is relative and subjective*" (Thunnissen et al., 2013b, pp. 1749-1751), and the case company should have related to a soft-subject approach, because the company is taking care of personal interests, needs, and emotions for the career development of employees.

There are also other studies which discuss the types of TM approaches. It can be summarized into four types. Firstly, "*The humanistic type: developing each employee's talent*" (Bolander, 2017, pp. 1529-1531). Organizations with a humanistic TM view emphasize on "*talent development*", and they regard every employee as talents. This kind of organizations offer lifelong learning opportunities for employees, seek for internal talents regularly (often annually), and rely little on external recruitment. Secondly, "*The competitive type: identifying the talented few*". Organizations with a competitive TM view focus on "*buying talents*", and they put many efforts to hire and use formal assessment tools to select talents that are competitive when competing with competitors from other organizations. This kind of organization check their talent pools often monthly to discuss about the promotion, expect high performers to become managers at higher levels. Therefore, keeping the employer brand strong is a key for this kind of organizations (Bolander, 2017, p. 1531-1532).

Thirdly, the "*Elitist type: recruiting the most talented among talents*", which means the organizations that contribute a great deal of time and efforts on recruitment and make sure that all the employees should be the best and experienced, and talents can even outperform than normal employees. This kind of organizations should be attractive on external labour market such as offering the most exciting positions with great promotion opportunities and maintain strong employer brand (Bolander, 2017, pp. 1533-1534). Lastly, the "*Entrepreneurial type: giving talents opportunities to prove themselves*", which means the organizations that emphasize that all employees have the potential to be talents, give everyone an opportunity to prove themselves, and hope to get higher loyalty in this way. This kind of organizations use more internal recruitment to get more suitable talents, and attitude can be more important than competences in selection (Bolander, 2017, pp. 1534-1535). The case company seems to apply the mix of these four approaches, because they are taking care the development of each employee, but with a focused investment on the small number of talents.

But more typically, exclusive TM is likely to exist either formally, via formal TM practices, or informally via informal preferential treatment, especially in the private sector where they are not subject to public sector governance and values. Organizations usually divide employees into different groups: "*A players*" are the star performers/potentials who are at critical positions; "*B players*" are the good performers who are supporting the development of the organization; and "*C players*" are the employees who do not have added value and can be replaced in the organization (Bhatia & Baruah, 2020, p.196). It is because exclusive TM enables organizations to realize the segmentation of workforce and focus on for example, the top 15% of the workforce who are the key talents or high performers at the organization (Bhatia & Baruah, 2020, p. 196).

No matter what type of TM method that organizations apply, the method must fit the organizational culture and is able to help realizing the values (Bolander, 2017). The TM approach of the case company will be introduced in section 4.1 and further discussed in section 6.

3 Hypotheses: exclusive talent management and employee outcomes

TM definitions, approaches, and practices have been discussed in the previous section. This section, as the second part of literature review, TM strategy and TM outcomes will be discussed in order to build up the arguments towards the hypotheses. The section is specifically about reviewing the theoretical arguments and evidence regarding the research question: What are the effects of TM (talent identification and talent development) on individual talent outcomes. The arguments will be made from an overall TM strategy point of view to specific discussions according to the research needs.

Firstly, in section 3.1, the establishment of a TM system and overall strategies will be discussed. In this part, the general process of TM that organizations need to go through when implementing TM strategies will be discussed, then it comes to an introduction about AMO framework in practice based on employee perspectives. The three elements of the AMO framework are: individual *ability* (A), *motivation* (M), and the *opportunity* to participate (O). In exclusive TM strategy, if the small number of employees have outstanding abilities, adequate motivation, and possible opportunities, meaning that their AMO will be affected, will therefore, lead to positive individual talent outcomes (Marin-Garcia & Tomas, 2016, p. 1042).

Secondly, in section 3.2, there will be arguments for why exclusive TM should have a positive effect on employee outcomes, why speed of promotion is selected as the measure of individual success/effectiveness, and why it is a suitable variable for this thesis. The reason to discuss about talent outcomes in this section is to build a good general foundation upon which to introduce the more specific arguments around the selection of variables and the rationale underlying the hypotheses. Later on, based on the theories and literature, the research question will be addressed by examining the relationships between talent identification and promotion speed (section 3.3), talent development and promotion speed (section 3.4), including why we might expect the relationships to be positive, and why they might not. As a result, variables are pointed out, and relevant hypotheses are developed.

Lastly, as the result of implementing an exclusive TM strategy, the effects and outcome of TM will be analysed. As it is known, exclusive TM can lead to positive outcomes from different levels, for example, saving investments, developing talents with specialized skills to better confront with changing market demands, and creating competitive culture and clearer career mobility in the organization. The focus in this thesis is to examine one important employee outcome at the individual level, e.g., how and why speed of promotion is selected as the outcome (dependent) variable in this thesis. In the following sub-sections, the discussion, arguments, and hypotheses will be based on the theoretical model below (see Figure 2):

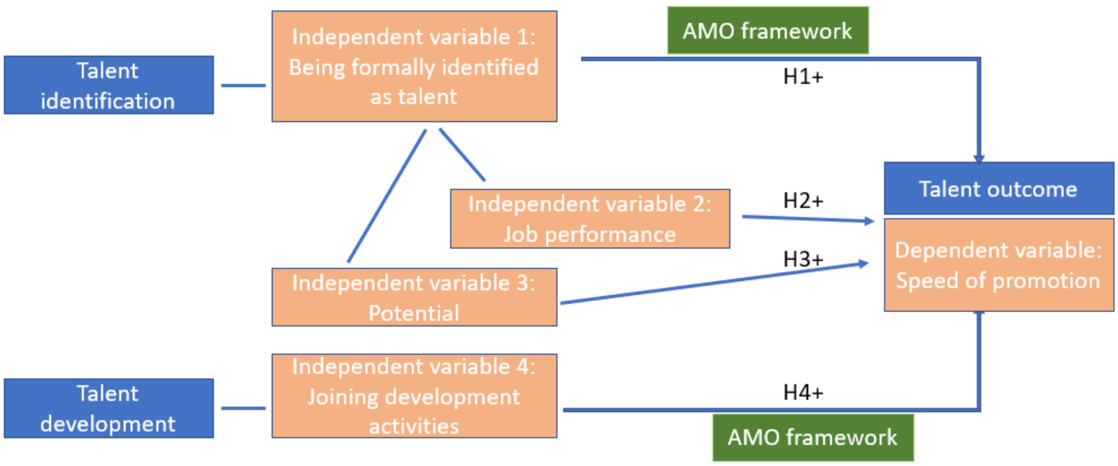

Figure 2. Theoretical model and hypotheses.

3.1 Exclusive talent management strategies

3.1.1 Talent management system

Organizations are making all kinds of efforts to achieve future development under the "*war for talent*" environment (Dejoux & Thevenet, 2012, p. 38). It is important for organizations to make clear about the existed skills of employees, decide about what are the further needed skills, and how to use employees to fill the gap (Rastgoo, 2016, p. 658). For example, it can be useful to apply a talent pool strategy, establish specialized model of treating talented employees, deliver employee value proposition, support career plans, and offer highly competitive compensation (Thunnissen et al., 2013b).

Some literature also discusses about the method of forming TM strategies. According to Minbaeva & Collings (2013, p. 1173), MNCs should review their global strategy and consider about whether the company really have strategies in the global level as well as regional levels. Then, MNCs should establish differentiated TM strategies for the pivotal positions and build core TM strategies for the rest of the positions. In addition, the company should design various policies for A, B, and C players for each pivotal position. Furthermore, MNCs should implement and measure the effect of TM, balance global and local needs for talents, and build strong employer branding (Minbaeva & Collings 2013, p. 1174).

According to the research of 138 Swiss companies by Bethke-Langenegger et al. (2011), TM is a “worthwhile investment” because it can have different outcomes based on different focuses: Firstly, by focusing on “*corporate strategy*”, TM can benefit “*financial outcomes*”, such as “*higher sales revenue, productivity and market value*”; Secondly, by focusing on “*succession planning*”, TM can benefit “*organizational outcomes*”, such as “*sustainable organizational culture, stronger market access, higher customer satisfaction and better employer’s image and attractiveness*”; Thirdly, by focusing on “*attracting, retaining and developing talents*”, TM can benefit organizational “*human resource outcomes*”, such as “*job satisfaction and engagement, and improved quality and skills of employees*” (Bethke-Langenegger et al., 2011, pp. 526-534).

According to Vaiman et al. (2012, pp. 929-933), it worth noting that global TM can be influenced by some factors, for example: (1) *talent shortages* (e.g., the recruiting and retaining talent challenges from global level); (2) *demographic and societal trends* (e.g., form different recruitment and retention strategies based on the local labor supply); (3) *corporate social responsibility* (e.g., CSR in different nations and regions); (4) *diversity* (e.g. gender, culture, ethnic diversity in global context); (5) *the increasing mobility* (e.g. the movement of people among different districts and culture); (6) *permanent shift to a knowledge-based economy* (e.g. the increasing need to recruit high-value employees); and (7) *growing importance of emerging markets* (e.g. China and India). Therefore, most companies do not imitate TM policies, because the “fit**”** is the most suitable one (Thunnissen et al., 2013b, pp. 1753-1754).

While detail TM strategies can vary from one organization to another, building a TM system requires organizations to go through some common steps and then form their specialized TM strategy: analysing the “*need*” for the talent; “*collecting data*” to make good decisions about talent; “*planning*” the talents based on the data; transiting the plans into “*activities*”; and measure the “*results*” (Ashton & Morton, 2005, p. 31). According to Stahl et al. (2012, p. 26), the key elements of TM can be summarized as a “talent management wheel”, which can be divided into two parts. As shown in the following figure, the outer ring includes TM practices, and inner ring contains guiding principles. Based on the TM wheel, as it is marked in Figure 3, the key focus points of this thesis include talent review, development and training, and performance management.

Figure 3. An example of a talent management system (adapted from Stahl et al., 2012).

Organizations may take different measures when implementing their strategies, but it should be kept in mind that TM is not simply about forming HR strategies and organizing activities by involving executors and HR managers (King, 2015, p. 283). Since employees are also important roles in TM, and effectiveness of TM can be regarded as a critical element that can influence the business success (Vaiman et al., 2012, p. 929), it can be necessary and also interesting to analyse the effectiveness of TM outcomes on employees based on an exclusive approach to TM.

Therefore, this thesis aims to analyse the implemented measures and the possible effectiveness of the TM system at the case company from an exclusive perspective. More specifically, the effective criteria (speed of promotions) and its connection to talent 'activity' (identification and development) will be discussed. Based on the analysis results, as the outcome of this thesis, the case company can better understand the effectiveness of their TM strategy based on the perspective of employees and make it consistent with the organizational target.

3.1.2 Exclusive TM and the AMO framework

An exclusive TM strategy is likely to lead to positive outcomes. The exclusive subject approach is one of the most popular approaches in TM practice, because by applying the approach, offering more/better resources to talents can help creating higher return on investment, because more return can be expected from this small part of people. (Gallardo-Gallardo et al., 2013, pp. 295 – 296). From an overall point of view, by allocating more resources on the small proportion of employees, organizations may find it easier to arrange "*job control, rewards, performance feedback, skills variety, participation in decision making, empowerment, control, social support, opportunities for growth, etc.*" for the most talented ones (Malik & Singh, 2022, p. 281). In return the selected talents may show more positive attitudes such as "*commitment, engagement, job satisfaction, organizational identification, more work effort, less turnover intention and less burnout*" (Malik & Singh, 2022, p. 279).

Applying an exclusive approach may have certain impacts on the characteristics of talents as well. A challenge that organizations need to confront with in global TM environment is whether to take the risk of establishing human capital to achieve possibly higher turnover or better outcome (Batt & Colvin, 2011, p. 695). Human capital usually means the knowledge, skills, abilities, experience of individuals (Collings et al., 2018, p. 9). By investing on the selected talented employees, the human capital of the talents should be able to accumulate to a certain extent. At the same time, talents may feel more motivated, since being identified as talent means the employee is more superior than his/her colleagues, and it may lead to "*financial rewards, psychological recognition, and hierarchical authority*" (Mousa et al., 2021, p. 8) Furthermore, the talents would be motivated to develop faster to get performance appraisals and promotion. Therefore, it can be said that the accumulation of human capital may result in higher abilities (A), higher motivation (M), and more opportunities (O) especially from an exclusive perspective.

AMO is a framework that summarizes the key components of an effective TM strategy, since "*a well-trained and skilled employee will perform better, and a motivated worker will be ready to go the extra mile*" (Marin-Garcia & Tomas, 2016, p. 1040). It was from 2000 that AMO (ability, motivation and opportunity) framework started to appear in literature and was discussed by different authors (Marin-Garcia & Tomas, 2016, p. 1041). Exclusive TM practices based on AMO framework include, for example: (1) "*formal and informal training*" (for ability), in which the talents are invested more by the organization than non-talents, such as talent programmes; (2) "*job security, promotion opportunities*" (for motivation), and talents would feel more motivated since they can realize their talent status; and (3) "*autonomy, communication*" (for opportunity), where there are more opportunities for talents (Marin-Garcia & Tomas, 2016, p. 1063).

This thesis uses AMO theory as dominant theoretical framework to explain the establishment of hypotheses. In another word, the employees who are formally identified as talents or participate in talent development activities are predicted to have higher/more abilities, motivation, and opportunities, and therefore, they can achieve better talent outcome (getting promoted faster). AMO framework is important and meaningful for this thesis because the target of the thesis is to analyse TM outcomes from the individual employee perspective. According to Marin-Garcia & Tomas (2016, p. 1043), the AMO framework adopts an employee-based perspective and can enable the organization to implement TM strategies more efficiently.

There are three main variations of the AMO frameworks coded in the literature, which are (1) the summative model (A+M+O); (2) multiplicative model (A*M*O); and (3) the combinative model (A, M, O). Different models are determined to be used in different studies based on the required relationships and interactions of factors. (Marin-Garcia & Tomas, 2016, p. 1053). This thesis does not specifically use or apply any of these models, instead, the AMO factors are just used as theoretical concepts to help explain the relationships between exclusive TM practices (talent identification and talent development) and TM outcomes (speed of promotion).

Ability can be defined as "*the acquired or innate ability that enables an individual to perform a specific task successfully*" (Marin-Garcia & Tomas, 2016, p. 1063). Ability is usually measured based on "*knowledge, skills, abilities, and prior related knowledge*". Therefore, "*recruitment and selection*", as well as "*training and development*" are regarded as a critical factor that can influence the abilities of employees.

Motivation can be defined as "*the degree to which an individual wants and chooses to engage in certain specified behaviours*". In the other word, motivation is about the desire of employees to perform. The motivation of employees can be relevant to "*extrinsic*" factors (such as rewards and compensation, pay for performance) and "*intrinsic*" factors (such as interest and satisfaction of job, willingness to perform). Extrinsic factors tend to be short-term, and intrinsic factor influence employees from a long-term perspective, which can be relevant to job commitment. Offering promotion opportunities and giving performance appraisal are regarded as common and useful practices of enhancing the motivation of employees (Marin-Garcia & Tomas, 2016, pp. 1064-1065).

Opportunity can be defined as "*a set of circumstances that makes it possible to do something*". Opportunity is usually influenced by both the individual and organizational environment. For example, "*employee involvement*" (meaning HR practices such as team working and involvement in the decision-making process); "*knowledge sharing*" (meaning information sharing and suggestions systems); "*job design*" (meaning support from HR professionals, and job rotation); and "*autonomy-enhancing*" (meaning autonomy and irregular and regular flexibility) (Marin-Garcia & Tomas, 2016, pp. 1065-1067).

Organizations, which can implement practices based on ability, motivation, and opportunity of employees, are expected to support TM outcomes in three respects: *financial outcomes* (such as higher revenue or bigger market share); *operational outcomes* (such as higher job performance of employees and customer satisfaction); and *HR outcomes* (such as higher job satisfaction, commitment, and retention of employees). (Marin-

Garcia & Tomas, 2016, p. 1069.) The focuses of this thesis are the operational and HR outcomes (since promotion is not only about job performance, it is also related to commitment and retention). More specifically, the speed of promotion was chosen as the result of implemented TM strategy. Because exclusive TM is similar to a 'fast track' scheme where talent get to move up the hierarchy faster than others. Therefore, fast speed of promotion is a positive outcome both for the individual and the organization, which is also a good test of whether exclusive TM works.

Furthermore, it is known that TM can have different outcomes, but outcomes may not necessarily directly relate to a particular TM practice because TM is a system (Jiang et al., 2012, p. 1265). Therefore, as the outcome of TM, speed of promotion needs to be discussed from a comprehensive view (AMO framework) with the integration of talent identification and development.

3.2 Intended effects and outcomes of talent management

The outcome and effects of TM can include different aspects. For example, there are sayings that TM should be aimed at fulfilling human capital, and "*narrowing the supply-demand that the organization is confronted with*". At the same time, much research claimed that TM is needed to contribute to improving the overall performance of the organization (Thunnissen et al., 2013a, p. 328.). The analysis of TM outcome is usually discussed from organizational and individual levels in literature. The corporate level, which means the multinational company as a whole, or the connection between head-quarter and local unit. From the corporate level, the human and social capital might be improved through talent activities in short-term, and the company overall abilities such as market performance and flexibility might be enhanced (Björkman et al., 2017, p. 9-12). One of the difficulties of managing TM outcome for the organization is to measure the outcomes as return to shareholders (Thunnissen, 2016, p. 59).

This thesis focuses on the outcome of individual level. This level means the individuals that are identified as talents and those are not identified (Björkman et al., 2017, pp. 9-12). The individual level is critical to be focused because "*A diversity of (conflicting) interests and goals can have a negative impact on the effectiveness of TM if TM is still focusing primarily on organizational performance and organizational effectiveness.*" Furthermore, TM should be regarded as a "people management system", and the individual outcome is playing a key role in overall success of TM strategy (Thunnissen et al., 2013b, pp. 1754-1757.) The outcome of TM based on individual level generally include employees' motivation, satisfaction and abilities might achieve a higher level in a short period, and the career success as well as mindset can be shaped in a better way from long-term perspective (Björkman et al., 2017, pp. 12-13). According to Al-Hussaini et al. (2019, p. 119), a successful TM strategy can lead to higher employee satisfaction, motivation, engagement, and commitment.

The following Figure 4 gives a more specific summary about the outcome of TM based on different levels from economic and non-economic aspects: *individual* level (meaning the individual needs and targets of employees); *organizational* level (meaning the realization of organizational productivity and flexibility improvements); and *social* level (meaning the influence on societal well-being). As the key point of this thesis, the outcome of individual level, from economic perspective, employees normally expect to be financially rewarded (such as getting higher salary, gaining more compensation benefits, and to be necessary for the position in a long-term perspective). From non-economic perspective, individuals have growth needs (such as getting promoted and career development), and employees would hope to have more feeling of achievement (for example, taking challenging work, more cooperation with others, learning and growth opportunities for future development) (Thunnissen et al., 2013a, pp. 331-333).

A multilevel, multi-value approach to talent management.

	Individual level	Organizational level	Societal level
Economic value of talent management	Financial rewards Job security	Profitability Organizational flexibility Efficiency and effectiveness Competitive position	Economic condition and (inter)national competitive position of an industry, region, or country
Non-economic value of talent management	Meaningful and challenging work Growth and social needs Fair and just treatment	Legitimacy	Social responsibility—i.e., contributing to the social/moral development of society

Figure 4. A multilevel and multi-value approach to talent management (adapted from Thunnissen et al., 2013a, p. 331).

While TM outcome on individual level can have many answers, this thesis selects promotion of individuals for analysis. There are three reasons for making the decision. Firstly, as mentioned earlier, one of the main research gaps is insufficient studies communicating talent statues and discussing about whether the TM programs work, which is also the outcome of TM (Thunnissen et al., 2013a, p. 328). As a fundamentally important question about talent outcome, promotion has attracted little empirical research. It might be because promotion do not happen immediately but based on continuous outstanding performance and potential of employees. In addition, promotion can be hard to be assessed because different positions are play different roles in organizational success, it cannot be stated that which positions are more or most critical for the organization. Therefore, there is a need to analyse promotion of employees based on scaled position levels and in a long period since promotion opportunities are "*one of the main reasons why top performers stay in a company*" (Ambrosius, 2018, p. 58).

Secondly, promotion is an important as well as interesting factor in TM, and there are increasingly more literature discussing about this point. Promotion, which can be also called as career movement, is a pivotal factor in TM and especially talent deployment, because it is managing and nurturing the high potential individuals for organizational succession planning (Barkhuizen & Gumede, 2021, p. 3). Promotion is also important for talent retention. When employees or talents observe that there are promotion opportunities in the organization, they will be motivated and make efforts to get it. On the other hand, if the employees see few opportunities for promotion, they may have higher voluntary turnover intention and may have negative views on talent branding.

(Barkhuizen & Gumede, 2021, pp. 3-4.) Furthermore, in addition to factors such as compensation and working environment, promotion opportunities is also important for job satisfaction of employees (Barkhuizen & Gumede, 2021). It can be said that talent promotion can support the developing and nurturing of individual skills in varies aspects to facilitate the implementation of TM (Abdullahi & Sotayo, 2021).

Thirdly, based on the given data, promotion is seen as a proper element which can be measured as TM outcome. Because the case company give specific grades for different levels of positions and the data includes a period of six years. In addition to be able to check whether the employee has been promoted, the data offers the possibility to discover how many times and how many levels that the position of the employee has changed during the six years. Therefore, instead of calculating the numbers of promotion happened in each year, a more comprehensive analysis can be done based on the changes of positions, which is calculated and regarded as a kind of the speed of promotion.

There are also studies mentioned about why promotion does not occur. For example, the "*experience and expertise*" of employees may influence their possibility of getting promotion opportunities. Meaning that if employee has sufficient experience and expertise, but his peers are more outstanding, then promotion might be difficult. Similarly, if the employee has more sufficient experience and expertise in some fields, but it is not necessary for the organization at the moment, then there might be less promotion possibilities. In addition, sometimes the scale of network may also affect the promotion results (Claussen et al., 2014, p. 242). Furthermore, employees perceive their promotion opportunities with the consideration of their subjective targets and interests. Promotion can be "*vertical career track*" and also "*horizontal career mobility*". Everyone can have different expectation on promotion and may "*perceive their career opportunities differently*" (Ambrosius, 2018, p. 58). Therefore, it does not mean that only getting promoted to a higher level of position means promotion, horizontal position change may also suit the development of employees well.

In addition, from the subsidiary perspective, subsidiary managers may hide their most talented or highly performing employees from getting promotion. Instead of taking the risk that the key talents would be monopolized by the head quarter, subsidiary manager may think it more beneficial to "*hold and protect*" the talents and let them create more values in subsidies. From the head quarter perspective, probably because of the geographical and/or social distance, the decision makers or HR practitioners may not be able to hear the most accurate or latest information about talents, and therefore, cannot make the best assessments of employees and get them promoted (Mellahi & Collings, 2010, pp. 147-148).

There might be different subjective and objective reasons about why promotion happened or not happened. But this thesis ignores the subjective factors about promotion (e.g. employee's motivation to get promoted, and manager's prejudice of promoting an employee). The case company determines the "International Position Evaluation (IPE)" of all the positions in the company, which is expressed in numbers. The dependent variable of this thesis, speed of promotion, is the calculation results of how many actual IPE points that every employee selected in the sample have changed from 2015 to 2020.

As a short conclusion of the theoretical part of this thesis, the key focus points are the realization of TM strategy from employee side, and the outcome of individual employee talents, which are contained in Figure 5:

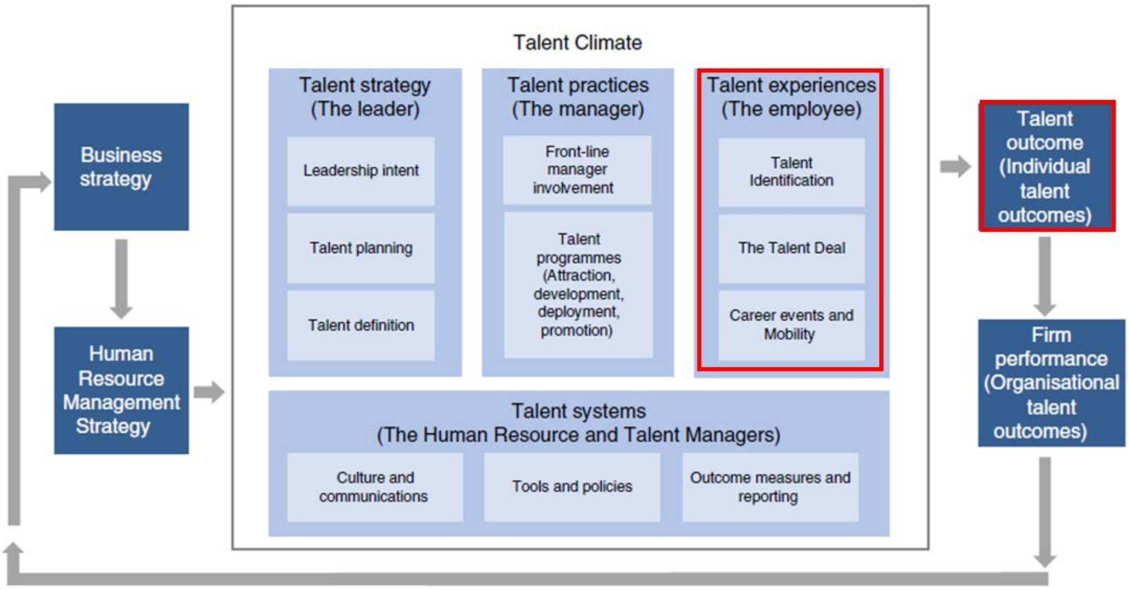

Figure 5. Global talent management strategic framework (adapted from King, 2015, p. 279).

3.3 Talent identification

Organizations would typically pay attention to the selection of employees who "*rank at the top in terms of capacity and performance*". Talent identification may be defined as a process of TM which is linked with "*staffing decisions investments in training and development, and compensation rewards*" (Mäkelä et al., 2010, p. 135). From the exclusive view, the identified talents in organization are usually the "key persons" or "stars" of the organization, they can to some extent gain more opportunities and resources, and probably grow faster than other employees. The following will first illustrate how can talent identification lead to changes of talents based on AMO framework and further influence promotion speed, then discuss why performance and potential are the critical points in talent identification.

3.3.1 Talent identification, speed of promotion and the AMO framework

Abilities

In TM system, one of the key targets is to realize the proper fit between person and job. Hence, it is necessary to balance between the demand and supply of people's abilities. (Mensah & Bawole, 2020, pp. 482-483). Ability represents the knowledge and understanding that employees possess, which is a critical factor of the realization of high performance. It is regarded that "*limited education, training, and past experience may impair an individual's ability to own, understand, and use new information*", it can be said that knowledge and skills are also a kind of treasure of abilities that employees should own. Therefore, abilities are taking an important role in exclusive TM especially when defining the small number of employees with outstanding abilities to be talents. (Yildiz et al., 2018, pp. 100-101).

Abilities of employees can refer to "*the necessary skills to make TM effort meaningful*". Employee's ability can be estimated by analysing to what extent that (1) the ability of the employee can create "*unique and valuable contribution*" for the organization; (2) the cost of loss for the organization if the employee leaves the organization; and (3) the employee face loss if the employee leaves the organization (Kehoe et al., 2016, p. 13). If employees are selected to be identified as talents, it means that they probably have higher natural abilities or have more possibilities to be nurtured to possess abilities than normal employees, and they are of high value to the organization.

At the talent identification stage of TM strategy, the selection criteria usually include assessment of past working performance ("Performance"), future growth capacity ("Potential"), and ability to learn. Sometimes "*interpersonal abilities, cultural fit, attitudes, and personality*" can also play important roles in evaluation (Bello-Pintado, 2015, pp. 313-318). In exclusive TM, a small number of talents are deemed more outstanding than other employees in these areas, and they are worth being given the chance to develop new abilities for better work performance.

Taking performance for example, performance appraisals are the type of data that organizations commonly use when selecting and deciding who are talents (Mäkelä et al., 2010, p. 135). Past performance is usually shown to be a very good predictor of future performance, and therefore, there can be a high chance of multiple promotions. On the other hand, by achieving high performance appraisals in the organizations, the employee may "stand in the spotlight", be identified as talents, and furthermore, develop good reputation that he is known for his excellence. Therefore, it can be said that being identified as a talent is not only a kind of confirmation of abilities, but also an opportunity to enhance abilities and realize career success such as getting promoted faster.

Motivation

Being identified as talent may promote the establishment of a positive psychological contract between the talents and employer. The psychological contract refers to the "*system of beliefs that an individual and his or her employer hold regarding the terms of their exchange agreement*". The beliefs can be related to broad aspects such as values and norms, and also specific aspects such as experiences and motivation. The key point of the psychological contract is that the employee and employer can build a kind of commitment, reducing risks, and helping each other to realize their targets. The process of determining and realizing the psychological contract can be regarded as a kind of mutuality and reciprocity (Dabos & Rousseau, 2004, pp. 53-55).

Organizations select, develop, and retain the best employees to establish their succession planning, and employees will have different understanding about TM practices. When employees observe that they are treated differently from others, in a positive sense, they will regard their behaviours as being appreciated by the organization and they might be rewarded, because their behaviours have made them outstanding. (Höglund, 2012, p. 129). It can be their great performance in the past, and/or high potential to grow in the future. The talents will therefore strive to align with the demand of the organization and contribute to the realization of organizational goals, for example, by performing even better, improving the ability of learning new things, and showing the motivation to take more senior positions (Höglund, 2012, p. 130). Based on social exchange theory, employees that believe that they are better treated than others as a result of being identified as talent, will be more motivated, and therefore, make greater efforts in their work in order to reward the organization and also get promoted (Björkman et al., 2013, p. 197). This is then likely to lead to them being better positioned for future promotions, especially when motivation and commitment are often among the criteria for promotion.

Employee abilities and motivation are regarded as two of the most important factors which can lead to outcomes in literature (Jiang et al., 2012, p. 1267). If employees are selected to be identified as talents, they may encounter more motivation possibilities than others. For example, the identification may bring these talents higher job security such as getting long-term or permanent contract since the organization would hope to retain them and develop them. In addition, there might be internal promotion opportunities in the organizations, and can be a great motivation for talents to perform well to get involved in succession planning (Bello-Pintado, 2015, p. 313-318).

In addition to higher pay and job security, the motivation may also be enhanced by having work-life balance. Because being identified as talents may lead to more enriched roles, higher travelling frequencies, taking projects elsewhere than office location, more workload, the talents themselves will pay attention to their health and the organization will also support the work-life balances of talents. In addition, job satisfaction and enjoyment can also be a motivation for employees to get identified as talents. For example, when being identified as talents, the working roles and responsibilities might be clearer, targets and milestones could be set with the help from organization, and there might be less competition in working environment since talents are not chasing the same ball with other employees (Raidén et al., 2006, p. 888).

In addition to the visible motivation such as getting higher salary, being identified as talent may also lead to better personal relationships, higher job security, more appreciation from colleagues or employers, faster job development, better job conditions, and so on (Rastgoo, 2016, p. 656). All of these financial, operational, and psychological motivation can promote employees to make progress in being identified as talent to go further and faster in their career. It also worth noting that if being identified as talent is partly based on past performance, and since speed of promotions will usually mean being high performing in different kinds of roles in the future, being identified as talent may not always mean a straight path to the top. Furthermore, not everyone identified as talent can be promoted or promoted as fast as each other since there may not be enough promotion opportunities (next point) due to limited job vacancies – for example, in a typical pyramid-shaped organisation, and especially in very flat organisations.

It also worth noting that talent status may also lead to potential negative effects. For example, the selected talents may have more stress, need to spend private time for working, pressure of dealing with the possible changes in interpersonal relationships (Tansley & Tietze, 2013, p. 1813). The more benefits of being a talent in the organization, there might be more costs to be paid. The possible negative sides can (and sometimes do) lead to talent not living to expectations. At the same time, talents may show "false selves" in order to better confront with the pressure and uncertainty that the environment has brought to them (Dubouloy, 2004, p. 473). Because showing their actual characteristics and personalities may lead to risks in the organization, while hiding their real feeling, satisfying others, and achieving the set targets can bring them security to survive in the organization.

Opportunities

If employees are selected to be identified as talents, this means that they will get more opportunities from the organization. Talents will undoubtedly be invested more than normal employees, no matter it is financial, operational, or human investments. (Bello-Pintado, 2015, pp. 317-318.) Because being identified can be interpreted that the talents fulfil the requirements of the organization, and they worth to be invested to succeed in their future career to create more values (Björkman et al., 2013, p. 197).

There are different kinds of opportunities that the talents will be given. For example, after being identified as talents, there may be more communication and involvement opportunities. For example, by being regarded as the important employees for the organization, the talents may be possible to enjoy more effective information flows, more communication on varies of organizational matters, and more involvement of organizational culture and spirit. (Raidén et al., 2006, pp. 889-891). Talents may also be offered with more team-working opportunities. For example, managers know about the abilities and needs of employees, and they may offer different projects and arrange different partners for talents to solve the issues and train the talents at the same time. Some companies, for example the case company, have IT systems that make talent more visible, and they set managers targets that development opportunities (training, rotation, new assignment) must be given to talents within a certain time period (e.g., 3 years). In this way, talents improve their professional skill and interpersonal skills such as team spirit and cooperation (Raidén et al., 2006, p. 889-891).

Organizations may also offer extra appraisal opportunities for talents. Since the target of identifying talents is to gain future leaders, the organization or managers may support to make longer-term planning for talents. Therefore, talents may get feedback on their performance and progress more frequently and on-time, and there might be more encourage and rewards if they can make continuous improvements (Raidén, 2006, pp. 889-891). It can be said that talent identification is a kind of commitment because the organization will offer different treatment for the selected talents and support them to take more critical roles in a shorter time (Björkman et al., 2013, p. 197).

From the above arguments based on AMO framework, it is expected that employees who are identified as talent – compared to those who have not – have: (1) superior abilities to do the job, because they possess superior knowledge and skills; (2) higher levels of motivation to do the job, because they are more incentivized; and (3) receive more opportunities from the organization to grow for future. When these conditions of

AMO are met, it is expected that exclusive TM should have positive outcomes in the form of individual talent's speed of promotion. But at the same time, the selected talents may also have pressure or face challenges. It would be useful to examine whether the identification can visibly lead to positive outcomes. Therefore, the first hypothesis of this research is as follows:

Hypothesis 1: Compared to those who are not formally identified as talent, being identified as talent is positively associated with the speed of promotion.

3.3.2 Performance and potential in talent identification

In addition to hiring new outstanding employees, some organizations would examine the working performance of the employees for two or three years, estimate their possible outcomes, and then label them as talents and develop them (Gallardo-Gallardo et al., 2013, p. 294). Organizations may identify talents mainly by considering the status of employees from different aspects during a selected period. According to Call et al. (2015, pp. 3-6), some studies mentioned that "*Who are the stars*" should be selected based on employees that have continuous high characteristics of the following three main aspects: (1) Performance: the employees that have relatively high job performance than most other workers; (2) Visibility: the employees' performance and reputation are observable; (3) Social capital: the employees can capitalize on valuable relationships. In addition, each of these aspects should include the consideration about employees' ability, motivation, and opportunity.

There is also studies state that organizations may set different identification criteria for selecting talents. For example, "*Knowledge, skills, and abilities*" of employees are seen as a kind of wealth for organizations. Because different human capital has potential relationships with organizational performance and may lead to different organizational outcomes in the future (Sheehan, 2012, p. 67.). Some studies argue that talent identification is normally focused on selecting the high-potential and high-performing employees, or the ones with high levels of human capital across the company (Collings, 2014). In this thesis, based on the feature of the given data, performance and potential of employees are decided to be the two discussion points.

Performance

High individual performance is a kind of foundation for achieving high organizational performance (Thunnissen et al., 2013a, p. 328). Performance is a vital factor in TM, which can also be applied as a strategic tool for realizing management targets and as a result, enhance the performance of employees as well as the organization. Proper performance assessment and relevant development opportunities for talented employees can help improving the feeling of "*trust, belonginess, and job satisfaction*", therefore, employees can be more committed to the organization and more willing to enhance skills to succeed in their career (Barkhuizen & Gumede, 2021, p. 4).

Performance is central to the assessment and identification of employees because it can directly tell the contribution that the employees made to the organization (Kehoe et al., 2016, p. 3), which can also reflect "*an individual's effectiveness in completing his or her core job or role-based responsibilities*" (Kehoe et al., 2016, p. 3). It is regarded that fair and reliable performance assessment and management can increase the "*feeling of trust and belonging*" of employees, at the same time, job satisfaction will be increased because managers can offer feedback about their behavior. (Altindağ et al., 2018, p. 15). Giving on-time assessment and providing relevant rewards of performance can help maintaining a competitive working environment, improving the commitments of employees because they would hope to develop in the organization for longer periods to achieve performance goals (Altindağ et al., 2018, p. 2).

Performance assessment at the talent identification stage is a "*key ingredient in successful global TM*" (Schuler et al., 2011a, p. 29). It is difficult to assess the performance of employees based on what should be completed in different business units in a multinational organization. But the organization can apply a consistent system globally and grade employees based on “*business results (what)*” and “*values and behaviours (how)*”. The target of assessing performance is to check the status of talents, arrange suitable trainings, and prepare more competitive talents for the future, which should be considered when identifying the outstanding employees.

In organizations, employees cannot be developed and promoted exactly equally, hence managers need to decide the features of employees and who to take the new opportunities earlier and faster. One of the most direct and fair method is to judge who has contributed more for the organization. Therefore, the past and current performance on the job is a common selection criterion, because these high performers may have higher abilities, more experiences, better work relationships, and they are more productive and adapted to the current roles to a certain extent (Church et al., 2021, pp. 2-3).

In order to improve organizational performance in general, it is important to enhance individual performance (Thunnissen et al., 2013b). In addition to abilities, performance can also reflect the motivation of employees to complete their work, and they can utilize the opportunity offered in the working environment to create the outcome that is desired by the organization (Vural et al., 2012, p. 344). In real business environment, the performance of employees might be influenced by different factors, for example, human capital (such as experience and expertise) and social capital (such as network), and furthermore, these will also lead to differences for promotion of positions (Claussen et al., 2014, p. 242). It can be said that no matter how many possible factors may affect the identification of talents based on performance, high job performance can at least show the current career success of the employee (O'Boyle & Kroska, 2017, p. 11). If these high performers can be properly noticed, treasured, developed, then they will achieve long-term success, such as getting promoted earlier or faster.

It is important to notice that performance may not be able to predict speed of promotions sometimes. On the one hand, performance is a kind of backward-looking assessment in talent identification, and the key point is to analyse the current abilities, skills, and motivation of the employees. Achieving an outstanding performance grade means that the employee is well performing in the current role, but it does not mean that they may have the skills to perform in a new or higher-level role. Because promotions involve different roles so the past might not be a helpful guide for performance in a totally new role with different knowledge, skills, and abilities requirements. (Cadigan et al., 2020, p. 182.) On the other hand, even though the employee with excellent performance who also possess the skills to a new role, it means for example, past performance might predict one promotion. But high performance may not be the only critical factor to predict multiple promotions within a short period, such as five years. Because it is also needed to look at the criteria that are more forward-looking, such as future potential.

Potential

While performance is measured based on the real history, potential is usually assessed and estimated based on the role/characteristics of the position, or level of the future position (Silzer & Church, 2009, p. 382). Managers identify potentials to support future performance and growth of the organization. Potential can be the quality (such as some kind of abilities, experience, and features) or the group of people who possess these qualities which can create values in the future (Silzer & Church, 2009, p. 380).

Potential is a critical factor in talent identification. "*Having the right talent in the role roles at the right time*" is the long-term target for organizations when implementing TM strategies (Borman & Silzer, 2017, p. 2). Organizations are paying increasingly attention to the importance of potentials and increase the involvement of potential judgements in succession planning. The measurement of employee potential takes a critical role in identification of talents. Because "*having a clear understanding of employees' potential*" can help make the management of "*current and future assignments, performance, development planning, and promotion*" more efficient and effective. (Silzer & Church, 2009, pp. 383-386).

Defining potential and managing the employees with high potential correctly is argued to be a must for organizations to survive and be competitive in the global "*war for talent*" (Borman & Silzer, 2017, p. 2). Potential can include different dimension: (1) *foundational dimension*: which means the conditions that employees will not change in a short time, such as cognitive abilities and interpersonal skills; (2) *growth dimensions*: which means the possibilities to develop, such as learning ability and motivation of promotion; (3) *career dimension*: which means the feature of employees' skills, such as leadership ability and technical knowledge (Silzer & Church, 2009, p. 401). The case company focuses a lot on the second dimension. When they conduct the assessment of employee potential, the motivation and learning abilities of employees are usually the key points.

In order to allocate limited resources among all the employees, managers need to decide who to be promoted. Nowadays, not only performance, but also potential evaluations are necessary to be completed for determining the promotion opportunities. (Cadigan et al., 2020, pp. 180-181.) Talents, who are regarded as the possible "*future leaders*" of the organization, usually have high potential (Ehrnrooth et al., 2018, p. 444). Because having higher potential can usually make the employees be more outstanding than others at the same position levels, and the organization will pay more attention on their performance, development, and growth to better confront with competition and challenges in the marketplace (Silzer & Church, 2009, p. 386).

In this thesis, managers at the case company determine an individual employee's potential ("growth capacity") based on three main points: (1) their strengths and competencies for current and future roles; (2) motivation and aspiration to take more senior positions; and (3) their learning agility (speed of learning new things with limited knowledge and experience). Therefore, the potential assessment result is about the possible levels that an employee should be promoted in the near future, for example, the case company would grade the potential of their employees as "stay in the same level of position", or "promoted 1 level higher".

However, past performance and future potential may not always be good predictors for employees' achievements in the future. For example, performance is based on the history and may not be up-to-date, and the future may require different skills. Potential is based on the future, which is a kind of prediction and might be highly subjective and therefore prone to biases. As imperfect, subjective assessments, it could be possible that these assessments can be misleading or biased. There can also be other reasons that the outstanding employees cannot get promoted, such as favouritism (and internal politics), bias against outsiders, and various forms of discrimination (e.g., age, race, gender, family situation). Furthermore, there is also evidence suggesting that it is important to distinguish between "high potential" and "high performers". A study suggests that "*93% of high potentials are high performers, while 29% of high performers are high potentials*" (McGrath, 2008, p. 60). This is because high performers may only be successful in the current role, and high potentials may have particular skills or knowledge that can help them to promote and succeed in different positions.

In exclusive TM, the small proportion of employees are usually viewed as "*high-value staff*", who normally have high performance and/or high potentials (Iles et al., 2010, p. 127). It would be therefore interesting to know the extent to which past performance and future potential at the talent identification stage of TM strategy are good predictors of promotion speed. This thesis does not analyse the reason why promotion does not happen in the complex global TM context and this specific MNC setting. Instead, it examines existing evaluations of performance and potential of employees (talent and non-talent), and the relationship between these valuations and the TM outcome – speed of promotion. Therefore, two hypotheses advanced:

Hypothesis 2: An employee's past job performance (as evaluated by his/her supervisor at an earlier career stage) is positively associated with their subsequent speed of promotion.

Hypothesis 3: An employee's future potential (as evaluated by his/her superior at an earlier career stage) is positively associated with their subsequent speed of promotion.

3.4 Talent development

The literature that refers to practices and activities of TM mainly focus on three points: "*(1) recruitment, staffing and succession planning, (2) training and development, and (3) retention management*". It is important to balance the internal and external talent of the organization. Getting external talents include activities such as buying, borrowing, building, bounding, bouncing, and binding. The key activity in nurturing internal talents is training and development, which is also the focus point in this thesis (Thunnissen et al., 2013b, pp. 1753-1754). Talent development is usually used for describing the development of employees, people, or workforce (Iles et al., 2010, p. 127), which includes a series of activities that are implemented to nurture the talents (Bolander, 2017, p. 1526). Furthermore, talent development in exclusive TM system usually means development opportunities only for those identified as talent, which include for example, invitation-only leadership programmes, career mentors, special assignments.

There is research about HR practices and organizational performance from 1990s, there are general results that training, and development activities play important roles in human capital and can to some extent positively influence the development of organizations (Sheehan, 2012, p. 69). It is because offering training and development opportunities can not only improve the skills and abilities of employees, but also may impress employees and strengthen the commitment and satisfaction to the organization and can be seen as opportunities for personal growth that not every employee receives. The following will discuss how can talent development lead to changes of talents based on AMO framework:

Abilities

Organizing development activities is one of the most direct and useful method to improve skills and abilities of employees. The target of providing development activities is to make sure that talents master necessary abilities to realize their job performance, and at the same time, develop employees' quality or level of skills that are needed for future (Jiang et al., 2012, p. 1267). Talent development is generally focused on developing the needed quality and quantity of talents in the global context based on the company operation requirements (Collings, 2014, p. 254). One of the key points of TM is to prepare employees for future need. Therefore, the competences of employees are rather critical. A common and direct strategy is to arrange talent development activities and programs (Björkman et al., 2013, p. 198).

Organizations usually offer different development opportunities for talents, and usually more opportunities are provided for talents (comparing to non-talents). Take global mobility for example, it normally includes international business travel, rotational assignments, and long-term (about 3-5 years) as well as short-term assignments (about 1 year). The integration between global mobility and TM has several benefits, for example, it can help with filling the positions, developing abilities of individual employees, increasing the connection between subsidiaries, and information sharing. Furthermore, global mobility can also benefit companies to implement leadership development and succession planning, organizational development, and coordination and control. As a result, the development of employees' social capital can be identified as a key outcome of implementing global mobility measurements (Collings, 2014, pp. 254-255).

To give another example, even though it may occur less frequently than other development activities due to finance or resource limitations, job rotation and challenging assignments are still regarded as useful tools in developing talents. Because making the departments/units to improve is a critical part of enhancing the overall interest for the organization (Thunnissen et al., 2013a, p. 328). TM system and strategy is playing important roles in this kind of development activities, because the managers or HR practitioners need to know deeply about every employee, identify the talented ones, offer growth opportunities for them, assist them to improve better performance, and therefore, achieve the organizational goals (Rastgoo, 2016, p. 654).

The case company offers different kinds of development activities for all the employees based on the analysis of their current situation and prediction of possible demand for future. In addition, development programs are specially designed for the identified talents in order to further and faster improve their needed skills to become a future leader (for example, only talents can take future-oriented like leadership training opportunities for their development). It can be said that the employees who are admitted to different development activities should be more outstanding in the future, since it means that the organization has cared about and invested in their development. Like a resource-based argument, taking these activities can probably lead to better job performance to some extent, and further, lead to faster growth and faster promotion.

Motivation

According to Bethke-Langenegger et al. (2011, p. 524), TM strategy with a focus on retaining and developing talents may positively impact on individual outcomes such as "*job satisfaction, motivation, commitment, and trust in leaders*" as well as organizational outcomes such as "*company attractiveness, the achievement of business goals, customer satisfaction, and corporate profit*".

One of the final targets of organizing development activities for employees is to motivate them and make them willing to use their skills and abilities to realize value (Jiang et al., 2012, p. 1269). By offering valuable and suitable development opportunities in the organization, employees will regard that those abilities and skills are desired by the organization. Therefore, the employees should have higher motivation, and be more willing to get involved in the development activities to meet the qualities of the organization and gain new skills and abilities to be more potential for future promotion (Höglund, 2012, p. 129). More specifically, by joining development activities, talents may participate more in teamwork, involve in the environment better, build positive attitude, become more confident, and be more motivated to innovate based on gained knowledge (Baqutayan, 2014, p. 2294).

In addition, according to social exchange theory, if the organization invest in the employees, the employees tend to react positively towards the investment (Björkman et al., 2013, p. 196). Psychological contracts, in a simple word, mean the opinion that employees show toward what is offered by the organization and how should they contribute to return (Björkman et al., 2013, p. 197). Employees, especially the talents, should be able to see the investment that the organization has made for improving their knowledge, skills, and abilities. Based on the norm of reciprocity, the employees will interpret the organizational investment as a kind of commitment, and they should cultivate their skills and use it in their work as a return for the organization (Höglund, 2012, p. 130). When talents are developed such as taking development activities, they can be more motivated to perform better to get the higher-performance compensation or salaries, and furthermore, get promoted faster and succeed in their career earlier (Bello-Pintado, 2015, pp. 317-318). One of the key goals of TM as well as the key point of psychological contract is to increase the "*commitment of talents to accelerate their development*" (Ehrnrooth et al., 2018, p. 444).

Opportunities

Talent development is a critical part of TM, since the talent employees are able to get "*special treatment*" from the company to "*accelerate their development and performance*" (Thunnissen et al., 2013b, p. 1753). For these talents who have been involved in development activities, they are more likely to possess the abilities of "*meeting job demands*", and therefore, receiving "*positive performance appraisals*" (Jiang et al., 2012, pp. 1267-1269).

By developing talents, the employees will be shaped into appropriate "*qualities, attitudes, and behaviours*" which are needed, expected, and should be rewarded by the organization (Höglund, 2012, p. 129). In addition, since organizations usually develop abilities of talents which are supposed to be valuable for future, these developed talented may be more valued by the organization and therefore, these talents have more opportunities to obtain promotion opportunities. At the same time, based on the studies of social exchange and norm of mutuality and reciprocity, employees who have realized that the organization invests in them and take actions for them may feel obligated to reciprocate and be more motivated to work hard at work (Jiang et al., 2012, pp. 1267-1269).

Furthermore, the developed talents may have stay in the organization longer in order to develop further or get promoted. On the one hand, after the long-term contribution and improvements made by talents, organizations would also be more willing to establish long-term and stable cooperative employment relationships with these talents. On the other hand, if the talents leave the organization, then the developed skills and abilities might not be valuable in other organizations at lease in a short time, especially the "*organization-specific human capital*" (Jiang et al., 2012, pp. 1267-1269). Furthermore, the organization might be more willing to promote the internal cultivated employees, because promoting the externally new-hired high performers for more senior/managerial positions can be relatively risky. The reason is that these external top performers have higher possibilities to leave the organization since they might be more sensitive to salaries and growth opportunities (Call et al., 2015, p. 11).

In addition to the above-mentioned opportunities, after talents joining development activities, the organization may offer some extra opportunities to them. For example, opportunities of information sharing and employee participation, meaning that the talents can probably know more about the performance or financial information of the organization, or be involved in more discussion of solutions for organizational challenges (Bello-Pintado, 2015, pp. 317-318). It can be said that these employees may succeed in their career earlier and faster, since they have more knowledge, skills, and also information.

To summarize the discussed points, by participating in joining talent development activities – some of which are only open to talents in an exclusive TM system, we would expect talents to have: (1) more advanced abilities, skills, and knowledge, for future roles; (2) higher motivation to perform well in current and future roles; and (3) more opportunities and managerial attention from the organization in terms of the facilities and support, and therefore, the talents will be promoted faster. As an overall 'virtuous circle' effect, they perform well and get identified as talents, then they are given more/better opportunities to succeed, which helps them to maintain their talent status and get promoted, and typically these development activities help them to continue succeeding. It would be interesting to explore if the investment made on employees can achieve positive TM outcome. Hence, the following hypothesis is made:

Hypothesis 4: Talent that participate in a greater quantity of development activities are more likely to experience a higher speed of promotion.

4 Methods

4.1 The case company

4.1.1 Introduction about the company

The case company is a global corporation headquartered in Finland. The case company offers production, maintenance, and modernization of buildings for customers. The case company had been shown as one of the most innovative companies in the Forbes list. The business of the case company can be divided into five geographical areas, which include Americas, Asia Pacific, Greater China, Central & North Europe, and South Europe and Middle East & Africa. It operates in over 60 countries. For the international strategy, the key point that enabled the company to expand rapidly in the history can be summarized as “making acquisitions”, which can help companies to gain the scale of economies and get access to local market efficiently and effectively.

The overall strategy of the case company is based on the culture (which focuses on *safety* and *quality*), at the same time focusing on key points to win (*innovation*, *service*, *customer*, and *execution*) to achieve strategic targets (such as *most loyal customers* and *great place to work*). The two main business areas of the case companies are service business and new equipment business. In addition, the case company pays a lot of attention of developing technologies to create opportunities for innovation and differentiation. The case company has also been focusing on sustainability and trying to create increasing positive impacts on environment, for example, making environmental-friendly investments, improving energy efficiency, and reducing packing-related emissions and waste.

Among the 60,000 employees, 1,200 of them are technology professionals. Great attention is paid to attracting the best talent, and employees’ new competencies and diversity are important factors in recruitment. In 2019, 78% people who applied for positions offered by the case company were not originally from the same industry. At the same time, the case company has kept investing in people, for example, there are more than 4,000 training programs/studies available for employees, there are collaboration with universities to gain new professionals, and global leadership programs are designed to develop and retain their key talent.

As an employer, the case company is a high performer in employee satisfaction, since 85% of the employees think that they are treated with respect. The company is also trying to improve organizational diversity, for example, aiming to have more women to work on director level positions. The case company is facing challenges as well, for example, strategic risks (such as the changing of global economic environment), operational risks (such as quality issues and raw material prices), and financial risks (such as taxation and foreign exchange rate fluctuation).

4.1.2 Talent management at the case company

This case company was chosen since it operated with an exclusive TM strategy and offered a rare opportunity to analyze their employee data. Similar to other companies, TM at the case company also includes a series of processes to manage the individuals with high performance in the company, such as attracting, identifying, developing, and retaining. HR function plays an important role in designing and implementing TM practices (Björkman et al., 2017, pp. 7-8). For example, the head of TM team of the case company is responsible for creating TM policies, managing processes, and using tools from a global perspective. From the role of the HR function point of view, the key factors to make global TM effective at the case company can be summarized into two points: select the most outstanding employees, develop them, and offer attractive promotion opportunities.

In order to achieve the strategic targets of the company, the company decided to manage, identify and develop their people globally via an exclusive TM system. The key point as well as the processes of TM strategy of the company is built based on an annual activity that reviews and selects high performers in global as well as local levels. The target of the activity is to select 500 leadership roles worldwide annually, and the target is changing annually based on company need, such as diversity (e.g., nationality), development (e.g., percentage of job rotation), and recruitment (e.g., internal or external). In addition to this, different business areas and districts are expected to nominate 1-5% of their employees to be members of this talent pool, among which 300 "talents" (the general term "talent" is used in this thesis in order to protect the identity of the company) are not currently working at key positions but have the potential to succeed in future leadership positions.

The TM strategy of the case company can be summarized into the following three key stages.

Stage 1: Talent Identification

The main arguments in literature about talent identification include two dimensions, which are (1) whether the talent should be natured or can be nurtured for some of the abilities/skills, and (2) whether talent identification should be input-based (identification based on the interest, motivation, and career of talents) or output-based (identification based on performance or skills of talents) (Bolander, 2017, p. 1525). Similar to the exclusive TM theory, for the small number of selected employees, the company has been attracting and recruiting the best talents, identifying and separating them, then developing and retaining the talents (Rastgoo, 2016, p. 658). The company focuses on two points in identification process, which are the past performance in the current position (based on knowledge and skills), and the potential to grow in the future (based on interest, motivation, learning agility and so on).

The target of this stage is to assess employees' performance, potential, and some other aspects to decide if the employee can be identified as talents. The performance is assessed by the past job performance of or employees, and the potential is defined based on the employees' ability, commitment, and motivation. This research selected

2015 as the starting year. 100 employees who were nominated to be a talent in 2015, and 100 employees who were not nominated to be a talent in 2015 were selected. The company employee data of these total 200 employees are tracked from 2015 to 2020. Every year, there would be new assessment and nomination results, meaning that an employee who was nominated to be a talent may not be nominated in 2016. The assessment result of previous years will not in this sense influence the nomination in later years. Furthermore, the identification results (whether the individual has been identified as talent or not) is not communicated to employees, but the HR practitioners at the case company assume that most employees are able to guess the result based on subsequent changes in their work.

It is regarded by the case company that performance and growth capacity (potential) are the two key aspects that managers will review when identifying talents. For the performance assessment, in addition to general performance in daily work, outstanding leadership behaviours in managerial positions also take important roles in performance assessments, for example, decision making, executing, and strategic and business acumen.

For potential assessments, there are three key factors that are considered when rating the potential level of employees: (1) the appropriateness between the employee and the requirements of his current role and the intended future roles; (2) the motivation and aspiration of the employee to take more senior positions; and (3) learning agility based on the history of the employee about the acceptance and speed of learning new things during a changing a situation or role. Growth capacity is a kind of evaluation of employees that indicates whether the employee has the capability to be promoted in the future. For example, “current + 1” means the person has the capability to move one level up. But it is important to keep in mind that growth capacity is just a prediction and assessment whether the employee has the capability to be promoted, it does not mean the employee with “current + 1” will absolutely be promoted one level up e.g.

within a year. The possible reason could be, for example, there are no available open positions for this employee to be promoted.

Below are the possible ranking/results of performance and growth capacity (potential) assessments. It can be summarized as the following three key points for talent identification stage for this research: (1) assessment of performance; (2) assessment of potential; and (3) talent identification result.

Table 2. Case company employee identification criteria.

Category	Scale
Performance	1 = Too early to appraise
	2 = Does not meet expectations
	3 = Meets most expectations
	4 = Meets expectations
	5 = Exceeds expectations
Growth capacity (potential)	1 = Less than current
	2 = Current
	3 = Current +1
	4 = Current +2
Talent identification	0 = not identified as talent this year
	1 = identified as talent this year

Stage 2: Talent Development

The target of this stage is to improve the competencies of the identified talents to meet their future position needs. This stage mainly includes the planning and implementation of individual development activities. For developing the selected talents, the company applies a "70% : 20% : 10%" principle. It means that 70% of the development is based on experiences from various positions, projects, and rotations; 20% is based on learning from others, such as mentoring and coaching; and 10% is based on formal education and training.

In the employee data for this thesis, there are mainly two kinds of development opportunities. The first type can be named as development activities, which can be taken by every employee (no matter whether they are identified as talent or not). The second type can be referred to as “talent development programs”, which can only be taken by some of the identified talents to support their development towards future leadership roles. The managers decide the series of activities/programs for sub-ordinates to take based on employees’ experiences, current skills and working environment, and possible skills that are needed in the future. Some employees attend several activities within a year, and some employees join different activities in different years. Below are the general development activities and programs:

Table 3. Case company employee development opportunities.

Category	Types
Development activities	1 = mentoring/coaching
	2 = learning on the job
	3 = Organization training program
	4 = self-study
	5 = learning from others
	6 = external course
	7 = job rotation
	8 = learning from experiences
	9 = training
Talent development programs	1 = A for earlier career stage
	2 = B for mid-career stage
	3 = C for senior leaders

Stage 3: Talent Outcome

As a result of the talent identification and development process, the selected people are expected to experience positive outcomes in subsequent years. Talents may have higher individual performance, horizontal or vertical promotion, higher salaries, or they might have failed and been removed from talent pool for some reasons. IPE (International Position Evaluation) is one of the major global systems for role evaluation. The case company uses this evaluation system to determine the relative size and ranking of all the roles in the organization and ensure global consistency, as well as to help ensuring external competitiveness and internal consistency of pay. In the given data, employees are assessed annually about their position grade and IPE, which can represent the talent outcome to a certain extent.

The case company uses IPE to determine the rank of roles and ensure global consistency of positions, ensure external competitiveness, and balance internal salaries. IPE is regarded as a key factor in TM at the company. Table 4 below shows the grade and IPE range assessments of different levels of positions at the company. The lower the grade, the more senior managerial the position. In addition, different grades are relevant to IPE ranges, and the lower the grade, the higher the IPE ranges. Data about employees' grade and IPE ranges are given by numbers, therefore, the changes of employees' positions are visible. Based on the annually change of grade and IPE ranges, it is possible to predict the speed of promotion of employees. (In reference to measures in the research design) that an increase in IPE is considered a promotion:

Table 4. Job grade and IPE ranges within the case company.

	Grade	IPE Ranges
Executive Vice President	1	66 – 70
Senior Director / MD	2	62 – 65
Director / Leading Expert	3	58 – 61
Manager / Expert	4	54 – 57
Team Leader / Specialist	5	50 – 53

Technicians, assistants	6	< 50

4.2 Research philosophy and approach

Research philosophy can be regarded as a "*system of beliefs and assumptions about the development of knowledge*" (Saunders et al., 2016, p. 124), which tells about different methods that can be used for analysing data (Eriksson & Kovalainen, 2008, p. 11). There are three types of research assumptions: *ontology* (focusing on the nature of world and reality), *epistemology* (focusing on observing knowledges to find the truth), and *axiology* (focusing on discovering the meaning and value of reality) (Saunders et al., 2016, p. 127-129). This research aims at developing knowledge in TM field, and it is a combination of these research assumptions, which originated from understanding the meaning of talents and needs, then adjusting knowledge to identify and develop talents, and finally checking the value of real investments on talents.

This research has applied the type of research philosophy called pragmatism, which claims the importance of reality and actions, and the supporting role of concepts. Pragmatist research begins with discovering the research problem and then constructs research design and strategy on this basis. (Saunders et al., 2016, p. 142-144.) After understanding and observing the data generated from TM strategy of the case company, the focus point of the research is decided to be the relationship between TM (talent identification and talent development) and individual talent outcomes.

The key research approaches to theory development include *deduction* (reviewing the existing literature and developing hypotheses, and then examining the propositions by collecting and analysing data), *induction* (acquiring and analysing interviewing data, and then checking if findings are consistent with the theory) (Ghauri & Grønhaug, 2010, pp. 15-16), and *abduction* (observing the fact and finding out possible supportive theories, then designing data analysis to see if the phenomenon can be explored) (Saunders et al., 2016, p. 144-149). The employee data and hypothesis testing part apply deduction approach, since it started from reviewing TM theories and checking the raw data, then data analysis is designed based on the contribution of theories. And the interview part belongs to abduction approach, it is both exploratory and explanatory because the hypotheses are tested based on the interview, which aims helping readers to understand the findings, such as the relationships in the research model.

4.3 Research design and research model

Research design usually includes the decisions that are consisted in different layers of the research, such as methodological selection, data gathering and analysis, and writing process (Eriksson & Kovalainen, 2008, p. 35). Here will mention some critical decisions that were made for this research. It is important to choose a research method, which normally include two kinds, qualitative and quantitative methods. Qualitative research method focuses on collecting non-standardised data and to understand meanings expressed through words, and the quantitative research method emphasizes meaning based on numerical and standardised data (Saunders et al., 2007, p. 472).

Quantitative research method is more about using specific things, such as statistics and numbers, to conduct analysis mathematically (Muijs, 2010, pp. 1-2). Quantitative data has little significance to people before it is processed and analysed. Therefore, the data needs to be transformed into other forms such as graphs and statistics to offer meaningful information to people. By using quantitative analysis, people can describe and explore the relationships among different items (Saunders et al., 2007, p. 406).

It is known that every research method may have disadvantages, for example, qualitative research may lack "*objectivity*" and "*generalizability*", while quantitative research may lack "*voice*" and "*interpretation*". Therefore, a mixed research method, meaning the combination of applying quantitative and qualitative methods, can to some extent address the respective weaknesses of qualitative and quantitative methods. One more point worth noting here is that the quantitative method is the main research section of this study, which was performed first, and the qualitative method was used as supplement for understanding and interpreting the results from the quantitative research. (McKim, 2017, pp. 213-214.) Furthermore, based on the process of the research methods, the methodological choice of this research is to use a sequential explanatory research design, which means that quantitative research is done first, then a further data collection and analysis is done in qualitative research (Saunders et al., 2016, pp. 170-171).

When it comes to research strategy, in this research, the quantitative research part belongs to the analysis of secondary (company employee) data. The variables are selected based on the collected data, and relationships between the cause and effect are discussed. Followingly, an exploratory, semi-structured interview is conducted, where respondents are allowed to speak openly. In addition, the time horizon of the research is longitudinal, because the variables are measured during a five-year period, and the research is focused on change and development (Saunders et al., 2016, pp. 200-201). Furthermore, hypothesis means the preliminary explanation of facts to be tested and invested in latter part of the research (Muijs, 2010, pp. 7-8). The hypotheses in this research are determined and tested from the combination of qualitative and quantitative perspectives.

The following figure 6 is the research model. The whole research can be summarized into four parts: (1) the in-depth literature review and observe the features of data; (2) formulate hypotheses; (3) perform quantitative analysis to test the hypotheses and then, do qualitative research to support better interpretation of the findings; and (4) discuss the findings and form conclusions. In the following sections, the data collection, sample, and data analysis process of quantitative research and qualitative research section will be discussed separately.

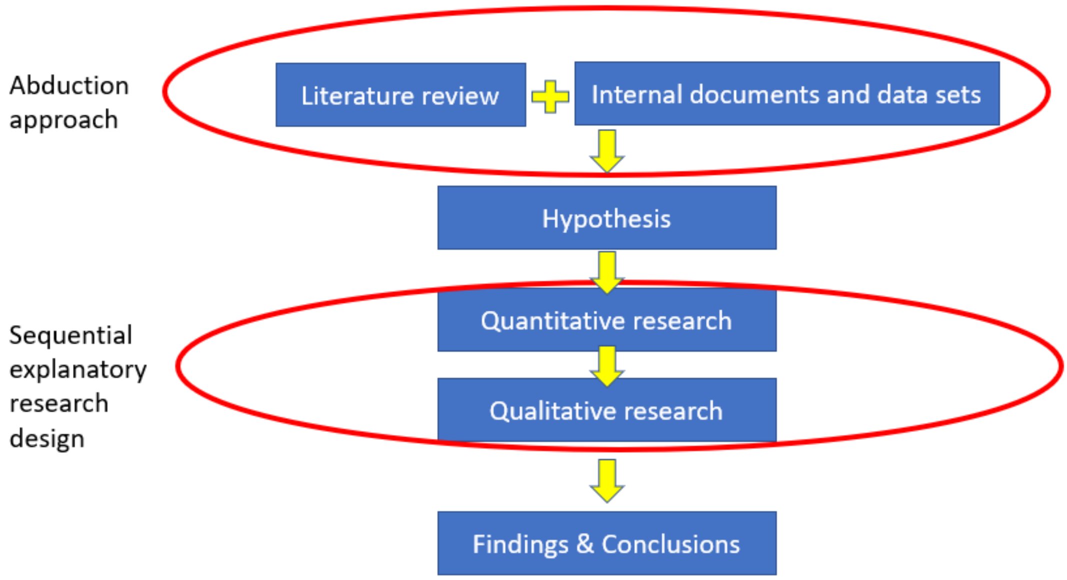

Figure 6. Research model.

4.4 Quantitative research process

4.4.1 Data collection and sample (of quantitative research section)

For the quantitative part, secondary data has been used since the data was originally collected by the case company for their own internal-HRM and TM purposes. This type of secondary data belongs to big data in longitudinal multiple sources, because these data can be massive and hard to analyse in many databases where they are stored. When comparing with primary data, there are some advantages of using secondary data, such as higher flexibility, less cost of time, high quality and reliable since it is collected by the company (objective versus subjective in some cases, e.g., talent development), and the most representative data can be selected for conducting the particular research problem (Ghauri & Grønhaug, 2010, p. 94). Using secondary data has disadvantages as well, such as difficult access, hard to really control the data quality, and the way to present data can be affected by the original data collection method or purpose (Saunders et al., 2016, pp. 319-334).

The research is based on data selected from the TM system of the case company. As part of the TM task, the case company has been collecting and tracking information of employees through the years. In the case company, people who work at managerial positions record and update the information of their subordinates regularly, and the information is reviewed annually. Therefore, it is convenient for them to select and export the needed data for this research. It just takes time to discuss which and how many employees should be selected, what kind of information is needed, and which period of data to be included. In addition, the data was related to every single employee in the company, and data was collected by themselves, therefore, the data has high reliability and suitability for this research (Saunders et al., 2016, pp. 335-338).

Sampling can provide convenience when there is not enough budget, time, or possibilities to survey the whole population. Statistical analysis usually requires a minimum sample size of 30. The 95% level of certainty is normally used for analysis, meaning that within 100 samples, 95 of them can represent the target population to a certain extent. Data would be more accurate if the sample size is bigger, or the sample have high representativeness of the target population (Saunders et al., 2016, pp. 274-283). As mentioned earlier, 100 employees who were identified as talent in year 2015 were selected. In addition, 100 comparable employees (in terms of tenure, seniority, country) who were not identified as talent in year 2015 were selected for comparison. In total, the sample is 200 employees, which was considered as a suitable and manageable number for a master’s thesis.

In order to increase the representativeness of the sample, employees are selected from different nationalities, working fields, gender, age, working tenure, position levels, and there is information available about whether or not they had been identified as talent in year 2015. Employee performance, potential, and development data of these 200 employees, together with their job level categories (promotion) was provided for the years 2015 to 2020. Because there is more complete and fresh information in the system during these six years, and six years would be able to see the changes and effects on employees in terms of speed of promotion from a TM perspective. Key data was provided for three parts: (1) whether the employee is identified as talent, including performance and potential rating; (2) the development activities that employees have joined/completed, and (3) changes of employee’s employment in terms of level of position. Sensitive information such as employee names, exact position titles, and salary ranges were withheld in order to protect the privacy of the employee data

The sample belongs to probability sampling techniques because the chance of each case to be selected from the whole population is equal. In addition, a stratified random sampling is applied because this part of research needs statistical analysis, the sample should be representative of the sample, and the sample include relevant strata with periodic patterns (Saunders et al., 2016, pp. 283-285).

The original data file was sent by the contact person by email. Different rows stand for different employees, different columns contain relevant information about the employee. The file contained 6 sheets, and each sheet included the data of each year from 2015 to 2020. The scope of information can be summarized into four parts: (1) Personal data (age, gender, nationality, education major, company tenure, and position tenure); (2) Assessments of talent identification (yes/no), performance rating and growth capacity (potential); (3) Development opportunities (individual participation in different development activities and talent programs); and (4) Career status (company job grade and IPE).

4.4.2 Descriptive statistics of the sample

Background information

The sample of employees consists of 200 employees. It worth noting that some of the terms are coded in two ways in this thesis. In this methods section, terms are coded in the way which is consistent with the given data. In other sections, there are simpler ways for the coding of items. A table for the comparison of coding is provided later in section 5.1.

The following Table 5 shows some general information about the employees: their age in year 2015, year of service in 2015 (meaning for how many years that the employee has been working at the case company), and years in current position in 2015. From the distribution of data, it seems that sample is proper for conducting analysis since the employees varies from different ages and working experiences. In addition, it seems that there are more young and fresh people flowing among different positions at the case company.

Table 5. Sample characteristics 1.

	Minimum and maximum	Average	Skewness	Kurtosis
Age in 2015	23 and 63	38 (*SD* = 9.163)	0.977 (0.5 < 0.977 < 1)	0.048 (almost 0)
Year of service in 2015	0.75 and 43.08	8.29 (*SD* = 7.709).	2.239 (> 1)	5.490 (> 3)
Years in current position in 2015	0 and 17	2.55 (*SD* = 2.317)	2.668 (> 1)	12.205 (> 3)

Talent identification

In the sample, 100 of the employees were identified as talents, and the rest 100 people were not identified as talents in 2015. Some of the employees who are identified as talents in 2015 may not be identified as talent in later years, and some who were not identified as talent in 2015 probably were identified as talent in later years. The average frequency of being identified as talents is 2.15 times during 2015 to 2020, and 63 people have never been identified as talent through the years. The number of people that are identified as talent 1-5 times are similar. Just 8 people are identified as talent every year. Average of employee performance between 2015 to 2020 is calculated. The mean is 4.27 (“4 = Meets expectations”, and “5 = Exceeds expectations”), median is 4.33, and mode is 4 (*SD* = 0.428). For the potential (growth capacity) calculation, the mean is 2.68 (“2 = Current”, “3 = Current +1”), median is 2.8, and mode is 3 (*SD* = 0.533). Detailed information regarding the distribution of employee gender, and factors that are related to talent identification are presented in the following chart.

Table 6. Sample characteristics 2.

	Category	Percentage (%), *N* = 200
Gender	Male	74% (*N* = 200)
	Female	26% (*N* = 200)
Talent identification (yes)	Talent in 2015	50%
	Talent in 2016	44.5%
	Talent in 2017	24%
	Talent in 2018	44%
	Talent in 2019	29%
	Talent in 2020	24%
Accumulation of identified as talent 2015 to 2020	0 times	31.5%
	1 time	15%
	2 times	11%
	3 times	12%
	4 times	14%
	5 times	12.5%
	6 times	4%
Performance (average 2015 to 2020)	≤ 3.5	7%
	3.6 – 4.0	23.5%
	4.1 – 4.5	43%

	4.6 – 5.0	26.5%
Potential (average 2015 to 2020)	≤ 2	30%
	2.1 – 2.5	13%
	2.6 – 3.0	43%
	3.1 – 3.5	10%
	3.6 – 4.0	4%

Talent development

Development activity is a key factor in the talent development process of employees. By calculating the number of activities that employees had taken during 2015 to 2020, it shows that the three most popular activities that are taken by employees during 2015 to 2020 include activity 2 ("learning on the job"), activity 3 ("company training program"), and activity 5 ("learning from others"). Most of these 200 employees have taken some activities during 2015 to 2020, but it might be challenging to judge which development activity is better. Therefore, the accumulation of how many activities that every employee has taken is calculated. People take 4.37 activities in average, and the three biggest groups are people who had taken "3 activities", "4 activities" and "5 activities" during 2015 to 2020. Another section of talent development process offered by the case company is development programs. These development programs are leadership-related, thus the employees who had completed these programs were expected to take a more senior managerial position in the future by case company.

Table 7. Sample characteristics 3.

	Category	Percentage (%), *N* = 200
Development activity	Mentoring/coaching	36.5%
	Learning on the job	62.5%
	Company training program	49%
	Self-study	35.5%

	Learning from others	40.5%
	External course	28.5%
	Job rotation	17%
	Learning from experiences	18%
	Training	17.5%
Accumulation of participation in development activities (2015 to 2020)	0	4%
	1	5.5%
	2	13%
	3	17%
	4	14.5%
	5	17.5%
	6	11.5%
	≥7	17%
Participation in talent development programs	Completed A	11.5%
	Completed B	4%
	Completed C	2.5%
	Completed both A and B	0.5%

Talent outcome

In order to compare and see the differences among employees, and make preparation for further analysis, the changes of IPE grade that happened to every employee was calculated. For the IPE changes during year 2015 to 2020, as it is shown in the following table 6, the three biggest groups are the people who have "No changes", "One point higher", and "Two points higher”. In addition, nobody has “Two points lower”. The more levels higher during the period, the greater the speed of promotion.

Table 8. Talent outcomes (promotions) in the data.

	Category	Percentage (%), *N* = 200
IPE changes 2015 to 2020	No changes	42.5%
	1 point higher	13.5%
	2 points higher	19%
	3 points higher	11%
	>3 points higher	6.5%
	≥1 point lower	7.5%

This descriptive analysis part has discussed about how the data look like. It needs to keep in mind that the potential relationships predicted by descriptive analysis do not have high credibility, since it only shows the distribution in tables and graphs, and the relationships are observed by eyes. Therefore, scientific analyses such as correlation analysis and influence analysis will be done in the following sub-sections to reveal the relationship among variables.

4.4.3 Data analysis (quantitative research)

Quantitative analysis is about using techniques to process raw data to convey useful information to people. The techniques include for example, calculating frequencies, making comparisons, checking statistical relationships, and building graphs (Saunders et al., 2016, pp. 496-498). In this research, the data was sorted and coded in Microsoft Excel, and a well-known software IBN SPSS Statistics (SPSS stands for Statistical Package for the Social Sciences) was used for conducting statistical computations (Morris, 1993, p. 29). There is of course other software that can realize the data analysis, but SPSS was chosen since it is "*by far the most commonly used statistical data analysis software*" (Muijs, 2010, p. 73).

The data was coded into variables to support the data analysis process. Variables refers to "*the fact that these data will differ between units*" (Muijs, 2010, pp. 8-9). The data in this research are defined as three types: *nominal (descriptive) data*, *ordinal (ranked) data*, and *scale (continuous) data* (Ghauri & Grønhaug, 2010, pp. 76-77). Nominal data (such as post code, district, and gender) means the data which is categorical and qualitative, and there is no ranking or order included. Ordinal data (such as the order of very unsatisfied, unsatisfied, neutral, satisfied, very satisfied) means the data which contains different categories within a variable, but the differences of rank levels are unequal. Scale data (such as age and grades) means the data which can be measured by continuous numbers and the differences of rank levels are equal (Saunders et al., 2016, pp. 499-501).

It is known that *classification* and *comparison* are the most important tasks in the beginning stage of data analysis (Ghauri & Grønhaug, 2010, p. 151). In this research, all the data were provided by the case company. Therefore, the data should be classified based on the interested characteristics of the research. The data were coded into numbers and some ranking and measurements were determined. In addition, variables were settled for doing further analysis since the value of different items varies from each other (Morris, 1993, pp. 36-37). Here are some examples about the coding method. For nominal variables such as "talent or not", the data is coded as "0 = Not talent" and "1 = Talent". For ordinal data such as "performance", the data is coded as "1 = Too early to appraise", "2 = Does not meet expectations", "3 = Meets most expectations", "4 = Meets expectations", and "5 = exceed expectations". For scale data, numbers are directly used, such as age.

In order to have clear data layout, the 200 sample employees with the data in different years were combined into one file. The file is expressed in a table format, which is also named as data matrix. Each row stands for a specific case employee, and each column contains variables of the relevant employee by years. In addition, there are some missing data of employees in some years because the case company did not have the opportunity to record complete data for every single employee. All the missing data are coded as "-99" since they are important and can represent the population to some extent (Saunders et al., 2016, pp. 502-507).

The quantitative analysis includes two parts in this research, which reports (1) descriptive analysis, which explains the correlation between the main variables in the model; and (2) relationship (hypothesis testing) analysis, also called multiple regression analysis, which explores the correlation and influence relationship between the variables and tests the hypotheses. A correlation analysis can reveal the linear relationship between two variables, for example, whether there is a significant relationship, is it a positive or negative relationship, and how strong is the relationship. A regression analysis can reflect whether factors can significantly influence the result factor, is it positively or negatively related (Saunders et al., 2016; Morris, 1993). Data has been checked several times after coding, doing analysis, and checking results. In addition, the hypotheses are tested by checking the commonly used significance level, which is $p < 0.05$ (Ghauri & Grønhaug, 2010, p. 161). It means that if the p-value of a hypothesis model is smaller than 0.05, then it is regarded that the relationship between the tested variables is significant (Muijs, 2010, pp. 106-107).

It worth noting that the correlation just shows direction and strength between two variables, so it was not used to test the hypotheses. Regression is a better test since it is capable of analyzing the effects of multiple different variables, in turn, whilst holding the others constant. This allows us to understand how a certain variable helps to explain the additional variance in the dependent variable, above and beyond the other independent and control variables. If the testing result of p-values of the regression analysis is smaller than 0.05, it means that the independent variables can influence the independent variable, and therefore the hypothesis of this research can be supported.

4.4.4 Measures: Independent variables

As discussed earlier, the TM strategy at the case company includes three stages, which are talent identification, talent development, and talent outcome. The target of this research is to examine the employee outcomes of talent identification and talent development. Therefore, all the main factors at identification and development stage are important. In this research, four variables were selected to be independent variables to answer the research question. The following Figure 7 is a reminder about the theoretical model and hypotheses.

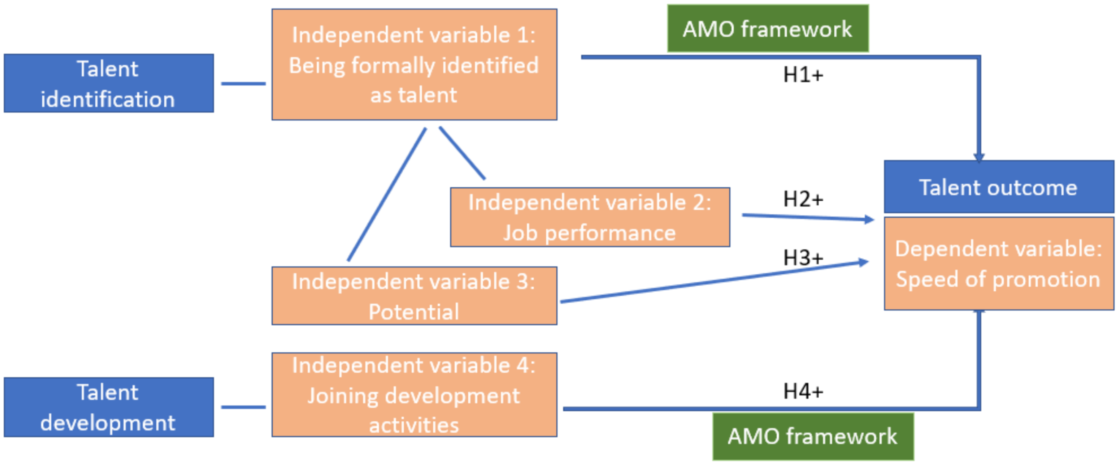

Figure 7. Theoretical model and hypotheses.

Independent variable 1: Being formally identified as talent

The case company identifies employees to be talent every year. At the same time, based on the selected sample, 200 employees were tracked from year 2015 to 2020. Since the company is investing in the development of talent, the identification result may affect the future career of the employee. The employees who are frequently identified as talent during 2015 to 2020 (probably they have continuous outstanding performance and potential) may get more opportunities for development and promotion. It would be interesting to know if these frequently identified employees have better outcome. Therefore, in data analysis, this variable is computed as “accumulation of occasions as having been identified as talent” (the accumulation is calculated from 2015 to 2020). The question was defined as an ordinal question in SPSS, which is rated on a scale ranging from “0 = Not identified as talent through the years” to “6 = Identified as talent six times through the years” (e.g., identified as talent each year during the 6-year period for which we have data).

Independent variable 2: Job performance

The job performance of individual employees is assessed by managers every year. In order to see the relationship between performance and talent outcome more comprehensively, an average of the performance ratings during 2015 to 2017 is calculated for every employee. The performance from 2015 to 2017 is selected because it is believed that the performance of employees may not have an immediate and visible influence on proximate outcomes immediately after but are more likely to impact outcomes like promotion in subsequent years. The calculation of average performance was defined as a scale question in SPSS and the results of average were expressed by numbers. The scale of performance is rated on a scale ranging from “1 = Too early to appraise”, “2 = Does not meet expectations”, “3 = Meets most expectations”, “4 = Meets expectations”, to “5 = Exceeds expectations”.

Independent variable 3: Potential

Potential (growth capacity) assessment is done annually as well. In the data analysis, an average of the potential ratings during 2015 to 2017 is calculated for every employee. The reason is similar to performance calculation – potential evaluations are mode likely to affect outcomes lie promotion in subsequent years. In the same way, the calculation of average potential is done based on the data during 2015 to 2017 and is expressed in numbers in SPSS. The scale of potential (growth capacity) is rated on a scale ranging from “1 = Less than current”, “2 = Current”, “3 = Current +1”, to “4 = Current +2”.

Independent variable 4: Participation in talent development activities

According to the given data, the company has offered 9 different activities for employees during 2015 to 2020. Since employees may take different activities in different years or take the same activity for a few years, in data analysis, an accumulation of how many activities were taken during 2015 to 2020 was calculated for every employee. The reason is that the case company expects the employees who had taken different activities can lead to better outcomes. Therefore, the data is defined as an ordinal question in SPSS, and it is rated on a scale ranging from "0 = no development activity was taken through the years" to "10 = ten activities were taken through the years".

To be noted, the employees who have taken talent development programs are provided in the case company's data, but it was not selected as an independent variable in this thesis, because only a few people took it during 2015 to 2020, so it is hard to represent the whole employees. The most obvious difference between development activities and development programs is that the latter are only available for selected talents who are expected to be trained and become leaders soon.

4.4.5 Measures: Dependent variables and control variables

Dependent variable: Speed of promotion

As mentioned earlier, the case company identify talents and offers development activities to employees, the goal being to select and train employees to achieve an outcome, such as getting a higher level of position in the future.

The case company separate different levels of managerial roles into different grades based on their managerial level. At the same time, the case company applies the international position evaluation method to all the positions, which is called as IPE. It means that even though the employees are working at the same managerial level (e.g., they are both grade 5, meaning team leader), they get have different IPE points. The following Table 9 shows the detail levels of Grade and relevant IPE points:

Table 9. Level of roles, Grade, and IPE points.

Roles	Grade	IPE
Execute Vice president	1	66 - 70
Senior director	2	62 – 65
Director	3	58 – 61
Manager	4	54 – 57
Team leader	5	50 – 53
Assistants	6	< 50

Therefore, both position grade and IPE can be regarded as an outcome. Since one grade can relates to several different IPE points, it means that sometimes the IPE may have changes, but the grade does not change. In order to know the changes more specifically, IPE was selected to be the dependent variable. In addition, the meaning of IPE changes through the years can be understood as the speed of promotion in TM field (IPE changes / 6 years).

In data analysis, IPE changes from 2015 to 2020 have been calculated. Since a longer period may help to see the changes of positions clearer, the calculations of IPE in 2020 minus IPE in 2015 were done for all the employees. The IPE of 2020 compared with 2015 is defined as an ordinal question in SPSS, and the resulting "promotion speed" ranges from "-3 = three points lower than 2015" to "6 = Six points higher than 2015".

Control variables

In order to control for heterogeneity of the 200 employees, *employee age (by year 2015)* as well as total seniority date, which can also be named as organization tenure (by 2015) are set as control variables. At the same time, Year of service, which can also be named as job tenure (by year 2015) is set as a control variable, which tells how many years that the employees have been working at the case company. In addition, *employee gender* is included as a dummy variable ("1 = male", and "2 = female"), which is included in regression analyses.

In the given data, there are some other general information about employees, such as nationality, education major, and years in current position. The former two factors were not selected because the sample was designed to include employees from different countries and working fields. The latter factor was not selected because the variable may lack accuracy since the employee may not be able to change a position if there are no available open positions (even though the employee is outstanding).

4.5 Qualitative research

4.5.1 Data collection

After the quantitative analysis was done, it was found that more information is needed to be explored and explained to get clearer about the research questions. Therefore, qualitative method is also used for the research, and an interview was conducted. The interview belongs to primary data since the data is collected based on the research problem and research design. The benefits to use primary data include for example, it is possible to get answers from the target group directly, and the data is highly consistent with the research objectives (Ghauri & Grønhaug, 2010, pp. 99-100).

There is a need to interview the TM directors at the case company, since they are the key informants who were the most knowledgeable about reasons behind the patterns in the data. The three key points for preparing an interview are analysing the research problem, deciding the information that should be gained from the interview, and seeking for proper interviews to offer the information (Ghauri & Grønhaug, 2010, p. 127). In order to get deeper understanding about how the case company has been operating their TM system based on quantitative research results, the interviewees should be someone who are managing or have good knowledge about the TM processes of the case company. The need for conducting an interview was mentioned to the contact persons of the case company, after some email discussion, the two contact persons volunteered to join the interview.

They are decided to be interviewed, since they are part of the key decision makers about TM at the case company. TM director, which is also the interviewee A, has been working in the company for 6 years. She has been mainly responsible for talent acquisition, employer branding, and the internal talent management. TM manager, which is also the interviewee B, is mainly responsible for the management of global talent and culture. At the same time, she is looking after for example, talent review process, as well as individual development. They are supposed to be suitable for the following research section since they are experienced in this field, and they are currently operating the TM system, such as talent review and development, at the case company. It would be good to interview then separately since they may have different views on certain questions. But they preferred to be interviewed together to add more opinions to each other's answer and make the interview responses more comprehensive. Therefore, A and B were interviewed at the same time.

A semi-structured interviews means the interview is designed to include some key topics or questions to discuss in advance, and additional questions may be come up with during the interview for exploratory purposes. This kind of interview is usually used to study "what" and "how" questions (Eriksson & Kovalainen, 2008, p. 82). A semi-structured interview normally has an interview schedule, meaning that some discussion or comments are included before and after the questions are asked. The semi-structured interview type is applied to this research because the target of the interview is to know more about the TM system, how it works and what are the key challenges in managing at the case company (Saunders et al., 2016, pp. 391-395). The length of the interview is suggested not to be more than one hour by the contact person from the case company, and most of the questions that are needed to be asked are complex are open. Therefore, an interview is a convenient method to get as much useful information as possible.

The interview was conducted on 15th April 2021 using Microsoft Teams. The reason to choose online interview was the unstable situation of COVID-19 pandemic in Finland, and it was challenging to travel. English was used as interview language since it is the second language of us, which is also best solution that we can understand each other. The interview questions were informed by email to both interviewees one day before the interview. The interview permitted to be recorded, and B recorded the whole interview and sent the video document after the interview.

Questions are designed partly based on what has been analysed for data, and partly based on the reality that how the talents have been managing, and the subjective views on what the interviewees consider challenging/important. In addition, the qualitative analysis is expected to be consistent with quantitative analysis to see what this interview can tell us about what is going on in the numerical data and hypothesis. The key point of the interview was to discuss the opinions and views of interviewees towards (1) TM challenges; (2) the consistency between quantitative data analysis results and reality; and (3) does the current TM strategy work. It is known that there are different types of questions are used to express questions in a factual way. In this research, for example, more open questions are used than closed questions for encouraging the speech of interviewees, complex questions are broken down to simpler questions to make it easier for interviewees to understand and answer (Eriksson & Kovalainen, 2008, p. 83).

The questions are designed based on TM process and the role of TM in promotions. for example, “What are the key challenges in talent identification? Any examples?”, “How did you decide who to take which development activities and programs (e.g. based on their performance and/or growth capacity)?”, “Do you think / do you really see there is really a connection between high growth capacity and get promoted dramatically?”, and “Does exclusive view (focusing on these top x% people) work or make sense or create values?” The full interview questions are listed in Appendix 1. The interviews were thought repeatedly to avoid possible bias due to long questions or theoretical concepts. Extra care was taken when asking about sensitive questions such as investments and assets (Saunders et al., 2016, pp. 407-409). The length of interview was suggested by interviewees not to be more than one hour. Therefore, the questions were designed carefully, time management of each part of question were estimated, and 10 minutes were reserved for asking further questions. The interview took around 45 minutes.

4.5.2 Data analysis

While quantitative analysis is about discovering the meaning conveyed through numbers, standardised data, and diagrams, qualitative analysis focuses on the meaning of expressed words, non-standardised data, and understanding the concepts. Therefore, qualitative analysis plays an important role in the whole research process. For the nature of qualitative analysis, as explained earlier, this study applies an abduction approach, meaning that theories and data are reviewed and observed at the same time (Saunders et al., 2016, pp. 568-571).

After the interview, it is critical to transcribe data and do data reduction (Ghauri & Grønhaug, 2010, p. 204). The video record was sent to me by the contact person around two weeks after the interview, and the record was transcribed as soon as possible. Since there is just one interview and it only lasted around 45 minutes, it was possible to listen every sentence at least twice, and all the spoken words were typed and saved in a word document. In order to make the analysis easier, the paragraphs were marked into different colours to separate what was spoken by whom at the same time, and some memos were noted down (Eriksson & Kovalainen, 2008, p. 109). After the transcribing process, key points which have emerged from the interview were summarized in the same document. This is called transcript summary, which can help making the long statements briefer, understanding the relationships between themes, and therefore process qualitative analysis more fluently (Saunders et al., 2016, p. 576).

The approach to analyse qualitative data has used thematic analysis. Thematic analysis approach is regarded as a fundamental way of doing qualitative analysis. Thematic analysis approach can be used for analysing both large and small data sets, identifying the critical themes of the transcript, developing as well as testing the relationship between themes and theories, and verifying conclusions (Saunders et al., 2016, p. 579). The designing of interview questions accelerated the analysis process. The interview questions were asked based on the order from general questions (background of interviewees, challenges of management), TM process (identification, development, outcome), and further discussion (non-talent group, the meaning of the TM strategy). Therefore, the qualitative analysis process started with data familiarization by reading through the interview transcript several times and understanding the combination of answers from two interviewees. Then the key points of answers were marked, primary codes were noticed, and key themes were created. Later on, the key results were checked and the consistency between qualitative data and previous quantitative results was discussed.

4.6 Validity, reliability, and ethics of the research

As the last part of the metho section, it is necessary to point out the advantages and disadvantages of the applied methods in the research, so that the research results can be properly clarified and do not mislead readers (Ghauri & Grønhaug, 2010, p. 20). In order to argue the quality of this scientific research, reliability, validity, as well as research ethics are discussed below.

Reliability

Reliability refers to the stability or consistency of the measure (Ghauri & Grønhaug 2010, p. 79), which means the ability of a measure to produce consistent results when the same entities are measured under different conditions (Eriksson & Kovalainen, 2008, p. 292). The assessments methods for judging the reliability may varies from different research methods. From a qualitative research perspective, the reliability (sometimes also called as dependability) is regarded to be difficult to improve because the collected data is hard to be repeated. The reason is that different interviews have different circumstances such as time, research purpose, the interviewees. Therefore, the research design, reasons for selecting the research strategies and methods, and how the data was gathered are critical and necessary to be explained (Saunders et al., 2016). These are realized in previous sections to help the readers or other researchers to understand the process of this research.

From a quantitative perspective, in any set of collected data, there are *some amounts of error*. The errors mainly include two types: (1) *random error*, meaning the errors that are unpredictable. These errors are mainly influenced by the sample. An effective way to decrease these errors is to increase the size of sample. (2) *measurement error*, meaning to what extent that the variable is properly performed in the sample. The lower error will lead to the higher reliability of data (Litwin, 2012, pp. 5-6). In this research, as mentioned earlier, the sample was decided to include 200 employees, which was big enough for a master's thesis. There might be some random error, but it is considered to be relatively low. Therefore, the measurement error should be further examined.

There are different types of reliability, for example, test-retest, intraobserver, alternate-form, internal consistency, and interobserver. It is needed to measure how well several variables in a scale vary together in a sample, therefore, internal consistency method is used for testing the reliability of data (Litwin, 2012, pp. 30-31). Cronbach's Alpha can help indicating the consistency of the sample therefore estimating the reliability. The Cronbach's Alpha coefficient of scale can vary from 0.00 to 1.0. If the index was higher than 0.70 (meaning 70% of the variance in the scores is reliable variance), then it means there is an ideal reliability (Litwin, 2012; Meyers et al., 2013). However, even though the Cronbach method can be used for testing most of the quantitative research, it is not possible to apply in this thesis. The reason is that the employee data used for analysis is the company data, the data is real employee data, and it is accurate. The contact person at the case company is asked and consulted about the meaning of each data, and how to interpret it. There are also missing data in some of the fields in the sample, and it is agreed with the case company that missing data fields are ignored for conducting analysis.

Validity

Validity refers to the accuracy of the measure, which is a kind of expectation about the results to be true and can represent the phenomenon accurately (Eriksson & Kovalainen, 2008, p. 229). Generally speaking, validity includes *internal validity* and *external validity*. The former indicates whether the *results obtained within the study are true*, which means that the independent variables should really influence or be one of the influencing factors of the dependent variables. The latter means whether the findings of the study can be generalized and representative for other cases, such as similar research in the field, relevant research in different time periods, and case studies of other organizations (Ghauri & Grønhaug, 2010, pp. 63-64). The validity of this research is enhanced in different ways, and these will be explained followingly.

Validity is measured differently in different types of research. For example, in qualitative research, *descriptive validity* (the extent that the real description is true) and *interpretative validity* (meaning *how good the interpretation is*) are usually considered. (Ghauri & Grønhaug, 2010, p. 210). In this research, the hypotheses are made based on theories as well as practices in organizations. For example, organizations identify talents, develop them, invest on them, and would absolutely hope to see the talents to be promoted to a more critical role. The strategy of the case company is thoroughly understood, factors are defined based on the reality, and the tools and process for conducting an interview was selected carefully. Furthermore, the result of the interview was analysed and interpreted based on the hypotheses, and the biggest efforts have been made to keep the original thinking of the interviewees. This research has proper validity from the qualitative research section perspective.

Validity can also be measured from a quantitative research aspect. Since validity refers to whether a measurement instrument measures what was designed to measure, it can include (1) content validity: the right items/questions are measured; (2) construct validity: the right items/questions are measuring the right construct; and (3) discriminant validity: different constructs are measured (Ghauri & Grønhaug, 2010, pp. 81-83). In order to proof the validity of this research, it is necessary to test the dependent variables, draw the specific constructs and the relationship with other constructs, and make sure that the constructs are included under one and only one dimension (Cascio, 2012, pp. 2534-2535).

Factor analysis is usually the method to offer solutions of forming series of variables into smaller number of potential factors, and then examining what is the structure of the variables (Muijs, 2010, pp. 31-32.). But it is not able to be conducted for this thesis, because the sample is given based on the employee data which is recorded in the case company's system. The validity is ensured by deciding the variables for analysis, forming questions for hypotheses, and building different frameworks for testing the relationships together with the case company. It can be said that the study is accurate at least for the case company during the selected sample years (2015 to 2020). It is hard to say if the findings can benefit other companies as well, because each company has different TM strategy, and TM environment can be dynamic. But the result can be valuable or at least informative for relevant studies.

Research ethics

Similar to the ethics in society and economy, research ethics also talks about the written and unwritten rules and regulations. Research ethics covers all the aspects about conducting and reporting the research, and it can reveal researcher's respect towards the research production (Eriksson & Kovalainen, 2008, p. 62). The first ethical-related matter in research is the relationship between researcher and participant, which is regarded to be sensitive when conducting research. The ethical issues that exist in the relationship include for example, anonymity, using recorder, and asking questions that might not be harmful for the self-interest of participants (Ghauri & Grønhaug, 2010, pp. 20-22). For the quantitative part of this research, the case company was asked to exclude all the sensitive information of the selected sample before sending the dataset for conducting this research, such as name and salary of the employees.

For the qualitative part of this research, the interview was asked and approved to be recorded as soon as the need for conducting an interview was come up with. The interview was recorded and stored by the interviewee in a proper way and later the recorded file was sent to me. The interview questions were designed based on theories, quantitative analysis results, and some common questions in TM field. The questions were designed in a polite way and not detrimental to the interests of interviewees. The interview questions were checked and approved by supervisor before sending to the interviewees. It is considered that the relationship between researcher and participant was well-maintained.

The other ethical-related matter in research is the considerations about factors that may influence the research, for example, biases that are relevant to public interests, company interests, and researcher's own interests (Ghauri & Grønhaug, 2010, pp. 23-24). This research does the internal analysis for the case company and sensitive information are hidden so that the research will not lead to negative impacts to public interests. The results and findings of are completely based on the real data and interview answers. Even though the results can vary from the expectation of the company, it would be beneficial for company interests to what they still can improve. Several interview questions were asked based on my own interest, such as how much the case company has invested in developing the talents, but the interviewees were only asked to suggest a percentage of investing on talents comparing to the total investment. It can be said that this research has tried the best to take care the ethical issues.

5 Findings

5.1 Quantitative analysis

In order to discover the relationships among variables and see if the hypotheses are supported, two kinds of analyses are done after checking descriptive statistics. Correlation analysis is used to find the correlation relationship between variables. Regression analysis is applied to test the hypotheses by examining whether the independent variables can influence dependent variables.

5.1.1 Correlation analysis

For the correlation analysis, as mentioned earlier in theory and method sections, variables are selected from the stages of TM such as talent identification, talent development, and talent outcome to build up the hypotheses of this research. The coding of variables has slightly difference in thesis and data analysis part. The following Table 10 is a summary of the coding method for the dependent variable, four independent variables, an additional independent variable, and three control variables.

Table 10. Coding of variables in thesis and data analysis.

Coding in thesis	Coding in data analysis
Dependent variable	
Speed of promotion	IPE total change from 2015 to 2020
Independent variables	
Being identified as talent	Accumulation of identifying as talent until 2020
(Job) performance	Average of performance 2015 to 2017
Potential	Average of growth capacity 2015 to 2017
Quantity of participated development	Accumulation of taken activities until 2020

activities	
An additional independent variable	
Quantity of completed development programs	Whether talent programs have been completed 2015 to 2020
Control variables	
Company experience	Total seniority date by 2015
Gender	Employee gender
Age	Employee age by 2015

As discussed earlier, if the p-value is smaller than 0.05, then it means there is a significant correlation relationship between the two variables. In addition, it is possible to check the Pearson Correlation index (usually called r-value) from the correlation analysis table. R-value reflects the strength of the significant correlation relationship. If r-value is smaller than 0.3, then it means that there is a low correlation relationship between the variables. In the same way, if r-value is bigger than 0.3 and smaller than 0.7, then the correlation relationship is moderate. If r-value is bigger than 0.7, it means there is a high correlation relationship (Treiman, 2014, pp. 99-100). The following table presents the descriptive statistics and a correlation matrix of the key variables.

Table 11. Correlations between the key variables.

	1	2	3	4	5	6
Dependent variable						
1. IPE total 2015 to 2020	---					
Independent variables						
2. Accumulation of identifying as talent until 2020	.43**	---				
3. Average of performance 2015 to 2017	.10	.24**	---			

4.	Average of potential (growth capacity) 2015 to 2017	.30**	.62**	.24**	---		
5.	Accumulation of taken activities until 2020	.14*	.21**	-.06	.27**	---	
6.	Whether programs have been completed 2015 to 2020	.25**	.48**	.19**	.35**	.10	---
Control variables							
7.	Total seniority date by 2015	-.33**	-.23**	.13	-.28**	-.24**	-.11
8.	Employee gender	.05	-.03	.05	.03	.05	.01
9.	Employee age by 2015	-.38**	-.46**	-.06	-.44**	-.22**	-.18*

Notes: *. Correlation is significant at the 0.05 level (2-tailed). **. Correlation is significant at the 0.01 level (2-tailed).

As the dependent variable of the research, IPE total change from 2015 to 2020 is used as the comparison variable to check the correlation relationship with other variables. In another word, the first column is the most important part to read in the above correlation analysis table. Based on the results of p-value (significance of the correlation relationship) and r-value (Pearson Correlation Index), whether there is a significance correlation relationship and how strong is the correlation relationships between the two variables will be presented.

Firstly, for the investigation of correlation relationship between “IPE total 2015 to 2020” and “Accumulation of identifying as talent until 2020”, according to the data, there is enough evidence to suggest that the observed correlation relationship does exist between these two variables ($N = 200$, $p < 0.05$). In addition, the Pearson Correlation was found to be lowly positive and statistically significant ($r = 0.432$). This shows that when there is an increase in “speed of promotion” is positively related to an increase in “being identified as talent”, and vice versa.

Secondly, for the correlation relationship between “IPE total 2015 to 2020” and “Average of performance 2015 to 2017”, the p-value is bigger than the level of significances ($N = 200$, $p > 0.05$). This means that even though there might be some correlation relationship between "speed of promotion" and "performance", there is not enough evidence to say that the relationship exists significantly in the sample.

Thirdly, for the relationship between "IPE total 2015 to 2020" and "Average of potential (growth capacity) 2015 to 2017", the result shows that there is a significant correlation relationship between the two variables ($N = 200$, $p < 0.05$), and it is a low positive correlation relationship ($r = 0.304$). This indicates that an increase in "speed of promotion" is positively related to an increase in "potential", and vice versa.

Fourthly, for variable "IPE total 2015 to 2020" and "Accumulation of taken activities until 2020", there is a significant correlation relationship ($N = 200$, $p < 0.05$). The relationship is very low and positive ($r = 0.144$), which means that when employees have higher "speed of promotion", their "quantity of participated development activities" would also increase but slightly increase accordingly. Fifthly, the correlation relationship between "IPE total 2015 to 2020" and "Whether programs have been completed 2015 to 2020" was significant ($N = 200$, $p < 0.05$), and the relationship is low and positive ($r = 0.250$). It means that the increase of "speed of promotion" would be relevant to the increase of the "participated quantity of development programs" to a small extent.

Lastly, the analysis also includes the correlation relationship between "IPE total 2015 to 2020" and the control variables of this research. The result shows that there is not enough evidence to say that the correlation exists between "IPE total 2015 to 2020" and "Employee gender" because the p-value is bigger than the level of significance of the research ($N = 200$, $p > 0.05$), which means that men were not significantly promoted faster than women. While the relationship between "IPE total 2015 to 2020" and "Total seniority date by 2015" is significant ($N = 200$, $p < 0.05$), and the relationship is low and negative ($r = -0.334$). In addition, there is a low and negative correlation relationship as well between IPE total 2015 to 2020" and "Employee age by 2015" (N = 200,

$p < 0.05$, $r = -0.379$). It seems that an employee who is younger or have fewer working years at the case company may have higher IPE changes during 2015 to 2020.

5.1.2 Regression analysis

Regression analysis is conducted to examine if the average value of the dependent variable is a function of the independent variables. The aim is to find the regression equation and see how much the dependent variable will change if the independent variable changes. It is hypothesized that having higher (1) frequency of "being identified as talent"; (2) "performance"; (3) "potential"; or (4) quantity of "participated development activities" can predict bigger changes of "speed of promotion". In addition, "Whether programs have been completed 2015 to 2020" was included for testing the relationship, and three control variables are hold as constant: (1) "Total seniority date by 2015"; (2) "Employee gender"; and (3) "Employee age by 2015". To test the hypotheses and measure the strength and direction of influence relationship between the independent variables and the dependent variable, a multiple regression analysis was conducted for the prediction.

In order to reveal the effects of control variables and different independent variables, the regression analysis is run three times. The model 1 only includes control variables; the model 2 is a full model which includes control variables and part of the independent variables; the model 3 is a full model as well which contains control variables and the rest of the independent variables. The full model is separated into two models because it is known that removing one or more variables may increase the desirability of the regression. Since it is not able to increase the sample size to see if the rest hypotheses can be supported, the only possibility is to measure things more accurately. As it is discussed earlier, the identification of talents is based on the assessments of performance and potential ratings to some extent, which means that the people with high performance or potential may also have high talent identification, and this may influence the regression analysis results. Therefore, the model 2 (full model A) includes identification of talents, and the model 3 (full model B) includes the variables that are related to performance and potential.

The results for model 1 show that 15.5% of the variance in “IPE total 2015 to 2020” can be explained by the three predictors (the three control variables), collectively, F (3.196) = 13.211, p < 0.01. More specifically, the 15.5% is the adjusted R^2 since it might be a better estimation of what happens in the population, which is a small size effect. In addition, 13.211 is the F ratio, and 3.196 is the degree of freedom. Model 2 results show that 23.6% of the variance in “IPE total 2015 to 2020” can be explained by the five predictors, and F (5.194) = 13.328, p < 0.01. Model 3 results reveal that 20.5% of the variance in “IPE total 2015 to 2020” can be explained by the six predictors, and F (6.146) = 7.543, p < 0.01.

The following Table 12 presents the results of the regression analysis. Looking at the unique individual contributions of the predictors, the results show that **Hypothesis 1 is strongly supported** (standardized β = 0.224, p < 0.001), which predicted a positive association between “being identified as talent” and “speed of promotion”. In addition, the positive slope for “Accumulation of identifying as talent until 2020” (unstandardized coefficient B = 0.289) as predictor of “IPE total 2015 to 2020” indicated that for each 1-point increase in “Accumulation of identifying as talent until 2020”, there is about a 0.289 increase in “IPE total 2015 to 2020”.

Hypothesis 2 suggested that higher “performance” is positively associated with “speed of promotion”. But no significant positive relationship (standardized β = 0.056, p > 0.50) was found, and therefore, **Hypothesis 2 is not supported**. Similarly, hypothesis 3 predicted that higher “Average of potential 2015 to 2017” can result in bigger changes of “IPE total 2015 to 2020”. But no significant positive relationship (standardized β = 0.136, p > 0.50) was found, and therefore, **Hypothesis 3 is not supported** either. Furthermore, hypothesis 4 predicted a positive relationship between “Accumulation of taken activities until 2020” and “IPE total 2015 to 2020”. But this **Hypothesis 4 is not supported** because based on the data of full models, the significance is neither smaller than 0.05 in model 2 (standardized β = 0.001, $p > 0.50$) nor in model 3 (standardized β = 0.058, $p > 0.50$).

For the control variables, the result shows that there is a negative relationship between “Total seniority date by 2015” and “IPE total 2015 to 2020” (standardized β = -0.181, $p < 0.05$), and there is also a negative relationship between “Employee age by 2015” and “IPE total 2015 to 2020” (standardized β = -0.281, $p < 0.001$). This indicates that the people, who are younger or have less company tenure, might have bigger changes of “speed of promotion”.

Table 12. Regression analysis.

	Model 1: controls only			Model 2: full model A			Model 3: full model B		
	Beta	t	Sig.	Beta	t	Sig.	Beta	t	Sig.
Control variables									
Total seniority	-0.181	-2.333	0.021*	-0.187	-2.506	0.013*	-0.281	-3.197	0.002**
Employee gender	0.029*	0.439	0.661	0.042*	0.679	0.498	-0.009**	-0.129	0.898
Employee age	-0.281	-3.639	0.000***	-0.126	-1.565	0.119	-0.206	-2.256	0.026*
Independent variables									
Being identified as talent				0.333	4.734	0.000***			
Performance							0.056+	0.733	0.465
Potential							0.136	1.596	0.113
Participation in development activities				-0.001**	-0.012*	0.991	-0.058+	-0.759	0.449
R	0.410			0.506			0.486		
R^2	0.168			0.256			0.237		
Adjusted R^2	0.155			0.236			0.205		
F	13.211			13.328			7.543		
N	200			200			200		

Notes: Dependent Variable: Speed of promotion; All two-tailed tests; + $p < 0.10$; *$p < 0.05$; **$p < 0.01$; ***$p < 0.001$.

The four hypotheses were made that being identified as a talent, higher performance, higher potential, or joining development activities and programs can increase the speed of promotion. Based on the above-mentioned regression analysis model, it can be concluded that:

Only “Hypothesis 1: being identified as a talent can increase the speed of promotion” is supported. Because the independent variable “Accumulation of identifying as talent until 2020” and the dependent variable “IPE total 2015 to 2020” have significant relationship in correlation model as well as regression model. This means that (1) the increase of being identified as talent is relevant to the increase of IPE changes (which can also be interpreted as the employee who is identified as talent more frequently may also have faster speed of promotion); and (2) the increase of being identified as talent can result in the increase of IPE changes (which can also be interpreted as the employee who is identified as talent more frequently will lead to faster speed of promotion).

Therefore, the “Hypothesis 2: higher performance can increase the speed of promotion”, “Hypothesis 3: higher potential can increase the speed of promotion”, and “Hypothesis 4: joining development activities and programs can increase the speed of promotion” are rejected. Even though the employee who have “higher potential” or more frequently “joining development activities and programs” also have bigger changes in “IPE total 2015 to 2020”, it cannot be said that the changes of IPE total happened because of their high potential or joined development activities.

Furthermore, by running different regression models, the significance of variables is changing. For example, by ignoring the accumulation of identifying as talent, the potential levels of employees have the tendency to stand out (but not yet significant). The independent variables which do not have significant relationship with the dependent variable in regression models can mean that they can influence the speed of promotion to some extent, but the influence relationship is not that significant in the sample. If the sample can be bigger, it can be possible that the results will be different, especially for example, the relationship between "Average of potential 2015 to 2017" and "IPE total 2015 to 2020" can be significant, which can be tested by the case company later.

5.1.3 Supplementary analysis

In addition to the main correlation and regression analysis, three supplementary analyses were conducted. First of all, since there is significant and positive correlation relationship between "IPE total 2015 to 2020" and "Accumulation of taken activities until 2020", it would be interesting to further examine if some of the available activities have significant correlation relationship with "IPE total 2015 to 2020".

The following Table 13 shows the result of the correlation analysis. Based on the data, two correlation relationships are found to be significant. First, "whether mentoring/coaching has been taken in 2015 to 2020" was found to have low and positive relationship with "speed of promotion" ($N = 200$, $p < 0.05$, $r = 0.190$). Second, "whether organizing training program has been taken in 2015 to 2020" was found to have low and positive relationship with "speed of promotion" as well ($N = 200$, $p < 0.05$, $r = 0.218$). It means that the employees who take mentoring/coaching or organisation training program may also have higher speed of promotion during 2015 to 2020, and vice versa. However, when these variables are taken for regression analysis, none of these are significant. It can be concluded that mentoring/coaching and organisation training program are positively relevant to the speed of promotion but do not influence the speed of promotion of employees.

Table 13. Supplementary analysis – Type of development activity.

	Speed of promotion (IPE total 2015 to 2020)
Speed of promotion (IPE total 2015 to 2020)	1
Whether development activity X has been taken during 2015-2020:	

Mentoring/coaching	.190**
Learning on the job	0.116
Organization training program	.218**
Self-study	-0.006
Learning from others	-0.084
External course	0.137
Job rotation	0.024
Learning from experiences	-0.115
Training	-0.109

**. Correlation is significant at the 0.01 level (2-tailed). *. Correlation is significant at the 0.05 level (2-tailed).

Secondly, as introduced earlier, the case company has invested a lot in offering development opportunities for employees. Talent development programs are part of the development opportunities, which is particularly designed for the employees who are identified as talents as part of an exclusive TM system and are viewed by the case company to be a future leader in the next position. There are three main development programs, which include A, B, and C. From previous correlation analysis, the result shows that development programs have significant and positive correlation relationship with speed of promotion. Therefore, it would be interesting to discover if all these programs are equally influential on speed of promotion, or whether any of these programs are making an especially significant contribution to this outcome.

The following Table 14 presents the correlation analysis. The analysis only includes the three development programs as well as the dependent variable. The analysis shows that only “Whether A has been completed during the years” is significantly and positively related to “IPE total 2015 to 2020”. This means that the employees who have joined and completed the development program A may also have faster speed of promotion during 2015 to 2020. Development program A is a kind of future-leader program which is designed for selected talents in their earlier career stage. The reason for this correlation relationship might be that there are more talents in the sample who has completed development program A, but just a few talents are selected as well as completed development program B and C.

Table 14. Supplementary analysis – Talent development programs.

	Speed of promotion (IPE total 2015 to 2020)
Speed of promotion (IPE total 2015 to 2020)	1
Whether development program X has been completed during 2015-2020	
A (for earlier-career stage)	.227**
B (for mid-career stage)	0.105
C (for senior-career stage)	0.017

**. Correlation is significant at the 0.01 level (2-tailed).

Based on the correlation analysis, a further regression analysis is tested to see if any of the development programs have obvious influence relationship with the speed of promotion. As it is shown in Table 15, the result reveals that 5.2% of the variance in "IPE total 2015 to 2020" can be explained by the three variables, $F (3.196) = 4.667$, $p < 0.05$. According to the following regression coefficients result table, if the answer for "whether A has been completed during the years" (standardized $\beta = 0.236$, $p < 0.005$) is yes, then the employee is more likely to have bigger changes of "IPE total 2015 to 2020". In another word, the employees who have completed A program will have faster speed of promotion.

Table 15. Supplementary analysis – regression analysis – Talent development programs.

	Beta	t	Sig.
Whether development program X has been completed during 2015-2020: A (for earlier-career stage)	0.236	3.403	0.001**
B (for mid-career stage)	0.124	1.785	0.076+
C (for senior-career stage)	0.016**	0.228	0.820+

Notes: Dependent Variable: IPE total 2015 to 2020; All two-tailed tests; + $p < .10$; *$p < 0.05$; **$p < 0.01$; ***$p < 0.001$.

Lastly, a further analysis is done for the non-talent group. These employees who have never been identified during 2015 to 2020 are critical since they represent most of the employees in the company. It would be helpful for the company to know what might be the reason that slows down the promotion speed of these employees, here will take age and seniority date as an example for discussion.

The following Table 16 is the correlation analysis result. Only the employees who have never been identified as talents are selected from the sample, which include 63 people. The result shows that "total seniority date by 2015" has significant and negative correlation relationship with "IPE total 2015 to 2020" ($N = 63$, $p < 0.05$, $r = -0.253$). Similarly, "Employee age by 2015" has significant and negative correlation relationship with "speed of promotion" ($N = 63$, $p < 0.05$, $r = -0.254$). However, when these are taken into regression analysis, nothing was significant. This can probably be translated that for the non-talents group, the elder employees or the ones who have been working at the case company for a longer time, also have smaller IPE changes during 2015 to 2020. But the reason that these non-talents have smaller IPE changes is not obviously caused by their elder age or longer working time at the case company. In another word, the fresher employees at the case company may also have faster speed of promotion, but freshness will not significantly lead to faster speed of promotion.

Table 16. Supplementary analysis – Age and seniority date.

	Speed of promotion (IPE total 2015 to 2020)
Speed of promotion (IPE total 2015 to 2020)	1
Average of performance 2015 to 2017	-0.022
Average of potential (growth capacity) 2015 to 2017	0.259
Accumulation of taken activities until 2020	0.091
Total seniority date by 2015	-.253*
Employee gender	0.212
Employee age by 2015	-.254*

*. Correlation is significant at the 0.05 level (2-tailed). **. Correlation is significant at the 0.01 level (2-tailed).

As a short conclusion for the quantitative analysis part, only hypothesis 1 is supported. Hypotheses 2, 3, and 4 are rejected. From data analysis, it can be summarized that being identified as talents is the key to get promoted faster in the case company. Furthermore, being selected to join development program A can also result in faster promotion.

5.2 Qualitative analysis

In the quantitative analysis, the features of the sample were introduced, and then correlation and regression analyses were completed to reveal the relationship among the variables. The data analysis shows that there are correlation relationships between many variables, but only “Hypothesis 1: being identified as a talent can increase the speed of promotion” was supported (since “Accumulation of being identified as talent” has correlation and influence relationship with “IPE change 2015 to 2020”).

Therefore, an interview was conducted to discover more about the hypothesis questions, get to know the opinions from interviewees about their TM strategy, and examine the talent outcome which is resulted in talent identification and talent development based on the current TM strategy. This qualitative analysis finding's part includes two sections. First, interview answers relating to the hypotheses will be discussed. Second, some emerging explanations are presented.

5.2.1 Interview findings regarding the hypotheses

In the beginning of the interview, some general questions were asked about the TM strategy at the case company. The TM philosophy is explained as below:

"…For us, each and every employee is a talent. It means that every employee is valued as an individual. Because we have the philosophy in that talent acquisition side that we only hire the best… The question is of course "talent for what"? So we need to have a broad scope that enables that every employee can develop in a relevant way, which of course suits their interest and situation but also benefits the organization to grow." (Talent Director)

After some other discussion about TM system at the case company, the interview continued based on the stage of TM: talent identification, talent development, and talent outcome. The discussions about hypotheses are come up with based on the flow of the interview, and here are the key questions and answers:

Firstly, "**Hypothesis 1**: Compared to those who are not formally identified as talent, being identified as talent is positively associated with the speed of promotion" was discussed.

The interview started with the biggest TM challenges that the case company is currently facing. The talent director stated:

"*The biggest talent management challenge is to ensure that the actual process of talent management has proper impact. Meaning that the talents that have been identified in the process then are being developed and even fast tracked according to the plans. And also, through the process, and thanks that the company has solid talent pipelines, so a lot of internal talent growing. Adequately we can manage the business over longer term.*"

Hypothesis 1 is a relevant question for this case company, because the target of the TM strategy is to find talents, develop them, and grow them to make impacts as supposed in the future. Therefore, the answer of the talent director shows a positive relationship with hypothesis 1 since their TM system and practices are indeed intended to support faster promotion.

At the same time, it would be interesting to know what are expected from the employees that have not been identified as talents. The talent director commented that all the employees are encouraged to improve and make progress. It means that the employees who are not identified as talents may have achievements in other ways even though it is not promotion. At the same time, talents are given higher expectation to have achievements especially for promotion, since they are invested more by the company:

"… It is important that people feel like they are progressing in one way or another, even it's not always seen as a promotion in terms of an IPE change. For instance, changing the scope of the job beyond the current role, being able to help and assign in different projects, and things like that. So, we hope that we have wide enough targets to help everybody to feel like they are progressing. Ultimately, we would like to see career opportunities for talents because we also invest in them." (Talent Director)

While the key challenge of the whole TM strategy is to ensure the talents experience the impacts of being identified, a further question is asked about key challenges only for the talent identification stage. Two issues are come up with: (1) how to distinguish between performance and potential, which is also a key point of this thesis, which can be seen in data and findings; and (2) challenge of subjectivity, which plays a critical role in talent identification stage, since managers are the ones who make assessments and influence the identification results in the case company. Based on data analysis and interview in this thesis, it is hard to explore about this point, but this is valuable to be studied when conducting future research. There are the answers offered by the interviewees:

"*I think the difficulty is to separate high performance from high potential, and of course, the challenges of subjectivity overall that how do you ensure that the identification is then somehow calibrated properly.*" (Talent Director)

"*Key challenges in the talent identification, I think it really boils down to educating the managers to do the assessments properly, so they are really aware of what to be assessed and how to do the assessments. That's an important part of making sure that we are identifying the right talents and then develop the right talents in an efficient manner.*" (Talent Manager)

Secondly, "**Hypothesis 3**: higher potential can increase the speed of promotion" was discussed in advance.

Based on data analysis results, higher potential is almost a key (but not quite statistically significant) factor to influence the speed of promotion when removing talent identification. Therefore, "Hypothesis 3: higher potential can increase the speed of promotion" was discussed. The question was whether there is really a connection between high growth capacity and getting promoted quicker, and the answer was yes:

"*I was really happy to see this connection (based on the quantitative data analysis) because growth capacity is about us assessing the potential for taking moves. I've been with organizational major moves, so I'm really happy to see that there is a connection and there is a line with what we are trying to assess.*" (Talent Manager)

"*…our new legal executive vice president from the executive board, who was identified quite early as a person with solid growth capacity, was also rotated quite quickly. And of course, there was a major jump from director level to executive board position. So, we do have examples of this.*" (Talent Director)

Since growth capacity seems to be an important factor in the TM strategy, a further question was asked about how the growth capacity of employees was assessed. Generally speaking, the assessment includes two key points: (1) how managers see the possible growth of employees in the future, and (2) how employees show their abilities and motivation to grow in the future:

"*… the manager should think that how kind of meaning moves, and significant moves do they feel that the person could take going forward, and of course, when evaluating that, it's important to take into account how quickly does the person seem to grow in the current job, so how easy is for them to adopt and assess new information and build networks and be effective in that role. It's also about how eager that they develop themselves, so what kind of learning minds do they have, what kind of trainings and development activities that they have taken proactively themselves, and of course, what are the things that they are saying themselves…*" (Talent Director)

"*…And of course, the capacity itself in learning agility, but also if there is something that the person is really interested in.*" (Talent Manager)

From data analysis, hypothesis 3 was rejected, even though potential of employees seems to be a critical factor in the TM process at the case company. The above discussion also indicates some of the reasons why promotions may not occur (growing into the new role, motivation, how effectively they develop themselves, how proactive they are), so this might shed some light on why the relationship was positive but not significantly.

Thirdly, "**Hypothesis 2**: higher performance can increase the speed of promotion" was discussed.

From data analysis, while being different from the importance of potential, performance did not seem to be associated with the speed of promotion, and it did not influence the speed of promotion either. A question was asked "Would it be a problem if growth capacity is a better predictor than performance". The interviewees not only did not see this as a problem, but also see this as a good thing. Because good performance can state the success of putting the right people at right place, while good potential can be a better predictor for future growth such as promotion.

"*Again, I would say this is really good news, since performance is not really necessarily an indicator of potential for future roles. So, performance is always related to the role that you are currently in, it's more like showing the past, but not the future. So, I think it really makes sense that actually the growth capacity is a better predictor for promotion.*" (Talent Manager)

"*I think this is great to see. Even some of the people are solid performers throughout many years, so it could be that they are very-well placed and therefore, if we see someone who then has got growth capacity in addition to the solid performance. I'm happy to see that identifying people means that we are able to promote them and essentially then that identification kind of also seems to make a difference.*" (Talent Director)

It seems that the combination of potential and performance assessment is playing an important role in the whole TM process, and additionally, the need to include potential evaluations are extraordinarily strong. A further question came into being: “who is the person that gives the grade of performance and grade capacity for employees?” The answer shows that manager is play the most important role in assessment, and peers are also involved in the evaluation process:

“*It is the manager, direct manager of employee. But then again, the results or assessment of the manager is then calibrated in the workshops together with other peers of that manager. And of course, the idea is that the peers challenge each other’s assessments, so if they see for instance an individual who they don’t agree that the growth capacity as high as what the managers themselves are evaluated, so there would be hopefully discussions and debates and sometimes of course the assessment of the manager is changed based on the common discussions.*” (Talent Director)

From these answers, it seems that assessing the performance grade is a necessary process in the talent identification stage, but it does not seem to obviously make a key role in the whole TM process. The answers are consistent to the data analysis results to some extent. An extra point that can be concluded from the interview discussion is that individual line manager bias is likely to be a factor if this calibration function works effectively.

Lastly, “**Hypothesis 4**: joining development activities and programs can increase the speed of promotion” was discussed.

In the sample, there were 9 different development activities and 3 kinds of talent development programs. From the data analysis, both joining development activities and the talent programs had significant and positive correlation relationship with speed of promotion. It would be interesting to know what the challenges would be when arranging development activities or programs for employees.

"*…one of the challenges is that for many talents they are very eager to have continuous development, and this is very positive, versus the managers being granted time for developing talents is a challenge… So, we would hope to see talent development being linked to the next steps as well, not too much about just always managing the current… It would be great if we could have the opportunity to rearrange even more of those, but lately our approaches are being organized to identical programs at the area level, so that they kind of mirror the global approach, but essentially local for instance in China, none of the early career stage programs are run in the Chinese language.*" (Talent Director)

From the answer, it can be said that for Hypothesis 4, at least the case company would hope the employees who take development activities to achieve a higher level in the future. It seems that there are two important challenges in this talent development stage, which are (1) how to arrange activities and programs for different employees based on abilities and interests of employees as well as needs and plans of the organization, and (2) how to arrange time for them to participate.

"*…we kind of think about clearly if the person has been identified as a talent and we try to understand for instance, what is their current situation, what is their current ambition, and how are they currently positioned, and where have they been nominated in terms of succession plan… We try to go back to the individual situation and see that what are the most relevant activities, for some it would be a program, for some it would be a job rotation, for some it could be a traditional training course. This applies for the non-talents as well. So, we do try to understand what essentially the person wants, what are their capacities and capabilities of going forward.*" (Talent Director)

For deciding who to take to what talent programs, this is added:
"*The criteria have been to identify people who need help and who we could book this program to develop them fast… We try to strike a good balance between different na-*

tionalities, and gender in that population. The nominations are always calibrated with business leaders when we decide." (Talent Director)

5.2.2 Qualitative findings regarding other talent management issues

In addition to the hypotheses related questions, some other interesting questions were asked and answered during the interview. The findings are summarized as four points below.

Firstly, a question was asked about ***age and talent outcome***. From the data analysis, it seems that employee age as well as years of service were negatively related to IPE change (speed of promotion). The interviewees were asked to give their opinions about this point and explain the possible reasons behind it. Both interviewees said the negative correlation relationship between employee age or years of service and IPE change is reasonable. It is commented that senior employees may have already experienced the period of fast promotion:

"*… if there is a 'year of service' such that they have been with us for a longer time, so maybe they have already become established in their career. So maybe therefore, there is no such rapid promotions in their part.*" (Talent Manager)

"*I would agree. If we think about IPE, it's directly linked with the impact of the position. And the higher the IPE you have, the higher impact of the position obviously… When you grow, then of course your capacities and capabilities and competences grow, then you can manage in positions with the higher impact. But essentially, the more senior you are typically, then the higher the level of impact is. But then again, the positions available… So obviously, there is a point where impact growth essentially stops. There are no jobs that would have any higher impacts than the position that some of the directors are already placed in.*" (Talent Director)

Secondly, after accumulating some knowledge about how the TM system works at the case company, it seems that the company has invested a lot from selecting talents, offering development opportunities for all the employees, and promoting them to better future roles. A realistic question was asked to the interviewees: "Could you suggest a percentage that the organization has invested in the ***development activities/programs for the people (1) who are identified as talent (2) versus the total amount?***"

"*I don't think we have been actually calculating in this way. This might be an interesting calculation because we can easily calculate what the global development programs cost, and therefore, how would that translate to if we think about the size of the population, the investments, and thinking about what the others, for instance, in a way, didn't get. But I don't have an answer to this because I think also it's not easy to quantify other development activities.*" (Talent Director)

The Talent Director added the reason later that "there were for example 500 short job rotations, and employees who were categorized as high potential or emerging leader" could join these. These employees "are able to go to a location and job shadow, and they are able to join a 3-month work placement in another country". It would be difficult to quantify the development activities and measure the exact investment. But she also commented that "But I like it, maybe we should try".

Thirdly, taking a panoramic view of the TM strategy, two questions that are popular in TM research field were asked. One question is "Would the ***talents be officially informed that 'hey, you are identified as talent'? Do you think if it should be transparent?***" It is commented that managers in the case company do not officially inform the talents that they are selected as talents, instead, the selected employees will be informed that they are potential and there are possibilities to develop. Based on the AMO theory discussed earlier, these selected employees may be highly motivated since the company tell them that they are potential and there are opportunities for them. These employees may perform even better than before.

"… We don't communicate this to the talents using those words. What we do communicate is that we see potential in them, and we would want to support their development. That is the message that we send (tell) through, but we don't say that you have now being recognized as an emerging leader… We are now thinking about should we communicate a little bit more about our leadership and talent review process to our employees. This is something that we are working this year to think what a good approach in the communications towards our employees could be specifically." (Talent Manager)

From previous discussion as well as the data analysis, talents seem to be able to get more development opportunities and create more values. Therefore, the other overall question which is also popular in TM field was asked: "***Does exclusive view (focusing on these top X% people) work or make sense?***" The Talent Director claimed that the case company "is taking a mix-clusive view" in her opinion, which can be discussed separately. On the one hand, she said that the approach is "quite inclusive", since the talent review includes people not only from director level or executive levels, but also people from senior levels and operative roles:

"W*e have actually included a very large cope of individuals to our talent review to re-understand their aspiration better to make sure that we are able to then at least have the opportunity to identify the different aspects of their performance, potential, and obviously help them moving forwards."* (Talent director)

At the same time, the Talent Director commented that the exclusive view is reasonable to some extent. Because TM is "where you are managing your most valuable capital", and "you have to take a chance and set some priorities and focus on some individuals more, just like you focus on some businesses a bit more". She said the exclusive view can sometimes be important for a growing company:

"*It is really important that you understand what capital you currently have to be able to quickly acquire those talents that you currently don't have or then maybe also take the decision to develop the people who you already have in a different way than what you currently have to be successful in the future.*" (Talent director)

For the near future about TM at the case company, interviewee A suggested that the company is "going to open up the communication to the employees around the TM process so they have a better understanding of why we are doing the process, what kind of information is captured there, and how would that be helpful in developing and supporting them going forward." In this qualitative analysis part, the interviewees showed opinions for some realistic TM questions for the case company.

6 Discussion and conclusion

Based on the increasing mobility and globalization and the economic shift from product-based to knowledge-based businesses, more talented employees are needed, and organizations are updating their management strategies to be better confronted with talent challenges (Thunnissen et al., 2013b, p. 1744). Therefore, TM become increasingly needed by different levels of organizations because the businesses are growing fast, economic conditions is more complex, workforce is changing faster, and competition of gaining talents is fiercer (Ashton & Morton, 2005, p. 28).

The establishment of a talent pool generally includes two methods, buy talents (directly recruit new employees with high performance) and make talents (develop current employees with high performance or high potential) (Thunnissen et al., 2013a, p. 328). CEOs, HR managers, and TM literature seldom have the opportunity to discover how, how well, and for whom that the TM strategy can be effective in practice (Thunnissen, 2016, p. 58). Correct and efficient TM has been regarded as one of the main solutions for human resource challenges in current labour market (Bethke-Langenegger et al., 2011, p. 525).

This thesis focuses on examining how the talents are internally made by the organization, which includes how the evaluation is done for assessing and identifying talents, what happens after the identification, and what are the individual outcomes of this process. Therefore, the research question was set as: "*What are the effects of exclusive talent management (talent identification and development of a small proportion of workforce) on individual talent outcomes, especially their career progression (speed of promotion) versus those not identified as talent?*"

There are limited existing research that discusses about TM outcomes, and thus the key question about whether exclusive TM works is critical and interesting in TM field. In order to examine the answer for research question with the basis of case company's TM system, a quantitative analysis was conducted. The sample included 200 people, which include employees from different backgrounds around the world. As one of the outcomes of TM, getting promoted faster is one of the targets or achievements that both employees and the company would like to see. Therefore, by conducting a quantitative analysis, it will be able to see whether employees who are identified as talent, assessed with higher performance and/or potential, admitted to more development activities, have faster speed of promotion. A correlation analysis was conducted to examine the correlation relationship among variables, and a regression analysis was conducted to test the hypotheses. Furthermore, a qualitative analysis was conducted to collect TM managers' opinions towards some interesting questions about TM system as well as the quantitative analysis results.

In this section, as the last part of the thesis, there will be summary discussions about previous-mentioned points with the combination of theories and research analysis findings. Discussion includes the results of four hypotheses and answer for the research question, limitations of current research and suggestion for future research, and implications for research on TM and TM practitioners.

6.1 Discussion on the research question and hypotheses

There might be a relationship between global TM and the performance of MNCs. One of the elements that can influence the relationship is the routine that the MNC takes when: (1) defining the quality and quantity of people in pivotal positions; (2) establishing talent pools to integrate, build, and configure internal (talents inside the company) and external (talents that are not yet employed) resources; (3) developing differentiated HR architecture to help improving the levels of different types of human capital and make it consistent with the company strategy (Collings et al., 2018, pp. 5-8.) Therefore, the aim of this thesis was to conduct research and analysis to examine the employee outcomes of talent identification and talent development.

This thesis developed four hypotheses to answer the research question: "What are the effects of exclusive talent management (talent identification and development of a small proportion of workforce) on individual talent outcomes, especially their career progression (speed of promotion) versus those not identified as talent?" The findings indicate that in the given sample, being identified as talents is the most important thing, because it is will directly lead to faster promotion. Here are some quick answers for the hypotheses based on data findings with the combination of literature.

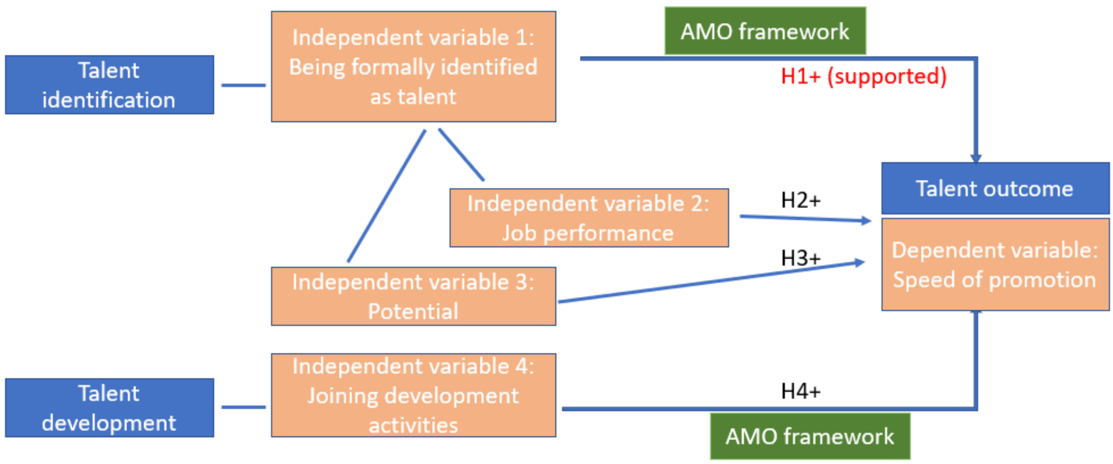

Figure 8. Result of the hypotheses based on research model.

"Hypothesis 1: An employee being formally identified as talent is positively associated with the speed of promotion" was supported.

Hypothesis 1 was supported from the data analysis side. By conducting correlation analysis between the independent variable "Being identified as talent" and dependent variable "Speed of promotion", the result revealed that there are significant and positive correlation relationships between these two variables. It means that the employees who are identified more frequently may also have faster speed of promotion, and vice versa. In addition, Hypothesis 1 was supported in the regression result. Meaning that being identified more frequently would lead to or result in faster speed of promotion. Furthermore, in the qualitative analysis part, the TM managers also stated that they identify talents because they are outstanding and necessary for the organization, and they are planned/expected to take more senior roles in the future.

The finding means that being identified as talent is one of the fastest ways to achieve outcomes such as promotion in the case company. Because when employees are identified as talent, it is a kind of confirmation that they have more outstanding abilities and motivation than peers. After a series of talent development activities and programs, their abilities and motivation can be further improved, and therefore, the organization puts more expectations on these talents and is more willing to give them relatively more opportunities such as promotion. It can be said that the identification result can lead to the increase of abilities, motivation, and opportunities. As mentioned in AMO theory, these talents should have more possibilities to achieve positive talent outcomes such as faster promotion.

The finding is supposed to be true also for many other organizations which apply exclusive TM strategies. As mentioned earlier, in exclusive TM, the selected 5-20% of employees will be allocated more resources, and they are expected to create more contribution for the organizational development. Despite the many reasons why being identified as talent may not lead to faster promotions (such as not willing to move to a new position, are there are no available positions to be promoted), the evidence can still suggest that in an exclusive TM, faster promotion is one positive outcome for individuals with talent status, compared to those who are not identified as talents. Briefly speaking, being identified as talent may really make a difference in exclusive TM.

"Hypothesis 2: An employee's job performance is positively associated with the speed of promotion", and
"Hypothesis 3: An employee's potential (as evaluated by his/her superior) is positively associated with the speed of promotion" were both rejected.

For both hypothesis 2 and 3, there were significant and positive correlation relationships between the independent variables and the dependent variable, meaning that the people who had higher performance or higher potential may also had faster speed of promotion, and vice versa. But according to the testing result of regression analysis, hypothesis 2 was not supported, neither hypothesis 3. It means that performance or potential could not directly result in faster speed of promotion. Based on the interview conversation in qualitative research part, it seemed that the TM manager and TM director at the case company at least regard potential as a critical factor in talent identification, and they probably would predict or expect the employees with higher potential can be promoted faster. As mentioned in literature, employees may notice more about their performance, while managers may pay more attention to employees' potential (Cadigan et al., 2020, p. 180). Therefore, the interviewees were happy to see that there is some connection between high potential and fast promotion. But maybe the sample is small, so that the influential relationship is not significant.

The finding means that neither performance nor promotion can be an influential factor towards promotion in the selected sample. As discussed earlier in section 3, high performance is a kind of affirmation that the employee is performing well in the past, but the more critical point in TM is to discover the employees with skills and abilities that are needed in the current or near future, and the high performance in one position may not state the success in another position. High potential is an estimation that the employee has the capability to develop further in the future, but the assessment is just a prediction which can also be subjective with biases. Furthermore, even though assessment of performance and potential are critical in TM especially in talent identification stage, employees who only have high performance or high potential might not be adequate to be identified as talent and further get promoted. Because there can be other considerations or challenges when conducting the assessment or making promotion decisions of employees in real TM.

The finding might be true also for some other organizations, but it worth organizations to analyze and discover more about the fact themselves. Because in TM evaluations, there might be different subjective criteria, opinion, or biases of managers when deciding the performance and potential assessment results. Furthermore, TM can be complicated, and the TM outcome can be shaped by different factors, not only performance or potential. Here are two points that might be valuable for organizations to conduct relevant analysis. First, whether both performance and potential together influence talent outcome or not. Since this thesis finds out that either performance or potential is not enough on its own. Second, relevant research based on bigger samples with employees from different backgrounds such as position field and location.

Hypothesis 4: Talent that participate in a greater quantity of development activities are more likely to experience a higher speed of promotion." was rejected.

Hypothesis 4 was rejected from the sample side. The correlation analysis results revealed that the employees who take more quantity of development activities may also have faster speed of promotion. But the hypothesis was tested by regression analysis, which showed the result that joining more quantity of development activities would not lead to faster promotion. As mentioned in the interview conversation, the case company was trying to understand the preferences and the needs of employees for development. But this hypothesis was made about whether the quantity of taken activities can influence the outcome. It would be hard to measure the quality of different activities and whether these will impact on the TM outcome. Furthermore, Kirkpatrick came up with a learning evaluation model, which includes four stages (*reactions*, *learning*, *behaviour*, and *outcomes*). The higher the level, the more useful in training, and the more difficult to implement (Fink & Sturman, 2017, p. 7). But the data analysis of this research was not able to realize the status and feedback checking after employees have joined the development activities.

The finding reveals that TM is regarded as a "*resource-intense activity*", which means that there might be a lot of investment and input to the strategy, but hard to see or measure the clear outcome such as achieving a more senior position level (King, 2015, p. 277). By being selected and joining development activities, the most obvious impact on employees is the possible enhancements on abilities. At the same time, as mentioned in section 3, the employees may feel they are treasured by the organization and be more motivated. Joining development activities can also bring other benefits to employees such as getting more information and becoming more outstanding for managers when considering future opportunities such as promotion. But in real TM development, every single aspect of the improvement AMO can be complicated. For example, the development skills are not needed by the employees, or they do not have a preference on the activity. The case company puts many efforts on identifying the talents to join leadership development programs and participate in cross-functional and geographical moves, but it might be hard to materialize the integration. It can be said that TM is "more than a system", and employees may react and develop in a different way as planned (Thunnissen, 2016, p. 69).

The finding might be true also for some other organizations, but it worth organizations to analyze and discover more about the fact themselves. Developing future managers are usually regarded as a critical component in talent development, since they have more direct influence about the organizational strategy and resources, and therefore, they can indirectly impact on the organizational performance (Sheehan, 2012, p. 68). But there are also sayings mentioned that the "*importance of human capital, or talents, and the potential impact of some employment practices*" are overestimated in TM field (Thunnissen et al., 2013a, p. 328). For the arrangements of development activities, it is necessary for organizations to develop talents' uniform skills when implementing talent management programs, but it can also be beneficial to explore and nurture their unique skills (for example, managerial skills) based on the specific position requirements of the company (Claussen et al., 2014, pp. 242-243). It also worth noting that talents may be just a part of the employees in an organization, usually "*10% to 20%*", but their contribution to organizational performance might be disproportionate. One of the reasons is that the improvement of individual human capital normally can result in higher individual performance but cannot directly lead to higher organizational performance (Collings et al., 2018, pp. 4-15). Based on the findings of this thesis, more research that relates to the effectiveness of TM and the exploration of real value of talent development is needed in the field. More specifically, a bigger sample with tracked history of talent development for several years can be valuable. And the effectiveness of different levels/quality of development activities are useful to be analyzed separately.

The hypotheses results can reveal that all the TM stages (such as talent identification and talent development) are important and necessary for creating TM outcomes. And AMO (ability, motivation, and opportunity) framework, which is used as a basis for the arguments behind the hypothesis, can be found to be relevant to every TM stage. But in talent identification and development, the improvements of the aspects of AMO may not be obvious all the time, or these may not lead to positive talent outcomes. For example, in talent development stage, even though employees are selected to join development activities, they do not get promoted significantly. It can be possible that not the most suitable or performing people are selected for the activity, or the sample is not big enough to state the relationship. Therefore, it can be said that stages of TM and its relationship with AMO is complicated, which may not always go as it is mentioned in theory.

One more interesting point which may affect the hypotheses results of this thesis is that promotion may not happen sometimes. From the talent identification perspective, it can be possible that the managers hide their talents on purpose because they hope to keep the talent in their department. At the same time, managers and employees may act differently towards performance appraisal in different culture. From the talent development perspective, talents may not be willing to join the development activity, such as they do not have enough time. It can also be that training doesn’t have a direct or immediate effect on performance, potential or identification. From the talent outcome perspective, there may not be available positions when the talent needs to be promoted (the more senior level of position to go, the less positions available especially in a small country). In addition, there can be horizontal movements of positions (position changed but not regarded as promotion, because the position is in the same level, but the different position can still bring differences for career), which may influence talent outcome but hard to be found. Furthermore, there are subjective factors that may influence the effectiveness of GTM. Even though the assessment criteria are the same in different business units of a MNC, managers and employees at different place may have different focuses or views for the details of performance assessment because they have different cultural background (Minbaeva & Collings, 2013, p. 1172).

6.2 Limitations and areas for future research

There are some limitations in this research. Firstly, the data is incomplete because in the given data, some of the employee information about identification, development, and promoted are missing. In data analysis, the missing data are not included for the result calculations. Therefore, the finding could not prove that being identified as talent can have indeed effective on getting promoted. There is not much evidence in the reviewed literature that can support this point either. The study lacks certain rich cases and the 200 sample is rather small.

Secondly, the implementation of TM strategy is much more complicated than what is stated in literature. There can be an unpredictable difference between the expected and actual TM outcome (Thunnissen, 2016, p. 69). For example, from the data point of view, the speed of promotion is based on the IPE (International Position Evaluation) changes, but maybe (1) some employees are outstanding, but just do not have available positions for him/her to move on at that moment, (2) moving to a same level position will not change IPE, but the actual substance of the position has changed.

Thirdly, TM is more than a system because it can be influenced by subjective factors of employees (Thunnissen, 2016, p. 69). The overall outcome of TM should be increasing the performance of the organization, and therefore, making profits (Thunnissen et al., 2013b, p. 1752). The sample is selected with the purpose of including employees from different locations and fields, but they cannot represent the whole company to a large extent. In addition, talents can be flexible and even inconstant such as their interests and motivation, talents may act in a different way during the identification or developing stages, which may cause impacts on their individual outcome and the overall TM outcome.

As mentioned in the earlier section, the result of hypotheses reveals that conducting similar research as this thesis but based on a bigger sample can be valuable. This thesis also has some suggestions for other fields for further TM research about talent outcome:

More research about "non-talents"

Based on the sample, there are 63 (out of 200) employees who have never been identified as talent during 2015 to 2020, who can also be called as "non-talents". They had relatively high performance (average is 4.019) during the selected years, and most of them took development activities. Even though the non-talent group is not the most critical target group of this study, they are still important, since a larger number of employees in the company. Therefore, it would be interesting to discover more about them. For example, whether there are any positive outcomes after these non-talent employees have taken activities. The non-talent group may also be critical for other organizations which also apply an exclusive view, since most of the employees cannot be talents, but they are part of the organizational strength that cannot be underestimated.

More research about the talents in detail and subjective opinions from other stakeholders

This study includes a quantitative analysis with a supplement of qualitative analysis. The quantitative part was completed based on offered practical employee data. The qualitative part was conducted based on an interview with TM director and TM manager. Therefore, two types of further research can be valuable. First, research base on a larger number of employees but with specific features is needed. For example, whether the identification and development of younger employees (or employees with less working experience at the company) have better outcome such as higher performance/potential and faster promotion. It is regarded that discovering an employee's potential at an early stage can be advantageous. Because if the talented people receive more and professional/necessary training and development in the early stages, they will be accelerated to make improvements and promote their success in the organization (Vaeyens et al., 2009, p. 1376). Second, in addition to HR managers, it would be useful if research can conduct surveys or interviews to gather opinions from employees, colleagues, or direct managers.

More research about whether talent identification should be transparent

A practical decision making that companies have to make is – whether to tell employees about their status of talent selection. Companies may choose not to tell the talent identification results to employees, or only tell the ones that have been selected. The strategic ambiguity can lead to different reactions between talents and "B" players (the ones that are close to be selected as talents) (Sumelius et al., 2019, pp. 20-23). Take letting employees know the status for example, from the positive perspective, the selected talents may feel appreciated, while the "B players" may be motivated to make efforts later. From the negative perspective, talents choose to stay in the company because they can get career development opportunities, it doesn't mean that they are more loyal than other employees, while the disappointment and negativity of "B players" might be increased.

According to the research of Björkman et al. (2013, pp. 207-209), comparing with the employees who don't know if they are talents or they are not talents, the employees who know themselves identified as “talent” may have higher performance, develop more valuable competences for the company, and reduce turnover retention. Being transparent may bring some benefits, but it is also important to take care about the ones who haven’t been selected, encourage them to be motivated and join the next selection. However, other factors may also influence on the result of talent reactions and responses to a large extent, such as cultural difference (Sumelius et al., 2019, p. 23). In addition, the act of informing a person about his identity may increase the expectation of the person about his employment relationship. However, they may not only become more confident, but also more complacent and even arrogant (Ehrnrooth et al., 2018, p. 457).

In this study, the question about whether to be transparent was not researched because of the feature of the data. Based on the interview section, the TM director mentioned that managers do not directly tell the employees that they are selected as talents, but employees may realize rapidly about the result if they are treated differently. Therefore, it is necessary to know whether or to what extent that the transparency of talent identification results can influence employee outcomes. This might be interesting and useful not only for the case company, but also for all other companies that apply exclusive TM.

More research about the use of technology in TM

Here are two examples: First Data Corporation (FDC) is a financial services company headquartered in the United States. Here are some features about how is doing their TM: (1) Having clear assessments standards of “*hiring, performance, retention, transportability, and succession pipeline*”; (2) Forecasting the future for talents; (3) Reviewing results on time and update study plans for employees; and (4) Analysing possible factors that may cause the talent leaving the organization and find relevant methods to reduce the risk (Ashton & Morton, 2005, p. 29). Reuters is an international news organization originated from London. Here are some characteristics about how this organization is doing their TM: (1) A long TM history, the journey can be dated back to 2001; (2)

Key growth areas of the organization are the critical recruitment point; (3) Integrating talent mindset in organizational culture; and (4) Having extra emphasis in employee engagement in daily management (Ashton & Morton, 2005, pp. 30-31).

Companies may face challenges of means collecting data and finding answers from data to guide strategic and investment decisions. While the usage of technology and availability of data are regarded as the two key points of talent analytics (Fink & Sturman, 2017, p. 2). There are three main aspects that talent analytics can focus to describe the result of investments. Firstly, details about TM efficiency, such as the cost of hiring, the investment of training, and the time of filling a position of high-potential employee. Secondly, measurements about TM effectiveness, such as the quality of hiring high-potentials, the availability of high-potentials for moving to key leadership roles, and the changes that happened to retention. Thirdly, the alignment of outcome to company strategies, such as being customer-focused, saving company finance, or the completion of TM programs (Fink & Sturman, 2017, pp. 11- 13).

The case company is currently using their own system to store all the employee data, and TM information is also recorded in the system. Technologies can support the process as well as the result from identifying needed talents, designing individual development plans, until checking the performance outcome of individuals. (O'Shea & Puente, 2017, pp. 9-16.) For example, the general information (age, education, and experiences) of employees can be tracked, the rating scales (certain behaviours and actions) can be sorted, and barriers of specific assessment of employees (such as goal setting, the process of coaching, appraisals and feedback of performance) might be reduced. In addition, it would be hard to measure: (1) the interaction among HR practitioners, managers, and employees, and (2) some subjective views and facts at different stages of TM. Technologies (e.g. *Cornerstone, Halogen, HRsmart/Deltek, Kenexa/IBM, Oracle, Saba, SilkRoad, SuccessFactors, and Workday*) are now commonly used in TM field to identify, acquire, develop, and evaluate talents. One suggestion for all the other organizations is to compare the technology management of competitors in the similar industry and keep updating, maintaining, and using employee data properly and efficiently.

More research about TM under different circumstances

This study is conducted based on the data of an MNC. The sample is selected with the purpose of keeping the diversity of employees, meaning that the data includes employees from different nationalities, level of positions, fields, working experiences, and so on. But the 200 sample is rather small, and it is difficult to realize detail case studies by getting in touch with employees all over the world. It is known that TM can vary under different environments, such as macro, organizational, and individual aspects (Muratbekova‐Touron et al., 2018, p. 450; Gallardo-Gallardo et al., 2017, p. 2). Therefore, it might be useful not only for the case company, but also other companies to review and analyse their effects of TM on employee outcomes from the following aspects.

Firstly, macro factors may influence TM outcomes. Details of TM in different countries/areas should be further studied based on the markets of the organization. Because emerging countries may encounter more challenging TM since the circumstances are more complex (Muratbekova‐Touron et al., 2018, p. 437), and the supply of high-quality labour in emerging markets may be even scarcer (Stokes et al., 2016), which may influence the implementation and outcome of TM (Nankervis, 2013). It might be interesting to analyse, for example: What are the most critical reasons that employees can get higher motivation in their career in this country? Or what activity/program should may make more sense in which area? Growing talent include three key elements, which are *formal education*, *lifelong learning* and *learning through experience* (Evans et al., 2018, p. 179), but maybe different places have different focuses based on their culture. In addition, as a Finnish company, it might be useful for the case company to analyse if it is advantageous to apply Finnish working culture globally.

Secondly, organizational factors may influence TM outcomes. Organizations may design different features of the management methods for different groups of talents, for example, for managing the Millennials (generation born during 1981-1996), according to the relevant research, it would be more effective to: emphasis on CSR, high value training and development, mobility at early stage in career, need to better understand employer branding (they may change organizations several times during their career). (Vaiman et al., 2012, p. 930.) Take another example, better performance may be achieved in R&D departments, if more development opportunities can be offered (Li et al., 2019, pp. 11-13). In addition, involving non-HR leaders for making TM decisions is regarded to have more possibilities to increase the success of the organization (Vaiman et al., 2012, p. 927). Therefore, it would be great to further analyse if different outcomes are achieved among different employees at different fields/departments or positions.

Thirdly, individual factors organizational factors may influence TM outcomes. According to a study of French MNCs in Asian market, western MNCs are nowadays facing challenges in attracting and retaining educated and young talents, because there is no significant difference of benefits and compensation between local companies and western companies, there might be a glass ceiling for local talents to become a leader in MNCs (Dejoux & Thevenet, 2012, p. 39). In addition, in some countries, such as in BRIC countries (Brazil, Russia, India, China), women seem to be ambitious to take senior positions, but they may also need to contribute to creating family values. While young talents may care about salary and promotion opportunities in the organization (Dejoux & Thevenet, 2012, pp. 36-40). The individuals are the most complex part in TM. Talent outcome and retention may be affected by different factors. For example, talents may have different desires for salary, performance-oriented compensation, work-life balance, organizational support, and training and development (Ambrosius, 2018, p. 63). Therefore, it seems important to conduct more practical case studies to see if employee outcomes vary, and whether the TM model need to adjust to the local environment, especially for attracting young talents or female talents.

6.3 Implications for practice

Exclusive TM

The case company as well as this thesis applied the exclusive TM. Exclusive approach seems to be used more frequently based on literature about HR practices (Thunnissen et al., 2013a, p. 334). Exclusive TM perspective suggests that only some of the employees are talented and therefore more valuable than other employees for the organization. At the extreme side, some organization may spend "*90% of their resources on 5% of the employees*" (Dries, 2013, p. 279). Exclusive TM can be defined as a method of creating contributions to the organization based on the differentiated management of employees' ability and potential (Sumelius et al., 2019, p. 2). In addition, people with high potential or the people positioning at senior management positions are normally seen as vital to the survival of the organization, especially in international companies (Iles et al., 2010, p. 128). The findings of this thesis suggests that people who are identified as talent can get promoted faster, which means that exclusive way is useful.

The case company's TM strategy is not so different from many other companies. Therefore, a general implication can be made is that exclusive TM can also be useful for many other companies. Exclusive TM offers benefits for both company and employees. From the company perspective, since there are limited resources and not able to provide equal opportunities of learning, growth and development, the exclusive TM approach can enable companies to select the most necessary or suitable talents to get possibly biggest return. From employee perspective, the most important thing is to be identified as talent. TM is like a race; employees start from the same line. But the small number of identified talents is like they are given 20 meters head start. Being identified as talent means they can get more resources and investment, more attention from managers, greater organization support, and they are sponsored by the organization. Talents have more possibilities to enhance skills/abilities, get higher motivation, and be offered more opportunities by the organizations. Therefore, they should or at least they are expected to have better outcome than others.

There might also be challenges in exclusive TM. The inequality may raise a lot of "A players"-related problems in the organization such as less willingness of making efforts and improvements, negative attitude in daily working, lower commitment, more resignation. On the other hand, even though the "A players" may have positive reactions to the opportunities invested by the organization, they could feel pressure of being the most talented ones in the organization. These may negatively affect their behaviour and performance from a long-term perspective (Bhatia & Baruah, 2020, p. 205). In the sample of this thesis, there are employees who have not been identified as talent during the selected five-year period. It is hard to say whether they have negative opinions or reactions in working environment or not because of the talent identification results. At the same time, there are talents who do not get promoted in several years, and there are talents who are not identified as talent again later. It is hard to figure out the main reason since there might be subjective and objective views toward exclusive TM system or some stages of TM.

Here are some suggestions for other organizations. It can be said that there is no best approach or common approach that suits all the organizations (object or subject, inclusive or exclusive). TM approaches is based on TM strategies, which may also varies based on country and/or industry circumstances (Gallardo-Gallardo et al., 2013, pp. 297-298). Every approach does have different features, for example, exclusive TM policy focuses more on satisfying the needs of the organization (Thunnissen, 2016, p. 70). Organizations can use approaches flexibly, for example, using object approach to determine the needed personal characteristics of talents, and using subject approach to set the standards for talents (Gallardo-Gallardo et al., 2013, pp. 297-298). For individuals, it seems that it can be beneficial to understand how the organization "plays the game", but it might be difficult because the TM might be dynamic and to some extent untransparent in the organization. Therefore, for organizations, it is important to operate a TM strategy that fits the organization from long-term perspective, for example, fit with "*strategic objectives, organizational culture, and HR polices*" (Dries, 2013, p. 283), adjust the details of the TM strategy, and continuously make relevant improvements to align with the organizational targets.

For the organizations that determined to apply the exclusive TM approach, it is critical to be careful about how to select and identify their talents, since the talents may become future leaders of the organization in a short time. At the same time, it is important to decide how to label different employees and consider whether to tell the identification results to the selected talents. According to the research done by Sumelius et al. (2019, p. 7), the company FinnTech only let the selected talents know about their status and join development programs, while the not selected talents will not hear about the existence of talent pools. Organizations need to consider: In addition of saying “you are talent”, would it be even better to say, “you are potential”? Would it be good to say, “you are not talent”, and bad to say, “you are not potential”? Furthermore, it might be important to figure out the urgently needed features of talents. Because the financial and non-financial investments that the organization has made is to find the right internal group of people more accurately and treat them correctly.

Performance or potential

According to the quantitative findings of this thesis, in exclusive TM, employees with high performance or employees with high potential cannot significantly achieve faster speed of promotion. In addition, when comparing performance and potential, according to the qualitative findings, potential is expected to be more important in TM process at the case company. Based on the data of sample, 89.1% of high potentials are high performers, while 50.3% of high performers are high potentials. This means that performance and potential are two separated things in TM, and people have higher potential have more possibilities to have outstanding performance at the same time.

The finding is supposed to be true in many other organizations. From employees’ perspective, achieving higher performance may help them to be more visible in manager’s eyes. From organizations’ perspective, managers and TM managers may pay more attention to the possible abilities and qualifications of employees for future growth. Assessment for past performance and prediction for future potential can both be useful in TM. But if only focuses on performance or potential, the TM process can be narrow or with prejudice. Because performance is a back-ward looking assessment and being outstanding in one position cannot predict future outcome, especially the outcome from a long-term perspective. While potential assessment may include subjective views from managers, and potential is originally a kind of prediction for future. It might be difficult to compare and give a conclusion whether performance or potential is more important or useful. Therefore, it is better if organizations can discuss these two aspects in parallel and help the most suitable/necessary employees to become future leaders.

Here are some suggestions for other organizations. Firstly, based on the feature of exclusive TM, people with high performance or high potential sometimes cannot be granted as talents or get promoted due to limited opportunities. The over-expectation may lead to greater disappointment and offering too many resources to the small group of people may cause negative emotions to other loyal employees (Gallardo-Gallardo et al., 2013, pp. 295-296). Therefore, it is necessary to take care about the feeling of employees. Because employees may lose the motivation to continue making efforts in their job if they think they are not seen or not appreciated by the organization. Secondly, organizations normally assess employees and select talents based on their past performance indicators and future potential estimation. However, the conditions and directions might change, thus “A-players” are easy to be mixed with “B-players”. Therefore, it is critical to update the global conditions of assessment, and let managers make clear about their targets and necessity based on the latest organizational requirements and expectations. Thirdly, employees with only high performance or only high potential may be hard to obviously achieve positive TM outcomes. But it can be possible that employees with both high performance and high potential can achieve different outcome. It worth organizations to conduct more research among their employees at this point. Because high potential might sound more important from the manager/organization perspective, but high performance should not be mixed/ignored.

Talent development

According to the quantitative research findings, join more quantity of development activities cannot lead to faster promotion. However, the case company has invested a lot for managing their talents. Based on the given data, most of the employees had taken several development activities, no matter they are identified as talents or not. It seems that the case company is trying to be more inclusive and aiming at improving the overall abilities, motivation, and opportunities of the employees. This means that investing on individual employees may not directly get return for the organization.

The finding is supposed to be true in many other organizations. TM development activities or programs may be great for individuals because it may enable them to enhance abilities and knowledge, be more motivated, and be more visible for identification or promotion in manager's eyes. But these may not be great for the organization. Because the increase of individual performance cannot represent the growth of organization performance. A suggestion for other organizations is to calculate the financial and non-financial investment that have been made and consider whether the exclusive view really make sense (for shareholders, HR practitioners, and employees). In addition, making comparison may also help improving the TM strategy. For example, at the case company, the learn agility is a big part of (or almost) potential assessment. It can be useful to investigate and compare if this also happens in other organizations, and how others are managing their valuable employees.

As a short conclusion of this section, one point that other organizations should keep in mind is: Developing more comprehensive frameworks of TM to encounter the complex international context may help increasing the competitiveness of the organization (Vaiman et al., 2012, p. 934). From the long-term perspective, organizations need to always review TM. For example, keep the talent agenda fresh, support employees consistently and regularly, and establish the talent focus and values based on the latest talent market trends.

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Appendices

Appendix 1. Interview questions

Some warm-up questions

1. Could you shortly introduce:
    a. Your current position, what you are managing, and how long?
2. What are the biggest talent management challenges and what is being planned next for talent management at the company?
    a. E.g. data analytics, effects of hybrid working on talent management evaluations…
3. What is the talent management philosophy of the company? How do you think those talent employees should be treated and why?

Data analysis & reality

4. From data, employee age/year of service negatively related to IPE change (promotion), do you think there are any reasons behind it?
5. Do you think / do you really see there is really a connection between high growth capacity and get promoted dramatically?
6. From data, growth capacity is better a predictor than performance. What do you think about this point? Would this be a problem?

Identifying talents

7. How do you assess employees' growth capacity (e.g. learning agility?) How to do it reliably? (especially we can see that growth capacity makes a difference in talent identification and promotion)
8. What are the key challenges in talent identification? Any examples?
    a. E.g. the calculation all over the world, hard to check if evaluations are done properly…
9. What are the key challenges in talent development? Any examples?

  a. E.g. deciding who to take what activity/program…

Non-talents

10. From data, it seems that being identified as talent has a strong relationship with promotion speed.
    a. How do you see career opportunities for non-talents? How would they react to the claim that promotion is very difficult? Did you arrange any specific e.g. development activities for them?

Talent development

11. How did you decide who to take which development activities and programs (e.g. based on their performance and/or growth capacity)?
12. Could you suggest a percentage% that the company has invested in the development activities/programs for the people (1) who are identified as talent (2) versus the total amount?
    a. What is the overall approach regarding (1) development for all (2) versus development for the chosen few?

Does this work?

13. Would the talents be officially informed that "hey, you are identified as talent"? Do you think if it should be transparent?
14. Does exclusive view (focusing on these top x% people) work or make sense or create values? Is there any evidence or stories?
15. Does the talent management strategy (e.g. assessment criteria of talent, adding more development activities) update to be more consistent with company's target year by year? How would you improve the talent management process if you think it needed?